The process of constructing and maintaining a social licence to operate in a developing market

By

Nelson Solan Chipangamate

15393349

Submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

at the

Gordon Institute of Business Science, University of Pretoria

Supervised by
Prof. Johan L. Olivier

2020-07-08

i

Declaration

I, Nelson Solan Chipangamate declare that the thesis, which I hereby submit for the degree Doctor of Philosophy at the Gordon Institute of Business Science, University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

SIGNATURE: *Nelson S. Chipangamate*

DATE: 08 July 2020

Ethics statement

The author, whose name appears on the title page of this thesis, has obtained, for the research described in this work, the applicable research ethics approval. The author declares that he has observed the ethical standards required in terms of the University of Pretoria's code of ethics for researchers and the Policy guidelines for responsible research.

Acknowledgement

I would like to thank several people whose immense contribution was paramount to the success of this thesis.

My warmest thanks I owe to the greatest family and many friends for their enduring effort and endless support throughout my PhD journey. It is my hope that you forgive me for all the difficulties I gave you during this journey. My parents, Rueben and the late Violet, thank you for instilling in me confidence and endurance from day one. My lovely children, Tatenda, Tawananyasha and Nenyasha Munyaradzi, thank you for tolerating me for all these years of stoically seeking to advance the boundary of knowledge. You are the most inspiring people in my life. I am hugely grateful to my wife, Rumbidzai, whose encouragement and love gave me the strength to successfully achieve this thesis. Dr Tarirai Mudadada, Dr Gladys Muringani and Gogo Annah Mudadada, thank you for all the support. I acknowledge my friend and study partner at GIBS, Dr Nicholas Ndebele, whose emotional and scholarly support was invaluable.

I am tremendously grateful to the International Development Research Centre (IDRC) who provided me with this fantastic opportunity to obtain a PhD degree from one of the leading universities in the world. Without their generous financial support, I would not have been able to accomplish this.

No words can describe my sincere gratitude and appreciation to my supervisor. His professional supervision and his positive approach were the key source of inspiration. I would like to thank Professor Johann Olivier for being supportive and for his significant, constructive feedback. He continuously believed in me; without his friendly but highly professional supervision, this thesis would not be possible. I aspire to follow his distinguished path in academia.

My acknowledgement goes to everyone in the focal organisation and community who contributed to my PhD journey. I also acknowledge my cohort and all faculty at Gordon Institute of Business Science. Without your support and constructive feedback, my thesis would be shallow. The Doctoral team, Viv, Lerushka, Mamello, Banele, Tumelo and Thembisile, I salute you! My very special thanks go to Professor Helena Barnard whose continued emotional support enabled me to overcome the most difficult of obstacles. I would like also to thank Dr Karrin Myres, for your friendly guidance on methodology, Professor Albert Woke, for constructive feedback, and Professor Louise Whittaker for serving as the internal examiner. My acknowledgement goes to Prof James van Alstine (for serving as an external examiner) from Leeds University, and Prof Karen Paul (for serving as an external examiner) from Florida International University. You all provided invaluable feedback.

I also would like to thank the Gordon Institute of Business Science, University of Pretoria, whose high-quality learning environment facilitated and enriched my PhD journey.

To God be all the glory!

Abstract

The aim of this thesis is to demonstrate how a subsidiary of a multi-national corporation (MNC) achieved a social licence, in a Sub-Saharan host country undergoing agrarian transformation. Several foreign companies lost their land to communities in the wake of land conflicts between the legal owners and surrounding communities. However, this is a case of one of a few big landowners that have survived and continued to operate, without suffering substantial vandalism from communities. The study argues this to be an instrumental case of achieving and maintaining a social licence in a context characterised by heighted resource nationalism sentiments.

Extant literature acknowledges that communities' expectations are rising, rendering a legal licence insufficient. Emphasis is on the need for firms reliant on finite natural resources, such as land, to seek a social licence from communities. Yet, the processes through which such a licence could be achieved and maintained are little understood. The social licence is conceptually and theoretically underdeveloped. Anchoring on legitimacy theory, this study looks across two literatures on social licence and corporate community engagement. It empirically demonstrates how and under what conditions corporate community engagement processes deliver phases of a social licence.

An embedded case study is utilised to capture processes from the perspective of both the firm and the community. The study advances theory of social licence by exploring the processes of an instrumental firm in an understudied but critical agriculture industry.

The study identified transactional, transitional and transformational engagement processes, as essential in building legitimacy and trust which are the basis of dynamic phases of social licence. The researcher proposes three new constructs: context specific community expectations, engagement legitimacy, and corporate community visibility, to advance scholarship on social licencing processes. The study distinguishes firm legitimacy from engagement legitimacy. This paves way for future studies to further develop these concepts in social licence process research. Managers in agriculture and other extractive firms will use the theory built from this study to understand how they can achieve social licence at various levels, thereby mitigating the high social risk associated with losing a social licence.

Key words: Corporate community engagement, social licence to operate, dynamic processes, legitimacy, trust, engagement legitimacy, community visibility

Table of contents

List of tables

List of figures

List of Appendices

List of abbreviations

CCE: Corporate community engagement (community engagement)

CCIs: Corporate community involvement strategies

CD: Community development

CE: Community engagement

CSG: Coal seam gas

CSR: Corporate social responsibility

CSV: Creating shared value

FTLRP: The Fast Track Land Redistribution Programme

LDC: Less developed country

MNC: Multinational Corporation

SLO: Social licence to operate (social licence)

SET: Social exchange threshold

ZIMSTAT: Zimbabwe National Statistics Agency

Chapter 1- Introduction

1.1 Background

Zimbabwe has been going through radical agrarian transformation for a couple of years. The events in the country since then have resulted in a significant change in the nation's land ownership patterns (Scoones, et al., 2011). The nature of the changes could be categorised as two phases. The first phase resulted in land devoted to commercial farming declining slightly from over 15million hectares in 1980, to about 12million hectares in 1999. It was a phase largely financed by the British government for a willing seller- willing buyer land reform and resettlement programme (Scoones et al., 2011).

However, in the year 2000, a second phase emerged. It was spearheaded by local communities who felt the rate of land reforms was too slow. They grabbed land owned by foreign commercial farmers and corporations, prompting the start of The Fast Track Land Reform Programme (FTLRP). The government resettled new farmers, on land in excess of 7.6 million hectares- 20% of the total land area of the country (Scoones, 2011). Before the FTLRP large private estates were largely owned by foreign multinational corporations and domestic white farmers (Moyo, 2011) .

Since year 2000, local communities occupied large tracts of nearby farms and multinational estates nationwide. Industrial forest plantations, citrus, tea, coffee and other estates belonging to the state and some private corporations were occupied and or vandalised by communities, leaving the country's agriculture and forest industries at the verge of collapse. Interestingly, land belonging to some multinational corporations, including this case study was either left untouched or with minimal disturbances.

This thesis shows how some firms, maintained community acceptance to operate estates without major disruptions. Some political economics scholars attribute such survival to "high-level negotiations and political manoeuvring" (Scoones, Mavedzenge, & Murimbarimba, 2017, p. 567). This thesis argues that the survival of these firms is an essential case of corporates that have achieved and maintained a social licence in an industry that invariably suffers low social licence to operate. Boutilier (2014) calls for studies that investigate firms that survive in industries faced with low social licence. This thesis heeds the call.

The concept of the social licence emerged under conditions of high dynamism and socio-political conflicts around resources, and involving key economic players as detailed in the literature review section. It is argued that Zimbabwe is an essential context, and a case drawn from such a context, having survived and operating, is important in understanding and

theorising social licence. Scholars have identified Africa for having great potential as a laboratory for theory building, considering the extreme conditions faced by firms operating on the continent (Barnard, Cuervo-Cazurra, & Manning, 2017). Doh, Husted, and Marano (2019) concur with this view, adding that very little is understood on how emerging market multinational enterprises relate with emerging market host country stakeholders. This thesis is at the nexus of these calls, thereby addressing an imporant gap in literature.

1.1.1 The state of the social licence literature

The academic field of social licence studies gained prominence in recent years (Bice, Brueckner, & Pforr, 2017). Multinational corporations are aware of the increasing costs associated with not paying sufficient attention to the rising demands and expectations of host communities (Vanclay, 2019; Moffat, Lacey, Zhang, & Leipold, 2016; Davis & Franks, 2014). Organisations have evolved in the way they conduct their operations around the world. They have responded to changing societal demands and expectations. Communities expect more involvement in how firms operate within their locality (Prno, 2013; Moffat et al., 2016).

It is against this backdrop that the concept of social licence has gained traction. However, the definition of social licence has not yet reached consensus (Hall, 2014). It is more generally concerned with the on-going acceptance and approval of a development by local community members (Prno & Slocombe, 2012; Thomson & Boutilier, 2011). Unlike regulatory or legal licences for an operation, a social licence is a dynamic and interactive licence that has to be earned then continually renegotiated. Expectations, demands, beliefs, opinions and perceptions can change when new information is acquired (Hall, 2014; Thomson & Boutilier 2011; Ehrnstrom-Fuentes & Kroger, 2017). Failure to secure a social licence has often resulted in costly consequences for companies. This thesis likens it to an insurance policy, which has to be obtained even when operations are smooth (Holley & Mitcham, 2016). Thus, the popular uptake of the social licence to operate is partly explained by its perceived role in protecting companies against conflict-related costs (Owen & Kemp, 2013; Prno, 2013).

Despite the predominance of the use of the concept in mining related research, the social licence reflects emerging situations in a number of impactful industries. Examples include forestry, agriculture, hazardous waste, transport, fishing and wind farms (Lacey, Moffat, Zhang, & Ashworth, 2016; Lacey, Moffat, Zhang, & Ashworth, 2014; Hall, 2014; Hall, Lacey, Carr-Cornish, & Dowd, 2015; Prno and Slocombe, 2014; Brice et al., 2017). Meanwhile, in an attempt to understand the nuanced nature of social licence, scholars have taken either a business perspective (e.g Owen & Kemp, 2013; Herremans, Nazari, & Mahmoudian, 2016),

or a community perspective (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017; Holly & Mitcham, 2016).

This study approached social licence from a dynamic corporate – community relationship perspective, and therefore takes an integrated approach that tackles the subject from both the business and community vantage points. Such an approach is important since this thesis argues that the social licence is rooted in the beliefs and perceptions a local community and other stakeholders hold about the firm (Vanclay & Hanna, 2019). It can only be granted by that community and their associated stakeholders (Boutilier & Thomson, 2011; Parsons, Lacey, & Moffat, 2014; Moffat et al., 2016). On the other hand, a business vantage point is essential as there is need to strike alignment in the way business and community understand achievement of social licence (Smits, Leeuwen, & Tatenhove, 2017).

Despite becoming a buzzword, what is concerning is the lack of clarity on the meaning and processes involved in achieving the social licence (Moffat & Zhang, 2014; Bice, 2014; Parsons & Moffat, 2014; Smits et al., 2017). Other scholars even doubt its usefulness (Kemp & Owen, 2013; Parsons & Moffat, 2014), and question its legitimacy (Brueckner & Eabrasu, 2018). This study argues that the need to get clarity on the meaning, processes and usefulness of social licence has become urgent. Increasingly, there is compelling evidence from studies that obtaining a legal licence from the government is no longer adequate to ensure survival of an operation (Cooney, 2017; Boutilier & Thomson, 2011; Parsons et al., 2014; Moffat et al., 2016). Firms seek to perform beyond compliance and respond to stakeholder concerns (Bice et al., 2017; Hall, 2014; Gunningham, Kagan, & Thornton, 2004).

For multinationals operating in developing countries where the discourse of nationalisation and indigenisation is on the rise, the burden to achieve a social licence is more daunting. This thesis closes a gap in literature by exploring how an emerging market multinational corporation subsidiary achieves a social licence in a developing host country undergoing land reforms. To achieve that, this thesis looks across the literature on corporate community engagement (community engagement) (Bowen et al., 2010; Morsing & Schultz, 2006; Herremens et al., 2017), and social licence (Boutilier & Thomson, 2012; Thomson & Boutilier, 2011; Moffat & Zhang, 2014, Harvey & Bice, 2014). The thesis argues for a dynamic link between corporate community engagement processes and social licence. Bowen et al. (2010, p.297) define community engagement as "the pattern of activities implemented by firms to work collaboratively with and through groups of people to address issues affecting the social well-being of those people". The scholars identify three important strategies labelled transactional engagement (where the firm informs the community of its intentions), transitional engagement

(where it consults with the community) and transformational engagement (where the community is involved in joint projects).

Although community engagement is critical in the construction of social licence, the processes through which the two are linked is little understood (Dare et al., 2014; Hall, 2014; Kemp, 2010a; Bitektine, 2011; Prno and Slocombe, 2012; Kemp & Owen, 2013; Prno, 2013; Bice et al., 2017; Lacey et al, 2017; Ehrnström-Fuentes & Kröger, 2017). This thesis is therefore timely, to understand the nuanced processes through which community engagement processes play a role in the construction and maintenance of social licence. The thesis makes a significant contribution in this area. It proposes and demonstrates that transactional engagement processes, transitional engagement processes, and transformational engagement processes are responsible for achieving acceptance, approval and psychological identification levels of social licence respectively.

1.1.2 Social licence and legitimacy theories

The theory of social licence is undergoing development. Scholars have used a number of theoretical perspectives to provide a lens through which social licence can be understood. Some of the perspectives include the stakeholder theory, social contract theory and systems approach. Due to the limitations of these theories as explained in Chapter 3, this thesis borrows constructs from the theory of legitimacy to build a process model of social licence construction and maintenance in a developing market. Although extant studies use concepts that suggest legitimacy, the studies could be criticised for not using an established theory of legitimacy (for examples see Jijelava & Vanclay, 2017; Boutilier & Thomson, 2012).

This thesis borrows concepts from an established and widely cited theory of legitimacy proposed by Suchman(1995). Suchman (1995, p. 574) offers a comprehensive definition of legitimacy as " a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions". Building on that definition, the scholar identifies three broad dimensions of legitimacy as pragmatic, based on the self-interested calculations of an organization's most immediate audiences; moral, based on a positive normative evaluation of the organization and its activity, and cognitive, based on the comprehensibility and "taken-for-grantedness" of an organization through the array of established cultural accounts providing explanations for its existence (Mele & Armengon, 2016).

Inconsistences in the use of legitimacy theory have resulted in debate regarding the link between legitimacy and the social licence. Some scholars even question the distinction between social licence and legitimacy, asking whether or not the social licence is legitimacy

by another name (Gehman, Lefsrud, & Fast, 2017). Meanwhile, a second stream of literature views legitimacy as providing the business case for the social licence. A clearer manifestation of this argument could be seen in Demuijnck and Fasterling's (2016, p. 675) definition of social licence as "the contractarian basis for the legitimacy of a company's specific activity or project". From this perspective both legitimacy and stakeholder management are seen as providing a business case for the social licence concept. The social licence to operate projects can therefore be seen as distinct from the general legitimacy of the organisation. However, some scholars argue that while legitimacy can be applied as a tool to manipulate stakeholders to gain access to resources, the social licence is not seen as a tool but a situation to be earned (Morrison, 2014). This point highlights legitimacy as a precondition for a social licence (Castello & Lozano, 2011). Other scholars have put it differently, suggesting that having a social licence presupposes general legitimacy of the organisation (Voegtlin, Patzer, & Scherer, 2012).

A different perspective that emerge in literature is that an absence of a social licence would inadvertantly undermine its legitimacy (Demuijnck & Fasterling, 2016), as if social licence were a "flip-side" of legitimacy. This logic has resulted in literature that identifies corporate social responsibility as protecting a firm's licence to operate and in the process contributes to legitimacy (Claasen & Roloff, 2012).

This thesis follows the view that legitimacy is a necessary condition for constructing and maintaining a social licence (Castello & Lozano, 2011; Morrison, 2014). Having done that it borrows constructs from legitimacy theory to understand the process of constructing and maintaining a social licence. Rather than the wide usage of Suchman's (1995) legitimacy theory, borrowing concepts to extend social licence theory has ontological merits. Both legitimacy theory and social licence theory are based on the social construction of reality. Legilimacy and social licence are subjectively constructed by stakeholders.

1.2 Problem statement

The rapid agrarian transformation in Zimbabwe that started after 1999 resulted in the resettlement of new farmers, on land in excess of 7.6 million hectares - 20% of the total land area of the country (Scoones, 2011). Despite the high level of farm seizures nationwide, the farms belonging to a few firms were not targeted by local communities. This was despite the grabbing of state land and other foreign owned farms and conservancies. This is an essential case of a social licence to operate. The Zimbabwean events seem to highlight what is corroborated clearly in literature. The events clearly demonstrate the inadequacy of legal government licences to guarantee smooth operations. There is therefore need for firms to

seek performing beyond compliance, responsive to stakeholder concerns (Moffat et al., 2016; Gunningham et al., 2004; Davis and Franks, 2014), to construct and maintain a social licence. The social licence has been suggested as a way of abating the ever rising corporate-community conflicts (Vanclay & Hanna, 2019; Bice, Brueckner, & Pforr, 2017).

However, the social licence concept is highly contested (Kemp & Owen, 2013), as its legitimacy is questioned (Brueckner & Eabrasu, 2018). Worse still, firms that have embraced the social licence approach have continued to face opposition (Bowles, MacPhail, & Tetreault, 2019). Much of the extant literature has been criticised for being conceptual, presenting recommendations rather than reflections on existing applied examples based on empirical research (Hall, 2014). Despite its centrality, in modern organisations, the literature on social licence surprisingly provides fragile conceptual moorings. Literature suggests that the field is as inadequate, as it is incomplete (Kemp & Owen, 2013; Bice et al.; 2017, Moffat & Zhang, 2014). This thesis answers calls to structure the processes by which to construct a social licence (Hall, 2014). Currently, the knowledge of what constitutes a social licence, the processes involved in its achievement and who are involved in issuing it remains limited (Bowles, MacPhail, & Tetreault, 2019; Ehrnstrom-Fuentes & Kroger, 2017; Brueckner & Eabrasu, 2018; Harvey & Bice, 2014; Moffat & Zhang, 2014; Parsons & Moffat, 2014; Lacey & Lamont, 2014).

Studies that have attempted to proffer the processes towards social licence have largely taken a linear, step-by-step, static model approach (e.g. Parsons et al, 2014; Boutilier, 2009; Boutilier, 2011; Boutilier, Black & Thomson, 2012; Wilburn & Wilburn, 2011). Such an approach may not capture the dynamism inherent in the social licence (Boutilier & Thomson, 2012). The extant approach is due to much literature focusing on the earlier stages of gaining the social licence. A few studies explore these processes over the long term. Furthermore, the models are limited as they are based on indicators, rather than associated concrete practices informing each of the levels of social licence (Baba & Raufflet, 2014). A case in point is the pyramid model proposed by Boutilier and Thomson (2012) that proffers the levels of a social licence, without elaborating the specific practices and processes useful in achieving each level.

Literature suggests that there is still lack of an overall framework for guiding social licence efforts (Akua, Hudson, & Frederick, 2018; Bice, Brueckner, & Pforr, 2017). Because of that most companies remain stuck in a 'social responsibility' mind-set in which societal issues are at the periphery, not the core of business (Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015; Porter & Kramer, 2011; Kemp & Owen, 2013).

Minimum research attention has been directed toward agriculture multinational corporations operating in less developed countries undergoing transformation. Focus has largely been on mining in developed countries (Moffat & Zhang, 2014; Lacey, Parsons & Moffat, 2012; Moffat et al, 2016), bioenergy (Edwards & Lacey, 2014), and renewable energy (Hall, 2014). Research that look at emerging market multi-national enterprises operating in developing markets is scarce, yet such studies have huge potential for theory building (Doh, Husted, & Marano, 2019; Barnard, Cuervo-Cazurra, & Manning, 2017).

This thesis uses a qualitative methodology to better understand the dynamic link between corporate community engagement processes, their transition points and social licence to operate. With this understanding, researchers can better isolate levels of engagement and build dynamic models of different stages of the social licence. Practitioners in agriculture and other sectors can use different engagement processes and strategies with confidence in building different levels of social licence, even in contexts undergoing rapid transformation. This thesis goes a long way in answering growing calls for further research into the theorization, operationalization, and empirical functioning of social license to operate (Gehman, Lefsrud, & Fast, 2017; Rooney, Leach, & Ashworth, 2014)

1.3 Purpose statement

The purpose of this thesis is to demonstrate the dynamic link between corporate community engagement processes and levels of social licence to operate. Specifically, it explains how and under what conditions the nature of community engagement processes will determine the extent to which a social licence is granted. In this thesis, a model is developed, of the processes involved as an emerging market multinational corporation subsidiary constructs and maintains a social licence against a backdrop of a developing host country undergoing transformation. To that end, the study used a process approach to describe and explain the different community engagement processes and how they play a role in building and maintaining varying levels of a social licence. The study used the relationship between the community and a company operating in Zimbabwe as a case study.

1.4 Research questions

The primary research question, which this thesis will answer is: how and under what conditions does a firm construct and maintain a social licence?

The following sub-questions were investigated, in the process of understanding the main research question:

Q1	How and under what conditions does a firm construct and maintain community acceptance?

Q2	How and under what conditions does a firm construct and maintain approval of the community?

Q3	How and under what conditions does a firm construct and maintain the community's psychological identification?

1.5 Definition of key terms and scope of the study

- Social licence to operate is the general on-going acceptance, approval or psychological identification of the firm (Boutilier & Thomson, 2012). It is about getting and keeping access to valuable business resources like markets, financing, talent, raw materials, infrastructure sites, and legal permits (Boutilier, Black & Thomson, 2012).

- Communities are those who are directly affected by a project or operation, and who carry a stronger badge of legitimacy (Harvey & Bice, 2014). In this thesis, a host community refers to those living within the immediate vicinity of an operation, such that they are directly or indirectly impacted by a company's activities (Evans & Kemp, 2011; Lacey, Carr- Cornish, Zhang, Eglinton, & Moffat, 2017).

- Community engagement is the pattern of activities implemented by firms to work collaboratively with and through groups of people to address issues affecting the social well-being of those people (Bowen, Newenham-Kahindi, & Herremans, 2010,p. 297).

- Stakeholders are all individuals or groups who can affect a project or operation (Harvey & Bice, 2014). According to Boutilier, Black, & Thomson (2012) it is more appropriate to define stakeholders as groups rather than individuals since groups can usually exert more political pressure than individuals. Therefore, the thesis argues for companies that understand the network structure of their stakeholders to enhance their chances of achieving social licence.

- Stakeholder engagement is understood as practices the organisation undertakes to involve stakeholders in a positive manner in organisational activities (Greenwood, 2007).

- Corporate responsibility is taken to mean the responsibility of the corporation to act in the interests of legitimate organisational stakeholders (Greenwood, 2007). Some scholars view CSR as a movement to attribute responsibilities to corporations above and beyond strict legal requirements (Boutilier et al., 2012).

- By socio-political in this study, the author refers, by political, to the activity if it attempts to create, modify, or sustain any aspect of the distribution and enforcement of rights

and responsibilities, and their associated costs and benefits, among network members (Boutilier et al., 2012).

- Legitimacy is "a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995, p. 574).

1.6 Limits and delimitations

The study was a case study covering the past twenty years. As such recall bias and the author's bias in interpreting responses in the context of the temporal and spacial dynamics could be a limitation. Therefore, data triangulation was utilised as detailed in chapter four, to mitigate recall bias. The findings from the study are limited only to theoretical generalisability and not statistical generalisability.

In terms of delimitations, although there are a number of corporate community engagement models in literature (Bowen et al., 2008), the models presented by Bowen et al. (2010), and Morsing and Schultz (2006) shall be utilised as justified in chapter three. Similarly, several social licence models are presented in literature (Lacey et al., 2017; Moffat et al., 2016), yet the model proposed by Boutilier and Thomson (2012) is deemed the most comprehensive in outlining the levels of social licence and therefore forms the point of departure for this thesis. The theory of legitimacy (Suchman, 1995) provides the moorings to extend social licence theory. The arguments presented in this thesis are anchored on constructivism philosophy and assumptions as elaborated in chapter four.

1.7 Importance of the study (Theoretical, methodological and practical contribution)

1.7.1 Theoretical contribution

The thesis contributes to existing literature in a number of ways. Currently, very little is known on the processes involved in achieving a social licence to operate (Hall, 2014; Kemp & Owen, 2013; Owen & Kemp, 2013), especially when operating in a context undergoing transformation (Boutilier, 2014; Moffat & Zhang, 2014; Bice et al, 2017). This thesis identifies transactional engagement, transitional engagement and transformational engagement as the processes involved in building the acceptance, approval and psychological identification social licence levels respectively. In so doing, the thesis addresses the gap in current social licence literature which has largely focused on testing whether or not particular industries, especially mining and forestry have achieved a social licence (Lacey, Parsons & Moffat, 2012; Harvey & Bice, 2014; Miller & Buys, 2014; Baba & Raufflet, 2014).

Secondly, the thesis adopts a dynamic model approach to extend our understanding of the role played by various processes of corporate community engagement (Bowen et al., 2010; Morsing & Schultz, 2006) on the construction of different phases of social licence (Boutilier & Thomson, 2012). A process approach has been underutilised in extant studies that are predominantly linear and static (Harvey & Brereton, 2005; Parsons, et al., 2012; Wilburn & Wilburn, 2011; Hall, 2014; Moffat & Zhang, 2014). The few studies that have been proposed, and practitioner models that have attempted to look at the processes of social licence construction, have surprisingly ignored social processes and the structural contingencies inherent in company–community interactions (Luning, 2012). Borrowing constructs from a broader theory of organisational legitimacy (Suchman, 1995), the study was able to integrate insights from community engagement and social information processing literatures, to explain how and under what conditions the different levels of social licence are achieved. Thereby, the thesis addresses an important omission in literature.

In addition to identifying three corporate community engagement processes (transactional, transitional and transformational), the thesis demonstrates how each set of processes influence the three phases of the social exchange threshold (pragmatic legitimacy, credibility and institutionalisation), to construct and maintain three phases of a social licence (acceptance, approval and identification). Ultimately, the thesis makes a significant contribution in presenting a dynamic theoretical process model of social licence in a developing market. To elaborate the social licence processes, the thesis proposes three new constructs, labelled as: context specific community expectations, community engagement legitimacy, and community visibility.

A conceptually richer model that dynamically links the different processes of community engagement and levels of social licence constitutes a significant contribution to the emerging field (Kemp & Owen, 2013). Therefore, the study answers a call for further research into the theorization, operationalization, and research-led understanding of social license to operate (Gehman, Lefsrud, & Fast, 2017). The thesis is an important contribution to rising calls for research that unpacks the nexus of international management and corporate social responsibility/ethics by looking at emerging market multinational enterprises (EMMNEs) operating in emerging markets (Doh, Husted, & Marano, 2019). This thesis demonstrates why it is argued that emerging markets-oriented research, especially in Africa has huge promise as a laboratory for building theory which may advance scholarship (Barnard, Cuervo-Cazurra, & Manning, 2017).

1.7.2 Methodological contribution

Extant studies have mainly focused on industry-wide social licence (e.g. Lacey et al., 2012; Edwards & Lacey, 2014). Very few studies have taken a historical perspective in understanding social licence (for an exception, see Thomson & Boutilier, 2011). The thesis research followed a process approach to understand the phenomenon under investigation (Langley, Smallman, Haridimos, & Van De Ven, 2013). Studying an instrumental embedded case, from 1999 to 2018, this thesis research contributes significantly to the methodology in the social licence field. The field has largely relied on cross-sectional studies and brief pre-operation social impact analysis. Additionally, by using triangulation of data from interviews (community), archival data and observation, the current research provided rich data, thereby contributing methodologically.

Studies thus far have either taken a discursive approach where only company social development reports are analysed (Harvey, 2014) or only interviews from either the community or the firm are considered (e.g. Moffat & Zhang, 2014; Bice & Harvey, 2014). Where participants are interviewed from the firm, usually only corporate social responsibility managers have been considered (Bice & Harvey, 2014). The current research focused on the entire organisation using triangulated sources of data, a departure from the traditional narrow corporate social responsibility approach to social licence.

Overall, in the field of social licence, robust methodology has gained limited use. As a result, the literature rarely devotes space to articulation of methodology (e.g. Lacey & Lamont, 2014; Harvey & Bice, 2014). Furthermore, studies have focused on mining and energy as major industries of study (e.g. Lacey et al., 2012; Hall, 2014; Miller & Buys, 2014). This thesis contributes to a very small, but important body of agricultural sector studies.

Studying agriculture contributes through prescience (Corley & Gioia, 2011). It gives us insights into future research directions, as the sector seems to be under growing pressure to construct social licence in the face of limited scholarly work. Specifically, Hall and Jeanneret (2015) and Harvey and Bice (2014), have called for future research to examine social licence in other industries, cultures and geographic locations. The study answers these calls.

The thesis research contributes methodologically by borrowing from historical research methods to enrich organisational management research. Taking a historical perspective provided the thesis research with useful events and actions that generated rich data.

1.7.3 Practical contribution

Although the thesis uses a case from the agricultural sector, the findings are applicable to other sectors. Therefore, the findings will help practitioners to better understand how to

engage communities for achieving varying degrees of social licence. A number of developing economies are going through agrarian transformation and expected to do so with more intensity in the near future. Hence, this thesis answers increasing calls for scholarship that anticipates practical challenges in advance (Corley & Gioia, 2011). It is of practical importance that firms learn from the example of the current case to build their social licence for the future.

Unlike extant studies that largely focus on the acceptance level of social licence, the thesis offers practitioners the mechanisms to build higher levels of social licence. This thesis argues for the need for firms to reduce the social risk associated with dwelling on a basic acceptance level of social licence.

The thesis will guide policy makers in crafting policies that give local communities more voice. This is important, since communities award firms the social licence dynamically according to how they manage the community engagement processes. Policy makers and corporates need to be more sensitive to the demands and expectations of local communities.

1.8 Summary of the remainder of the thesis

The remainder of this thesis is structured as follows: Chapter 2, the research setting and context, is a high level presentation of the Zimbabwean context during the period from 1999 to 2018, which was the period under investigation(due to the heightened community-corporate conflicts), Chapter 3, the literature review, employs a systematic approach to discuss how scholars working in two literature streams of corporate community engagement and social licence to operate have largely kept them apart and in the process missed some important insights that could inform deeper understanding of both. Chapter 4, Research Design and Methodology, describes employed processes, strategies and tools; justifies the choice of an abductive qualitative process study over alternative approaches. The chapter raises the specific arguments for an historical embedded instrumental case study. Chapter 5,6 and 7 Results, present the study results, under the three key study questions, Chapter 8, Results analysis, presents a critical analysis of results, in light of literature, Chapter 9, Conclusions, summaries and recommendations, concludes the study, highlighting the key results and propositions emerging from the study.

Chapter 2: Research setting and context

2.1 Background

Agriculture is argued to be one of the main causes of water consumption and degradation (D'Ambrosio, De Girolamo, & Rulli, 2018). The industry's sustainability position has attracted a lot of attention from practitioners, academics and policy makers, undergirded by growing stakeholder awareness of environmental as well as social concerns (Sidhoum, 2018). Increasingly, firms operating in land-based industries are under severe pressure to observe community needs and expectations (Bice, Brueckner, & Pforr, 2017). Rising populations results in increasing pressure for agricultural land. A development that has seen growing conflicts, protests or even community opposition emerging from a biased concentration on commercial agricultural land use for marketable goods, at the expense of non-marketable goods, such as landscapes, local food security, food safety and local farmers' wellbeing (Sidhoum, 2018). Since various stakeholders will typically have different land use priorities, land access and use decisions have shown to be a source of conflict among stakeholders (Kim & Arnhold, 2018; Akua, Hudson, & Frederick, 2018).

In an emerging market context in general, and Africa in particular, the potential and intensity of these conflicts are more likely, considering that agriculture remains the main source of livelihoods for poor people. It is estimated that 75% of the population live in rural areas and are engaged in traditional farming practices, which are detrimental to sustainability (Adenle, Azadi, & Manning, 2017). Moreover, land is highly regarded in Africa, as a source of security, and heritage, thereby customarily owned by the community (Akua, Hudson, & Frederick, 2018).

Social licence to operate (SLO) as a concept has its roots in the minerals industry, yet has become an important part of the international discourses on other extractive activities (Mercer-Mapstone, Rifkin, Moffat, & Louis, 2018; Jijelava & Vanclay, 2017). As a result of that, it has found, albeit limited, application in agriculture (Williams & Martin, 2011).

2.2 The developing market context

Although much scholarly work on social licence has been done in developed markets, emerging market countries are characterised by a range of business ethics issues, making them unique and more challenging for organisations that operate in these contexts (Amaeshi, Adegbite, & Rajwani, 2016; Tashman & Fort, 2009). It demands a high level of responsibility to succeed. Scholars have argued that responsible business enterprises are the ones that have what it takes to succeed. Tashman and Fort (2009) define Responsible Business

Enterprises as businesses that engage in the key tenets of managing stakeholders, without losing focus of organisational roles and obligations to the communities where they operate. Thus, there is need for organisations to responsibly engage communities for mutual understanding (Dare, Schirmer, & Vanclay, 2014).

The fact that emerging markets are undergoing transition periods is telling. Legacies of central state planning are lingering, leading to heightened need for transitioning economic, legal and social institutions. By their very nature, emerging markets are dynamic and therefore fluid. Some scholars have identified institutional voids as making social responsibility an impossible mission in developing markets (Amaeshi, Adegbite, & Rajwani, 2016; Lesser, Suopajärvi, & Koivurova, 2017). It is therefore a dilema where developing market firms will succeed through operating responsibly, yet it is argued that it is difficult to execute corporate social responsibility activities. As a result, firms, especially MNCs have advanced the rhetoric of corporate social responsibility in developing markets, yet in practice they have done very little to advance corporate social responsibility practices (Amaeshi, Adegbite, & Rajwani, 2016; D'Amato, Rekola, Wan, Cai, & Toppinen, 2017).

Developing market businesses grapple with managing stakeholder expectations (Tashman & Fort, 2009). This is worsened by transitioning from old regimes that had little focus on legal governance systems in business. Due to a lack of established norms to govern transactions in consistent ways, developing market businesses resort to reactive strategies in dealing with emerging legal transitions. Both the organisations and the communities are faced with difficulties in understanding the justification for the legal governance mechanisms that face them. This contrasts with developed market economies that experienced coevolution of the law and markets, thereby allowing businesses to become part and parcel of the normative value of the legal developments. In developing markets, industries are evolving faster than the legal systems.

Legal enforcement mechanisms are often ineffective in the emerging market context (Amaeshi, Adegbite, & Rajwani, 2016). Burdened by these legacies, corruption, criminality and parallel markets have characterised transitions to market economies. It therefore calls for more commitment by business enterprises in developing markets, to join the development of emerging markets, given the associated risk created by high agency and transaction costs (Tashman & Fort, 2009).

Conducting research which looks at corporate social responsibility in emerging market multi-national enterprises operating in developing markets is timely as calls are rising for focusing on this area (Doh, Husted, & Marano, 2019). It is argued that studies in an African context

have the potential to build interesting theory, as they take advantage of the unique circumstances (Barnard, Cuervo-Cazurra, & Manning, 2017).

2.3 Research setting

2.3.1 The Zimbabwe Situation

The high-level dynamism of the Zimbabwean socio-political environment through the 1990s and the 2000s has been remarked upon by a significant number of commentators, in scholarly journals and business press (Moyo, 2010; Scoones et al, 2011; Scoones et al, 2017; The Financial Gazette, 2017). The country is well documented for land-related conflicts (Scoones et al., 2011). Land conflicts in Zimbabwe have a long history, and land has changed hands more often. The current wave of conflicts over land can be traced back to the colonisation of Zimbabwe in the 1880s, which subsequently led to the bulk of rich arable land in the hands of few, settler companies and individuals.

Indigenous Zimbabweans attempted to resist the colonial occupation leading to the clash between the settlers and the indigenous people in what was named the first Chimurenga. The battles lasted a few years in the 1890s and signalled the beginning of legislatures to legalise acquisition of land from the black majority for distribution to the white minority (Moyo, 2010).

Following the end of colonial rule in 1980, after a war that lasted over 15 years, the government of Britain committed to finance the purchase of land from settlers for redistribution to the black majority. Because of the slow pace of the land redistribution, the government of Zimbabwe was always in running battles with communities who demanded to occupy farms and estates owned by "foreigners". A change of government in Britain in the 1990s led to Britain denying responsibility for compensating land purchases citing among other things the poor management of those funds and preferring to bring money as aid rather than compensation for land (Moyo, 2010). By 1999, the government of Zimbabwe was failing to contain impatient communities, who started occupying land from settler companies and individuals.

2.3.2 The Zimbabwe communities

The study is conducted in a country where the local communities are well known for land-related conflict, having grabbed the bulk of land belonging to foreigners, and in some instances land belonging to the state, especially since the early 2000s period. The events culminated in the government run Fast Track Land Distribution agrarian reforms (Scoones et al., 2011). Farms belonging to white commercial farmers and foreign multinationals have been constantly occupied, leading to the collapse of the agriculture and forestry industries.

The Zimbabwe government made several legislation changes in the 2000s. This led to nationalisation of all land in the country. Redistribution started with the land that was grabbed by communities. This was under the narrative of fast track land redistribution program (Moyo, 2010). The protracted nature of the experiences of the multinational corporation managers as they interact with their local communities to achieve a social licence makes Zimbabwe an interesting context. The current study is therefore an instrumental case of a social licence with potential to help understand the phenomenon.

The case of Zimbabwe and that of the case study firm is not an outlier but an instrumental case of contestation over land use that is witnessed even in other countries and sectors where the social licence is explored. Contestation has been witnessed in gold mining in Tanzania (Newenham-Kahindi, 2012), and in forestry in Australia (Moffat & Zhang, 2016). Zimbabwe provides that appropriate setting to understand the dynamism involved in constructing the social licence. Multinational corporations continue to operate in such diverse environments and scholarship needs to provide guidance in that respect.

2.4 Case selection

In line with the tradition of qualitative case study research, the proposed study adopts purposive case selection. The case is chosen for its theoretical rather than statistical suitability (Hall, 2014; Barratt et al., 2011; Meredith, 1998; Eisenhardt, 1989, Yin, 2015). The reason for a theoretical selection is to make sure that the case contains what the study is attempting to explore in pursuant of the research purpose. By using a single embedded case study, the researcher can capture in much more detail the context within which the phenomenon under study occurs (Barratt et al., 2011), as well as be able to triangulate data generated from the organisation and the community.

In this study a typical relationship between an organisation and a community in an agriculture industry is explored. This is an instrumental case of achieving a social licence under conditions of agrarian transformation, where the industry is facing low social licence to operate. There is a dearth for research in this context (Boutilier, 2014).

2.4.1 Criteria for case selection

Since the study seeks to explore the dynamic link between community engagement and the social licence, this is a study of an organisation and community that have been actively engaged over the past twenty years. This is because the period marks the current wave of heightened socio-political land conflict, for which a social licence was paramount to survive and operate. The relationship of the organisation and the community demonstrates

engagement and construction of social licence to operate as a dynamic process with transition points.

The firm is a MNC subsidiary, owned by foreign capital, and the community is known for land conflicts with foreign firms. The relationship is an important case that will provide compelling insights into the social licence phenomenon. For reasons of confidentiality, the researcher does not refer by name to the firm and the community covered in the course of this study. However, that information is shared with the supervisor. Throughout the study, the company is referred to as Company X, and the Community as Community Y. The names of people and places used in the study are fictitious, to protect the identity of the company and the participants. However, the data used is based on the real relationship between Company X and Community Y.

2.4.2 Boundary of the case study

The study is an embedded case study, comprising the firm and the community as two cases within the broader case of the relationship between the two actors. In terms of temporal boundary, the case focused on the period from 1998 to 2018, since this is the period marking heightened land occupations in Zimbabwe. This was the period when the agricultural industry in the country lost its social licence.

a) Community of geography

Geographically, the study covers one district as the community of Geography. This is the district in which the operations are located. The communities in the district are the most affected by the operations of the company. The company's operations have the potential to impact up to 300 000 people in that community. Community is defined as the people and entities who can potentially impact or be impacted by the operations of the firm. These are the ones that have that potential. In that vein, the study community can potentially be affected by the firm from an environmental perspective. During harvesting, the firm burns its sugarcane fields before cutting so the smoke and ashes have potential to pollute the environment. Sugarcane operations demand consumption of significant amounts of water. From a proximity perspective, the community constitutes those people with whom the firm shared water sources, such that there was competition for water and land use. A key contestation of the community with agricultural firms was based on the need to occupy land which historically was owned by indigenous people. The indigenous people are those who originally occupied the land that now forms the estates of the case firm. Although the firm legally held title to the land, historically the communities have traditional title rights to the same land. There was no payment made for the land when it was occupied during the colonial era. As such communities

see the land as theirs. Thus, the communities draw their mandate from the historical legacy of land ownership.
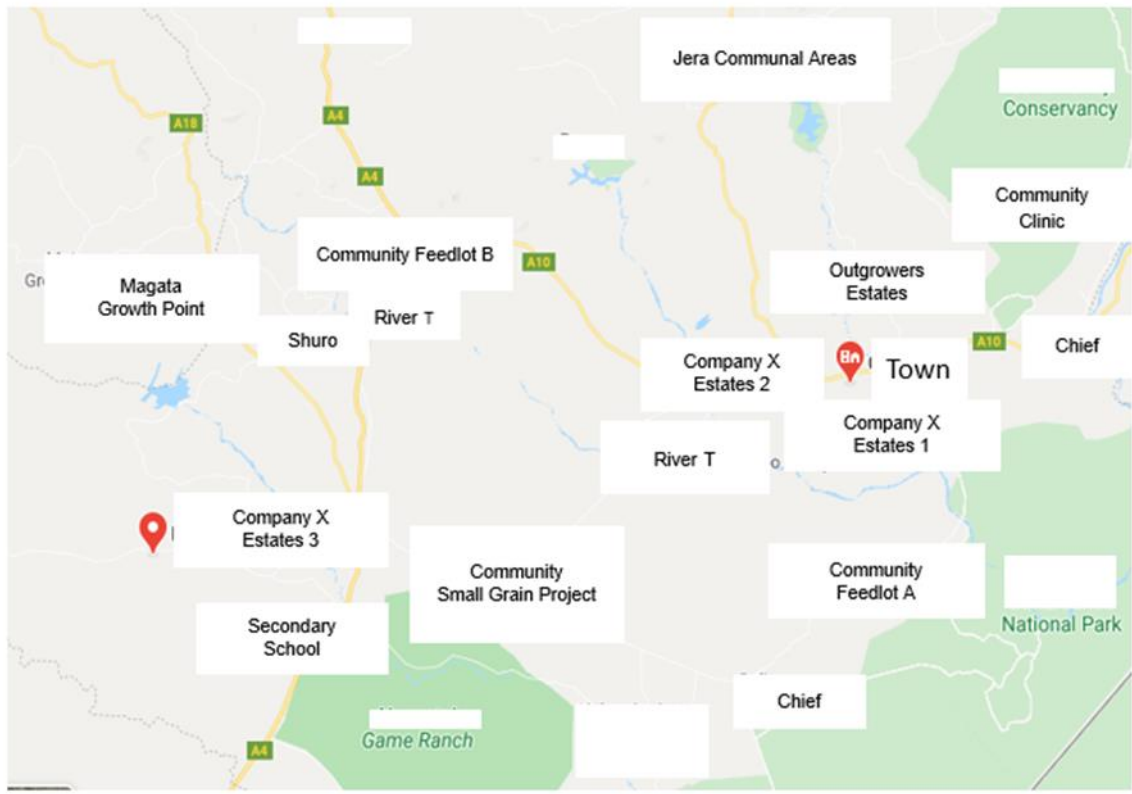
Figure 2-1: Map of Company X operations and Community Y (N.B. Names changed to protect identities)

Although there is a broader geographical area constituting the community, it is observed that there are smaller geographical communities that nucleate around the firm's operations and these too may have their own demarcations in terms of leadership for specific geographical areas. These smaller communities known as villages are led by traditional leaders who are village heads. They have a traditional mandate to lead the people and the case study firm utilised these structures in engaging the communities. The village heads report to the chiefs, who report to paramount chiefs. The paramount chiefs are under the Chiefs President. These traditional roles are enshrined in the constitution of the country and operate under the provisions of the constitution. Therefore, there were checking mechanisms and avenues to escalate concerns.

In addition to the traditional structures, there are elected leaders from the Ward level (led by the councillor), the constituency (led by the Member of Parliament), the senate (Led by the Senator). These are also supported by government appointed local authority and government officials who are also seen as leaders in the community. The notable officer is the District

Administrator, who oversees the administrative function of the district. From the pre-independence period, the DA has always wielded power and influence in the community.

For the thesis study, interviews were conducted from community members around the various projects that provided a platform for corporate community engagement.

b) Community of interests

Another important dimension of community is the community of interest. This identifies the community on the basis of their shared interests. The study identified micro-interests that applied to smaller communities and some that were more encompassing to larger communities. The major interest identified in the thesis was the land ownership. This was an interest encompassing the villagers, the leaders, and government officials. Some interests that were appealing to the community included employment at the company, water resources, health facilities, security, road infrastructure, educational facilities, and recreational facilities, food security and freedom from hunger. When it came to community of interest, the community typically elected their committees to spearhead their interests. The informal committees are led by coordinators. The coordinators drew their mandate from the people who selected them. Coordinators were selected on the basis of their potential to represent the interests of the people. Unlike the traditional leaders who cannot be removed by the communities, the coordinators and the local committees could be changed. Some communities developed constitutions to formalise their groupings. These were the main avenues through which the firm engaged with the communities. The leaders were under pressure from both the community and the firm to report back on the deliberations. Evidence of community meeting minutes was observed in some cases. However other committees did not have formal structures nor meetings. Details of the different community contextual factors are also detailed under the various sections of the thesis' results and discussion chapters. It is important to note that the community of geography, interest and even identity was not static over the twenty years under investigation.

c) Community of identity

The community was also characterised by sharing the same community identity (based on sharing common values, beliefs, and experiences). Although the identity was changing over time, the community was also defined in terms of their identity as portrayed by their culture, religion, language and traditional chieftainships jurisdiction. Community members could also be identified in terms of their tribes. These had a bearing on their interests and expectations of the firm. Common experiences, such as drought, or past engagements with the firm also defined the community boundaries.

Although the MNC's operations may have impact and presence in neighbouring districts, the case study focused only on the district of operation. Limiting the study to this geography helped the researcher to control for differing characteristics among regions and languages, customs, traditions, thus narrowing the phenomenon of interest and its context (Yin, 2003; Herremans et al., 2016). A narrower geographical boundary also ensures the community interacts to build formal and informal relationships, which are key characteristics of a community.

Chapter 3: Literature review

3.0 Introduction

The study follows a systematic literature review and draws on a variety of databases, such as EBSCO, ProQuest, ABI/Inform, Emerald, and others to identify potential articles while utilizing numerous keywords for search purposes. The search used peer-reviewed journals to assure the quality of the papers that could be included in the review, yet because of the embryotic nature of the field, it was necessary to also include non-peer reviewed work.

In this review, the author examines the processes through which corporations build and maintain their acceptance, approval, and identification in communities. By looking across the two literature streams of community engagement and social licence, the review specifically examines the community engagement processes and how they play a role in building and maintaining a social licence. The review is distinct in a number of ways. It focuses beyond mining as the industry to study social licence, and beyond corporate social responsibility as the discipline to locate it. Secondly, rather than focusing on literature that studies social licence from the perspective of the corporation, the review is broader and incorporates both the corporation and the community.

3.1 The social licence to operate

Operations in several industries are becoming increasingly demanding. Communities expect a share of the benefits from the business activities (Zhang & Moffat, 2015). They also demand more involvement in decision-making (Bice, Brueckner, & Pforr, 2017). This has prompted industries to significantly adjust their operations (Moffat, Lacey, Zhang & Leipold, 2015; Prno, 2013; Prno & Slocombe, 2012). Firms in the mining and other extractives industries, whose impact on society and the environment are significant, have been more responsive to these changes, especially in developed markets (Bice, Brueckner, Pforr, 2017). However, in developing markets, firms, especially MNCs have been criticised for being less responsive to community concerns (Amaeshi, Adegbite, & Rajwani, 2016; Bondy, Moon, & Matten, 2012; D'Amato, Rekola, Wan, Cai, & Toppinen, 2017).

Social licence to operate (social licence) is the increasing pressures on industry performance and the associated societal acceptance of such resource development and extraction operations (Moffat et al, 2015). The concept is relatively new, making it least understood conceptually and theoretically (Kemp & Owen, 2013; Boutilier, 2014; Bice et al., 2017). Conceptualising it from a social contract theory perspective, it is seen as representing the intangible, unwritten social contract that exists between companies and communities (Lacey

& Lamont, 2014). Legitimacy theorists have argued that It cannot be granted by formal civil, political or legal authorities (Moffat et al., 2016; Thomson and Boutilier, 2011). For that reason, some scholars, gleaning it from a community relations perspective, have seen it as nothing other than corporate rhetoric to gain access to resources in communities (Owen & Kemp, 2013), while others have questioned the legitimacy of the very concept, and those that are meant to grant it (Brueckner & Eabrasu, 2018).

Although many definitions are suggested in literature, this study conceptualises social licence as the on-going acceptance, approval, and psychological identification of a business operation by local community members and other stakeholders that can affect its profitability (Moffat & Zhang, 2014; Prno and Slocombe, 2012; Thomson and Boutilier, 2011). The definition is more comprehensive as it integrates the legitimacy and stakeholder perspectives. It is argued in the study that; this definition is important for at least four reasons. Firstly, it underscores the perpetual and protracted dynamic nature of the social licence. Secondly it highlights the 'acceptance, approval, and psychological identification' which are key in the operationalisation of the concept. Thirdly, it illuminates the underlying dyadic interaction of the business operation and the community. Last but importantly, it links explicitly the social licence to the widely articulated notion of the social risk associated with losing the social licence (e.g. Smits, van Leeuwen, van Tatenhove, 2017).

3.1.1 The evolution of the social licence concept

The idea of social licence has been widely studied in recent years. However, studies have been concentrated mainly in the mining industry. Only a few studies have focused on other industries such as forestry, construction and renewable energy. Another important limitation of the current thinking in social licence literature is viewing it as a corporate social responsibility initiative. As demonstrated in this study, the social licence is applicable beyond the mining industry. It is the responsibility of the whole organisation and not just a corporate social responsibility concept.

Understanding how the concept of social licence emerged is important to its application in different industries. The coining of the concept, as it is used in contemporary literature, is widely attributed to a mining executive named James Cooney in 1997. Cooney was the Director, International and Public Affairs for Placer Dome Inc., a Vancouver-based Canadian gold mining company (Boutilier, 2014, Cooney, 2017). Cooney's company had suffered damaging criticism in 1996, after a tailing dam failed, releasing toxic waste into a river and burying a village in the Philippines. According to Nelsen (2006), Cooney was generally responding to the increasing number of mining companies that were losing money because of

community resistance to starting up new projects or expanding existing ones, hence likening such resistance to government withholding issuance of permits. Thus, the concept originated from corporate social responsibility in the mining industry.

It is also important to appreciate the origin of this budding concept in order to locate its literature domain, and why it has been difficult to move it forward as a field distinct from corporate social responsibility (social responsibility) (Bice et al., 2017), into industries different from mining. This study constitutes emerging efforts to develop social licence as a distinct theory, considering the prominence and centrality it has generated in literature and practice (Boutilier, 2014; Harvey & Bice, 2014).

While corporate social responsibility is acknowledged as the domain from which social licence originates, and mining the industry from which it emerged, it is argued in this study that it does not have to remain in corporate social responsibility and mining. Corporate social responsibility and mining provided just the setting in which it all started, due to the dynamism going on during that period. Although corporate social responsibility provides important insights into understanding it, studying and practicing social licence under the rubric of corporate social responsibility is problematic for a number of reasons. Firstly, and probably more importantly, corporate social responsibility has largely been conceptualised from the firm perspective. Studies on social licence from this vantage point have been criticised for being overly firm centric and therefore missing the community perspective. Examples could be drawn from studies that seek to understand social licence by discourse analysis of social development reports (Bice, 2014), or those that gather data from the firm (Holley & Mitcham, 2016; Lacey, Parsons, & Moffat, 2012).

It is argued here that such an approach gives firms the false comfort of an imaginary social licence, claimed without community input (Bice, 2014; Parsons & Moffat, 2014; Kemp & Owen, 2013; Brueckner & Eabrasu, 2018)). Secondly, discussing social licence, within the context of firms' social performance via corporate social responsibility, limits the social licence in its ability to capture the complexity of the environment in which the social licence operates (Owen & Kemp, 2013; Vanclay & Hanna, 2019). Meanwhile, the emphasis of corporate social responsibility on business case logic, obscures the genuine business-community relationships built on trust (Harvey & Bice, 2014; Kemp & Owen, 2013). Together, these and other problems as outlined here are part of the reasons for the social licence field remaining theoretically underdeveloped (Owen et al., 2013). To move the field forward, there is need for theorising it as a distinct and important field (Brice et al, 2017; Porter & Kramer, 2013).

Reconciling these problems in the social licence literature has been made difficult by the lack of consensus, as the meaning of corporate social responsibility remains highly contested, and

corporate social responsibility literature is far from being unified (Stirling, Wilson-Prangley, Hamilton, & Olivier, 2016; Bice et al, 2017). Corporate social responsibility refers to the idea that businesses have some economic and legal obligations, and philanthropic and ethical responsibilities to society, in addition to making profits (Carroll, 1991). Scholars have not agreed on which aspects of the definition to take.

A typical debate that has not been settled in the social licence discourse is between scholars who advocate for "in-reach' where the firm focusses on doing its core business activities, and little social development (Harvey, 2015, 2017), and those advocating for "out-reach", where the firm is involved in active social development (Kemp & Owen, 2015). These arguments, it is proposed in this study, emanate from the inherent dichotomy in corporate social responsibility literature and can only be settled beyond the confines of corporate social responsibility function.

A number of scholars have looked at social licence to operate as an extension of corporate social responsibility (Hall & Jeanneret, 2015; Wilburn & Wilburn, 2011). This study takes a slightly different approach, viewing social licence as distinct and having far reaching implications than concepts like corporate social responsibility and fair, prior, informed consent (Syn, 2014; Bice, 2014). It is argued that, the introduction of social licence to scholarship and practice was a direct response to the failure by these early practices to manage the new trend where communities are increasingly demanding more say in the way their resources are exploited. Communities have sometimes voiced against directives of governments and states (Syn, 2014). Corporate social responsibility was used by firms to contain communities in stakeholder management, a term whose connotations suggest manipulation of stakeholders.

This study argues that, corporate social responsibility initiatives are used as low-end engagement activities for achieving acceptance through pragmatic legitimacy. They are like paying premiums for insurance, against social risk. Such initiatives include sustainability reporting, economic and legal obligations (Carroll, 1991; Prno & Slocombe, 2012; Bice, 2014; Harvey & Bice, 2014). Further, it is argued that social licence is the role of the whole organisation and that the organisation needs to engage the community at all levels and functions.

This study builds on the justification that despite the predominance of the use of the concept in mining related research and practice, the social licence reflects emerging situations in a number of impactful industries. These include forestry, agriculture, construction projects, hazardous waste transport, fishing and wind farms (Lacey, Moffat, Zhang, & Ashworth, 2016; Lacey, Moffat, Zhang, & Ashworth, 2014; Hall, 2014; Hall, Lacey, Carr-Cornish, & Dowd, 2015; Prno and Slocombe, 2014; Brice et al., 2017). Hall and Jeanneret (2015) have called for future

research to examine social licence in other industries, cultures and geographic locations. Therefore, this study shows that social licence does not have to be only in mining. Since all industries or firms are part of communities, they need to know that their legal licence is a necessary but insufficient condition for smooth operation.

3.1.2 Social licence in agriculture

After mining, forestry has the second largest literature, following increasing resistance of forest plantations by communities. Literature on agriculture social licence is scarce (see Martin & William, 2011). The textbook by Martin & William (2011) is the prominent literature in agriculture. However, practitioners in the agriculture sector have called for heightened consideration of the social licence since 2011, as a number of operations lost the social licence. This has led to Agriculture industry's growing awareness of the role and benefits of a social licence, particularly related to stakeholder relationship management (Crean, 2017).

More recently, the social licence to operate in agriculture conference held in Leduc, Alberta, Canada, emphasised the need for the concept to be seriously considered by agriculture researchers and practitioners. It is becoming increasingly clear that public relations approaches of defending the industry position are no longer adequate to guarantee smooth operation. Calls are growing for relationship building based on trust (Menzies, 2015).

However, the current conceptualisation of social licence by agriculture practitioners is related to consumers perceiving the industry as supplying products that meet expectations in terms of integrity and animal rights (AARD, 2015). The current study takes a broader approach as it speaks to acceptance and approval of the agricultural operations by largely local communities (AARD, 2015). Together, the messages captured here demonstrate how academic scholarship has trailed practice, once again, in taking the social licence seriously in the agriculture industry. Scholars, it seems, misread Cooney's (2017) metaphor as a template for corporate social responsibility in the mining sector, hindering diffusion of literature to the agriculture and other industries. This study is one of a few that have taken a step to extend the social licence literature to agriculture, thereby closing an important gap.

3.1.3 The nature of social licence to operate

The proposed study follows the conceptualisation of social licence advanced by Boutilier and Thomson (2012) as a point of departure. According to Boutilier and Thomson (2012) the social licence has four levels. At the lowest level there is withdrawal or withholding where the community withdraws a licence if it was already granted or withholds it if it is a new operation. The second level of social licence is acceptance which is marked by a tentative willingness to

have the project go ahead, despite some concerns by the community. The third level is approval, which is essentially when the community is pleased with the existence of an operation. This is followed by the final level, which is psychological identification, representing a state where the community develops confidence that the organisation will make decisions in the best interest of the community.

Although Thomson and Boutilier (2011) provided the most widely used basis for understanding social licence, scholars have generally, avoided treating the levels as distinct in their studies (Lacey & Lamont, 2014; Jijelava & Vanclay, 2017). As a result, little is known about how each level of social licence is achieved. This gap in literature is compounded by the fact that scholars have suggested too many different conceptualisations over a very short space of time. For example, Thomson and Boutilier (2011) identifies the four levels of social licence based on a pyramid that argues that acceptance is a level when legitimacy is achieved; approval is when credibility is achieved, and psychological identification is when trust is achieved.

However, as Boutilier and Thomson (2012) and Moffat and Zhang (2014) argue, this conceptualisation proved difficult to test empirically. This led to a revised arrowhead model that conceptualises economic legitimacy, credibility (socio-political legitimacy and interactional trust), and institutionalised trust as supper-imposed on the levels of social licence proposed earlier. The implication of that development is that economic legitimacy, credibility and institutionalised trust become part of the social licence concept.

Some scholars look at economic legitimacy, credibility and institutionalised trust as key mechanisms in the construction of a social licence (Jijelava & Vanclay, 2017). This is in line with Moffat and Zhang (2014) conceptualisation of trust as a mechanism to achieve acceptance. A broader conceptualisation of social licence and mechanisms to achieve it, have been major omissions in extant literature (Hall, Lacey, Carr-Cornish, & Dowd, 2015). This thesis makes a distinction of the key normative elements of social licence, namely pragmatic legitimacy (exchange legitimacy, influence legitimacy, dispositional legitimacy), credibility (moral legitimacy, interactional trust) and institutionalisation (institutionalised trust and cognitive legitimacy), and the three levels of the social licence namely, acceptance, approval and psychological identification. The following sections review literature to operationalise the three levels of social licence and propose how they link with the rest of the proposed framework.

a) **Acceptance**

Acceptance has been difficult to define. Jijelava & Vanclay (2017) define it as achieved by gaining legitimacy. Such a definition is problematic as it is not precise. By introducing legitimacy, it complicates the meaning of acceptance, therefore making it difficult to measure. It is important from the onset to point out that the concept is fluid, quite relative, and communities are rarely, if ever, unitary or monolithic in their members' attitudes toward large scale development projects, given that agendas differ and compete among groups of people (Koivurova et al., 2015). It has been difficult to achieve unanimous acceptance because the relevant community may be hard to define conceptually and delineate geographically (Esteves, 2008; Wilburn and Wilburn 2011; Dare et al., 2014).

For purposes of this study, acceptance is defined, according to Boutilier et al. (2012: 231) 'a tentative willingness to let the project proceed. However, complaints and doubts linger'. Therefore, it reflects that the stakeholders have the "disposition to tolerate, agree or consent" to a development (Thomson & Boutilier, 2011, Hall, 2014). Below the level of acceptance, there is withdrawal or withholding. Since this is never the firm's objective, the study focuses on acceptance as the minimum level expected by the firm. Withdrawal and/ withholding, however, are always options available to the community and can be instituted at any time and point.

b) Approval

Social licence level of "approval" reflects positively that the affected stakeholders have favourable regard for, agree to, or are pleased with the development and can result in more beneficial outcomes (Koivurova et al, 2017; Hall, 2014, Thomson & Boutilier, 2011). This level, being higher than acceptance, which is based on achieving legitimacy, may be granted when a company has secured both legitimacy and credibility as a foundation of trust. The level represents the reduction of socio-political risk (Koivurova, 2017). The conceptualisation in the proposed study improves the preciseness of the concept of approval, advancing it from that by Jijelava & Vanclay (2017), who view approval as achieved when credibility is gained. This is important since the study seeks to build a dynamic model where social licence is achieved and maintained (Hall, 2014).

Empirical evidence suggests a link between approval and credibility of the firm as viewed by the organisation (Hall, 2014). For example, Hall (2014) studied rural communities in relation to wind farms and concluded that a level of approval is needed from the community for successful implementation of wind farms. In the same study credibility was seen to be essential. Similarly, Jijelava & Vanclay (2017), corroborate the findings using the BP case study. However, Koivurova et al. (2017) in case studies across different countries conclude

that there is dynamic interaction between community and other stakeholders, making approval a complicated process.

The key takeaway from the study is the need to be aware of the confusion that surrounds legal approval and community approval. The legal approval is sometimes combined with a requirement for consent in impact assessment (Harvey & Bice, 2014). The current study acknowledges the importance of legal conformance, but only as an elementary requirement to achieve the broader community based collaborative social licence.

c) Psychological identification

Identification with the project or firm psychologically (Prno & Slocombe 2012), or co-ownership as proffered by Thomson and Boutilier (2011b), is the highest level of social license which is attained when the company is fully trusted by the community. Typically, communities have full trust in a company when they believe the company will always act in the community's best interest (Thomson & Boutilier 2011b). In this case the community shares responsibility for the project's success even to the extent that psychologically, both parties come to view it as a co-ownership arrangement (Koivurova, et al., 2015; Lesser, Suopajärvi, & Koivurova, 2017; Martinez & Franks, 2014; Ruckstuhl, Thompson-Fawcett, & Rae, 2014).

Although a number of studies have tested the availability of trust, they have rarely linked trust attainment to psychological identification. For example, Moffat and Zhang (2014) found trust in the Australian Coal Gas study useful in achieving social licence, yet they related it to acceptance level of the project. Similarly, Moffat et al., (2016), in a study of the forest industry, again linked trust to acceptance.

More recently, Lacey et al (2017) in a case study of Correnso mine in New Zealand the physical proximity between the mine and the community seemed a deterrent to achieving a social licence. NWG, the mother company, gained acceptance and approval to proceed with the Correnso mine despite stretching directly underneath the residential community of Waihi East (Gold, 2015). Thus, acceptance and approval are viewed as distinct aspects of social licence.

In another study, although co-development initiatives were evident is securing consent, the model by Lacey et al., (2017) links trust to acceptance, instead of psychological identification. Thus, although scholars have acknowledged the usefulness of the model proposed by Thomson and Boutilier (2011), in practice it has not been well tested, and therefore its advancement has been limited. In part, this could be attributable to the application of the model on new operations where it is difficult to assess the three levels of social licence. A key

omission in extant literature has been failure to distinguish transactional/interactional trust from institutionalised trust (Moffat & Zhang, 2014; Moffat et al., 2016) as later proposed by Boutilier and Thomson (2012). Scholars have not been able to isolate the different levels of social licence. It has therefore been difficult to understand the social licence concept (Brueckner & Eabrasu, 2018)

Since the level of social licence is inversely related to the social risk faced by the firm operating in a community (Boutilier & Thomson, 2012; Owen & Kemp, 2013) it is argued here that studies which only focus on acceptance level of social licence leave the firms exposed to high socio-political risk. Such a situation does very little to solve the current practical problem faced by firms who lose their social licence, due to escalating community -corporate conflicts (Biraghi, Gambetti, & Romenti, 2017; Brueckner & Eabrasu, 2018; Hanna & Vanclay, 2013; Zhang & Moffat, 2015). The current study advances knowledge in that area, since relational trust is categorised differently with institutionalised trust, for example.

3.2 The social exchange threshold

A key feature of the model proposed by Thomson and Boutilier (2011), has been the central role of what they term the normative elements of social licence, namely, legitimacy, credibility, and trust, also called boundary criteria (Koivurova, et al., 2015). These have been looked at separately in literature. This study attempts to use these normative elements as the social threshold in the proposed model. It is argued that they are the key mechanisms through which exchanges between the firm and the community take place. This constitutes a significant departure from the current thinking in literature which views the three elements as super-imposed on the levels of social licence as proposed by Boutilier and Thompson (2012).

The social exchange threshold is central in looking across the two literature streams of community engagement and social licence to operate. In doing so, the thesis borrows constructs from the theory of legitimacy proposed by Suchman (1995).

Since the social licence is regarded as obtained from the community and other stakeholders (Cui, Jo, & Velasquez, 2016), several scholars have used the stakeholder theory as a lens in social licence research (Brueckner & Eabrasu, 2018; Mercer-Mapstone, Rifkin, Moffat, & Louis, 2018; Wilburn & Wilburn, 2011). These studies could be criticised for the shortcomings leveled against stakeholder theory, which has looked at how the stakeholders interact with the firm, without due consideration of the systemic interaction among the stakeholders (Freeman, 1994; Donaldson & Dunfee, 1994). Stakeholder theory ignores the power asymmetries inherent in stakeholder interactions (Maher, 2019). Where engagement involves a multinational enterprise in a developing market, there are bound to be power asymmetries

between the firm and stakeholders and among stakeholders themselves. Due to these shortcomings, some scholars have proposed a systems approach to social licence studies (Prno & Slocombe, 2014). Suggesting a systems approach is a welcome development as stakeholders interact not only with the organisation, but among themselves. Organisations may struggle to construct a social licence, if they are blind to this reality. Just like stakeholder theories, systems theories do not address power dynamics and hence ethical challenges that exist when operating in emerging markets (Doh, Husted, & Marano, 2019).

Similarly, due to the use of licence in the seminal conceptualisation of the concept, it has been likened to a contract between the stakeholders and the firm (Cooney, 2017). For this reason, some scholars have used the social contract theory as an anchor in their studies (Lacey, Carr-Cornisha, Zhang, Eglintonb, & Moffat, 2017; Lacey & Lamont, 2014; Lacey, Parsons, & Moffat, 2012). Although the social contract theory has been useful in a developed market context, where contracts are enforceable, in the developing market context, the idea of a contract would not be very appropriate, since governments lack the capacity and political will to enforce contracts (Amaeshi, Adegbite, & Rajwani, 2016; Doh, Husted, & Marano, 2019).

A few more scholars have utilised the theory of legitimacy to anchor their studies. These studies have been largely disintegrated, since they have not used a well-established, specific theory of legitimacy. This is evidenced by the use of various constructs, and dimensions with little consistence. Good theory development integrates new insights with extant knowledge (Corley & Gioia, 2011). Some of the constructs that have been used to suggest a theory of legitimacy are economic legitimacy, legal legitimacy, socio-political legitimacy (Boutilier, Black, & Thomson, 2012; Boutilier & Thomson, 2012; Gehman, Lefsrud, & Fast, 2017; Jijelava & Vanclay, 2017).

Legitimacy is a multidimensional construct widely used in political studies and one which has also come into use in business corporations and organizational theory. Joice and Thomson (2008) conceptualise legitimacy as conforming to established formal and informal legal, social, and cultural norms. This conceptualisation is the most widely used in extant social licence literature. This thesis follows Melé and Armengou (2016), identifying legitimacy as part of the mechanisms through which the community grants a social licence.

It is important to point out that legitimacy as conceptualised in literature is disintegrated, as it does not distinguish between the institutional level perspective of isomorphism proposed say by DiMaggio & Powell (1983) and other strategic legitimacy related theories (Mele & Armengon, 2016). For that reason, the current thesis builds on the social licence model proposed by Boutilier and Thompson (2011), but extends it by borrowing constructs from the established theory of legitimacy proffered by Suchman (1995) to understand the processes

involved in social licencing. This is a departure from extant literature that used different theories, including the theory of legitimacy either to understand what constitutes a social licence or whether it has been achieved, rather than how it is achieved.

According to Suchman (1995) legitimacy has three components; pragmatic, based on the self-interested calculations of an organization's most immediate audiences; moral, based on a positive normative evaluation of the organization and its activity, and cognitive, based on the comprehensibility and taken-for-grantedness of an organization through the array of established cultural accounts providing explanations for its existence (Mele & Armengon, 2016). Although the theory of legitimacy has been criticised for a lack of clarity on the processes that build legitimacy (Akua, Hudson, & Frederick, 2018) this thesis draws insights from community engagement (Bowen, Newenham-Kahindi, & Herremans, 2010) and information processing (Salancik & Pfeffer, 1978) literature to provide the theory of legitimacy (Suchman, 1995) with explanatory power to understand the processes necessary for the construction and maintenance of the social licence. Legitimacy is key in the construction and maintenance of social licence as it provides the boundary conditions in social licence achievement (Boutilier & Thompson, 2012; Jijelava & Vanclay, 2017).

The following sections demonstrates how, together, pragmatic legitimacy, credibility (interactional trust, moral legitimacy), and institutionalisation (cognitive legitimacy, institutionalised trust) provide the connection and dynamic link between the two bodies of community engagement and social licence literatures. Such a link is possible due to the centrality of legitimacy and trust to both community engagement (Bowen, Newenham-Kahindi, & Herremans, 2010) and social licence (Jijelava & Vanclay, 2017) literatures.

Moffat and Zhang (2014), and Moffat, Lacey, Zhang, and Leipold (2016) made a significant step in demonstrating trust to be a mechanism towards firm acceptance, as opposed to a super-imposed element proposed by Boutilier and Thompson (2011). However, the limitation of all these studies is that they do not show how the three levels of social licence are achieved. This could be attributable to their approach that did not decompose the mechanisms into three distinct but related elements. This thesis therefore advances literature in that respect as demonstrated in the following sections.

3.2.1 Pragmatic Legitimacy

Scholars, viewing legitimacy from the perspective of the community, have identified four dimensions of legitimacy as legal legitimacy, economic legitimacy, socio-political legitimacy and social legitimacy (Jijelava and Vanclay, 2017; Boutilier and Thomson, 2012). Legal legitimacy refers to the perception of whether legal processes and procedures are followed

and such decisions are done fairly. Economic legitimacy is the perception of whether the benefits from operations and compensation for the affected members of the community are deemed fair. Meanwhile social legitimacy refers to the perceptions on the impact of the project on the wellbeing of people, on cultural norms, and respect for their rights and dignity. The categorisation builds on that by Boutilier and Thomson (2012) who distinguish between economic legitimacy and socio-political legitimacy.

This thesis conceptualises economic legitimacy as a lower level of legitimacy than socio-political since economic is essentially more transactional and therefore viewed as short-term. It is argued in the proposed study that how the legitimacy is obtained is important (Mele & Armengon, 2016). The process through which legitimacy is achieved is as important as whether or not it is achieved. Therefore, pragmatic legitimacy is seen as more encompassing to capture all the self-interested concerns of the community.

The thesis argues that pragmatic legitimacy is granted by the community following transactional engagement with the firm. In a recent study of BP's operations in Georgia, Jijelava and Vanclay (2017), found that economic legitimacy was evident in BP's operations in all the villages visited. This was demonstrated by, the local population viewing the firm as being able to address their immediate concerns as benefits were shared fairly or to the satisfaction of locals, hence economic and therefore pragmatic legitimacy was demonstrated. The scholars concluded that even though some concerns about compensation and other issues were raised, there was no fundamental opposition to the idea of the pipelines, suggesting legitimacy was achieved. In this thesis, pragmatic legitimacy is used to broadly cover organisational motives which are based on the self-interested calculations of an organization's most immediate audiences (Suchman, 1995).

3.2.2 Credibility (interactional trust and moral legitimacy)

Credibility is important for the firm to achieve the level of approval on the proposed social licence framework. It is viewed from the vantage point of the community and achieved when the organisation is believable, as a result of delivering on its commitments, and sharing information that the community believes (Joice & Thomson, 2008; Gehman, Lefsrun & Fast, 2017). Jijelava and Vanclay (2017) identify three important indicators for credibility, which are pertinent to the proposed study. These are high technical knowhow, great skills to do what they say they do, and a commitment to social performance. Social performance shall be assessed through considering whether the organisation is seen as being able to identify and attend to social, human rights, and environmental expectations and needs of the community

(including local and global standards), evidence of openness, transparency, good governance and community engagement plans and initiatives.

Thomson and Boutilier (2011) distinguish between interactional and institutionalised trust. This distinction is important in this study because it gives the researcher an opportunity to capture the nature of trust, which is missing in other much cited studies (e.g. Moffat & Zhang, 2014). Interactional trust entails a strong perception from the community that there is mutual dialogue with organisation, respect for the community and its values, that the company and its management listens, responds and is committed to promises (Thomson & Boutilier, 2011; Jijelava & Vanclay, 2017; Koivurova et al., 2015).

Overall, credibility is achieved through formal negotiation, definition, and agreement on the roles and responsibilities of the company and stakeholders (Gehman et al., 2017). From a practice perspective, the criteria, for example, is achieved as organisation engages in community resettlement and livelihoods restoration (Vanclay, Esteves, Aucamp, & Franks, 2015). Therefore, credibility, in this thesis is a combination of interactional trust and socio-political legitimacy (Boutilier & Thompson, 2012).

In a case study of BP, evidence suggests a link between credibility and approval of the project (Jijelava & Vanclay, 2017). This thesis argues that it is a requirement for the project to satisfy both socio-political legitimacy and interactional trust simultaneously to be awarded a social licence to operate at approval level. Similarly, a case study of the railway tunnelling across Barcelona City in Spain is another typical example of the role of moral legitimacy in social licence (Mele & Armengon, 2016). Mele and Armengon (2016) find that the key criteria for legitimacy are contribution of the project or activity to the common good in a better way than other alternatives, morality of the procedures and other means employed, analysis and ethical evaluation of the situation including stakeholder concerns and needs, analysis and ethical evaluation of reasonably foreseeable consequences. Therefore, credibility has both elements of interactional trust and moral legitimacy.

3.2.3 Institutionalisation (Institutionalised trust and cognitive legitimacy)

Institutionalised trust marks the highest level towards achieving co-ownership. Other scholars use psychological identification of the community with the project as an alternative label of co-ownership (Thomson & Boutilier, 2011). It is seen as a higher level than credibility, developed over time (Jijelava & Vanclay, 2017; Dare et al, 2014). Trust is institutionalised through on-going relationships (Boutilier & Thomson, 2012). What Boutilier and Thomson's model does not tell us is how the ongoing relationships are built to achieve each level of social licence. Knowing the processes through which the levels of social licence are achieved is important as

each level is conversely related to the social risk that the firm is exposed to. At the beginning the omission was understandable since when the first models were developed, the main aim was to be able to define and measure the social licence. However, today the main concern is to understand how and under what conditions are the different levels of social licence achieved, especially in emerging markets. Without that understanding, the applicability of the model as a social licence construction tool is made impossible.

Few studies have investigated the historical dimension of social licence in organisations. Instead, scholars have mostly taken either a cross-sectional approach, or studied new projects where trust had not yet been institutionalised (Dare et al, 2014; Moffat & Zhang, 2014). This thesis argues that this could explain why some recent studies have not found trust in corporate- community relationships (Dare et al., 2014). Interestingly, Dare et al (2014) find that a greater level of trust was developed when forest managers actively listened to and acted upon community concerns, instead of relying on predetermined approaches to engagement that largely involve the one-way flow of information (Morsing & Schultz, 2006; Bowen et al., 2010).

This thesis focused on the history of the company from the perspective of both the community and the organisation. This is in line with the view that institutionalised trust is when the firm and community members see each other as partners and the community initiate activities related to the project, demonstrating psychological identification. Such trust is achieved through collaborations, shared experiences, and vulnerabilities (Gehman et al., 2017). In a study of two mines in Sweden, Koivurova et al. (2015) found that community engagement employed by both companies, with local information offices and open dialogue, not only aims to keep locals informed, but seeks to build relationships and establish trust, which is a central component of the social licence (Thomson & Boutilier, 2011; Moffat & Zhang, 2014; Moffat et al., 2016).

Studies, including Boutilier and Thomson (2012), do not link systematically, each level of social licence with the appropriate normative component to empirically test and extend the original social licence model. Further, they do not systematically operationalise engagement in a way that tells a story of the dynamic processes involved in the creation and maintenance of social licence. However, what seems to be agreed in literature is the cumulative nature of trust building and the fact that community engagement does not only build trust directly through stakeholders' engagement activities, but also through flow-on, resulting from the interaction of those engaged with their peers (Dare et al, 2014).

3.3 Corporate community engagement processes

As firms seek to operate in industries such as mining, resource extractives, energy and farming, they find themselves deeply rooted in communities. The meaning of community is largely misunderstood and commonly confused. Scholars have proffered several definitions. For example, a community could be understood as a "self-defined, self-circumscribed group of people who interact in the context of shared tasks, values, or goals and who are capable of establishing norms of ethical behaviour for themselves…..includes firms, departments within firms, informal subgroups within departments, national economic organizations, international economic organizations, professional associations, industries, and so on" (Donaldson & Dunfee, 1994, p 262).

Meanwhile, Dare et al., (2014) further distinguish between two broad stakeholder communities which they note as community of geography (for stakeholders in the same geographic location), and community of interest (for stakeholders who share common interests). Together, what the two sets of conceptualisations seem to share is the centrality of geography, interaction (characterised by social relationships) and identity (share a sense of belonging, generally built upon a shared set of beliefs, values or experiences) (Bowen et al, 2010).

Thus, these three characteristics of communities are important in this thesis, as they shade light on the setting of boundaries for delineating the community. Section 2.3.2 in Chapter 2 details the boundaries of and criteria for what constitutes community in this thesis.

Failure to be in harmony with communities has resulted in firms facing social risks (Hall, 2014; Lacey et al., 2012; Thomson & Boutilier, 2011). To mitigate the impeding risks, firms have leveraged building relationships with communities. This has largely been studied under a growing body of literature on corporate community engagement (Morsing & Schultz, 2006; Bowen et al. 2010). A number of labels have been proposed in relation to the concept. Some of the commonly used terms in literature are stakeholder engagement (Greenwood, 2007; Herremans et al., 2016) or simply community engagement (Dare et al., 2014), community relations (Lacey et al., 2017; Kemp & Owen, 2013). The thesis follows the definition proffered by Bowen et al. (2010, p. 297) which views corporate community engagement as "the pattern of activities implemented by firms to work collaboratively with and through groups of people to address issues affecting the social well-being of those people".

Overall, the field of community engagement is in the process of development (Greenwood, 2007). Scholars have described the literature on community engagement as controversial (Biraghi, Gambetti, & Romenti, 2017). This is, in part, due to the multidimensionality of the concept. For example, Hall (2014) identified four levels of engagement along a spectrum of control from the developer to affected stakeholders. The spectrum ranges from information-gathering, to community consultation, to active participation and finally to empowerment.

Similarly, a related but different spectrum of Public Participation was identified by the International Association for Public Participation, with five levels that also reflect a shift of power and involvement, from inform, to consult, involve, collaborate and ultimately, to empower (IAP2, 2004). The lowest level of "inform" calls for objective and balanced information to be provided so that alternative opportunities and solutions can be identified (IAP2, 2004). The quality and accessibility of the information provided is important, hence it has to be timely, reliable, and easy to locate (Hall, 2014).

Secondly, the stage of consultation, offers stakeholders the opportunity to air their views and potentially to have them incorporated into the design of the development. Meanwhile, "involve" ensures that the stakeholder input is considered along the process of development. The third level of "collaborate" considers stakeholders' advice and recommendations as much as possible. Empower is viewed as the highest level, which provides most power in decision-making to the affected stakeholders, as the firm commits to implementing only the decisions of stakeholders (IAP2, 2004).

Similarly, Morsing and Schultz (2006) build on the work of Grunig and Hunt (1984) to come up with three levels of engagement. At the lowest level "inform" is when the corporation uses one-way communication to advise the community about its activities; the next level is responding (a two-way communication that is controlled by the firm), and consult (a higher level of communication where the community plays a more significant role in the engagement process).

In arguably one of the most comprehensive and rigorous research, the work of Bowen, Newenham-Kahindi, & Herremans (2010) systematically reviewed literature (over 200 articles in total) to establish the antecedents and consequences of community engagement. Their findings categorise community engagement into transactional, transitional and transformational engagement. This classification has been widely used in other streams of literature, yet in relation to social licence to operate it has had little usage (for exception, see Newenham- Kahindi, 2011). Other scholars have focused on one dimension of the formulation by Bowen et al (2010). For example, Stirling, Wilson-Prangley, Hamilton, and Olivier (2016) investigate the anticidents of transformational engagement. They acknowledge paucity in studies that focus on transformational engagement. More recently, Maher (2019) finds that firms may employ transformational engagement strategies to gain acceptance despite unethically squeezing personal freedom from communities. Bowen et al 's (2010) conceptualisation is the most appropriate representation of CE useful in this thesis as it focuses on the activities performed between the organisation and the community. It helps this study to systematise the continuum of community engagement as action and to discern the

intentions, processes and interactions embedded in such action (Seedat, 2012). Fusing legitimacy insights in the thesis addresses unethical transformational engagement concerns raised by Maher (2019).

The conceptualisations by Morsing and Schultz (2006) and Bowen et al (2010) have been treated separately in literature. However, more recently, Herremans et al (2016) demonstrated that the two models are related at each of the three levels of Morsing and Schultz's communication and Bowen et al.'s corporate community engagement. The current study conceptualises 'inform' to be linked to transactional engagement, 'response' to transitional engagement and 'involve' to transformational engagement. The study by Bowen et al., (2010) is used to provide the overarching framework for a number of reasons. Literature on community engagement needs consolidation to paint a full picture of how it plays a role in the construction of social licence. Bowen et al., (2010) provide a consolidated framework, which has been underutilised in social licence research.

Meanwhile, managers and researchers seem to struggle with recognising the rhetoric and reality of community engagement as demonstrated in the mixed use of terms like participation, stakeholders, and partnerships. By reviewing literature from various disciplines and focusing on actions and outcomes of community engagement, the work of Bowen et al., (2010) is found to be the most appropriate to this thesis. It consolidates a wide range of literatures. This explains why it is one of the most cited works in community engagement, with over 300 citations.

In relation to the link between community engagement and social licence, the work by Bowen et al., (2010) foregrounds that link. It emphasises the centrality of legitimacy and social risk. Both concepts are also central to social licence. This reconciles any ontological concerns that might complicate studying community engagement as an element of the social licence literature. The table below is a summary of the corporate community engagement key elements.

In order to understand the classification of the literature in relation to the levels proposed by Bowen et al., (2010), this study synthesises literature on community engagement into two perspectives. The first is the engagement associated with the approaches drawn on by organizations to create relationships based on a network of mutual responsibility. This is the perspective that aligns with the view of dialogic forms of communication as the most ideal forms of engagement, and joint activities to build genuine trust and lasting relationships (e.g. Harvey & Bice, 2014; Bice et al., 2017; Kemp & Owen, 2013; Mercer-Mapstone , Rifkin, Moffat, & Louis, 2018).

Table 3-1: Key elements of community engagement

Community Engagement	Typical activities	Sources
Transactional (Inform)	Firm provides information, employee volunteer time or philanthropic donations (including skills), firm is in control	Bowen et al.,(2010); Morsing & Schultz (2006); Herremans et al., (2016); Seedat(2012); Devin & Lane (2014)
Transitional (Respond, Consult))	two-way communication, dialogue with communities, consultation and collaboration, more than one-off transactional donations, credibility-based relationship	Bowen et al., (2010); Morsing & Schultz (2006); Newenhan-Kahindi (2011); Seedat (2012); Hall (2014); Dare et al., (2014)
Transformational (Involve, Empower)	Proactive engagement, joint learning/sense-making, joint project management with community, community leadership in decision making, competency to engage participants through listening and understanding, frequent interaction with small number, trust- based relationships	Bowen et al (2010); Morsing & Schultz (2006); Newenham – Kahindi (2011); Herremans et al. (2017); IAP2 (2004); Stirling et al (2016)

Source: Synthesis of literature according to the framework proposed by Bowen et al. (2010)

Secondly, there is a meta-level of engagement, where organizations communicate about their activities, performances, and outcomes as part of their on-going stakeholder relationships (e.g. Corus & Ozanne, 2012; Hall, 2014; Biraghi, Gambetti, & Romenti, 2017). What is clear of this perspective is alignment with the notion of information dissemination through one-way forms of communication (Devin & Lane, 2014). In other words, this distinction highlights why the processes involved in building the relationship between the firm and the community is critical.

The study of community engagement has traditionally followed the foundational concept of the 'continuum of engagement' (Bowen et al., 2010). This thesis follows the same logic, yet differs

and therefore extends that foundational thinking by conceptualising community engagement not simply as a continuum of levels or strategies, but as a process which could be studied in terms of how it changes over time and space. In line with the argument advanced in this thesis- of viewing social licence as a distinct concept from corporate social responsibility (Bice, 2014; Bice et al., 2017; Hall, 2014), community engagement is also viewed as distinct from corporate social responsibility, although the concepts are related (Greenwood, 2007). Bowen at al. (2010) views community engagement as an important element of corporate social responsibility. This is an important distinction since not all engagement is targeted at corporate social responsibility.

For that reason, although some scholars view community engagement as an element of social responsibility (Bowen et al., 2010; Dare, Schirmer, & Vanclay, 2014; Carroll, 1991; Corus & Ozanne, 2012; Kemp & Owen, 2016; Wilburn & Wilburn, 2011), this thesis takes a slightly different perspective and views community engagement calling for the whole organisation to engage with the community (Greenwood, 2007; Harvey & Bice, 2014). Both community engagement and social licence are conceptualised as demanding a broader perspective than one relying on the corporate social responsibility department. By so doing, the thesis provides a compelling map of the intellectual terrain, needed to dynamically link the two literatures, thereby significantly contributing to social licence theorisation.

The following sections focus on the core elements of community engagement and how they play a role in achieving social licence to operate. Linking community engagement and social licence is not new, as a few other scholars have attempted to do so in recent years (Newenham- Kahindi, 2011; Hall, 2014; Dare et al., 2014; Lacey et al., 2017). What is however new is linking the concepts dynamically at different levels and through various processes over time. Koivurova et al. (2015) have demonstrated that social licence can fluctuate from psychological identification to approval and sometimes down to acceptance in a case study in Russia. However, the drivers of that dynamism are not yet fully understood. The current thesis argues that community engagement processes could explain that dynamism in social licence.

3.4 Community engagement and social licence to operate

Literature acknowledges that community engagement is critical in achieving social licence to operate, yet the influence and mechanisms through which it influences social licence to operate are little understood (Idemudia, 2014; Dare et al., 2014; Prno & Slocombe 2012; Measham & Fleming, 2013). The literature on corporate community engagement and social licence to operate is currently fragmented. To that end, the dynamic link between these important concepts is little understood (Hall, 2014; Dare et al., 2014). It has been empirically

difficult to demonstrate the role of community engagement in achieving social licence to operate. This is partly due to the multidimensionality of community engagement which obscures the dynamic link between corporate community engagement and a social licence.

For example, Dare et al., (2014), in a study of forestry companies in Canada and Australia found that the ability of operational community engagement to facilitate achieving social licences across local, regional and society scales, and on a continuous basis, is limited due to the low levels of trust, low capacity of practices to reach a broad range of stakeholders, and insensitivity of forest managers to respond to changing community expectations. Similarly, in response to increasing pervasiveness of local community protests against transnational oil corporations operating in the Niger Delta, Idemudia (2014), studied corporate –community engagement strategies of transnational oil corporations and concluded that, few of these corporate-community engagement strategies have had much of an impact, due to three critical challenges; managers of oil companies were unwilling to relinquish control over decisions concerning community engagement; local communities were internally fragmented; and inherent unresolved legitimacy crises. Likewise, Harvey (2014; 2017) argues that community engagement could be flawed and may not lead to social licence to operate, unless it is combined with efforts aimed at behavioural improvement within the firm.

However, an internal focus proposed by Harvey (2014; 2017), as opposed to external focus proposed by community engagement broadly, could be faced with challenges related to the firm failing to appreciate the external dynamics in its environment and thereby stifling its chances of achieving social licence to operate (Kemp & Owen, 2016).

Taking a rather reconciliatory stance, Martinez and Franks (2014) compared corporate-sponsored community development and social legitimacy at two co-located mining operations in Chile (one private and one state owned) to explore the contribution of community development to social licence. The research identifies that varied approaches to community development and its outcomes have the potential to influence social licence. They found that the relationship between the mine and community, the presence of negative environmental and social impacts, and social development associated with the core activities of the mining project are more significant factors affecting legitimacy. Therefore, community development is a necessary but insufficient condition for achieving a social licence to operate.

It is therefore, argued that unless researchers and practitioners are clear on the level of both engagement and social licence, they may not evaluate or assess the link between the two since both are dynamic and interactional. This argument is supported by more recent studies. For example, taking a mixed method approach, building on Moffat & Zhang (2014), and Moffat et al., (2016), Lacey et al., (2017) have found that, despite differences in localised experiences

and conditions, there is a common set of structural elements that underpin effective community relations which have been demonstrated to be relevant across diverse mining contexts. These are the contact quality between company personnel and community members, distributional fairness (particularly in relation to unequal sharing of costs and benefits), procedural fairness, and trust.

Together, these studies demonstrate that the role of community engagement in achieving social licence to operate is little understood. The studies provide important insights on the link between community engagement and social licence. However, they do not dynamically link the community engagement initiatives to the different levels of social licence. Since the level of social licence is inversely related to the social risk faced by the corporation, knowing the level of social licence is more important that simply knowing that a firm is accepted in the community. The current study is a major step towards filling that gap as part of exploring the dynamic mechanisms to achieve social licence to operate. By following a dynamic perspective to building social licence, the study differs significantly with the extant body of literature which is inadequate, as it falls short in capturing the dynamics and interactions among the concepts at the three different levels of engagement (Bowen et al., 2010).

Therefore, the other major point of departure for this study is the conceptualisation of community engagement. While other studies have not attempted to operationalize the concept, those that have done so take different dimensions. The current study acknowledges the existence of the firm on one hand and the community actors on the other like Dare et al (2014). However, unlike Dare et al., (2014) who conceptualise community engagement as operational community engagement (engagement on day-to-day operational activities with local stakeholders) and strategic community engagement (engagement with those stakeholders who have indirect effects on the focal firm), this study follows a different conceptualisation.

As Dare et al. (2014) admit, their categorisation is problematic as there is a thin line between strategic and operational engagement. Besides, it does not specifically categorise the specific activities undertaken by the engaging participants. What would be more useful for practitioners is a model that explicitly gives insights of what they need to do (activities and processes) to achieve different levels of social licence. This study seeks to fill that gap in literature by building on previous work that takes a cumulative categorisation of corporate community engagement (IAP2, 2004; Bowen et al., 2010; Morsing & Schultz, 2006; Hall, 2014).

3.4.1 Transactional engagement processes and community acceptance

Typically, transactional engagement suggests the lowest level of community engagement, and may include various actions: financial donations; skills transfer; investment of time through volunteering; and providing technical and expert advice. As such, transactional engagement is marked by one-way communication and transfer, namely from corporate entity to the community (Bowen et al., 2010; Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015; Seedat, 2012). At this level of engagement, both parties separately benefit, but communication is meant to inform and raise awareness, and therefore seen as a weak form of engagement (Devin & Lane, 2014).

The key features of this phase are the occasional interaction, economic legitimacy as the governance mechanism, and the firm retains full control of the engagement process (Bowen et al., 2010). This is related to the transactional level of engagement with communities. Relationships lack any significant sense of local ownership and empowerment, leading local communities to lose interest in pursuing long term developmental projects (Newenham-Kahindi, 2011). Local communities accept the presence and operations of a company, but there may be lingering issues and threats, the presence of outside non-governmental organizations and watchful monitoring. The company is under intense scrutiny. The firm has economic legitimacy but there is no trust as yet or anymore (Baba & Raufflet, 2014).

The link between stakeholder engagement and legitimacy, consent, control, co-operation, employee involvement and participation has been proffered in literature (Greenwood, 2007; Devin & Lane, 2014). Devin and Lane (2014), in case studies of nine companies from three industries in Australia find that stakeholder engagement in form of CSR reporting leads to legitimacy. Likewise, Newenham -Kahindi (2011), in a study of community engagement at Barrick Mine, a Canadian MNC owned mine in Tanzania find evidence of transactional level engagement, based on one-way communication, and linked to economic legitimacy.

Similarly, Sing (2015), in a study in Papua New Guinea, find that the social licence derived from transactional compensation could be short-lived, as it may lead to conflict within communities. He identifies potential conflict between those that receive compensation (landowners) and those that do not receive transactional compensation. Therefore, transactional engagement is proposed to influence acceptance if it is able to generate legitimacy. This study links the literature on transactional community engagement (Bowen et al., 2010) and firm acceptance (Thomson & Boutilier, 2011), through economic legitimacy as follows:

P1: Transactional engagement processes generate pragmatic legitimacy as a precondition for community acceptance of the firm.

3.4.2 Transitional engagement processes and community approval

Transitional engagement is situated between the two extreme dimensions of engagement. It exhibits more than the one-way communication inherent in transactional approaches yet falls short of the co-framing of priority issues and sense-making which are the key features of transformational approaches (Bowen et al., 2010; Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015). The proposed study positions these mid-range engagements as providing the bridge to transformational engagement. It therefore incorporates consultations and collaborations dominated by repeated community– firm interactions.

However, a key feature of this level is that although resources may be shared within these consultations and collaborations, the firm is in control of these. The study argues that transactional engagement has an influence on two important elements that constitute the level of credibility the community assigns to the firm. It marks the evolutionary nature of legitimacy from the initial level of economic legitimacy towards socio-political legitimacy. At the same time, it also represents the transitioning from interactional trust toward institutionalised trust.

Credibility is in relation to the extent the community believes the organisation is committed to fulfilling promises (Thomson & Boutilier, 2011). It emerges as a result of repeated exchanges between the parties involved. This level of engagement is equivalent to the response level suggested by Morsing and Schultz (2006). According to Baba & Raufflet (2014), social legitimacy comes from the company's respect for established formal and informal norms of the community. These may be legal, social, or cultural in nature. Therefore, in practice, socio-political legitimacy and interactional trust come from transitional engagement and information sharing with the community.

This study argues that the relationship that exists between firms and communities shifts overtime from one-way communication to two-way interaction (Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015; Devin & Lane, 2014). In the Tanzanian gold mine study by Newenham-Kahindi (2011), evidence suggests transitioning from transactional engagement to transitional as two-way communication was adopted in response to pressure from local communities. It is therefore argued that, over time, changing expectations and demands of communities could be a driver of the process of transitioning from transactional engagement to transitional engagement.

The extant models of community engagement do not explain why and how that shift occurs. Additionally, the transition has not been analysed in relation to credibility. Therefore, drawing on social licence literature, it is argued here that transitional community engagement underpins all aspects of credibility, especially in relation to the community's perception (belief)

of the social and technical competency of the company (Bowen et al., 2010; Dare et al., 2014). Additionally, the type of the community engagement processes used will most likely inform the underlying level of credibility and trust in the company (Prno, 2013; Moffat and Zhang, 2014; Jijelava & Vanclay, 2017).

This thesis argues that credibility is a precondition for approval, unlike Thomson and Boutilier (2011) who superimpose credibility on approval. In a longitudinal study of mines in Bosnia, Australia and Mexico, over 15 years, Boutilier and Thomson (2012) suggest that credibility is an element of community approval. This study takes a slightly different argument. Rather than being an element of approval, credibility is a precursor to approval. This argument is supported by Dare et al (2014) who found that successful engagement creates credibility and trust which ultimately leads to achievement of social licence. However, Dare et al., (2014), like several other scholars do not specify the level of licence achieved. Therefore, what extant studies do not highlight is the dynamic link of these social licence concepts. Specifically, studies have not isolated the different engagement processes and link them to specific levels of social licence.

A similar limitation in extant literature is also clear when considering that recent studies that have employed moral legitimacy in social licence have not explicitly identified the level of licence to operate generated. A typical example is the study by Melé and Armengou (2016) which investigates the role of moral legitimacy in the social licence of controversial projects. However, what is clear in their study is the central role of moral legitimacy in generating credibility of the firm in the railway tunnelling project that threatened the foundations of a historically significant church in Barcelona, Spain. Moral legitimacy and interactional trust are therefore, critical elements of credibility.

As argued in this thesis, what could be more useful to practitioners and more interesting to scholars is to relate varying magnitudes of engagement to the different levels of social licence. It is also more valuable to understand the triggers and processes through which engagement strategies change over time. This thesis, therefore suggests that as engagement processes transition, so are both the level of credibility and social licence as proposed below:

P2: Transitional engagement processes build credibility, as a precondition for community approval of the firm

3.4.3 Transformational engagement, institutionalisation and psychological identification

Transformational engagement marks the highest level of community engagement. In this study it is related to firm and community consultation (Morsing & Schultz, 2006). It represents

proactive forms of action, which is largely characterised by joint learning and value-generation, the co-management of projects and the inclusion of community in decision-making processes (Bowen et al., 2010; Morsing & Schultz, 2006; Seedat, 2012; Devin & Lane, 2014). In so doing, the community and the firm create shared value (CSV) (Porter & Kramer, 2011; Harvey & Bice, 2014).

Communication at this level is a two-way process involving both the firm and the community in more frequent interaction. The organisation and the community jointly share control over the engagement process (Bowen et al., 2010; Devin & Lane, 2014).

It is argued that the relationship grows beyond the individuals in the organisation to the organisation as a whole. Essentially, this phase is characterised by practical, participative dialogue between the community and the firm (Bowen et al., 2010; Devin & Lane, 2014; Newenham- Kahindi, 2011). Additionally, the organisation is seen as a corporate citizen, doing more that extraction of resources, but mediating and collaborating with stakeholders, in the events of conflicts in issuing a social licence, for example (Boutilier et al., 2012).

The existence of transformational engagement in organisations has been demonstrated in literature. Seedat (2012) acknowledges that engagement is a form of action and practice in the encounter between the community and the organisation. Although the study is not on social licence, the insights suggest shifting from transactional engagement, transitional engagement and transformational engagement, and sometimes back, over time. Similarly, a study by Newenham- Kahindi (2011) in Tanzania suggests that Barrick Mine achieved transformational engagement with the community. Similarly, Stirling, Wilson-Prangley, Hamilton, & Olivier (2016) argue that transformational engagement is challenging but achievable.

Together, these studies have linked engagement, legitimacy and trust to the survival of the organisation in the face of resistance. This gives important insights into the creation and maintenance of social licence. However, what these studies have not done is to establish the processes involved in social licence construction. Researchers have not linked the various levels of corporate community engagement to the levels of social licence. They therefore portray community engagement as 'messy' (Seedat, 2012).

This study argues that transformational engagement results in institutionalisation of trust. This is achieved through joint decision – making (Bowen et al, 2010), and shared value creation (Porter & Kramer, 2011). As trust evolves from interactional to institutionalised, the community has confidence that the organisation will make decisions in its best interest. Such confidence leads to the community having a sense of co-owning the organisation. This state is

demonstrated through community psychologically identifying with the organisation (Boutilier & Thompson, 2012).

P3: Transformational engagement processes build institutionalisation, as a precondition for community to psychologically identify with the firm.

3.5 The conceptual model of social licence construction process

The model in Table 3-2 represents the nature of corporate community engagement, social threshold, and phases of social licence. The model identifies three key community engagement processes, namely transactional community engagement processes, transitional community engagement processes and transformational community engagement processes, that are necessary for building the boundary criteria, referred here, as the social threshold (pragmatic legitimacy, credibility and institutionalisation). These social threshold elements are the preconditions for the construction of acceptance, approval and psychological identification social licence, respectively.

The following table is the summarised conceptual framework of the social licence construction process.

Table 3-2: Author's conceptualisation of the process of social licence construction

Social Licence Phases	Acceptance	Approval	Psychological Identification
Social Threshold	Pragmatic Legitimacy	Credibility	Institutionalisation
Community engagement processes	Transactional community engagement processes	Transitional community engagement processes	Transformational community engagement processes

As indicated in this model, the mechanisms necessary for the transitioning processes from one engagement orientation by the firm to the next or from one phase of social licence by the community to the next are not clear in literature, and therefore the thesis contributed by identifying these processes.

Chapter 4- Research design and methodology

4.1 Research traditions in social licence literature

A considerable body of literature is devoted to understanding the social licence to operate. However, very little effort has been directed at proffering approaches used to execute research in these studies. There is still lack of consensus in the conceptualisation of a number of constructs.

There are some quantitative studies (Moffat & Zhang, 2014; Zhang & Moffat, 2015; Zhang, et al., 2015) and mixed method studies (Lacey, Carr- Cornisha, Zhanga, Eglinton, & Moffat, 2017; Moffat, Lacey, Zhang, & Leipold, 2016). Some studies utilise qualitative case studies (Bice, 2014; Dare, Schirmer, & Vanclay, 2014; Edwards & Lacey, 2014; Herremans, Nazari, & Mahmoudian, 2016; Martinez & Franks, 2014). A significant body of work is based on conceptual papers (Bice, Brueckner, & Pforr, 2017; Harvey & Bice, 2014; Moffat, Lacey, Zhang, & Leipold, 2016; Owen & Kemp, 2013; Harvey & Bice, 2014; Harvey, 2017; Cooney, 2017; Boutilier, Black, & Thomson, 2012). This suggests an area that is in the process of scholarly development.

4.2 Research philosophy

The thesis follows a constructivism philosophy. This is because community engagement (Golafshani, 2003; Bice, 2014; Dare, Schirmer, & Vanclay, 2014), legitimacy and the social licence to operate are seen as social construction of perceptions and actions of social actors (Herremans et al., 2016; Yin, 2015). The study is therefore premised on the philosophy that social phenomena and their meanings are constantly shaped by social actors (Golafshani, 2003; Maguire & Hardy, 2013; Bryman, 2006).

Further, the researcher socially constructs the lived experiences of the actors in their natural setting (Yin, 2013). Emphasis is on the importance of understanding the process through which human beings concretise their relationship to the world as they socially construct and maintain a licence to operate (Morgan & Smircich, 1980; Langley, Smallman, Haridimos, & Van De Ven, 2013). Given that the intention is to locate hidden mechanisms in the social and historical processes, the proposed philosophy is appropriate. It is in line with the research questions and objectives.

4.3 Research Design

This research adopted a case study design, as it answers how and why questions. The design underscores the importance of the experiences of the firm and the community (Beverland &

Lindgreen, 2010; Barratt, Choi & Li, 2011, Rowley, 2002; Yin, 1994; Eisenhardt, 1989; Dyer & Wilkins, 1991; Yin, 2015) for an extensive in-depth description of the social licence phenomenon (Yin, 2009). Yin (1994, p. 13) defines case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." Therefore, the case study design enabled the research to be conducted in its real-life setting, thereby enabling the researcher to understand the relationship between the corporate and the community within a specific context (Meredith et al., 1998, p. 443; Yin, 1994; Rowley, 2002).

Secondly, case studies are appropriate as they are widely used as a tradition in the study of social licence to operate because of the design's ability to generate deep data from triangulation (Yin, 2015). The case study is best since the author is generating theory (Meredith et al., 1998). A single case study can be an important basis for significant explanations and theoretical generalisations (Yin, 2009). The social licence literature is both inadequate and incomplete since it lacks theory to fully explain the phenomenon.

4.3.1 Embedded case design

The study uses embedded case study design because of the need for corroboration and gaining thick data. This is important in the study because focusing only on the relationship and not the sub-unit of analysis leads to a high level of abstraction lacking clear measures or data (Yin, 2009). An embedded design identified a number of sub units (such as meetings, roles or locations) each of which was explored individually. The results from these units were drawn together to yield an overall picture (Yin, 2013; Yin, 2015; Rowley, 2002). The roles played by the two actors (community and organisation) were used to define the sub units (Ketokivi & Choi, 2014). This is because the organisation is concerned with community engagement while the community grants the social licence. As such the organisation and the community are sub units of analysis in this embedded case study design.

However, the biggest challenge with embedded design was in achieving a holistic perspective from the analysis of the sub-units (Rowley, 2002). To manage this challenge, the study was dynamically conducted, iterating from the company archival data to the community, following purposive sampling and data triangulation to achieve corroboration (Gioia, Corley, & Hamilton, 2013). An embedded case study design helped in avoiding the potential slippage associated with a change of research questions when the data emerging suggested that the study needed to take a more community, or organisational focus, for example (Yin, 2009).

The use of case study as the leading design has gained popularity in theory building, and elaboration (Barratt, Choi & Li, 2011; Ketokivi & Choi, 2014). However, scholars have called

for improved focus on research quality and a moratorium on practices that are not progressive, including preference for one design (multiple case), over rich single cases (Beverland & Lindgreen, 2010). By using an embedded case study, the study contributed to the calls to use rich single cases, while enjoying the advantages of multiple case studies, which allows for cross-case analysis and corroboration.

Although several studies of social licence to operate have used qualitative approach, strategies adopted have varied from phenomenology, ethnography and case studies (Herremans et al., 2016; Newenham-Kahindi, 2011, Hall, 2014). By taking a case study route, the study supports the general view that social licence to operate is a socio - political phenomenon, having emerged in the context of mining conflicts in Canada in the 1990s (Cooney, 2017; Boutilier, 2014; Ehrnstrom-Fuentes & Kroger, 2017; Hall, 2014; Prno, 2013). The study addressed socio-political processes and a contemporary phenomenon, for which case study strategy is effective (Yin, 2013).

It is acknowledged that fewer sites generally lead to more thorough investigation (Meredith, 1998). The practice of using multi-cases has been criticised for compromising on depth and detail (Yin, 2015; Beverland & Lindgreen, 2010). What seems to be lacking in literature is the use of essential embedded cases that are studied in detail to give new insights into the phenomenon of social licence. The proposed study makes that methodological contribution, by using an embedded case study, and a detailed research design.

4.4 The research approach

This thesis is based on a qualitative study. The approach was chosen because the field of social licence to operate is in its early stages of development. Scholars are in the process of theorising the concept that has yet to be fully understood (Kemp & Owen, 2013; Bice et al., 2017). A number of concepts that are linked to social licence are also little understood. Examples include corporate social responsibility, sustainable development and corporate community engagement, for which the relationship with social licence is contested (Wilburn & Wilburn, 2011; Hall, 2014; Parsons et al., 2012; Greenwood, 2007). Such contestation demonstrates a field not yet fully developed and therefore suitable for qualitative investigation (Hlady-Rispal & Jouison-Laffitte, 2014). Additionally, a qualitative research approach is more appropriate, since the researcher sought complex, detailed understanding of dynamic issues surrounding the social licence (Boutilier & Thomson, 2012). The use of qualitative research enabled the researcher to match the question, the method, the data generated and the analytic procedures (Morse, Barrett, Mayan, Olson, & Spiers, 2002). The study is essentially exploratory and theory building in nature (Strauss & Corbin, 1994).

4.5 Research logic

In line with qualitative methodology, abductive reasoning was adopted. This was appropriate as the thesis derives insights from both literature and data, regarding the phenomenon investigated. Table 3-2 demonstrates the framework that was derived from literature and which formed the basis for the initial deductive coding frame. However, new codes emerged from data, for example community expectations of a morally engaged organisation code which was then developed into context specific community expectations. Inductive logic resulted in emergence of new constructs such as community visibility, engagement legitimacy, and organisational reflecting. The meaning from research findings were analysed in light of a conceptual framework developed from synthesis of extant literature. The framework was however a tentative guideline to reflect on emerging theory.

To develop rigorous theory, this thesis is situated in on-going debates in literature and therefore establishes a priori the theoretical basis for the study (Birkinshaw, Brannen, & Tung, 2011). Similarly, the study used a priori constructs to help shape the initial design of theory building research (Ketokivi & Choi, 2014; Barratt, Choi, & Li, 2011; Yin,2015). However, these constructs and concepts were tentative as they changed along the way (Eisenhardt, 1989). Thus, the study was iterative, moving between literature and empirical evidence.

4.6 Research methods

4.6.1 Sampling

Participants were theoretically selected from community representatives that had experienced the engagement processes in the achievement of social licence, as they best represent the research topic (O'reilly & Parker, 2013; Hall, 2014). In line with previous studies in the field, the proposed study purposively selected participants who have participated in community engagement with the company, at some point in the past 20 years, comprising representatives of local farmers, suppliers, rural traditional leaders, environmentalists, local government, local resident's association, local school, and a journalist. The basis for sampling was to achieve data triangulation (Yin, 2009).

For this study, interviewees in the community were identified through purposive sampling using local networks within the area, accessed strategically via the contacts of fellow researchers, company officials and archival records of projects undertaken in the community, where necessary so as to achieve trustworthiness (Herremans, Nazari, & Mahmoudian, 2016). Additionally, some community members were selected using publicly available information (from local authorities) and purposive selection to ensure that no key viewpoints are excluded

(Beverland & Lindgreen, 2010; Glaser & Strauss, 1967). Stakeholders with differing views, including those that actively participated in land grabs, were deliberately identified (Dare et al., 2014). This was despite them having specific, diverse relationships with the company and community (Herremans et al, 2016).

The initial plan was to interview thirty community members, to generate data on the engagement processes between the community and the focal firm. However, the appropriateness of data was of major concern rather than the numerousness of participants (O'Reilly & Parker, 2013). Another consideration made by the researcher was to follow the guideline not just to focus on a few sites/individuals but to collect extensive detail about each site or individual studied to elucidate the particular (Yin, 2015; Dyer and Wilkins, 1991).

Interviewees were chosen from community members who engaged with the firm, since the aim was to understand the social licence construction processes as they unfolded and experienced by the participants. A total of 28 community members were interviewed. Typically including traditional leaders, local authorities' representatives, resident's association member, community project leaders and former employees. Only two female interviewees participated, demonstrating a context that is male-dominated in leadership positions, and women who are generally reserved, always preferring that men participated. One was the secretary of a cattle feedlot project that was established in partnership with the focal firm, the government, a local bank and the community. The second was an environmentalist who worked at the environmental regulator but interviewed in her personal capacity as a community member. All participants were mature people, who had engaged with the organisation for part or all the twenty years under investigation. This was important to enable the researcher to trace the evolution of engagement processes over time.

Although the study had not planned to conduct group interviews, some interviewees opted to be interviewed as groups. A local councillor, local farmer, and irrigation project vice chairman opted to be interviewed jointly, in one instant. Separately, the chairman of a second cattle feedlot project in the community, opted to be interviewed jointly with the treasurer of the project, while the chairman of irrigation scheme and local farmer were also jointly interviewed. In these cases, the researcher had to utilise interview skills to ensure the discussions were not dominated by the vocal participants. Group dynamics were managed to get the most from the interviews. While this was not in the original plan, it generated richer data, as group members reminded each other of nuanced past activities, events, experiences and circumstances, which are all important in generating thick descriptions in a process study.

Throughout the study, strategies for ensuring rigor (sometimes referred to as trustworthiness) were built into the research process.

Table 4-1: Details of the sampled interviewees

Participant Code	Description of participant	Location Code
1CFC	Community cattle feedlot secretary	C
2CSC	Community sorghum project leader	C
3CIC	Community irrigation scheme leader	C
1CFM	Community feedlot chairman	M
2CFM	Community feedlot treasurer	M
1WCB	Ward councillor	B
2CSB	Community sorghum farmer	B
3CSB	Community irrigation scheme member	B
1CSSR	Community secondary school SDA chairman	R
2CPSR	Community primary school SDA secretary	R
3ER	Environmentalist	R
4ER	Environmentalist	R
1CIL	Community irrigation scheme leader and land invasion pioneer	L
2CSL	Community sorghum farmer	L
1WCG	Community ward councillor	G
2CCG	Community clinic committee member	G
1CIJ	Community irrigation scheme member	J
1WCT	Ward councillor	T
2VHT	Village head	T
3CMT	Community member -active during dam construction	T
4CMT	Community member – village security	T
5LFT	Local new farmer	T
1LFMK	Local new farmers association committee member	MK
1RACHR	Resident association vice chairman	CHR
2LSBCHR	Local small business owner	CHR
3LHRCHR	Local human resources consultant	CHR
1CMTM	Community member and dam security guard	TM
1CMCS	Community member	CS

The researcher was responsive, adhering to theoretical sampling, an active analytic stance, and saturation in terms of the final number of respondents and archival documents (Morse,

Barrett, Mayan, Olson & Spiers, 2002; O'reilly & Parker, 2013). Essentially, saturation as a sampling strategy ensures replication and confirmation (Morse et al. 2002). This helped the researcher to proactively correct both the direction of the analysis and the development of the study as necessary, through responsiveness and flexibility.

Past studies also guided the sample size and the determination of saturation. For example, Guest, Bunce, and Johnson (2006) in a qualitative study, showed relative saturation after only 12 interviews, as demonstrated by a stable and complete codebook. Meanwhile, Creswell (2013) recommends between 4 and 5 cases, 20 to 30 interviews in grounded theory, and 1 to 10 in phenomenology studies.

Due to studying more than one community or several industries, where there is divergence in views, some scholars have involved different number of participants according to the perceived divergence in views. Studying the social licence across several stakeholders, Hall (2014) interviewed 27 participants, while when studying the concept across industries, the number of participants increased to 56. Therefore, achieving saturation was the main consideration in determining the sample size in the study. Although the planned number of participants was 30, the codebook relatively stabilised after 17 interviews. However, the interviews continued until saturation was achieved after 28 interviews. The sample size was deemed satisfactory, as there is no evidence suggesting rigor in justifying sample size in qualitative studies (Marshall, Cardon, Poddar, & Fontenot, 2013).

Table 4-1 shows the details of the interviewed participants. These were coded to protect their identity.

4.6.2 Archival data points selection from the community

Multiple data points were utilised in the study. This resulted in the researcher triangulating to add richness, and get thick descriptions, as well as corroboration. The researcher collected data from purposively selected points of local community members that have directly engaged with the company. These played a role in the social licence issuing. Data included pictures and minutes of meetings from a community irrigation scheme. Further data was gathered from a local media house, where past newspapers were collected physically from the office and some downloaded online. Since trust was the main governance mechanism in the relationship between the firm and the community, very few meetings were documented, from the community. The criterion for archival data to be selected was if it was related to community engagement, trust, legitimacy or social licence.

4.6.3 Selection of archival records, observation events and locations from the organisation

Archival records and observation events and sites were purposively sampled in accordance with their usefulness in contributing to the study (Yin, 2013; Yin, 2015). Archival data was selected from the rich collection of sustainability reports, financial reports, policy statements and strategic reports. Purposive selection was used to follow online links which were related to the study as specified in the protocols. These were linked to websites, company online media reports, company social media pages, annual reports, stand-alone sustainability reports, securities, and policy documents (Herremans, 2016). Some policy documents were observed on community noticeboards, and at various suppliers notice boards. Search terms such as "social responsibilities, environmental policy, safety policy and sustainability reports" were utilised for online searches. These general key terms were also useful for other forms of archival data sources. Theoretical selection was until saturation was achieved (Morse et al, 2002). New searches could not generate new data, so the search stopped at that point. A total of 20 annual reports were gathered and were for the period from 1999 to 2018, which was the period bounded for the case study. The period marked heightened conflicts in the agricultural sector in Zimbabwe (Scoones, Mavedzenge, & Murimbarimba, 2017).

Although the initial plan was to also conduct face-to-face interviews with company executives, the prevailing National context changed drastically over the scheduled data collection period. In 2017, the political environment in Zimbabwe deteriorated and culminated in the army assisted deposing of the thirty-seven year-long serving President of the country. When the organisation was approached, it highlighted the volatile political environment as a deterrent for participating in formal interviews. However, informal interviews were conducted with two executives who pointed the researcher to publicly available archival data and provided other materials from the company library.

The current study follows past studies that have used archival data and community interviews. Literature has examples of social licence studies that are based on community as data sources (Ehrnstrom-Fuentes & Kroger, 2017; Moffat & Zhang, 2014), and discourse analysis of archival data and community interviews (Bice, 2014; Edwards & Lacey, 2014; Martinez & Franks, 2014).

4.6.4 Unit of analysis

The relationship between the company and the community was the unit of analysis. This relationship was viewed as central to achieving the social licence, since it is a result of exchanges between the two actors. The sub-units of analysis are the roles played by the

community, which is granting of social licence and that played by the organisation which is corporate community engagement processes. The study follows an embedded case study design.

4.6.5 Level of analysis

The study was at two levels, the organisational level and the community level. Since these are two different levels, by analysing community engagement mechanisms from the organisation and social licence to operate from the community side, the study handles the two levels at the same operational level. The study uses clear mechanisms to link the two actors.

4.7 Cultural considerations

The area which was the site of the proposed study is home to a minority tribe. The language is different from the other two dominant native languages in the country. The tribe engages in traditional rituals and norms which potentially could be a challenge to researchers intending to investigate the natives. Therefore, the researcher had to think carefully about these dynamics to avoid surprises in the field as well as the data processing phase of the study. It was anticipated that some or even as the case turned out to be, all respondents preferred to be interviewed in one of their two local languages. However, the researcher is from that tribe and fluently speaks the local language and well conversant with local traditions and rituals. The interviews were conducted in the local language, which gave the participants the freedom to express themselves, resulting in generation of rich data. The data was translated to English and then transcribed, before it was back translated to the local Shona Language, for authenticity. The researcher's tribal links with the community was important in gaining access, as the community is generally reserved and less willing to accept strangers. Fluency in the local minority language resulted in the community identifying with the researcher (Possik, 2009).

However, some scholars have cautioned on the challenges of mis-transcription or mis-translation, that may emanate from transcription and translation, especially where local language uses slang and some jargon unique to their community (Haring, 2008). To deal with the potential challenge, the researcher hired a native translator and transcriber so as to preserve the voice of the community, which is critical in a qualitative study of a sensitive nature like the social licence (Denzin & Lincoln, 2000; Easton, McComish, and Greenberg, 2000). Additionally, the researcher also contributed by operating as a moderator, since he is familiar with the context, the languages, and technical social licence terminology, as suggested by Van Nes, Abma, Jonsson, and Deeg (2010). For back translation, a native religious leader

with a deep understanding of both languages and experienced in translating from English to the native language was utilised.

4.8 Dealing with positionality in Global South research

As highlighted by Peters (2013) understanding one's positionality in research can help break down barriers for knowledge processes. Although familiarity with the organisation and the community presented great opportunities for access and deeper understanding of the research context, the researcher acknowledges the potential pitfalls that positionality may have presented to the research. This reflection was important as it is the reseacher who had to deal with "baggage" (Sumner and Tribe, 2008). The researcher continuously went through a process of reflectivity. An example of this process is when the researcher became emotional when hearing how during the early phases of engagement with the company, people from the minority tribe (which the researcher belongs) were largely neglected. This may have influenced the prominence of negative engagement that is documented in the thesis.

The researcher was raised in the country where the research was conducted and lives on the Great Dyke, which is a busy mining region. Growing up in this area, the researcher experienced the struggles and conflicts that existed between companies and local communities. My parents are peasant farmers, and have always regarded land and agriculture as their heritage and an integral element of their livelihood. As such the researcher was influenced to do this research as a result of that experience. The interpretation of findings and emphasis could have been different had the researcher not belonged to the same tribe with the community. The researcher is aware of the historical struggle between local communities and farming multinational enterprises emanating from the colonial era.

Past interaction with the company, a well- known emerging market multinational enterprise in the country, certainly had an influence on how the research progressed. As the researcher grew up, the focal organisation was known as a source of employment for local communities. Given an emerging market background, the researcher may have biases, doing research in the Global South (Sumner & Tribe, 2008).

4.9 Dealing with politically sensitive situations

The land question in Zimbabwe is highly controversial, politically charged and emotive, both in the local society and the international investor community. This rendered political sensitivities very pertinent to this study as they had the potential to undermine the quality of the research inquiry. For instance, access to respondents and their willingness to participate in the study could have potentially been affected. To maintain trustworthiness, the study was

consistent with prior literature on politically sensitive settings. Reflexive positioning strategies proposed by Possik (2009) guided data collection, analysis and reporting. These are identification with respondents; emotional enmeshment, and personal associations. Studying the cultural norms and values of the community ahead of the study was helpful in understanding the dynamics that informed perceptions and perspectives.

This study was conducted in an environment where some respondents tried to use the study to advance their political persuasions. This posed the challenge of discursive anxiety where the researcher felt he was being maneuvered by the informants into a certain relationship that will promote their political or social agenda while posing a threat to research quality. For example, some respondents assumed the researcher was from donor organisations, so they wanted to advance their social plight, in a country characterised by declining donor support following the sanctions imposed on the country in the early 2000s. The study follows Possik (2009) who, for example, suggests that when a respondent indicates discomfort in having a section of an interview on the record, such information is not made part of the report. However, since the information is shared within the research framework, the information for the insider only will be used as an important component of the dynamic context in which other data are analysed. Such an approach turns an otherwise ethical threat into an analytic opportunity.

Although the study discovered reports, from interviews and newspaper reports of alleged deviant persons engaged in unethical, coercive or domineering behaviours, especially politicians and some company officials, these reports were neither substantiated nor proven in courts of justice. As such they were analysed in the context of power struggles within the country's political landscape. Even though, the researcher ensured that the identity of the case and all study participants are anonymised. Critically, the researcher was sensitive to emotional distress of participants (Corbin & Morse, 2003). Thus, participants were given the details of the nature of the study and asked to explicitly consent by signing consent forms prior to all interviews. Importantly, participants were assured that they were free to stop the interview at any point during the interview and that the collected data will be safely kept and used only for academic purposes.

To protect all participants, the whole research process was conducted critically to ensure that the environment of the interviews was safe. The transcriber and interpreter were briefed adequately on the nature of the study so that the fears generated by this kind of study are acknowledged (McCosker, Barnard & Gerber, 2001).

Another way this study dealt with politically sensitive information was to analyse the information through process tracing (Mohmand, Justino, Dowd, Scott-Villiers, Befani, Loureiro & Shaw, 2017). Process tracing is considered a rigorous method to test qualitative causal

mechanisms by meticulously assessing the probative value of different pieces of evidence. The sensitive information was analysed on the basis of evidence strength. If the evidence was not related to the research question it was left out of the analysis. However, if it relates to the research question and significantly alters prior propositions, then it constitutes new contribution to the model. The study sought to combine fine-grained explanatory mechanisms to demonstrate how the nature of community engagement leads to a certain degree of acceptance. The ethics section in this methodology squarely deals with other considerations linked to sensitive situations in the study.

4.10 Research instruments

The proposed study used semi-structured interviews, where open-ended questions are utilised (Baxter & Jack, 2008). This allowed, the questions, unlike in a structured interview, to be adjusted as more insights were obtained from the interviews (Eisenhardt, 1998). The study was guided by a case study protocol, with a few interview questions, for each section and spaces to capture notes from interviewee comments (Jacob & Furgerson, 2012). The protocol was informed by the insights gained from preliminary constructs (Stirling, Wilson-Prangley, Hamilton, & Olivier, 2016; Yin, 2009).

The questions were drawn from the research sub-questions and reduced to language understandable to the interviewees (Kahindi & Aloysius, 2011). The was bounded by questions to invite the interviewees to open up and suggest farther sources of data (Yin, 2015). Now and again when appropriate, the researcher asked interviewees for pointers to additional sources. This was very useful for snowballing to generate more relevant data, and reduced search time significantly. In some cases, the interviewees connected the researcher with the potential respondents. This was important in building rapport, even before the researcher got to the respondents.

The use of semi-structured interviews is not new in social licence research. Previous studies on social licence to operate have used semi-structured interviews (e.g. Dare et al., 2014; Hall, 2014).

4.11 Data collection

In this study, multiple sources of evidence were used to develop "converging lines of inquiry", which is a process of triangulation and corroboration with more accurate and convincing findings or conclusions (Yin, 2009, p. 115). Triangulation is important as it addresses construct validity since multiple sources measure the same phenomenon. The target for all data sources was to achieve data saturation for validity (Fusch & Ness, 2015).

4.11.1 Archival data and audio-visual materials

The study collected data from company archives. Specifically, study utilised the physical and virtual archives obtained online because they are important in corroborating and augmenting other sources (Yin, 2009). The company website was a rich source of sustainable development reports, annual reports and strategic planning reports. Reports from media houses, social media interaction with communities and stakeholders was also utilised and helped to triangulate the findings of the interview data and records of the company's involvement in certain stakeholder engagement activities (Herremans et al., 2016).

The researcher follows past studies that have used archival data successfully (Martinez and Franks; 2014; Nygaard, 2016; Manetti, 2011)). Archival data was deemed relevant to the study. However, the study related the data to the prevailing conditions under which they were collected (Manetti & Toccafondi, 2012; Yin, 2009). Accuracy and usefulness was considered in recognition of the fact that the data was generated for other purposes, than for the research (Biraghi, Gambetti, & Romenti, 2017).

4.11.2 Observation

The researcher made maximum use of the five senses to note the phenomenon of corporate community engagement processes and social licence and recording descriptive and reflective notes on the observer protocol (Gioia, Corley, & Hamilton, 2013). Observational evidence is deemed useful in providing information to corroborate other sources in triangulation which is central in this study (Yin, 2009). Semi-structured field observation mechanisms were used, and the notes captured on observation. Although the observation was broad, the major focus was on research questions related events and activities, pictures, and own reactions. Like interview procedures, the observation was also planned in terms of site selection, who or what to observe, use of observation protocol, someone to introduce the researcher if not yet known, and then on completion, thank the participants and withdraw from the site.

Soon after the observation, a thick and rich narrative description of the people and events under observation was always done. The observation approach is not widely used in social licence and therefore it is a methodological contribution. In the past, the researcher has been invited by the company as a stakeholder in some of their engagement initiatives for suppliers. During those sessions, the researcher managed to observe the interactions, providing a deep understanding of the motives for, and how the organisation engages stakeholders.

4.11.3 Individual and group interviews

The proposed study utilised individual and group face-to-face semi-structured interviews, which lasted between 45 minutes and 2 hours each, as part of the need to triangulate archival data, generated about the company and the community (Hlady-Rispal & Jouison-Laffitte, 2014; Ketokivi & Choi, 2014). Interviews are widely used in the study of social licence to operate (Dare, Schirmer, & Vanclay, 2014; Hall, 2014). Since the study dealt with human affairs and behavioural events, interviews provided key insights and short cuts to prior history (Yin, 2009). Researcher was always on the lookout for signs of participants fear and stress that is associated with sensitive issues.

However, interviews were used mostly as verbal reports, considering the problems of bias, poor recall, and poor or inaccurate presentation. More focus was to corroborate through other sources in triangulating for validity (Yin, 2013). The place for conducting the interview was not always predetermined, the researcher had to physically search for the participants, on the basis of recommendations from other participants or cues from archival data. However, where possible arrangements were made with the interviewees, for interviews to be free from distractions (Yin, 2015). It was always ascertained that the physical setting permitted audiotaping for accurate recording of information, once consent was granted.

However, as interviews were conducted it was discovered serendipitously that when participants invited other community members to jointly participate, the problem of recall bias was minimised as participants sought historical information from community or family members. This was in line with the local norms of handling matters communally. For example, when a participant wanted to recall the period when there was severe drought and Company X bailed out the community, he asked his daughter the year she set for her grade seven national exams. She vividly remembered it was 2014. Dates and events recorded in archival data were used to manage recall bias.

The researcher ensured the environment was safe so that sensitive information may be shared without fear of physical harm. Of the 28 participants, 26 interviews were recorded digitally and transcribed, while 2 participants allowed the researcher only to take notes. Detailed notes were recorded in a diary and typed soon after the interviews. At every interview site, consent was sought from interviewee to participate in the study, and a consent form signed (Gioia, Corley, & Hamilton, 2013). The researcher went over the purpose of the study, amount of time needed to complete interview, and plans for using results and assured the interviewee that results will be used ethically. Information was also recorded on the interview protocol, although the researcher was aware how such notes could be incomplete as it is hard to write and listen, all at once.

There is evidence in literature of use of interviews in social licence research (Martinez & Franks, 2014, Dare et al., 2014). For example, Martinez and Franks (2014) in a study to find if company- sponsored community development has bearing on social licence, used a methodology that consisted of a review of corporate sustainability reports and corporate policies, and 38 qualitative interviews with community leaders, local government and corporate community relations professionals.

4.12 Recording of the data

Although Voss et al. (2002) argue that there is ethical debate on the use of audio and video recordings, this study used them, though, after seeking consent from the respondents involved, since exactness is of paramount importance (Yin, 2015). Voss et al. (2002) point out four disadvantages of audio and video recording: transcribing is time consuming; they are transcribed several periods after the interviews; they are likely to take the place of listening; and may distract the interviewees.

To counteract these challenges, this study ensured that notes were also captured on the protocol as the interviews were in progress, field notes were kept of observations and reflections (memoing), and data generation and analysis ran concurrently and records kept (Voss et al., 2002). For that reason, the researcher sought to establish convergence and clarifications as the interviews progressed. Cause and effect patterns were captured as they emerged, and triangulation was used to enhance understanding and to deal with conflicting evidence. Observer bias attributable to personal values and experiences was managed by triangulation. The sensitive nature of the study required that, in the memos, identified fears by the researcher and other participants were noted as this had the potential to ultimately inform the quality of the study.

4.13 Data documentation and storage

Transcription was done as quickly as possible and any missing data was followed up on and conflicting data was clarified. The procedure followed by Hall (2014) and Herremans, Nazari, & Mahmoudian (2016) was valid for this study and involved grouping raw data by informant, recording data electronically, coding with standard codes, grouping data by emerging construct category, use of qualitative data to develop summary paragraphs for each construct, and a condensed summary for each site.

Documentation included typing up of notes, transcription of audio records to produce a detailed description of the case, gathering archival data from other sources, documenting ideas, insights and reflections from research. The recorded data was saved electronically on

the cloud (on the internet) for back up, to make sure data is not lost. Data was also captured by event and or activity in line with the nature of data gathered in case study. To enhance reliability, researcher maintained a case study database, comprising, case notes, documents, tabular materials and narratives (Yin, 2009). Further, a chain of evidence/ audit trail was ensured. However, since this is a politically sensitive study, the data was be strictly kept secure and treated as confidential to protect the participants. Codes were used to identify the participants.

4.14 Data analysis

In this study adductive data analysis was used, where the theoretical orientation as crafted in the framework, guided the case study data analysis and to develop and address all major alternative explanations (Yin, 2009), while iteratively use inductive analysis, where some codes emerged from data (Saldana, 2016). Alongside the expected findings, the study either used the alternative explanations as areas for future studies, or as rival explanations. This was also important as this politically sensitive study highlighted some outcomes not expected in the framework. The analysis was alive to the sensitive nature of the study and the potential associated fear in all participants.

To manage the lengthy time period under investigation, temporal bracketing was used. The author divided the twenty years into manageable temporal ranges for application of analysis tools (Langley, 1999; Langley, Smallman, Haridimos, & Van De Ven, 2013). The applied brackets were: between 1999 and 2004, marking the period of rapid land reforms, 2005 to 2008, which was a period of slow land reforms and declining economic performance,and from 2009 to 2013, a period of positive economic revival, then 2014 to 2018 was a period of positive, but declining economic performance.

The coding of observations and data collected in the field is central to qualitative case study research, since the code provides a meaningful summary of data, as well as the handle that allows for detection of patterns (Voss et al. 2002). Incidents of phenomena as captured in data was coded. Study follows the coding process proposed by Saldana (2016) and Herremans et al., (2016), since it is comprehensive and has been followed in other researches, as a tradition.

For first cycle coding, the researcher deductively used mostly Initial Coding from codebook codes and additional codes that emerged inductively from data. In rare instances, In Vivo coding was also used to establish new codes from in-situ data text. In Vivo coding was useful when coding interview transcripts, and archival data as it allowed the researcher to attune with the language of participants, and the organisation (Saldana, 2016), as they both evolved in the process of constructing and maintaining the social licence. To capture the changes over

time, of the relationship between the participants and organisation, Descriptive Coding was also used on field notes, documents, and artefacts (to maintain a detailed inventory of their contents).

Social licence, by nature is a very values and emotion laden concept, as it underscores relationships within the community, families and the organisation (Syn, 2014). For that reason, the coding methods employed included Emotion and Values Coding (Saldana, 2016). Last, but importantly, the current study is a process research. As such, Process Coding was widely used. A typical example of such a code is "Reflecting". Together, first cycle coding sought to create fertile ground for the second cycle coding, to capture the nuanced detail of social licence processes. Al in all, the First Cycle Coding gave the researcher a great opportunity to not only reflect deeply on the contents and nuances, but also to take ownership of the data.

Once theoretical saturation was achieved, with no new codes emerging, the Second Cycle Coding begun. The main method used was Pattern Coding, which involved the grouping of codes into smaller number of sets, themes or constructs (Miles & Huberman, 1994). The process reduced the 817 codes into 35 code groups. An example of this process resulted in the code *"As the firm was reflecting on its size, and the global context, it felt a sense of responsibility, which resulted in shifting its engagement processes from transactional to transitional"*. This was an important step in process theory building. The researcher also realised that there are other methods that overlapped. Although the study sought to build a process theory of social licence construction and maintenance, it built a lot on past research and theory. Because of that, Elaborative Coding was used, where textual data was analysed to develop theory further (Saldana, 2016). This method was important in establishing areas where the current study supports, strengthen or extends extant theory. The new coding method that was contributed by the study was Definition Coding, definitions were coded, in line with the theory of legitimacy which puts emphasis on definitions.

To improve reliability (demonstration that procedures, if repeated produce similar results), the study ensured that all three forms of data, that is, directly taken field notes; expanded typed field notes which captured generated ideas and comments (captured as soon as possible from interviews, observations, and conversations) were also coded. At each coding, this study followed the three-step concurrent construct coding suggested by Huberman & Miles (2002), of data reduction, data display and conclusion drawing or verification. Once the codes were developed and coding saturation was achieved (Kerr, Nixon, & Wild, 2010; Morse, 1995; Mason, 2010), related codes were grouped into categories, which were connected to develop themes (Saldana, 2016). Examples of the theming strategy suggested by Saldana (2016) are: **socio-economic development is engagement platform; supporting cattle feedlots is**

sharing cultural values. This is one way through which categories were combined to develop themes. The process was done until theoretical saturation was achieved (Strauss & Corbin, 1990).

As Saldana (2016) suggests, the researcher realised that qualitative research analysis does not end with coding, but extends to Code-weaving. This culminated to the actual integration of codes and phrases into the final narrative. A lot of reflection and critical thinking was involved. It helped the researcher to establish how and why particular relationships exist and how processes build up in the construction and maintenance of the social licence.

It is important to note that although a section is dedicated for outlining the data analysis procedures, for case study, data generation is not divorced from data analysis. For example, in the study, the researcher adopted on-going analysis to achieve the dynamic formulation of conjectures and questions that force purposive selection of participants and observation sites, such that analysis of data, in some cases, determined future participant recruitment (Morse et al., 2001). The study follows a two-stage analysis of within-case and cross case analysis as proposed by Yin (2009) for all data types. Cross-case analysis was possible since the study is an embedded case. An analysis of data from the company was first done, then from the community. Cross-case analysis was done to corroborate rather than contrast or compare results from the community and the organisation.

ATLAS.ti version 8 was the software used to aid the analysis of data in the study. It is a robust program with operational capabilities needed to build the proposed model, from triangulation of multi-data sources. Scholars have described the Software as a powerful workbench, capable of adding value and sophistication to qualitative data analysis (Smit, 2005; Friese, 2014). For example, the auto coding function was used in this study to do in-context key word search, to enable fast manoeuvring in data analysis. Analysis included within case and cross-case data analysis in line with previous studies (Voss, Tsikriktsis, & Frohlich, 2002; Bice, 2014; Herremans, Nazari, & Mahmoudian, 2016; Martinez & Franks, 2014; Huberman & Miles, 2002).

4.15 Proposition development

The propositions as outlined in Chapter 6 continuously underwent development and adjustment iteratively. At the same time definitions of concepts and the emerging constructs turned out to be different from the initial conceptualisation, and such is the nature of case study research (Voss et al., 2002; Eisenhardt, 1989). The researcher sought to conceptualise the emerging propositions against the data, in line with Wacker's (1998) four step theory development, of defining variables, relationship definition, theory explanation and empirical

support. Refinement of the propositions was done by assessing them against findings from the community and the organisation. Where the case confirmed the propositions then the researcher sought to understand the explanations for the relationships. All the initial propositions could not be supported in their initial form, which was seen as an opportunity to expand theory, or to seek alternative explanation or rival theory.

The resultant theory is in form of an overall picture of how the process of building and maintaining a social licence works, presented in form of a dynamic process model. The emergent theory was reviewed in relation to extant literature in terms of how it confirms or differs with it and the reasons for all that (Eisenhardt, 1989), as enfolding of literature enhances the quality and validity of the findings, overall. This is done in Chapter 6.

4.16 Quality and rigor in the study

Quality and rigor are critical in this study. Every effort was made to ensure reliability, validity, and theoretical generalisability (Golafshani, 2003). Although space is dedicated to remark on rigor, it is argued that the research processes as articulated in the whole design demonstrates reliability and validity (Yin, 2009). The study builds on comprehensive strategies proposed by Morse (2015) namely: prolonged engagement, persistent observation, and thick, rich description; inter-rater reliability, negative case analysis; peer review or debriefing; clarifying researcher bias; and triangulation.

In line with constructivism, reality is socially constructed. Therefore, the study uses multiple data sources for triangulation (interviews, archival data, and observations). Research questions are approached from an open-ended perspective (Golafshani, 2003).

In this study the position taken by Herremans, Nazari, & Mahmoudian (2016) that emphasises procedural reliability and validity as key excellence measures is supported since it enables the researcher to carefully pursue the constructivism tradition, in qualitative methods, without causing confusion in what constitutes a quality design (Golafshani, 2003). Therefore, the proposed six factor qualitative quality criteria by Mayring (2002, p.144) are tenable since they apply to case study design as presented here. The factors, which are also presented in Seuring (2008, p.131) are: process documentation; safeguarding interpretations by arguments; research process structured by rules of conduct; closeness to the study item; communicative validation; and triangulation.

Case study design has been widely used in social licence research, both in sustainability performance (Hall, 2014) and corporate community engagement (Herremans et al. 2016, Dare et al., 2014). However, the question of rigor has always been of concern (Barrat et al., 2011).

This study sought to ensure rigor from using the triangulation of sources of data, and secondly, the study uses, primarily, processes documented in peer reviewed Journals (Seuring, 2008), and argues for theoretical generalisability (Maxwel, 1991).

4.17 Ethical considerations

The study involved observing and interviewing human subjects. For that reason, ethical considerations were of great significance. The study only commenced after all the ethical clearance had been completed and the letters of consent were signed by all the relevant authorities and the subjects (Yin, 2009; Herremans, et al., 2016). The participants were asked for permission to participate, use electronic gadgets to record audio and visual data, after a detailed explanation of the purpose of the research. The data is encrypted and stored in a manner that will preserve the data.

The study did not expose the participants to any harm, and this includes ensuring privacy and confidentiality (Yin, 2009). Since the study was of a sensitive nature, those participants who failed to give consent or were unable to participate were not asked to participate. The use of pseudonyms was utilised so as to protect the identity of participants. Even though, to minimise the risk of breaking confidentiality, scrupulous attention to record handling and the concealing of identifying information was done. Overall, the integrity and safety of participants came first. The researcher was and will continue to be responsible in generation, processing and publishing of data such that attention is paid to all manner of risks.

4.18 Methodological limitations

Although mechanisms were put in place to ensure rigor in the study, it is important to acknowledge that the use of a single case study may limit the generalisability of the study finding. The study findings are limited to theoretical generalisability. The positionality of the researcher poses both a strength and a limitation as it has potential to bias research processes and outcomes.

The research interviewed two women and twenty-six men. Women views could have had limited representation. This speaks to a largely patriarchal society in which the research was conducted. This was a result of snowballing that did not give preference to gender. Studies that theoretically seek women informants are recommended in future.

Due to the prevailing sensitive political climate in the country during the data collection period, it was not possible to conduct company interviews. Although rich data was gathered from company archives, future studies could be repeated with company interviews to corroborate community interviews.

4.19 Summary and conclusion

The chapter on research design covered the philosophical arguments in academic research and the assumptions they build on, as a precursor to justification of the selected case study design for the study. The methodology built on a rich review of literature as the foundation for choices related to design, approach, population, sampling, and unit of analysis, fieldwork practical considerations, data generation, storage and analysis. The critical aspects of quality and ethics are also covered.

The remainder of the thesis looks at the study results in Chapters 5, 6 and 7; analysis of results in Chapter 8 and summary, conclusions and recommendations are presented in Chapter 9.

Chapter 5: Results of processes towards acceptance social licence (1999-2003)

5.1 Introduction

The previous chapter covered the philosophical arguments in academic research and the assumptions they build on, as a precursor to justification of the selected case study design for the study. The methodology built on a rich review of literature as the foundation for choices related to data generation and analysis. The data generation and analysis produced themes which are relevant to the research question and therefore the focus of this chapter. The chapter presents results related to the first research question. It addresses the community-organisation processes that are necessary in the construction and maintenance of acceptance social licence.

The review of literature suggests that the community and the firm undertake various processes as they construct and maintain community acceptance. What emerged inductively from data is that the processes unfold within a social context. The findings of the study showed that the social context played a critical role in shaping community expectations and social norms, thereby informing the way in which the various community-firm engagement processes unfolded. Results from both community interviews and firm archival data point to how engagement processes impact on pragmatic legitimacy, a precondition for the construction of community acceptance. The results are categorised under five broad sub-sections, which are the social context, context-specific community expectations, engagement processes, social threshold, and the level of social licence.

5.2 The social context

What emerged from data that was not initially framed into the conceptual framework was that relationship between the firm and the community was presented with both, opportunities and constraints, emanating from the environment in which they interacted. These opportunities and constraints have been labelled in literature as social context. The study identified four critical elements of the social context that played a role in the way in which the firm and the community interacted in the construction and maintenance of the social licence. The elements are the community context, organisational context, national context and the global context. The following paragraphs present the findings on each of the elements.

5.2.1 Community context

The focal firm operated in a developing market. The study finds that the firm was surrounded by a community that largely survived on subsistence farming, with very little production for commercial marketing. They overly relied on working the land, as there are fewer alternatives to provide livelihoods. Mostly, they produced small grains, such as rapoko (finger millet), sorghum, ground nuts and maize. Maize is the staple food in the country, whereas groundnuts have been the main source of fats and proteins in the community diet. Meanwhile, rapoko and sorghum are traditional small grains which were produced for generations in the past. However, the production of these grains was on the decline, suggesting a community that was evolving with the changing times. As the country experienced a wave of commercial production, producing cash crops, such as cotton, the community also started producing these crops, as its way of life was shaped by the context it found itself in. This is demonstrated by the remarks of a ward councillor:

> *Generally, the community of ward 26 has people who survive on farming. Mostly they are peasant farmers who grow crops like cotton as cash crop, some grow maize, and ground nuts at Bhanga irrigation scheme with about 300 farmers. This community does not do a lot of economic activity.* (Local Councillor 1)

The limited economic opportunities result in communities lacking resources to work the land. Their aspirations and how they relate as a community are informed by their situation. Because of the situation they find themselves in they relied on government assistance for long periods, especially before the country was put on sanctions by the western countries. After the country was put on sanctions, it became difficult for the government to provide basic services. As a result, the community Y relied a lot on private sector companies for provision of basic services. The community looked upon company X for provision of some basic services. Surviving in a country with high levels of unemployment, they relied more on company X for employment in the region. This had an influence on how community Y felt about company X, especially when the company was faced with potential risk of land invasions. Isolated cases of disturbances on company X land were mainly by people from other areas, not the immediate community. As one community member commented:

> *"When people from other areas tried to occupy company land, we were disturbed. These are people from the top. These are people who are influential and not people from the community. How would I want company land when I cannot utilise my small plot? We are pained because of that behaviour. They are disturbing a company that was developing our area."* (Community school development committee chairman"

The community context was a vicious cycle where community Y had limited opportunities to generate income. Due to that, community Y was faced with other constrains, such as poor access to health facilities. They travelled long distances to get medical services. In one particular section of the community, locals had tried a number of avenues to construct a clinic. Several private sector organisations and NGOs had been approached, to assist, yet all that had been in vain. Limited health facilities were a significant constraint to community Y, as the ward councillor lamented:

"*In our ward there is no clinic. People are traveling 30kms or more. So, it was upon the community to work so that this clinic succeeds.*" *Local Councillor*

The community was largely disorganised at the beginning, as it was recomposed from 1999 to about 2004, which is the period that marked the chaotic land grabs, and the subsequent fast track land redistribution by the government. The new settlements that emerged around the firm comprised poorly organised people, in the process of being consolidated into the existing community. In most cases, the new settlers lacked formal leadership structures. This made coordination very difficult to engage with the firm. It was also a period when the organisation was going through a restructuring exercise, and leadership changes. These developments had an influence on engagements efforts between the firm and the community.

"It is a leadership problem. When leadership changed the new leaders just changed the way of operation" (community member)

Findings on the community context are important as they signal a changing community identity. The identity differentiates community Y from other communities, and binds the members together, shaping their individual and joint expectations. Company X's interaction with the community was also largely influenced by its understanding of the community social context. As the evidence shows, the community context, in dynamic interaction with other contextual elements, shaped organisational context, as illustrated in the following paragraphs.

5.2.2 The organisational context

Company X was a subsidiary of an emerging market MNC, hosted in Zimbabwe. It was a leading player, significantly contributing to the economic development of the country, employing a sizeable number of people. The employees constituted a large part of community Y. As one of the country's largest employers after the government, the size of the firm gave it a sense of responsibility that influenced its conduct in the community. The position is supported by the Company Chairman's remarks in an annual report:

> "*The Group is fully committed to the cause of nation building and will continue to support the processes of economic empowerment and social upliftment, not only as an expression of its confidence in the future of the country, but also as an acknowledgement of its responsibilities as a major employer.*" (Company Chairman, 2001)

To remain relevant in the broader context, the company realised the important role played by the organisational structure in executing its mission in the community. Presented with various opportunities in the social context, for example, the preferential market access, given to sugar producers from less developed countries, it became urgent for company X to be visible in the community. However, to do that, they undertook continuous restructuring, even at Board level

> "*On a personal note, I extend warmest wishes to Cevage who, as announced in December 1999, assumes the position of executive chairman from 19 May 2000, when I am due to retire.* (Outgoing Company Chairman, 2000).

The restructuring processes allowed Company X to leverage its loyal, efficient, and dedicated human resources to achieve its objectives. While it was important to restructure, the quality and attitude of the employees, and management team was critical in delivering on firm performance.

> *The shape and scale of the Group has changed considerably in that time, but it has always been led by an impressive team of top business and professional people. (Outgoing Company Chairman, 2000)*

With a high calibre of human resources, the firm was aimed at achieving impressive financial results. The results suggest that the firm restructured and developed its people as a way of meeting its self-interests. Indeed, company X posted impressive financial results, as highlighted by the Chief Executive, in the annual report:

> "*The Group's balance sheet is strong, with shareholders' equity increasing to R3,8 billion and capital employed to R5,6 billion. Total cash resources after capital expenditure of R500 million amount to R810 million.*" (Chief Executive, 2001).

During the early stages of constructing the social licence, the level of relationship between Company X, and Community Y was closely tied to the accessibility and productivity of the natural resources, from the perspective of the firm, and on the flow of material donations from the perspective of the community. For example, the strong financial position was enhanced by the growing natural resources base, as normal to above normal rainfall was received, filling

all irrigation dams to capacity. The firm anticipated improved yields between 2001 and 2004. This presented the firm with an opportunity to increase its socio-economic development. However, this was a period when the firm was highly centralised, with a Head Office focused approach, paying relatively little attention to subsidiaries outside South Africa. Transactional engagement initiatives were concentrated at Head Office, as the firm lacked mechanisms to gain a sound understanding of their host community expectations. However, the firm's annual reports suggested the intention to focus beyond the home country operation.

> *"Key community projects supported by Company X include the … Foundation, the Business Trust and the Education Quality Support. Six classrooms have been built in the Tonga and Ndiweni areas, while investments have also been made in education infrastructure, support services, and the provision of computer facilities". (Annual report, 2002, p.31)*

An overly centralised focus created bureaucracy in decision making, which constrained the relationship between the MNC subsidiary firm and the community. A frustrated community member had this to say:

> *"We have a fantastic working relationship, although there are delays related to their strategy they use. They take time because of the processes they follow. We have challenges here and there because the head office is in South Africa. When you agree with them, they solve our problems but the signatories are far so they delay" (Community member).*

The limitations were exacerbated by the overly organisational growth orientations that paid little attention to community matters.

> *"With spare milling capacity available and our core competencies in cane growing, sugar milling and refining, we will continue to grow in the internationally competitive region of Southern Africa". (Company annual report, 2002, p.25)*

5.2.3 The national context

Company X and Community Y interacted in a developing country, weighed down by underdeveloped institutions. Findings suggest Zimbabwe was characterised by poor regulatory quality. This had negative effects on the operation of Company X in the host country. Generally, the firm held back investment, as its strategy was focused on avoiding risk since the country had restrictions on remitability of dividends.

"Difficult trading conditions are likely to persist in 2003. Concerns exist over the future remitability of dividends from Zimbabwe." (Chairman's statement, 2002).

While it was difficult to remit dividends, the country was going through a period of mass land grabs. Commercial farms owned by foreign firms and nationals were violently grabbed by local communities from 1999, peaking around 2003. Instead of the legal institutions to protect property rights, efforts by farmers and farming ventures never got redress, as the land grabs became politicised. In fact, a new law was later introduced that allowed the government to compulsorily acquire land for redistribution. These events and processes had a bearing on the composition and expectations of local communities surrounding Company X. While the community was allocated land, acquired from foreign nationals around Company X, the government took a fast track approach and never supported the initiative with infrastructural and services provision. This created a situation where Community Y lost trust in Government for provision of basic services and expected the firm to provide them. In a developing market context, these would be provided by governments and local authorities. As remarked by a community member:

"We cannot rely always on the government. The company has made it easy for the government. We are planning to use all this area for the auctioning of cattle. We are not sure how the Chinga people are doing it. We want the company to assist us with auctioning of animals" (Community feedlot Chairman).

For the greater part of the research period, Company X operated in a harsh politico-economic environment, characterised by government directives to MNCs, hyperinflation, foreign exchange shortages, an overvalued currency fixed against the US dollar since August 2000, and extremely difficult trading conditions. This, further hamstrung MNCs, by increasing the difficult of doing business in a developing market. In Zimbabwe the little foreign currency that the MNC got was demanded by government through various directives. Thus, negating benefits from opportunities provided by a favourable global context, and climatic environment.

"The industry, whilst benefiting from preferential quota exports to the European Union and the United States of America, was required to sell 40 percent of export earnings to the Government at the official rate of exchange". (Annual report, 2002)

5.2.4 The global context

From a global perspective, the sugar industry in developing markets attracted preferential treatment in terms of trading conditions and market access. This made producing sugar in these countries more attractive for Company X, hence the desire to continue operating.

> *"Both Zimbabwe and Mozambique benefit from preferential access to the attractive European Union markets" (Annual report, 2003).*

However, participating in the global market came with some posturing public relations activities, that included HIV/AIDS initiatives, mainly to company employees.

Together, the findings on social context suggest that the various context elements dynamically interacted to influence community expectations and company behaviour in the community.

5.3 Community expectations

The study identified information embedded in the social context to be a key determinant of community expectations. As the four elements of social context interacted, they were shaped as they also informed community expectations. As highlighted in the social context section, the community faced shortages of basic services, following the chaotic land grabs and the subsequent fast track land redistribution, that characterised the early period covered in the study. Experiencing shortages of basic necessities, Community Y expected Company X, as a huge organisation operating in their community, to provide for their necessities.

> *"We thought as neighbours they give us all we need" (Community member).*

Moreover, as a result of the situation in the country and in the community, marked with shortages of basic necessities, the community expectations at that time were largely of material nature. They were preoccupied with material supplies from the firm. In addition to the individual expectations, these expectations are socially influenced by those of their peers. These include other community members and family members.

> *"Our first expectation was this… we expected someone (the firm) to give us cattle …stock feed, medicine so that we could have a proper project for a start. With reasonable terms of payment and rates. So that we both benefit from it. With reasonable rates. This is a project for parents. When you run a project like this you expect to get something meaningful from the project. At home they expected us to come with something." (Community member).*

As the firm attempted to meet the perceived expectations, it faced the challenge of insatiability of these expectations. The study finds that the more the firm tried to meet expectations, the

more these expectations moved. They were always growing, and the firm found it difficult to match them.

> *"They do that but it is not so significant. It has no punch. They could be doing cattle projects because they have molasses. They could have mills to do stock-feed. They could do fisheries for their employees. There is plenty of water around. The country would benefit a lot. Cattle projects would be effective, and beef would be available there. They are not imparting knowledge fully to the local community" (Community member).*

Additionally, different segments of the community had varying expectations, resulting in competing for firm attention. Community members demarcated themselves on the basis of tribal or geographic lines.

> *"Our community is too far away. There are communities that are close to the organisation who benefit a lot. They even got contracts to offer security services. Because of distance we are unable to do some of these projects. Those closer to the company are getting more than us. The people here know that we were assisted but we are far. We did that initiative of writing letters. Had we not done that we wouldn't benefit" (Community member).*

A community member, who was a human resources practitioner in the local town represented a different community of interest within the same community of geography. Thus, the company was faced with different expectations, calling for the need to have a well-coordinated approach to community engagement. These expectations were in part informed by the changes in the national context such as changes to legislature and national policies.

> *"Admittedly, it is a big company but to say the people are proud of it? No. We long for the day when the MD is a Chuke, a local person who is from the minority tribal group that originates from here. Then we say it is our company. These days there is ZIMASSET, 51% of resources should belong to the indigenous people. As such 51% of the people employed by the company should be from this province. This province has the highest number of educated people but where are they in the organisation?" (Community member).*

Overall, community expectations were influenced by information embedded in the social context. They were formed according to how the organisational context, the community context, the national context and the global context evolved. The findings, therefore, suggest that expectations are socially formed. Since the organisation based its perceptions of the

community in accordance with the social context, it viewed community expectations as largely transactional. The following section articulates how the firm's engagement orientation was informed by its perception of community expectations. The orientation was transactional, demonstrating the self-centeredness of the organisation during the initial stages of social licence construction.

5.4 Transactional community engagement

An important finding in the study is how the firm employed both, negative and positive transactional engagement processes, in line with perceived community expectations. The engagement was mostly responsive, guided by community behaviour, as well as the social context.

5.4.1 Positive transactional engagement

Study findings show that although the firm made frantic efforts to engage the community, at the beginning the motive of the firm was to tick-the-box. It was not driven by genuine desire to build sustainable relationship with the community. The firm was more concerned about engagement activities that directly benefited it.

i) Employee health is community support

The main focus of engagement was on the employees, who apparently constituted a significant part of the community. It was in the firm's best interest to contribute to the welfare of employees.

> *"The single biggest challenge facing us is the HIV/AIDS pandemic that is impacting on human resources at all operations. A comprehensive and holistic programme, which has been rolled out Group wide to counter the anticipated effect, includes the provision of Anti-Retroviral Treatment to eligible employees who do not have access to a medical aid scheme offering an HIV/AIDS disease management programme". (Annual report, 2003, p.25).*

ii) Employment provision is community support

The study finds that the primary way through which the firm traditionally engaged the community was employment. For several years, the firm had been well known for employing people from the local community.

"In the past we never saw how they helped us except that people looked for employment there" (Local Councillor).

However, some community members argued that the local people employed were non-skilled, as senior management jobs were grabbed by people from other areas. This was seen by the community as a way of fulfilling some rhetorical promises made to the community without a genuine desire to uplift the community.

"They are a company that helps people. They have done quite some work for example building schools. I would say I am an HR consultant myself. The nation could be proud of Company X. However, we have University G here in the province, but people in management are not schooled at UG. The community is disadvantaged when it comes to senior management. (Community member).

iii) **Donating is engaging**

A key feature of transactional engagement was that it did not change lives. It was about making small donations. The donations came in form of material handouts, or employee volunteering in the community.

"In terms of changing lives they have not changed lives in the province maybe not. But they supported some cultural activities. They provided sugar and materials for construction of a cultural hut. It was around 1999 or 2000" (Community member).

5.4.2 Negative transactional engagement

i) **Retaliating**

At the beginning, the relationship between Company X and Community Y was largely adversarial. This was due to failure by the two to find common ground. Because the firm did not take engagement seriously, the community retaliated, and several cases of theft from the company were reported.

"A number of workers drawn from this community made sure that no more thefts. In the past before this dialogue a lot of theft occurred but ever since it has subsided. If it were that period, you would have found lots of produce stolen from the company. They used carts to carry plundered produce" (Community member).

Retaliation was accompanied by involvement of third parties in resolving conflicts. Community members who violated firm procedures were reported to the police for justice to take its course

or fined by the company. These violations included theft of company produce, vandalising properties, and trespassing, including community cattle into company fields. Unfortunately, rather than building a relationship, such procedures increased the tension between the community and company. The situation changed for better when the company changed focus, and started engaging the community more genuinely, in pursuit of a participatory solution.

> "*So far we never had conflicts. In fact, in the beginning people did not have strong relationship with the company. People could steal sugarcane from the trucks as they delivered their crop to the processing plant. We did not know how useful these canes are. When people stole, they were arrested and went to the police. This is where the disputes ended. This was about 2003*" (Community member).

ii)   Neglecting

Due to the firm taking a group conceptualisation of community, there are sections of the community that felt neglected. This created a conflicted community. Transactional engagement processes had limitations in that they were unable to donate to everyone, hence the view by other community members that they were neglected.

> "*We would say these companies are not always doing well. Until recently when they helped us with the construction of the dam. We think in other areas they are doing very well. Even in terms of sorghum they do a lot of activities in other areas. They take inputs and go to other areas with those. Even the council does the same. They develop those areas at our expense. (Community member).*

 social context, of what the other sections got from Company X. The firm constructed roads in other sections of the community, and the information diffused in the whole community, yet not all of them find that road useful. And this was found to be an inherent challenge of transactional engagement processes. The situation created social tension in the community, as expectations of the neglected community members grew through a process of social influence. However, some cases of community neglect emanated from the poor community leadership structures as the community was highly disorganised at the time. Mostly, the study finds that the sections, mostly neglected at the start of the engagement process were those that had forcibly grabbed foreign owned commercial farms around company estates. So, the company engaged more with the established community sections, at the disdain of new settlers.

> *When we see them doing initiatives in other areas such as Chinga, we also expect those initiatives here*" (Community member).

iii) Monitoring

At the beginning of the study period, the relationship was characterised by the firm monitoring community movements in their fields and around their premises. In fact community members were restricted from using roads that passed through the fields, probably due to low levels of trust between the community and the company.

> *"From 1999, I would say the relationship has gone through a significant evolution. In the past there were areas that were no go areas for the community… It was not possible, in the 1999s they put up 'no entry' signs." (Community member).*

The study found transactional engagement to comprise positive and negative engagement. It is an engagement approach that involved informing the community of the organisation's philanthropic activities, if any. Despite that limitation, the engagement approach delivered a pragmatic level of legitimacy.

5.5 Pragmatic legitimacy

5.5.1 Exchange legitimacy

Through a focus on a low level of engagement, the firm only achieved passive support from the community. The community had the confidence that they will get economic benefits from the organisation.

> *"They built schools, yes, but they were not a product of the community" (Community member).*

5.5.2 Influence legitimacy

The organisation sometimes failed to deliver on actual outcomes, but its policies were acknowledged as considering community interests. In terms of employment, they had a policy to employ locals.

> *"There was a time when they wanted to consider employment of people within 100km radius but when you look at it now many are from Harare. The 100km claim is rhetoric that is not followed" (Community member).*

Although an individual's personal interests or those of the immediate group to which the individual belongs were not met, the organisation was positively viewed because of the perceived contribution to the broader society.

5.5.3 Dispositional legitimacy

Study findings show that the community personified the organisation, as if it were a living object, due to the interaction they had with it. The firm participated in a number of initiatives in the community. Some of the notable activities included donating time, by doing cleaning campaigns. It also donated stationary, and books at schools during speech and prize giving ceremonies. This created a situation where the firm was viewed as if it were a person.

> *"All the trees that you see here are from the (TH) company. There is nothing*
> *that came from us except labour. This company, hhha. It is a living company.*
> *It is a gift from God. All these trees" (Community member).*

The community felt that the organisation had it at heart in everything that it did in their day to day interaction with the firm.

> *"Part of their land went to land reform. In my view the company was not*
> *disturbed by the land reform. The company continued to help people and build*
> *relationship (Community member).*

The results of the thesis research show that pragmatic legitimacy is an important condition for community acceptance of the organisation. The willingness of the community to have the organisation operating in the community was hinged on the view that the organisation will provide material benefits, and address community concerns.

5.6 Community acceptance

The study finds that the community may partially or fully accept the firm, wishing it continued stay. The finding is attributable to the presence of both positive and negative transactional engagement initiatives by the company. Community acceptance followed transactional engagement processes. This was because by engaging the community, through donations, and other socio-economic development activities, the community felt that the firm had it at heart and will continue to benefit the community in the future. Although the organisation did not fulfil all its promises to the community, its promises and policies demonstrated to the community, a willingness to benefit the community.

5.6.1 Complete acceptance

Community respondents confirmed how their acceptance of the organisation was linked to various engagement processes. The community was willing to have the firm operating in their locality.

"But since the period they engaged us we realised that it is a company that has us at heart. We wished that the company may proceed and continue to operate. We realised they are people who want to work with us." (Community irrigation member"

A finding that was not expected, was that the community viewed its participation in firm activities, and utilising firm donated facilities as a way of accepting the organisation. Participating in organisational projects is accepting the organisation in the community.

"The community acceptance… people bring cattle from far areas and sell at the feedlot. If the market is announced, the people come. People also get water from the taps that were donated by the company. People accepted…." (Community member).

Another novel finding is how, through social influence, more people came in to join others who were already on company projects in the community. This suggests the power of social influence in the way in which the community grants a social licence. Community members did not always make rational choices in granting the social licence. This was evident on the sorghum project, that was supported by the firm. Community members joined their peers, as the number of participants ballooned, and geographical area covered expanded.

"AAAh they have received the project so much. Many people have organised themselves into groups. Even when they got 10kgs, but more so that they now get 30kgs. In a way this has brought people close to each other. People will get more yields, as they work together" (Community member).

5.6.2 Partial acceptance

Although the community accepted the organisation, the study shows that there were cases of complains bordering on how the organisation interacted with the community. Some participants demonstrated acceptance but had suggestions on how the firm could improve their engagement efforts. This is an important finding as it suggests that even if a firm is accepted by the community, it may still need to be sensitive to opposing community voices, as they point to some grey areas that need to be corrected in order to meet community expectations. This is why acceptance is a low level of social licence. Community acceptance, therefore, does not preclude complains.

"Acceptance is there because people get employment, but the out-growers are unhappy. For example, they buy fertilizer from money that they get from the

government. They are loaning us at exorbitant prices. Sometimes it is to do with the people at the helm. '

There was a common trend on the respondents who demonstrated partial acceptance. Typically, they were members who wore two hats in the community. Community members who operated businesses, contracted by the firm to produce sugarcane to sell to the firm, and practitioners, who assessed the acceptability of the company from two different perspectives. As a community member and as a professional. From a community member perspective, they accepted the firm, yet from a business perspective they raised some issues with the firm. This demonstrates how the firm struggled to engage with the community from both the community as geography and as interest stand points. To advance its social licence efforts, the firm needed to appreciate the overlap between the community of interest and the community of geography.

5.7 Summary of processes leading to acceptance social licence

The study identified transactional engagement as key to the construction of acceptance social licence. The firm's orientation toward transactional engagement is driven by the largely materialistic social context-specific expectations of the community. However, due to the characteristically limited nature of one-way communication in transactional engagement, from the firm to the community, the firm lacked a sound understanding of the community expectations. Firm decisions were based on its perception of the social context (community context, organisational context, national context, global context) to inform engagement choices. Another important finding was that social influence played a much more important role in shaping community expectations, than currently thought. Communities utilised information embedded in their social context to build context-specific expectations.

Transactional engagement was limited in terms of scope and breadth. This was mainly due to less developed engagement platforms, little formalised engagement processes, and limited practical engagement outcomes. Despite the limitations, the transactional engagement level was capable of delivering pragmatic legitimacy, from the perspective of the community. The community was confident that they will receive material benefits from the firm. Based on that conviction, the community accepted the firm, as demonstrated by a willingness to have the firm continuing to operate in the community. However, the acceptance was either complete or partial, as a result of the firm deploying both positive and negative engagement processes.

Although community acceptance social licence was constructed, the social context continued to evolve, informing shifts in community expectations, in the process. The following sections

focus on how, through organisational reflecting, the firm transitioned its engagement to build community approval.

Chapter 6: Results of transitioning processes toward approval social licence (2004-2010)

6.1 Introduction

The study results presented in this chapter demonstrate that through transitional organisational reflecting processes, the organisation appreciated community expectations, as a basis for transitioning its engagement efforts. As engagement orientation transitioned, the organisation built its credibility and that of the community. The credibility was an important condition for community approval. The chapter is structured into sections that present results demonstrating the crucial role of transitional organisational reflecting (which is largely pragmatic), transitioning social context, changing community expectations, credibility and approval social licence.

6.2 Transitional organisational reflecting processes

Through transitional reflecting processes, the firm reviewed its business performance. Although the firm begins to appreciate community expectations. The firm still took a controlling role in the determining what community expectations were. Mainly, the firm looked at expectations in relation to enhancing its performance.

> "During 2007, production at the sugar mills of Tinkle and Hivalley fell to 349 000 tons from the previous 440 000 tons due to delays in the timing of land preparation, harvesting and haulage operations. Plans are in place in 2008 to minimise the effect of these issues on agricultural operations and cane production.

The performance was analysed in light of the social context.

> "The Zimbabwe land reform programme was undertaken without provision for equipment, working capital, finance and training for the newly settled farmers to grow and harvest the established sugar cane crop" (Company annual report,2007).

To effectively track social performance, the organisation utilized targeting and benchmarking as important levers.

> "Operational targets have been set in respect of primary water use, energy use, greenhouse gas emissions, air quality (sulphur dioxide emissions), land use and bio-diversity." (Sustainability report, 2008, p. 36)

The firm undertook attributional processes to link review results to past actions as well as the social context. It realised that the community and national context explained the poor firm performance.

> *"This has led to yield reductions of 72 percent on outgrower farms, with the crops perishing on 38 percent of these farms. In addition, shortages of agro-chemicals, spares and foreign currency have detrimentally affected all agricultural operations" (Annual report, 2007, p. 19).*

Although yields reductions were realised, the overall growth trajectory of the organisation was attributable to creating credible relationships with the communities and other stakeholders.

> *"The growth and development of Company X's operations, in the selected regions in which it operates, have involved establishing credible partnering relationships with local communities, governments and employees over time". (Sustainability report, 2007, p.1)*

Operational planning processes were crafted in line with attributional processes, and informed the firm's relationship with communities.

> *"Current efforts to restore the sugar cane yields are focused on lands recently settled by beneficiaries of the land reform programme and will contribute to production rising to the current installed capacity of 600 000 tons" (Company annual report, 2006, p.19,).*

The firm focused on new resettled farmers, which formed a significant block of the community. This was in an effort to enhance operational productivity. However, as the firm engaged the local farmers, they also interacted with the communities, either directly or indirectly through social influence, where community members interacted with newly resettled farmers, and employees. In doing so, the firm was able to understand its dynamic social context and the shifting community expectations.

6.3 The transitioning social context

6.3.1 Shifting community context

During the chaotic land reform, communities started developing around firm proximity. At the beginning, the communities were largely unorganised, lacking proper leadership structures.

They faced a number of challenges from basic services such as health, clean water and education facilities.

As the communities started organising themselves to tackle some of these challenges, they developed informal leadership structures, where community coordinators took a leading role in community matters. Typically, the individuals who took a leading role in the land grabs became leaders.

Traditionally, communities were led by traditional leaders, yet in these new settlements there were no such leaders. The new settlements were established in former commercial farms that were not under the jurisdiction of traditional leaders. This created a leadership vacuum in communities surrounding the organisation.

The community behaviour was found to be, to some extent, influenced by the social norms, embedded in cultural beliefs inherited through generations. Through the process of normative social influence, community members made their choices.

> *"In our view and our knowledge this has to do with how we live in this area and in our country. Neighbours have to live in harmony, when one of you is in trouble you need to assist. They are our neighbours and we need to build good relationships with them. If we see people based in this community planning to destroy the company, we get one of us to go to the company to inform them. Even if people want to steal from the company, we tell them you can't do that to our neighbours. They will think it is us"* (Community leader).

As years passed by, since the departure of white commercial farmers, the infrastructure left in emerging communities wasted away. This resulted in depletion of vegetation as well as water bodies. Dams, irrigation infrastructure, roads and boundary perimeters were vandalised by the new settlers.

> *We live from farming, but this area is mostly dry. We have experienced serious droughts over the years. To some extent, people with livestock are the only ones who seem to thrive. But people do not have large heads of cattle. Water is a problem, since the going of white farmers. Our water sources have dried. (Community leader).*

When the communities started, they were relatively small, but ballooned over time as more people joined these communities. Illegal settlements developed around the formal, new settlements.

> *"We came here in 2001. There were very few people at the beginning. Only about 30 households have certificates but most of the people came later say 2001 and 2002, and they do not have certificates for the land" Community member)*

This gave rise to pressure on the few resources around the farming firm. Grazing land became scarce. This generated conflict among community members and between community and the firm, as they competed for the same land resource for pastures. While the firm employed agricultural best practices for sustainability, the community paid little attention to sustainability. One of the dams that was damaged spilt water, resulting in flooding, which affected some of the company workers' residents. As a result of that, the expectations even grew, for the company to assist in rehabilitation of wasting infrastructure. The shifting context created an environment demanding closer engagement between the firm and the community.

> *"We would say the company was not doing well, until recently when they helped us with the reconstruction of the dam. We think they are doing well in other areas. (Community member).*

Another community leader concurred that rising pressure for resources drives the relationship between the firm and the community. However, unlike in the beginning where the relationship was characterised by one- way communication, interactive communication during the second phase of the relationship enabled the community to objectively admit, when they were to blame for the adversarial positions taken by the firm.

> *"I would say the relationship is good. Of course, there are issues but these are not the problems that emanate from the company. They come from some of us. They cut the boundary wire and this gives our cattle access to trespass into the company farm. When they see those cattle, they impound them and ask for $10 fine as a way of discouraging the community from letting cattle on the company farm. The company is not to blame but our people. They want our relationship to continue, so they do that" (Community leader).*

As time progressed, the community becoming more organised, with formal structures, their capacity to engage improved. Meanwhile, the various leadership positions changed hands over time and this had an influence on the relationship between the firm and the community.

> *"As time progressed, remember there are changes even in leadership in our community, and even at the organisation. Everywhere you know that leadership will always change. Some join the company and others leave. From*

2000 the situation was depressed; it was down but now it has seriously improved. At the beginning the relationship was depressed but now it has since improved" (Local Primary school development committee vice chairman).

To deal with the constraints and opportunities posed by changing contextual dimensions, the firm also responded by adjusting its internal organisational context.

6.3.2 Transitioning organisational context

As part of the firm's efforts to remain relevant and achieve its objectives, it has consistently renewed itself by restructuring. The restructuring initiatives included changes to the organisational focus. Decentralising decision making was one key aspect of this transitioning.

Tongaat-Hulett has a proud history built on the ability to transform itself and capitalise on opportunities in changing business environments. It is doing so again by introducing black economic empowerment equity participation (Company chairman, 2005, p.1).

i) Community visibility

In line with the shifting focus, the company's top divisional managing directors now played a crucial role in group-wide decisions. This meant grassroots matters could now be discussed at group level and hence community concerns become more visible. Community visibility, which is the ability of senior management to see the community and perceive their concerns was hugely enhanced.

"The Board Charter, which forms part of the Corporate Governance Manual, records the board's continued objective to provide responsible business leadership with due regard to the interest of shareholders and other stakeholders, including present and future customers, suppliers, employees, as well as community and the environment within which the Group operates" *(Annual report, 2006, p.33).*

Transitioning was made the more possible by the firm's realisation and acknowledgement that they were going through a period of transition and rallying their employees to embrace the change.

"The lead team continues to drive change and manage transition with an action-oriented task-based approach" (Company report, 2005, p.1).

A key finding in this study is how the changes in the organisational context were also informed by the changing external environment. The firm changed its processes in response to the shifting external environment. The study finds the shifting social context to have a significant impact on the firm's operation.

> *"In Zimbabwe…large scale irrigation is practiced via purpose-built canal systems with water extracted from rivers. The management of these canals and irrigation systems is in keeping with the highest agronomic and safety standards" (Company annual report, 2006, p.24).*

ii) Company history as inspiration

The firm continues to be inspired by the historical journey it has travelled over several decades to shape its behaviour and actions.

> *"The Group has its roots as far back as the nineteenth century and is the largest listed corporate headquartered in Manyama. It has a proud Southern African history and employs some 27 000 people in the region. The changes and actions that are currently underway are typical of the pioneering spirit evident in Company X's (Chief executive, 2007).*

iii) Focusing on building capacity and competency

Over time, the company's focus also shifted. The firm's new attention was focused on developing its capacity and competency in line with the changes taking place in the organisation and in the social context.

> *"Capacity and competency building in the Group is practical. Leading change and transition remain an important responsibility of the leadership team. The Group's ability to capitalise on capabilities and synergies in an action orientated, task-based manner is illustrated by the developing of a new business model" (Company annual report, 2005, p.1).*

Training and employee development are some of the strategies the firm employed to build its capacity to deal with future growth and competitiveness. The skills and capabilities developed were in line with future community engagement efforts and were therefore expected to contribute to building sound relationships, for example, through local procurement.

> *"The procurement of locally produced goods and services is actively supported to assist in developing sustainable income streams for such new entities" (Sustainability report, 2008)*

iv) Corporate governance

As a way of enhancing its internal processes, the firm adopted, over the years, the King II, III, and IV codes of governance. The principles direct the company's processes.

> *"It recognises the need to conduct business with openness, integrity and accountability, and to provide timeous, relevant and meaningful reporting to all stakeholders" (Company annual report, 2006).*

The restructuring of the board and especially ensuring skills and gender diversity was an important step towards organisational context transitioning in readiness to meet emerging challenges. To do so, the firm took advantage of these changes to infuse new thinking and refocus its energy in the intended direction. An important element of the restructuring process was introducing gender diversity, independence and balance in the Board.

> *"I would like to take the opportunity to welcome Mrs Faja, Dr Vima, Mrs Nomjo who joined the Board as non-executive directors on 1 October 2008. They are widely experienced and their insight and contributions to the Board in the future will be greatly valued" (Company chairman, 2008).*

The results show that the shifting organisational context, community context and global context interacted with the national context, playing an important role in shaping not only community expectations, but even organisational engagement choices.

6.3.3 Shifting national context

i) Legal shift

As an element of the social context, the national context was also in flux. One important change was the introduction of the indigenisation bill in 2007. It had an impact on the operation of the firm and how it related with the government, other stakeholders, and the community.

> *"The Indigenisation Bill passed by the Zimbabwe Parliament has yet to be enacted by the president. The bill represents an intention to indigenise the economy but does not empower the responsible minister to force corporations to indigenise within any time period" (Company Annual report, 2007).*

The introduction of the new bill triggered the firm to enter into negotiations with the government so as to consider partnerships with either the government or the private out grower farmers. This finding shows how the shifting national context shapes the firm's engagement with the

government and other stakeholders, a development that creates a shifting context in which the firm interacts with the community.

> *"Discussions with government are underway to create joint ventures on the surrounding 4 511 hectares of out-grower land that has perished and was deemed to be non-viable under present allocations. The land would be farmed either as a joint venture with government or as a company estate with the beneficiary being employed for the period, to gain the expertise required"* *(Company annual report, 2008).*

The government engagement processes helped the firm to avoid compulsory land acquisition by the government, a necessary but insufficient condition for community approval. In fact, the firm became an advocate of land reform, communicating positively, about the land reform, at each opportunity.

> *"Linked to this process is the resolution of the impasse over the estate at Mkwane, the security of the other Tinkle and Hivalley estates from compulsory acquisition and interference and the need for regular reviews of sugar prices as key success factors for the rehabilitation of the raw sugar industry and the future success of land reform"* *(Company annual report, 2007).*

ii) Multicurrency regime and economic recovery

In early 2009, the government of Zimbabwe introduced a multicurrency system where currencies from other countries became legal tender, in an effort to stabilise the economic environment. This was at a period that was marked by hyper-inflation, and a declining macro-economic environment. In the previous year, 2008, the had been a disputed election, characterised by probably the worst violent pre- and post-election periods in the history of Zimbabwe. The multicurrency regime was introduced, when a Government of National Unity was formed, following the violent disputed election. The regime brought immediate stabilisation of the economy.

> *"The first half of 2009 was characterised by the restoration of key macroeconomic fundamentals for the sugar business in Zimbabwe"* *(Company annual report, 2009).*

The developments in the national context, resulted in the firm's operational performance (an organisational context element) improving. This finding highlights the dynamic processes involved in the shifting of the social context. Overall, this made Zimbabwe a preferred investment destination for the MNC.

"The Zimbabwe operations are on a substantial recovery phase. In normalised conditions the Zimbabwean sugar operations would have almost twice the capacity of the expanded Mozambique operations, with similar market access and costs" (Company annual report, 2010).

The study finds that the context in which the firm operated was always changing. The high level of dynamism informed the firm's ongoing decisions and processes. The firm used project management, change management, risk management and supply chain management strategies to deal with the dynamic social context.

"Most of Company X's business platforms and operational areas are not considered to be in a static, steady state. Consequently, rather than relying purely on periodic reviews, there is a continued and increasing adoption of a project management approach and use of project management skills in various management processes, including risk management" (Company annual report, 2010).

6.3.4 Shifting global context

The global sugar industry had been experiencing a fundamental shift, in terms of sugarcane uses and value. The value of sugar cane continued to shift as new uses took centre stage. Sugarcane demand for renewable energy generation and as fuel rose, as calls to reduce carbon dioxide heighten. The shifting global events took place at a time when the traditional sugarcane powerhouses, including Brazil could not meet the rising demand for these emerging green uses, opening opportunities for the Southern Region producers.

"In a global environment that has seen agricultural market reforms, increasing demand for food and the integration of renewable energy and agriculture, these changes, particularly given the correct regional legislative frameworks and support, will significantly enhance agriculture and agri-processing in the region" (Chief Executive Review, 2008).

Sugar production dynamics favour low cost regions which are also given preferential access to lucrative markets, by virtue of' them belonging to very poor countries. Mozambique and Zimbabwe are among such countries in the Sub-Saharan Africa. Great opportunities arose for the sugar producers in Zimbabwe, since there was a significant decline in world sugar production. This meant Zimbabwe, with its huge sugar cane growing capacity, in terms of climatic conditions, topology, low costs, and land and infrastructure, became even a more attractive host country for the focal firm, from an operational perspective. However, to gain

access to those resources, the firm needed to become more focused on building its relationships with the local community to avoid disruptions.

> *"This decrease in production, coupled with constraints in the expansion of sugar cane production in EU and certain LDC and ACP countries, is creating opportunities for those LDC and ACP countries with the available production capacity. (Company annual report, 2008).*

Thesis research results show that through organisational reflecting processes, the firm identified community expectations, which informed transitional engagement orientation. Interestingly, the study found that community expectations were socially constructed. Social influence played a significant role, especially in a context marked with volatility, uncertainty, complexity and ambiguity. Faced with uncertainty, community members made choices informed by the information and social norms embedded in the social context.

6.4 Social influence

6.4.1 Normative social influence

The study finds that the expectations, behaviours and actions of the community were largely a result of following the social norms and values that were espoused for generations. The cultural beliefs guided the community members, especially when faced with uncertainty.

> *"In our view and our knowledge this has to do with how we live in this area and in our country. Neighbours have to live in harmony, when one of you is in trouble you need to assist. They are our neighbours and we need to build good relationships with them. If we see people based in this community planning to destroy the company, we get one of us to go to the company to inform them. (Community leader)*

There was evidence of value expressive social influence, as behaviour of community members was informed by the need to protect the self-concept.

> *"…when people want to steal from the company, we tell them, 'you can't do that to our neighbours. They will think it is us'". (Community leader)*

6.4.2 Informational social influence

The community builds expectation and evaluate the behaviour of the firm by reading information cues from fellow community members. Thus, information passed from one section

of the community to the other, in terms of what the organisation is capable of doing had an important influence on the community.

> *"Let me say, I visited Dhine area. When I went there, I saw a very interesting project. There were donors who are supported a soya beans irrigation scheme. The donors were from Namibia. We feel challenged and we wanted to see that happening in our community also. This is all we can say. We hope you publish the findings so that we may find help"* (Community member).

The social norms and information cues drawn from the social context were found to play an important role in the transitioning of community expectations.

6.5 Transitioning community expectations

Study findings suggest that over time community expectations transition from those inclined toward material benefits to more relational expectations. Relational expectations are linked to activities that help in the construction of trust. According to community members, they now expected the firm to give them a platform to more actively participate in issues that affect them. They expected more interaction, based on the need for more dialogue and information exchange. However, considering the social context, the community expectations always had an instrumental element to them.

> *"Nothing but the company's relations officer must keep having meetings. Even what the company and community face as challenges, they should keep meeting, so that the company may not wait for the community to go and ask for donations. We have money that we know the company should give us.* (Community member)

The study finds that community expectations do not occur in a social vacuum, divorced from localised dynamics. The government's introduction of community ownership scheme, that compelled organisations to contribute part of their profits to communities, has had an influence on the nature and magnitude of community expectations. Since the community ownership scheme framework was meant to benefit the immediate community, the communities where not happy with assistance given to far away areas by their local firm. This finding suggests that local dynamics, such as legislative changes will shift community expectations.

> *"For example, there is ownership trust money that is often paid by the company. But as people in this area we are concerned because sometimes Company X donates materials, but the problem is the donations are shared to all the people of the province, yet it is our company."* (Community member).

However, as the company responded to community expectations of food aid to abet hunger, the organisation found itself needing to respond to other stakeholders outside the community. As a result of that, the firm donated maize to the whole province. However, this did not go down well with the immediate local community, as they had further expectations, above just receiving donations.

> *Recently, in 2016, the company produced a lot of maize but it was shared among all the people of Masvingo province. Several tons shared among MPs of the whole province. Our expectation was for the maize to be given to the immediate community. Our expectation is for the donations to be used in the immediate community" (Community member).*

The changing community expectations triggered organisational shifts in engagement orientation. Engagement transitioned to deal with the opportunities and constraints presented by the transitioning social context. It was no longer sufficient, for example to know the superficial community expectation, since the expectations became more complicated. As the community member in the above quotation demonstrates, expectation of food support was accompanied with an expectation of how the food is distributed, and who are the legitimate recipients of the donations. As the subsequent sections will show, these results speak to issues of community legitimacy and engagement legitimacy. These are important new constructs discussed in detail in chapter six.

6.6 Transitional community engagement

At the transitional level of engagement, the firm actively interacted with the community to have two-way communication. This was in line with the community expectation that had shifted. The community, at this stage, expected meaningful communication between the firm and the community. Although the firm still provided material assistance to the community, these were more than just tick-the-box type of donations experienced during the transactional level of engagement.

6.6.1 Socio-economic development is transitional engagement platform

A key feature of the transitional engagement stage is how socio-economic development is used by the firm as a point of interaction.

> *"How we meet is when there are issues. For example, we have a dam that needs scooping. We invite them and they come to the ground and see for themselves. They meet the farmers and see the dam. It is an opportunity for the company to meet the people". (Irrigation Scheme Member)*

The firm engages the community with transitioning motive. The study finds that the firm's motive is beyond business growth to include making a difference in the community. And building sound relationships.

> *"Sustainability efforts and focus are therefore geared towards not only growing the business optimally, but simultaneously delivering tangible social value creation, whilst using natural resources responsibly, and maintaining sound relationships with our stakeholders" (Company annual report, 2010).*

A key feature of the engagement during this phase of the social licence construction was the use close link between the firm's objectives and community expectations.

> *"Where appropriate, CSI initiatives will be linked with business objectives through a corporate social partnership approach, to ensure that the company's involvement is in line with community priorities." (Company annual report, 2007).*

The firm is closely reflecting on past activities and how they impacted outcomes. Additionally, the firm was linking community engagement closely with their business success and operational social context, as established in reflecting processes.

> *"The Tinkle and Hivalley operations provide extension services and support programmes to all qualifying out-growers of sugar cane, at full cost recovery, through technical training, sourcing of key inputs and finance, and access to surplus farming assets at Mkwane." (Company annual report, 2009).*

The model of engagement shifted from mare donations to entering into partnerships with other stakeholders who provide help to communities. The firm played a coordinating role in the process. The partnerships included banks, who would probably not support the local farmers, since they would not have collateral security. In this respect, the firm was not only a coordinator but advocated for the community, and provided the much-needed expertise, in supervising the contracts between the various partners and the community.

Typically, the firm brokered financial assistance from financial institutions. The financial institutions were more confident in supporting Company X backed farmers, since it provided the partners the much-needed confidence. The community benefited from the low-cost finance, brokered by the company. Meanwhile, the company benefited from the expanded sugarcane production, through the resources of others.

"A Lands of Cane Trust has been established and low-cost finance from the Reserve Bank of Zimbabwe and access to adaptation aid from the EU are being sought to finance a three-year replanting programme on the 11 750 hectares under sugar cane" (Company annual report, 2007).

6.6.2 Transitional channels of communication

As the community become more organised overtime, they have coordinators who mediate their engagement with the firm. The coordinators are selected by the community based on the community's perceived effectiveness in representing their needs and expectations. They include the traditional leaders or royal family members. Coordination by traditional leaders resulted in more effective community engagement as they are culturally respected in communities.

Research findings show that even in the event of traditional transactional type of engagement like employment of community members, during the transitional phase the employment is supported by meaningful communication between the firm and the community. The relationship was increasing in complexity. In other words, employing locals helped in more than one way. It created a hedge against the risk of theft from the community, in addition to solidifying the relationship with the community. Through dialogue, the community and the organisation came up with a workable solution.

> *"They call for meetings through Mr Tihwani who is the coordinator to communicate with them…. The children from this community are employed as security personnel so that when people steal cane, we know them. Locals can identify people who may attempt to steal from the company. This has helped." (Community member)*

As the complexity of the relationship increased, a more coordinated approach to community engagement became necessary. Community coordinators and traditional leaders socially influence community members in terms of what to expect and how to evaluate the social performance of the firm in the community.

> *"He is also from the royal family so he is respected in the community. They then say since we are bordering the company let us not go and steal cane. Your children will get employment." (Community member)*

The transitioning of engagement entails an improved community participation in initiating the engagement process. While in the past, all engagement started with the firm, the community started making an important contribution in the processes.

> *"Sometimes the community makes the initiative to invite the company".*
> *(Community member)*

However, in reading the social context dynamics, the firm realised the power and influence that traditional leaders hold in the community. As a result, they engaged the community through the traditional leaders. This had a significant impact, as one demonstrated in the following quote:

> *"Mr Tihwani always approach the contact person. Even in the event of wanting*
> *to engage the headman, it is done through the coordinator. That way we have*
> *built a strong relationship. The old man is respected in the community so he*
> *has got influence to all of us. We respect him so what he says carries weight".*
> *(Community member)*

6.7 Credibility

6.7.1 Organisational credibility

Through engaging transitionally, the firm builds credibility in the eyes of the community. One way through which the credibility manifests is through moral legitimacy. Research findings suggest that the community perceives the firm to behave in a morally appropriate and proper manner.

i)   Moral legitimacy as structure

A significant influence on legitimacy is through how the firm designs its organisational structure. It is structured in such a way as to inspire the community on the firm's ability to behave properly and appropriately from a moral standpoint.

> *"The changes that took place in the company have also played a critical role in*
> *what the company does. There were managers who did not want to work with*
> *locals. However, they have since left and the new breed of managers who want*
> *to work with locals came in. Those left are very cooperative" (Community*
> *member).*

In addition to the new people who kept joining the organisation, the structure became leaner so as to swiftly execute tasks. The study suggests that restructuring played a significant role in building moral legitimacy for the firm.

> *"A key to achieving this competitiveness has been the establishment of leaner*
> *and flatter structures where people at operating level have been empowered to*

assume greater responsibility and accountability for performance" (Company annual report, 2005).

Interviewees concurred that the changes taking place in the organisation had a huge bearing on the firm's ability to engage them, as well as how it was perceived by the community. This highlighted the important role that company management and employees play in the success of engagement efforts.

"From year 2001 we have seen a gradual improvement. The people that did not want to work with the people left the company and those interested in working with locals are the ones left and they are now working with us. They have started listening to our concerns" (Community member).

Thus, the commitment of the firm to build sustained relationships with the community was demonstrated by heightened training and development of its employees for effectiveness in executing engagement responsibilities. The process was a train the trainer approach. As company employees were trained, they were then deployed to train community members, thereby empowering local communities. Field training of local farmers was an important point of contact between the firm and the community.

"Extensive training programmes have been implemented over several years to ensure that employees in the agricultural operations are equipped to diligently execute best farming practices. These programmes have been augmented with changes in management structures, including the appointment of additional field managers" (Company annual report, 2009).

Together, the structure of the organisation and the development of the employees create confidence in the community as members of the community see the firm as credible based on the perceived expertise demonstrated in the community.

"They have an office that deals with the community in the organisation so that is the office we interact with. In the organisation there is someone responsible. The person knows how to deal with the community. She is an expert" (Community member).

As the relationship between the firm and the community grows, the active participation of senior management is evident to deal with increasing engagement complexity.

"In addition to the donation of funds to worthy projects, expertise is made available by company management to guide community project leaders" *(Company annual report, 2005).*

Figure 6-1: Management participation in community projects (Source: Company Sustainable report).

ii) Balancing damages and benefits

The firm espouses fairness and honest dealing, and has even documented that commitment in a code of business ethics. By developing a policy in that respect, the firm demonstrated its commitment, and therefore inspired confidence in the community that it can operate morally in the community.

"The Group is committed to a policy of fair dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the board, is based on a fundamental belief that business should be conducted honestly,

fairly and legally, and has been documented in a Code of Ethics, which has been   distributed to all employees" (Company annual report, 2005).

Introduction of a code of ethics and strictly adhering to it has been used by the firm as a means to achieve moral legitimacy.

"Compliance by all employees to the high moral, ethical and legal standards of the Code is mandatory, and   if employees become aware of, or suspect, a contravention of the Code, they must promptly and confidentially report it in the prescribed manner" (Company annual report, 2004).

The firm is aware of the environmental costs of its activities and as such it balanced those costs by looking for opportunities to benefit from business activities.

"This would have the environmental benefit of saving 2 million tons of coal annually and reducing CO2 emissions by 4,25 million tons in season" (Company annual report, 2007).

iii)   Environmental legitimacy

Such benefits are found to lead to the firm achieving environmental legitimacy.

"Conscious of its responsibility to the community, the Group manages its operations and resources so as to minimise any adverse impact on the environment" (Company annual report).

"They bring earth moving equipment and maintain roads. The company maintains high standards. There are emissions thru burning of sugar cane. They transport their cane, and this emits a lot of carbon dioxide and other pollutants. They service their vehicles to minimise these emissions" (Community environmentalist).

This is in line with the firm's focus on reducing adverse effects to individuals and communities.

"Focus is on the total product life cycle impacts in the context of individuals and communities" (Company sustainability report, 2009)

Figure 6-2: Creating an environment that encourages biodiversity

The study findings suggest that as the firm became more aware of the impact it has on the environment

> *"As a major user of land, biodiversity and water, Company X's agri-processing and land development operations are significantly impacted by natural systems and, in turn, impact the environment and local communities. As a responsible corporate citizen, Company X seeks to demonstrate its commitment to sound environmental stewardship, within a context of sustainable and ethical practice. Compliance with legal requirements is a minimum requirement, with operations striving to establish and comply with local and international best practices. In line with this approach, the company aims to retain certification to ISO 14001 Environmental Management System standard across all its operations" (Company annual report, 2010).*

The firm is considered fair in the way it distributes resources in the community. When they support local farmers, they pay them according to the agreed terms. A typical example is when the firm and community agreed to enter into a partnership, where the community was contracted to grow sorghum grain for the firm. The organisation gave the community a fair deal, resulting in more farmers joining the programme. The grain became so popular that the community named it after the company. They called it Company X. According to the farmers, the deal with the company was better than the government run grain board.

> *"I see them as fair. To GMB we got $390 and they pay 260. Although people complain. They said we do not pay as high as GMB because they collect the grain. Transport costs is the biggest challenge but because the company collects it is fair. This crop has spread its tentacles. There is nowhere one can get seed to grow separately. Even if we got it, transport is expensive.*

Everywhere we are growing Company X. The whole area. Any direction we go they say we grow Company X" (Community member).

iv)   Interactional trust

Through two-way communication between the firm and the community, trust was built. A key feature of the trust built at this stage was the reciprocal nature demonstrated by both the firm and the community.

"Aaah we saw that the relationship started growing. They communicated with us face to face on their day to day operation, when they constructed the feedlot. We became so close to them. This then got us to a point where we even invite them even at our field days. They came to see our work. Even now we have plans to visit them for assistance. We see them as a partner that can help in times of trouble" (Community member).

In its annual report, the organisation attests to the growing relationship over time as the interaction become closer and more meaningful.

"The growth and development of Company X's operations, in the selected regions in which it operates, have involved establishing credible partnering relationships with local communities, governments and employees over time" (Company annual report, 2007).

Through ongoing interaction, the community realises the expertise endowed in the firm and in the process builds trust. The resultant trust becomes a building block for further interaction and honest in dialogue. Most of the interaction takes place as the firm participates in community development projects.

"Now because the new dam was opened, we expect to consult them as experts in irrigation and farming. We wish to consult them. We trust their expertise will help us in a big way. We still use flood irrigation and we expect to consult them to expand our scheme" (Community member).

The findings on transitional phase suggest that community engagement has a ripple effect. While the firm engaged with a section of the community, the outcome of that seemingly small engagement spread to other sections of the community.

6.7.2 Community credibility

The study finds that it is not only the organisation that builds credibility, but the community builds credibility in the eyes of the firm. The firm will build a credible relationship with a trusted community. Community credibility is important for information sharing. The firm will not share information with a community it does not trust. Through interacting with the community, community credibility is created. The credibility of Community Y was demonstrated in the following quote:

> *"They trust us because for example they approached us when they wanted to do a fruit project. We gave them 100ha of land to do their project. They then said they need 20 families to also plant those trees so that by 2020 the company and the 20 families will jointly market the mangoes… We say they trust us because, of all the people they approached us. It shows they trust us"* *(Community member).*

While the community did not understand why the firm was sometimes not as responsive as in the past, an informal discussion with a company Director found that the firm was under pressure from contesting ruling political party ZANU PF factional fights as feuding camps wrestled control of the organisational community investment. This finding demonstrates the increasing importance of the socio-political dynamics is shaping the social licence to operate. Thus, although the community is credible, the firm may be hindered in its interaction buy other dynamics in the focal community and beyond.

> *"Our corporate social responsibility efforts are facing challenges in the Eastern parts of our catchment area. A lot of politics is going on. The fights between ZANU PF camps has spilt into our efforts. If we do activities with the current provincial governor, the other section alleges that we are taking a political side. It's difficult to navigate. I am only telling you this because its information in the public domain"* *(Company Director speaking in confidence)*

6.8 Community approval

6.8.1 Favourable regard for the firm

The community demonstrates their favourable regard for the firm in a number of ways. The study finds that the community cooperates with the firm as they do their day to day business activities.

> *"The fact that they carry their produce through the villages and the villagers do not by any chance block their vehicles nor loot their trucks or fields is a sign of acceptance. The organisation is well received in the community. If the company*

were not received, their crops would be plundered. If we wanted to frustrate the company, we would go and loot all their produce overnight" (Community member).

6.8.2 Wishing continued operation

Study findings suggest that the community wishes the firm continued success and operation in the community. They ask the community to participate in their various community initiatives, from traditional gatherings, school functions, farming events, and national events hosted in the community. This demonstrated approval of the operation.

> *"I think as we do activities with them, we invite them. Inviting them at field days. That respect we demonstrate shows that we wish them continued operation. We coexist. We keep encouraging them to come. The fact that we invite them to come and help. We respect them because they are our true friends. Our relationship is great. They are true friends, so we do not hesitate to approach them to invite them for all the activities we have. They welcome us at their offices. They are true friends"* (Community member).

The relationship that is responsible for the specific attitude that the community demonstrate towards the firm is generated as the firm interacts with the community.

> *"They also learned that when they help the community, the community sympathised with the company. We feel that the company should continue, and we wish them well. (Community member)*

6.8.3 Pleased with the firm

The community is pleased with the firm and its operation. This is the main reason why they wish the firm to continue operation. The company carefully chose how they engaged with the community.

> *"This company, hhha. It is a living company. It is a gift from God. All these trees, we got them from the company"* (Community member).

6.9 Summary of processes leading to construction and maintenance of community approval

Through a process of organisational reflecting, the firm was able to link its performance outcomes with pursuing community expectations to build sound relationships. Perceiving shifting community expectations, the firm transitioned its engagement platforms, processes

and outcomes. The interplay between the engagement platform, the processes and outcomes determine engagement legitimacy, which is an important condition necessary for organisational credibility (interactional organisational trust, moral legitimacy) and community credibility (interactional community trust, community legitimacy). Under conditions of dual credibility, an approval social licence is constructed and maintained. This highlights the importance of credibility of both the organisation and the community. Heightened information flow between the organisation and the community called for believability on both fronts.

As the firm acknowledged in its annual reports, it operated in a volatile, uncertain, complex, and ambiguous social context. That demanded continuous adjustments of processes. The following sections of the thesis focused on reflecting and engagement processes that constructed and maintained psychological identification social licence.

Chapter 7: Results of processes towards psychological identification social licence (2011-2018)

7.1 Introduction

The study results presented in this chapter demonstrate that through relational organisational reflecting processes, the organisation appreciated evolving community expectations, as a basis for transforming its engagement efforts. As engagement orientation transformed, the organisation and the community jointly developed common social norms. The institutionalisation process, comprising development of institutionalised trust and cognitive legitimacy, was an important condition for community psychological identification. The chapter is structured into sections that present results demonstrating the crucial role of transformational organisational reflecting, which is largely relational, in proactively dealing with an evolving social context and changing community expectations, to achieve psychological identification social licence.

7.2 Evolved social context

7.2.1 Community context

The study results show that it was important for the organisation, especially considering it was operating in a developing market, to track and be guided by the societal dynamics. As the organisation got closer to the changes in its society it managed to perform to the satisfaction of its stakeholders. Reflecting processes helped the organisation to understand societal dynamics, such that engagement processes where synchronised with expectations of the community. The organisation realised the critical role of societal dynamics in the African context.

> *"Societal dynamics can play an increasingly significant role in organisations, particularly those multinationals that are based in Africa"* (Company annual report, 2018).

The context in which the firms in the agriculture sector operate is within communities, that survive on mainly peasant farming. In the Zimbabwean case, while communities grabbed huge tracts of land at the beginning of farm invasions, more families kept migrating and population density increased around the firm. This resulted in further competition for the limited resources and employment opportunities.

"Agricultural output in sub-Saharan Africa is primarily derived from small-holder farmers, who account for more than 80 percent of all farmers in the region. The greatest challenge facing most of these farmers is a lack of technical farming skills, capital and adequate mechanisation. In addition, they farm on small parcels of land that are often degraded and have no access to irrigation. It is for these reasons that most smallholder farmers in the region cannot produce optimally" (Company annual report, 2018).

Due to the less developed nature of the country, the communities in which the firm operated lacked basic resources to farm productively. They found it even more challenging to have access to and manage key resources such as water, energy, and land.

"The company operates facilities in regions where there are various site-specific challenges relating to the supply, quality and reliability of water resources" (Company annual report, 2012).

For these reasons the firm invested heavily to ensure adequate water was available for its operation as well as for community utilisation. In doing so, the firm was always guided by international best practice in terms of ensuring safety and agronomy standards. Their global context provided with standards that they observed, in light of the poor monitoring in the host developing market. However, although the firm made every effort to uphold best practice in safety, some of the canals and water bodies they used were under the management of the Zimbabwe National Water Authority (ZINWA). Some interviewed participants revealed cases of negligence on these canals, posing danger to the community. This highlights the need for the firm to play an active role in engaging other stakeholders in efforts to build a social licence.

"…operations in Mozambique, Swaziland and Zimbabwe, practice large-scale irrigation via purpose-built canal systems with water being extracted from rivers. The management of these canals and irrigation systems is in keeping with the highest agronomy and safety standards" (Company annual report, 2012).

The situation is different at the firm managed canals, where clear safety signs are erected, and awareness campaigns carried out, as part of engagement efforts. Community expectations are not always guided by the policy assignment of responsibility from the government. While the government gave ZINWA the responsibility of managing some water bodies, the community expected Company X to play an active role, as they are perceived to be the main consumer of water.

Water reservoir in the sugarcane fields

Figure 7- 1: Proactive participation in water management

While at the beginning the community was poorly organised, as time progressed, formal and informal structures worked together to provide leadership to the community. At the same time the community had jelled over time, developing a common identity, the organisation could relate with. As a result, the firm was able to come up with expectations-centred socio-economic development initiatives in the community. To deal with these expectations, the firm continuously adjusted its organisational context, also in line with the national and global context.

An important finding that emerged from research observations in the field was that engagement between the organisation and the community was not only constrained by socio-economic factors, as the case maybe in developed market contexts, but physical constrains also played an important role. On the Southern side of the organisation the community villages are separated from the Company Estates 1 by a huge River T, whose bridge is poorly constructed. The villages are only accessible when the water subsides. Villagers use dangerous canoes to cross the flooded river. Due to poor safe water supply, villagers wash and drink from the river. People and livestock are constantly attacked by crocodiles. The researcher had to travel more than 300kms to access the villages which are just 20kms from the firm when using the direct route. To access the Community Feedlot A, the researcher had to travel through feedlot B and Company X Estates 3, because River T was flooded (See

Figure 2-1 in Chapter 2). The following picture from a recorded observation video captured the physical community context:

Figure 7-2: Community-organisation engagement is constrained by physical barriers

7.2.2 Organisational context

The study finds that the context within the organisation was shaped by the social dynamics of the day. The first step for the organisation was the realisation of the important role that social context played in the success of the firm. Once that was achieved, the firm refocused its energy on developing systems and processes to dynamically deal with the social context, as seen in the opportunities and constrains posed by the environment.

> "Leadership in the business and human resources understand the impact of socio-economic and political change and are embracing and developing new ways of thinking about the company, its talent, and their role in global social issues. In dealing with this dynamic the capabilities and thinking to drive Company X's culture, organisational design, people and leadership practices,

agility and dynamism is being challenged and developed, so that organisational
behaviour can follow" (Company annual report, 2018).

A key finding of the organisational context was the transformed endowment of capabilities, and transformation focused thinking, that is embedded in the organisation's culture. In other words, the firm was now operating from a point of conviction, rather than duty. Critically thinking about its role in global social issues, challenging the status quo, and moving forward with vigour. The most critical resources that the firm emphasised were the capabilities, the focus, the culture, the design, people and leadership practices, and dynamism. Together, these organisational context elements, provided the anchor of firm behaviour. Hence, the behaviour of the organisation was consistent in dynamism and the organisation's actions guided in flexibility.

The firm's leadership practices were heavily influenced by the King IV corporate governance principles, and other international protocols to which the organisation subscribed.

> *"The organisation is a signatory to and participant of the United Nations Global*
> *Compact, a corporate citizen initiative espousing principles in the areas of*
> *human rights, labour, environment and anti-corruption…to promote sustainable*
> *development and good corporate citizenship, through a set of values based on*
> *universally accepted principles…within the business objective of contributing*
> *to the creation of successful rural communities" (Annual report, 2017, p.68).*

The King IV Report on Corporate Governance for South Africa (King IV) is a collection of best practice principles that encourage firms to endorse and cultivate the characteristics of integrity, competence, responsibility, accountability, fairness and transparency.

> *"The Board embraces the King IV outcomes of an ethical culture, effective*
> *control, good performance and legitimacy…governance is regarded by the*
> *Board as being more than a mere compliance with King IV, but rather confirms*
> *that best practice principles are effectively applied and embedded by the*
> *company in its daily activities, resulting in short and long -term value creation*
> *for all stakeholders" (Company report, 2018, p. 66).*

Although the focal firm operated in a developing market, these international standards and conventions, were important in shaping firm behaviour and aspirations, that would otherwise be according to the poor standards and practices characteristic of developing markets. The study therefore, found that established organisational context was important in dealing with the dynamic community, national and global social contexts.

7.2.3 National context

Increasingly, the firm realised that it operated in an environment that was characterised by a high level of volatility, uncertainty, complexity and ambiguity.

> *"Company X operates in this interconnected VUCA (volatile, uncertain, complex and ambiguous) world and at a time where, in each of the countries in which it operates, existing societal systems are being robustly challenged" (Company annual report, 2018).*

Despite the VUCA environment, the situation in Zimbabwe was now encouraging. The firm saw some positive developments from a socio-political standpoint. Between 2009 and 2013, the economy was on a recovery path, following the establishment of a government of national unity where the country's two main popular political parties, ZANU PF and Movement for Democratic Change, and a splinter opposition party joined hands to form government following the 2008 disputed election.

As a result of the positive outlook, the situation in the country became more constructive. This environment was conducive for collaboration. A united government made it fairly easier for the focal firm to implement its engagement initiatives with involvement of the people since all stakeholders were united. The organisation, by virtue of its size and influence, had a policy of dealing with communities, rather than individuals. The firm, therefore, employed an all-inclusive, collaborative approach to engagement.

> *"The situation in Zimbabwe is in a constructive phase, with Company X, government and local communities working together on socio-economic initiatives in the south-eastern Lowveld region of the country. One of the key focus areas remains the orderly development of sustainable private sugarcane farmers and the business continues to see progress in this regard" (Company annual report, 2014).*

The relationship of the firm with other stakeholders provided fertile ground for how the firm related with the community. For example, the firm established a sound relationship with the government. Through a process of social influence that had an impact on how the community viewed the firm.

> *"Government relationships in the Southern African region continue to grow from strength to strength" (Company annual report, 2017).*

Due to engagement processes with the Government of Zimbabwe, the firm had options to enter into joint partnerships with the government as well as communities. Sound relationships with the government are more important in developing countries where populations are generally highly polarised, as the case was in Zimbabwe during the study period. Politicians had such a huge influence of the perceptions, and behaviour of communities.

> *"Discussions with government are underway to create joint ventures on the surrounding 4 511 hectares of out grower land that has perished and was deemed to be non-viable under present allocations. The land would be farmed either as a joint venture with government or as a company estate with the beneficiary being employed for the period, to gain the expertise required"* *(Company annual report, 2011)*

This is an important finding as it highlights the crucial role that engagement with other stakeholders plays in influencing not only the firm's engagement with the community, but how the community perceives the firm. By engaging well with other stakeholders, the firm builds a solid footing for its relationship with the community. Government officials took every opportunity to speak highly of the firm in public gatherings, especially within the focal community/

> *"Company X's approach to stakeholder engagement is inclusive in nature, with the company having implemented processes to improve the understanding of the needs, expectations and interests of its stakeholders. The company appreciates that tangible value creation and the achievement of key strategic objectives depends on managing stakeholder relationships effectively. The various governments across the SADC region, small-scale and commercial farmers and their representative bodies, institutional investors, shareholders, employees and surrounding communities all continue to be a priority and this reflects the company's commitment to the continued success of all stakeholders"* *(Company annual report, 2016).*

The firm has a comprehensive strategy for engaging other stakeholders alongside the local communities. Stakeholder profiling was an important process in identifying stakeholders and understanding their expectations. The key stakeholders identified were shareholders, investors and analysts, Government authorities and regulators, private farmers, local communities, employees, and customers, suppliers and service providers. Engagement processes were designed for each of these stakeholders. The firm's relationships with other stakeholders was an important part of the social context, in which the community formed its expectations.

7.2.4 Global context

The third phase of global context is characterised by accelerated dynamism. Global economic and geopolitical circumstances kept changing more rapidly.

> *"The current operating environment has many challenging and changing elements, especially in the context of the global economy, peculiar localised dynamics and evolving environmental and social factors" (Company annual report, 2013).*

Since the firm under investigation is large, it feels a sense of responsibility to support global initiatives and as such it is driven by the need to play a part in the achievement of the United Nations Sustainable Development Goals.

> *"The world's food systems play a central role in the well-being of ecosystems and human societies, and are a key driver of economic livelihoods. They contribute to most of the 17 SDGs adopted by the UN in 2016. However, today's food systems will not be able to feed the world's growing population both nutritiously and sustainably" (Company annual report, 2018).*

Similarly, the firm was responsive to global conversations about a number of issues, such as sustainability and inclusiveness. This played an important role in defining and redefining company philosophy.

> *"Aware of the various internal sustainable development initiatives and evolving global conversations around key sustainable development themes that include climate change issues, social and economic inclusiveness, Company X's supply chain management philosophy is being redefined to ensure that all supply chain decisions complement various sustainability initiatives" (Company annual report, 2012).*

Thus, the global conversations provide information cues that feed into company decision making and behaviour. These conversations were key mechanisms that regulated firm behaviour in a developing market context.

> *"This implies that all supply chain strategies, policies and decisions would be required to consider reputational, environmental and social impacts in their execution. To this end a robust sustainable supply chain policy framework is being developed to give structure to this initiative and to provide a baseline*

against which specific and quantifiable sustainable supply chain metrics can be tracked and reported to stakeholders" (Company annual report, 2012).

The global sugar industry was shifting more towards low cost production areas that have preferential market access to the EU and USA. Zimbabwe falls under this category hence an attractive sugar cane investment destination.

"The evolving world sugar fundamentals support the strategy of sugar expansions in low cost regions with access to attractive markets" (Company annual report, 2014).

Globally, sugarcane production is becoming more attractive due to growing interest in uses other than the traditional household consumption. Sugar is increasingly used as a source of renewable energy. This resulted in growing global demand for sugarcane.

"A fundamental shift has been taking place in the global sugar industry as increasing quantities of cane are directed at producing ethanol as an effective carbon dioxide (CO2) mitigation strategy. The fibre in sugar cane is increasingly being used for renewable electricity generation and global demand for sugar continues to grow at an average of 2 percent per annum, which currently equals 3,2 million tons of sugar" (Company annual report, 2011).

Meanwhile, the traditional producers of sugarcane have not been able to meet the growing demand for sugarcane, to support new sugarcane uses. This has opened opportunities for producers in the Sub-Saharan Africa. The region has abundant fresh water supply, favourable topology and climatic conditions. This gave confidence to the focal firm to invest in the host country, where it had excess milling capacity. This expansion was mainly through out-grower farmers, so a lot of engagement took place, as the firm tried to expand its business, and uplift communities at the same time.

"Traditionally, the growing demand for sugar worldwide has been met by Brazil, but this position has changed, creating opportunities for other regions. Sub-Saharan Africa, with ample unutilised arable land and using less than 10 percent of its available fresh water, is well positioned to benefit from these developments" (Company annual report, 2011).

7.3 Institutionalised community expectations

Through a process of social influence, the community formed its expectations, on the basis of information generated from the social context. The firm undertook critical reflecting processes

to understand these community expectations, as well as respond to them. The study, therefore, finds that context is important in shaping not only community expectations, but how the firm responds to those changing expectations.

7.3.1 Fairness and responsibility

In line with global and local trends, community expectations continue to shift in emphasis. As the conversations about climate change and renewable energy gathered momentum, communities and other stakeholders shifted their expectations accordingly. Increasingly, communities expected firms to be fair and responsible.

> *"In the context of operating in an increasingly dynamic world, where issues such as climate change and renewable energy are taking on greater relevance, stakeholders continue to expect that Company X will act in a fair and responsible manner" (Company annual report, 2013).*

Related to the expectation of responsibility, the community expects the firm to adhere to the principles of biodiversity. These expectations were not very loud in the past but with globalisation these expectations have an influence at a local level.

> *"External expectations around the private sector's management of biodiversity are growing" (Company annual report, 2014).*

7.3.2 Basic needs provision

In the face of government inability to provide the communities with most basis needs, community Y, as a community in a less developed country looked up to the firm to provide those basics. Such expectations became institutionalised as a norm in the community. The firm and the community took for granted these expectations.

> *"More importantly, local communities within its operations rely on having access to clean, safe drinking and reliable water which is critical to sustaining local health and a balanced eco-system. Ensuring access to a reliable supply of water is an important strategic priority" (Company annual report, 2012).*

7.3.3 Meaningful dialogue

Over time, community expectations shifted from overly expecting transactional benefits to those of constructive engagement, characterised by meaningful dialogue. Whenever there is a project to be done to benefit the community, their participation is highly expected. It becomes the community expectation that their indigenous knowledge is utilised in the operation of the

company. The study finds that organisations that do not utilise indigenous knowledge engage the community amiss. With progression of time, community leadership achieved the legitimacy of the community, and Company X leveraged this development to transform its engagement with the community.

> *"These days, companies should have meetings with the communities through coordinators. The company may bring what they think we want yet the community knows what they want. The company should come and talk to our coordinators. There are conditions that the community knows, so the company should utilise indigenous knowledge. We know there is too much sand here and many companies have put up boreholes, but they have collapsed because they planned in their offices. They should come and have conversations with the coordinators." (community project leader"*

The institutionalisation of expectations came with the institutionalisation of coordinators as community leaders and representatives. Coordinators were expected to be the link between the community and the firm.

7.3.4 Business ethics

In the context of a huge firm that employs about 18 000 people during peak periods, the employees formed a significant element of the community in which the firm operates. Their expectations played a significant role in influencing the expectations of other community members, as well as how the firm operated. Like the broader community, the employees expected ethical business conduct by the firm.

> *"Employees' expect the company to operate ethically and responsibly in a safe, respected and fairly compensated environment. It is the company's responsibility to ensure ethical and responsible management procedures are in place to protect employees, support diversity and reward performance'* (Company annual report, 2011).

The community expected a sound understanding between the firm and its other stakeholders such as employees, the government, suppliers and customers. These stakeholders had a significant impact on the relationship between the firm and the community.

> *"Customers, suppliers and service providers' expectations are to grow their business by supplying quality products that are desired by their customers. It is the company's responsibility to continuously improve the quality, taste and innovative features of its products at a reasonable price. Company X is in*

regular contact with its largest customers to ensure exceptional customer service levels" (Company annual report, 2011).

Similarly, shareholders, investors and analysts expected the firm to uphold sustainability and business growth that is underpinned by ethical and responsible business practices. The study finds that the expectations of all stakeholders converged around business ethics, since it has been institutionalised in everyday life.

"Shareholders, investors and analysts' expectations are to ensure sustainable and profitable long-term growth is achieved through ethical and responsible business practices" (Company annual report, 2011).

As acknowledged by the firm in its reports, the government authorities and regulators expected the firm to operate in a legal and authorised way.

"Government authorities and regulators expectations are that the business operates in accordance with all local, provincial and national laws and regulations" (Company annual report, 2011).

Thus, the study finds that the expectations of stakeholders are central to the choices that the firm made in its operation. Further, through social influence, these expectations enrich community expectations, making them important for the focal firm. The firm's annual reports demonstrated how the firm utilised the two-way communication with all stakeholders, to understand their expectations, and to address them.

"The content of the integrated annual report was developed by considering regulatory requirements, guidelines, previous reports and a combination of feedback from internal subject matter experts, stakeholder expectations and analysis of the external environment, as well as a materiality determination process that initially included internal stakeholders" (Company annual report, 2018).

7.4 Transformational organisational reflecting processes

This thesis research finds that the organisation was constantly in the process of reflecting. Through reflecting the organisation reviews its relationships and performance in relation to the social context. The outcomes of the reflecting processes informed the organisation's transformational engagement orientation. The process involves five identified sub-processes, namely understanding community expectations and perceptions, attributing outcomes to,

contexts, actions, relationships and events, developing a sense of social purpose, shifting focus and tracking social performance. The following paragraphs present the results.

7.4.1 Understanding the community and other stakeholders

The firm was committed to understanding its stakeholders as demonstrated by profiling of stakeholders which included confirming of the stakeholder identity, influence and documenting the engagement initiatives. This is why community identity was an important community context dimension that influences how the organisation engages with the community.

> *"The process to improve Company X's understanding of its stakeholders is ongoing. It includes confirming the identity of stakeholders based on their impact / significance / influence etc. on the business, and documenting the various proactive engagements that are already in place, as the business seeks to further strengthen / build on these existing relationships." (Sustainability report, 2013, p. 40)*

As the firm reflected, it had the opportunity to closely track the social context. Community expectations and perceptions became clearer. Results suggest that the organisation balanced community expectations and its own interests.

> *"The company's approach to stakeholder engagement is inclusive in nature, with various processes implemented to improve an understanding of the needs, expectations and interests of its stakeholders, while remaining cognisant of the company's best interests over time". (Company annual report, 2017, P.13)*

The process of understanding was found to be closely linked to the social context, including the organisational context where the Board was constantly reviewed to ascertain its composition, diversity and skills, hence effectiveness. Community expectations are created by the socio-political dynamics of the social context. Hence the necessity of firm's understanding of the socio-political dynamics.

> *"The most recent formal Board evaluation process confirmed that the Board continues to function well as a team, and presented an opportunity to reflect on areas that should receive future focus". (Company annual report, 2017, p. 13)*

The quotation above demonstrates that indeed the organisation engages in reflecting processes and that they are important in informing its focus shifts. However, it is important to note that the firm also shaped community expectations.

7.4.2 Attributing

Results of the firm's performance were attributable to some, contexts, relationships, past actions or events. This largely influenced the choices made by the company. Business ethics and integrity were key community expectations during the third phase of social licence construction. Therefore, the firm was energized by linking these key expectations to sustainability and long-term success. Attributing helped in establishing the critical links between business and social outcomes, and other important elements.

> *"By participating in these initiatives and incorporating best practice principles into the strategies, policies and procedures, and embedding a culture of ethics and integrity in the company, the Board believes that people and the environment will greatly benefit, and the business will continue to be sustainable and primed for long-term success". (Company annual report, 2017, p.12)*

The much-needed cultural shift involved internal processes of sharing information and experiences within and across the different operations. This shared learning was done through committee meetings at all levels of the organisation. This was important for the diffusion of reflecting processes and outcomes.

> *"Relevant information and experiences are shared across all operations, and Company X SHE committee meetings are used as one of the vehicles to promote the implementation of leading practices and shared learning. Inter-operational site visits form an integral part of the shared learning process whereby management teams have the opportunity to gain first hand information on SHE practices and access to innovative ideas. Incident learnings are also shared across the company". (Sustainability report, 2015, p.1)*

7.4.3 Developing a sense of social purpose

While the firm developed a sense of social responsibility during the transitioning phase, in this phase responsibility transformed into purpose. Thesis results show that the organisation embedded social issues into its daily operations. There was integration of business processes with community processes. For example, best farming practices were imparted in communities to enhance sustainability for both the firm and the community. These included minimum tillage and water conservation. They were achieved through training and extension services. Even procurement choices were also influenced by the reflecting processes as shown in the quotation bellow:

"Company X has elected that after considering the many social and economic imperatives" (Sustainability report, 2012, p.45)

Further, the procurement decisions were informed by the greater good of the community and society at large. They aimed at making a difference in the community. This was done by developing environmentally friendly supply chains

"…there is a compelling need for the business to source environmentally friendly goods/services and procure from local suppliers." (Sustainability report, 2012, p.45)

Results suggest that social purpose entails dealing with major societal challenges. In doing so, the company realized its size, geographical coverage and the amount of land it owns in the region to find a compelling burden to societal matters. The following quotation demonstrates ethical responsibility as a key driver of firm behaviour.

"The company has an ethical responsibility to address significant societal and environmental challenges such as increased demand for natural resources, water scarcity and continued climate change. (Sustainability report, 2012, p.48)

Together, the initiatives that are generated by the sense of social purpose were geared toward sustainability of local farmers, communities and the supply of raw materials and natural resources. This sense of social purpose propelled the firm to shift its attention.

7.4.4 Shifting firm attention

The social purpose triggers firm attention shift toward putting community and societal issues at the centre rather than periphery of organisational operations. Results suggest that more attention was paid on social sustainability and innovation, and operating beyond legal requirements.

i) Social sustainability and innovation

Rather than focusing entirely on business growth as the case was at the beginning of the social licence processes, in the transformational phase the firm concentrates on creating a sustainable environment

Social innovation was achieved through as the firm played a coordinating role, engaging internal employees, the communities and government at various levels. It was important for the firm to also engage employees so they understood the firm's strategic thrust.

"A variety of internal media is used, such as the intranet, internal newsletters and briefings, and the company regularly interacts with employees, striving to achieve a high level of engagement". (Sustainability report, 2013, p.41)

Engaging the community and the government at the same time ensured alignment of firm, community and government efforts. This was also important for partnerships to transform communities

"This approach ensures that there is alignment of community, government and business operations of Company X." (Sustainability report, 2013, p.41)

Together these results speak to an all-inclusive approach to engagement where the firm profiled all its stakeholders, ensuring each group is adequately attended to. The community was further characterized as community of geography and of interest, as projects were specifically targeted to the vulnerable and previously disadvantaged sections of society.

ii)   Operating beyond legal requirements

An important result that is critical in social licence research is that transformational engagement went beyond the legal requirements. The firm shifted its attention to operate on the basis of more sustainable motivations.

A significant way through which the firm operated beyond legal was by crafting policies in line with statutory requirements as the bare minimum. Otherwise the organisation developed policies ahead of social local standards.

"…policies are being developed in line with local standards or in advance of local standards where these are deemed inappropriate." (Company report, 2013, p.29)

Results show that instead of compliance as the ultimate goal, the focal firm used industry best practice as fallback position considering the paucity of well- developed standards and policies in the developing markets. This was made possible due to the sense of social purpose that guided the business choices.

"Company X complies with the relevant safety, health, environmental and quality legislation in each of the countries in which it operates, while striving to implement industry best practice." (Sustainability report, 2015, p. 47)

7.4.5 Social performance tracking

A key feature of the reflecting process is tracking of social performance. Evidence suggests that the organisation was committed to tracking social performance indicators. To effectively do so, documentation of all engagement initiatives as well as social performance indicators was done. Examples included the tracking of greenhouse gas emissions and anti-retroviral treatment programs.

> *"The company tracks and monitors its greenhouse gas emissions and will continue to improve the accuracy and reporting of its greenhouse gas footprint."* {Sustainability report, 2012, p.30)

7.5 Transformational engagement

7.5.1 Transformational socio-economic development as a platform for engagement

Although socio-economic development is also a feature of the transitional phase of community engagement, there are two developments that are remarkable at the transformational phase. This study finds that what is distinct with transformational socio-economic development is, firstly, how it was closely linked with the firm's core business activities and genuinely aimed at transforming communities.

> *"Socio-Economic Development within the context of Company X operations forms an integral part of the businesses activities and is closely linked to the company's overall objective of contributing to the creation of successful rural communities" (Company annual report, 2013).*

Secondly, socio-economic development at transformational phase was found to be a critical platform for genuine engagement, rather than an end to community engagement. Thus, whenever the company undertook social development activities in the community, it was seen as an opportunity to closely engage, in order to understand community concerns better.

> *"Particularly within the context of sugarcane developments in the rural areas of Mozambique, South Africa and Zimbabwe, the business's ongoing Enterprise Development and Socio- Economic Development initiatives create regular opportunities for stakeholder engagement opportunities with this constituency" (Company annual report, 2013).*

As part of socio-economic development, the firm undertook a number of noble initiatives, as outlined in the following paragraphs. The initiatives were motivated by the desire to construct

a more lasting social licence, based on legitimacy as a precondition. The engagement at this level was also in line with UN SDGs, in addition to supporting the evolving community expectations. The study found that the organisation's choice of development programs where in consultation with the community.

7.5.2 Social stewardship

i) Food security

In line with the operating social context, characterised by small holder farmers, with poor agronomy practices, lack of farming implements, and incessant droughts, the firm engaged the community to jointly design models to deal with food insecurity in the community. The project assisted the community by providing inputs at reasonable prices, as well as creating a competitive buyer for the sorghum. Despite its phenomenal results, the project was remarkable in that it was designed after extensive consultations involving Company X, the government, the community and other stakeholders.

> *"Company X…partnered with government to implement an integrated community-based sorghum grain out-grower programme. Launched in the 2015/16 period, the project resulted in 1 600 households producing 2 100 tons of sorghum grain. Approximately USD $0,56 million in sorghum sales revenue was achieved, equating to approximately USD $350 per household during 2015/16 crop season - this was for a crop grown, harvested and sold over four months"* (Company annual report, 2017).

The out-grower programme was a partnership between the focal firm, the government of Zimbabwe and the community. The community and the company entered into a contract in which the company provided small grain seeds to the community. The community undertook to plant and look after the sorghum crop until maturity. The crop was then harvested and marketed to the organisation at a predetermined agreed price. The company bought the grain at an attractive price and engaged local transport operators to carry the produce to the company factory where stock-feed was manufactured. The government provided extension services to the communal farmers, in conjunction with company agronomists.

By supporting the community-based project, the firm was able to pursue its objective of building solid relationships with the government and community, at the same time building its reputation in the global social context, by supporting the UN Sustainable Development Goal of ending extreme poverty in all forms by 2030. Most importantly,

the project was closely linked to the firm's livestock feed production, thereby supporting the community, but pursuing their business objective. This was a typical case of creating shared value and prosperity. During the process of implementation of the project, the firm had the opportunity to interact constructively with both, the government and the community. Utilising socio-economic development initiatives as an engagement platform was critical in an environment where public gatherings were restricted by the government through legislation.

Figure 7-3: A successful community-based sorghum programme (Source: Company Annual Report, 2018)

While at the beginning of the engagement process with the community, the firm reduced its engagement under stressing circumstances, during the transformational phase, the company leveraged those constraints to make a difference in the community. When food security was threatened by recent increases in drought frequency and intensity in Zimbabwe, Company X ensured food security by consulting with community members and government to provide a drought resistant sorghum crop.

> *"A drought resistant sorghum crop was introduced at the onset of the project to address any concerns about reduced water availability, as was the case with the recent El Nino phenomena. Company X provided the beneficiaries, comprising of 1 600 households, with USD $165 000 worth of inputs" (Company annual report, 2018).*

Interviews with community participants corroborated the findings from company reports, as shown in the following quotation:

"They prepared stock feed. They gave us to sell their stock feed at the feedlot. Then we asked them where they got the materials for the stock feed. This is when they said they bought grain from the Grain Marketing Board. And we said that's where we sell our crops. Why can't you give us sorghum seeds to produce for you so that you come and buy? They said this is a brilliant idea and they bought the idea. This is how it all started" (Community member).

The firm's commitment to food security in the community was evidenced by the dedicated support for various initiatives.

Growing vegetables in Zimbabwe to ensure food security
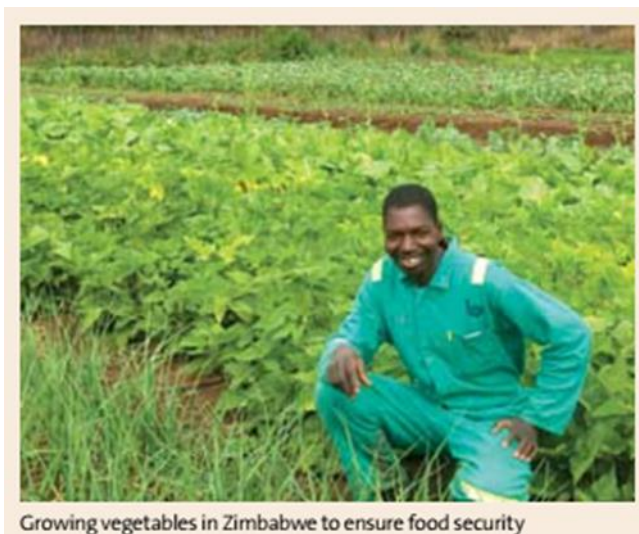
Figure 7-4: Growing vegetables for community food security (Sustainability Report, 2013)

ii)   Education

Education is one key element of SED that the firm undertakes. They support 22 schools directly and several others indirectly in Zimbabwe. By supporting education, the firm creates fertile ground for engaging with the community.

"Numerous schools   are located in and around the operations and some R9,6 million was spent on education, which included costs for repairs to schools, stationery and education support. The Zimbabwe operations provide support for 21 schools, with an enrolment of just under 12 000 pupils" (Company annual report, 2013).

When the firm assisted in the construction of school blocks, they followed that up with an official ceremony that was attended by various stakeholders, including the community and the

government. This created a massive opportunity for engagement. The company was creative in establishing platforms for engagement.

> *"They put up two blocks and each of the two blocks has two classrooms running water, two toilets and bathrooms for boys and girls…. They had an official handover presided by the top government officials including people from the ministry. Sometimes the community may feel that our school has been taken over but the company emphasised that the school remains a community school. Look after the school"* (Community school development committee chairman).

Figure 7-5: The company's unwavering support for education in the community (Company Annual Report)

iii) Health

Operating in a rural community in the developing market posed a number of challenges linked to poverty related diseases, such as cholera and malaria. So, in addition to provision of occupational health facilities, the firm has made frantic efforts to fight against these challenges, again creating a solid platform for engaging various stakeholders. The disease management operations included company X employees raising awareness campaigns, and preventive spraying routines in communities.

> *"The reporting period highlighted the significant contribution that Company X makes to the welfare of its employees and the communities surrounding the operations in countries like Zimbabwe, Swaziland and Mozambique, and consequently 85% of its total spend was incurred in these operations. During the reporting period R29,7 million was spent on health activities which includes costs associated with a hospital at Tinkle Estate and spend on cholera and malaria prevention at its operations. A further R51 million was spent on matters related to housing, maintenance of the villages and refuse collection"* (Company annual report, 2011).

127

Housing, maintenance of villages and refuse collection are typical responsibilities of local authorities in Zimbabwe. However due to the context of a deteriorating situation, the firm responded to community expectations by offering these non-traditional activities. This speaks to the extent to which the firm was responsive to the social context, and hence the community expectations.

Fig 7-6: State of the art community clinic built by the company

The clinic could be contrasted with a typical rural clinic in the new resettlement areas in Zimbabwe.

Fig 7-7: A former farmhouse used as a clinic servicing over 20000 patients monthly in a resettled community in Zimbabwe.

Considering the volumes of people that were in contact with the firm as it provided health services, the study finds that provision of health services was an important vehicle for community engagement.

> *"These facilities provide both preventative and curative health services to the surrounding communities and on average some 200 000 patients are seen on an annual basis. Environmental health programmes to reduce the incidence of malaria and bilharzia through routine spraying campaigns were undertaken in the communities that surround company operations. The business continues to ensure that safe drinking water is available for local communities and the provision of refuse collection services is undertaken by Company X" (Company annual report, 2012).*

iv) Environmental stewardship

In light of the central role played by the environment in its business operations, the firm was committed to the protection of the environment. In pursuit of environmental stewardship, the firm involved the community, through environmental processes integration, to achieve sustainability, through an environmentally conscious community.

The study finds that the firm was constantly reflecting on the environmental challenges it faced and on choices to deal with the identified challenges. As part of reflecting processes, the firm analysed the social context and realised the urgent need to integrate firm processes into communities, so that transformation is more inclusively achieved. Engagement with communities, involved educating them on the importance of environmentally conservative practices to reduce the impacts of environmental decay.

> *"When viewed within the context of a growing and increasingly affluent global population that is consuming more natural resources and producing more waste, there is increasing pressure on the environment. Key potential impacts include ecosystem disruption, food scarcity and rising energy costs, which further highlights the need for the business to constructively engage with the relevant stakeholders to identify solutions to mitigate these risks" (Company annual report, 2013).*

A key feature of the environmental stewardship was the integration of company processes with communities in which the firm operated. This ensured the community played a central role in stewarding the environment, preserving it for future generations. In doing so, cleverly, the firm leveraged social innovation. For example, the introduction of indigenous fruit trees on

sites where cattle feedlots were donated. This created a platform for engaging even with the cultural values and heritage of the community.

In addressing environmental needs, the firm also created the opportunity to engage with other stakeholders that are key in the process of constructing the social licence for the firm. An example of this was the donation of special bins, to the local authority, for disposal of used electric bulbs, which are seen globally as a serious environmental threat, since they contain mercury which is non-bio-degradable. The donation was talk of the town, and the council acknowledged in its meetings, and the press flighted stories to cover the donation.

Electrical bulbs are said to possess a hazardous substance called mercury hence the need to carefully dispose them.

> *"… the town secretary told a full council meeting recently that Company X had approached council and pledged to donate bins as well as special disposal latrines which are aimed at capturing used electrical bulbs.*
>
> *He also said the cost of the project is $32 870 and Company X will fund the programme including awareness campaigns... Council accepted the donation and thanked Company X for the good gesture"* (Newspaper report).

v) Economic development

The firm took a critical responsibility of assisting communities in infrastructure development. It undertook construction of roads, dams, schools, clinics and even refurbishment of the local airport. All these initiatives created a conducive environment and a fertile platform for engaging with the community. Evidence obtained from community meetings minutes, corroborated in Fig 7-10 suggests that such initiatives provided multiple Company X departments and senior management the opportunity to engage with communities.

Figure 7-8: Road construction to improve infrastructure in communities

The Engineering department was actively involved in community engagement on these projects. These initiatives solve pressing challenges in developing markets, yet present a platform for transformational engagement to constructively dialogue and jointly create knowledge.

vi) Sports, arts and culture

Recognising that the central role of sports, arts and culture to development of rural communities, the focal firm invested heavily in this area. These activities were supported from grassroots level at schools and in the community by investing in a soccer team that played at the highest level in the country and on the African continent. This had an influential effect on the development of the community. The community looked at the success of the soccer team as their own success, following developments on social media.

> *"The company acknowledges the important role that arts, sports and culture can play in the development of successful rural communities. R15,9 million was invested in these initiatives during the year. In Zimbabwe and Mozambique soccer plays a significant role in communities and Company X sponsors various teams in these operations" (Company sustainable report, 2018, p. 48).*

7.5.3 Processes of transformational engagement

i) Linking firm objectives with community expectations

The transformational engagement processes are characterised by a unique approach that is centred on understanding stakeholder expectations and interests and link them to the firm's

long-term objectives. The long-term objectives include creating shared value for all stakeholders.

> *"The company's approach to stakeholder engagement is inclusive in nature, with various processes implemented to improve an understanding of the needs, expectations and interests of its stakeholders, while remaining cognisant of the company's best interests over time" (Company annual report, 2017).*

ii) Touching emotions

A finding that was not anticipated in the current study is that transformational engagement has an emotional dimension, where the firm engages with the emotions of its community. This was achieved by demonstrating its commitment to a sustainable relationship. This was different from the legal requirement fulfilment or the tick-box approaches experienced earlier in the relationship.

> *"The company continues to uphold the principles of corporate social responsibility by demonstrating to society its commitment to philanthropic and empowerment initiatives within the communities in which it operates" (Company annual report, 2017).*

This was achieved through demonstrable and practical outcomes in terms of positive social transformation, environmental stewardship and community upliftment. To remain relevant in the global context, the firm embraced good corporate governance by adhering to legal and accepted practices as embodied in the principles of the King III. By adopting global principles, the firm remained locally relevant, regarded as a responsible corporate citizen.

Again, the study finds that to connect with the emotions of the community, the firm carefully chose the socio-economic initiatives to support in communities. It understood the community way of life and what mattered most to them. To that end, the firm connected with the social and cultural heritage of the communities, thereby getting closer to them emotionally. One way through which that was done was supporting cattle feedlot projects in two locations in the community. From the interviews conducted, it shows that by investing in cattle projects, the firm did not merely fulfil a philanthropic expectation, but touched the hearts of community members, since cattle are regarded as a source of power and pride in the African culture. The firm's commitment to this cause is elucidated in the following quote, and figure below:

> *"In Zimbabwe, plans are in place to grow the company's cattle   herd from the current 6 000 head to 30 000 head in the next four years, using intensive farming, irrigated pastures, feedlots and   improved genetics. A phased*

rehabilitation and modernisation   of the mothballed 42 000 ton per annum animal feeds plant at   Tinkle mill is planned" (Company report, 2018).

In pursuant of their goal, the firm has invested in community feedlots and multiplication centres for cattle fattening, auctioning and artificial insemination to improve community cattle breeds. This assisted communities to participate in the business that resonates with their cultural values. During drought periods, the company, through a process of going-an- extra -mile invested in preserving the value of communities, by either buying their cattle at competitive prices, that allowed communities to restock once conditions improved, or providing stock feed, from the company's farming by-products. This created a symbiotic relationship, where both parties benefited.

"There was a serious drought at some stage…Community people were given the greenlight by the organisation to collect cane tips to feed their livestock. People would carry whatever quantities they had the capacity to carry. I do not want to lie; the organisation was very helpful. As a result, I would say from say 2012, the relationship has peaked over these years (Community member).
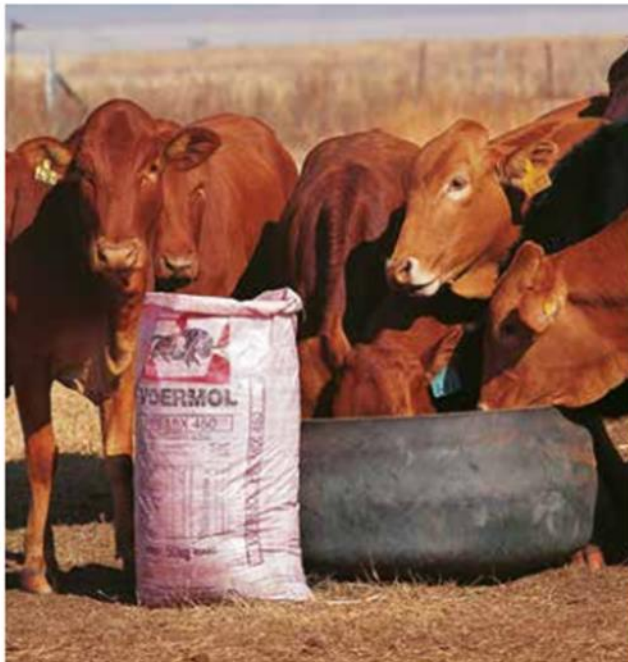
Figure 7-9: Investing in community cattle projects is relating with the core values of the community

The position taken by the company on cattle had a veld-fire-effect, as it spread very fast in the community. All areas surrounding the company got assistance to serve their livestock. As a result of that the community identified with the firm.

> *"They saw it fit to give the farmers money so that the farmers will buy their livestock when the situation improved. They have stock feed but we did not have. They make use of their capacity to build our capacity. They have expertise to rehabilitate cattle and we do not have that. But cattle are an integral element of our culture, a symbol of power and prosperity. When you lose cattle, you lose respect in our culture so the help they gave was more than just the money they paid for the herd"* (Community member)

The initiative's veld-fire-effect can also be demonstrated by remarks made by members from other parts of the community.

> *"Even when Company X came to buy our cattle in 2015 farming season, the company played a significant role. They took the farmers' burden and made it theirs. They bought our cattle regardless of its condition. The money was payed instantly. …Year 2015/2016 there was serious drought in the region and cattle died. The company took our burden as the community. We almost lost our entire herd. The company served us".* (Village Head)

One more, unexpected, yet enlightening finding in this study, is the community- uniting- power of transformational engagement. While the transactional engagement processes seemed to divide communities, transformational engagement had the power to unite communities. Even in cases where the projects did not go according to plan, the community clearly accepted the outcomes, since they were consulted all the way. The transparency involved in the processes, is an important mechanism for uniting the communities. Additionally, by centring socio-economic development on major occurrences, such as drought, and on intrinsic values, like culture and heritage, the engagement processes drew communities together. Drought, a natural phenomenon, and Culture and heritage are jointly shared, and therefore had the power to bring the communities together.

> *They want the whole community to benefit. If the fruits are harvested, they are sold to benefit the community. If you look carefully you realise that there are indigenous trees. That relates to our culture. They brought indigenous trees as a way of recognising our culture. The other thing is they use traditional ways of extracting milk. They even use traditional ox drawn cars to carry milk. They do not erode our local culture but rather foster the local culture (Village Head).*

iii)   Partnering as community engagement process

The study finds that the firm was committed to partner the government, local communities and other stakeholders in executing community engagement. The partnerships provided credibility in some cases. The context in which the organisation operated had high regard for local authority officials and the Office of District Administrator. By partnering these departments, the firm gained credibility, and their legitimacy was taken for granted.

> *"The company is committed to the development of successful rural communities in the regions that surround its operations and the business will continue to identify how best it can further partner with farmers, communities and governments, in order to achieve this objective" (Company report, 2013)*

iv)   Behavioural change intervention

The firm focused on behavioural change so that the employees and the community members are jointly responsible for the environmental and safety imperatives. By giving the community the responsibility to steward the environment, the firm empowered the locals for sustainability, considering the adverse effects of environmental degradation on weather patterns, and food security. It was therefore paramount that the firm dealt with behavioural change.

> *"The company's strategy is to progressively influence a shift in culture from one being compliance driven to becoming an interdependent and resilient organisation, where working teams amongst employees and stakeholders within the organisation look after each other to ensure zero harm" (Company report, 2013)*

v)   Preferential procurement

The firm deliberately sourced a significant part of their inputs from the local communities. These included sugarcane and sorghum from local farmers. They also acquired other raw materials, haulage and security services from the community based small companies, as a way of empowering them, and creating an economic hub around the operation. A supplier's conference attended and observed by the researcher demonstrated that the firm made a deliberate effort to develop local enterprises, through highlighting to them the needed supplies, educating them on global sources of inventory and parts, quality expectations, and linking them to financiers.

> *"We want to develop local suppliers, if you are based in this area, and you want to supply products to us, we encourage you to get those supplies from source,*

so that your prices are competitive. We have partnered local banks that can give you a loan to buy your supplies. We also look at people who are interested in starting cane cutting knives manufacturing. We can support you" (Company Supply Chain Executive, 2014).

vi) Interactive communication

A widely used process for engagement with the community was communication that came in various forms and with different stakeholders. Due to increasing engagement complexity, senior management was closely involved in the processes, as the firm built on the momentum of past engagement experiences. Existing acceptance and approval from past engagement provided the foothold upon which interactive communication was built. To address complexity, engagement processes kept evolving, becoming more structured.

> *"Through a structured and evolving approach to stakeholder engagement, and using internal knowledge and expertise on stakeholder management, the business is able to prioritise the most important issues requiring management attention and focus"* (Company annual report, 2013).

vii) Meaningful dialogue

The firm was in constant dialogue with the community, to jointly advance company and community objectives. Socio-economic development was used as a platform for meaningful dialogue.

> *"There is dialogue so that they want to see what we can do and how they can help. We present our case and they see how they can assist."* (Community member)

The use of dialogue enabled the organisation and the community to deal with constraints and opportunities in their operating environment. They constantly held meetings to address these contextual issues. In the past the relationship was characterised by an adversarial engagement, which resulted in retaliation, should there be a problem. One typical problem that was solved amicably as a result of dialogue was the trespassing cattle. In the past communities were fined, or cattle confiscated by the firm. However, in the transformational phase of engagement, the firm instead solicited input from the community on how best to deal with the problem. They realised that cattle strayed because they were in search of drinking water, hence the firm provided water to the community for their cattle.

"…we have no problems at all. This is because they always came here to hold meetings with the people. Those with problems could air them during those meetings. The challenges that they could solve, where solved instantly and the other more demanding would be followed up with later. They invited us to express our challenges. They said if you have problems with your cattle, come forward. Be it with grazing land or drinking water. They always made sure that our cattle are kept comfortable so that they do not bother them at the fields. Now and again they opened water canals to make sure our cattle are catered for". (Community member)

The interaction between the firm and the community is two way and the firm utilised feedback from the community to address pressing issues for the mutual benefit of the community and the firm. They looked at transforming the communities in which they do business. In its annual reports, the firm consistently invited feedback and provides details for stakeholders to be able to respond to their call for constructive engagement. Similarly, they also held meetings to gain feedback on matters affecting the community.

"The feedback that Company X sought from a range of stakeholders, during 2012/13, followed the release of its 2012 Integrated Annual Report, and has been integrated into this report" (Company annual report, 2013).

Company X strove to ensure that communication and engagement with stakeholders was effective and comprehensive, enabling stakeholders to make informed assessments about the performance of the company and its prospects in the long term. At the highest level, the Board appreciated that constructive and inclusive engagement will generally result in mutually beneficial outcomes, where both the company and respective stakeholders' benefit.

viii)   Selecting channels of engagement
a. Face to face interaction

Various channels of communication where used to ensure the dialogue was carried out effectively. Face to face interaction helped build stronger bonds with the community.

"AAAh we saw that the relationship started growing. They communicated with us face to face on their day to day operation, when they constructed the feedlot" (Community member).

The firm incorporated a number of strategies in communicating internally and with the community These included meetings, telephonic, internet and emails. The use of various

modes of communication created different opportunities for effectiveness in communication, hence building of the relationship.

> *"Communication takes place through meetings with management, telephonic conversations, internet and email (Annual report, 2012).*

In addition to contact with firm employees, as they go about their day to day business, the community and the firm held frequent meetings at community facilities, such as the local schools and under the trees. In line with Zimbabwean traditions, meetings held under the tree are regarded highly. The meetings were held more often. This gave the opportunity to manage issues as they emerged.

> *"Quite often, we always have meetings. Once a month or after two months".*

Although some meetings were initiated by the community, there were also cases when the firm invited the community for meetings. These face-to-face meetings enabled the community and firm to experience social presence, which is a critical factor in communication effectiveness.

> *"They came to the people and gather us. They requested the people to gather. Sometimes they request us to gather say at the irrigation scheme there. Then we dialogue and we give our ideas and they shared their ideas. For example, they look at times when they are about to harvest the cane. They say please look after kids. When they go around herding cattle, try to discourage them from stealing cane. Kids are not like elders who know limits. If they want cane they should ask, and they get enough to eat but not to carry home".*

b. Leaders as channels of engagement

The study finds that the channel of communication is not only limited to the modes of communication but the seniority of people involved in the communication. Communication done through senior members of the organisation was found to be more effective both in terms of transforming the perceptions of the employees as well as those of the community. By showing a keen interest in community engagement, top management and the Board were able to encourage a culture of engagement.

> *"Company X strives to ensure that communication and engagement with stakeholders is effective and comprehensive, enabling stakeholders to make informed assessments about the performance of the company and its prospects in the long term. The Board appreciates that constructive and*

inclusive engagement will generally result in mutually beneficial outcomes, where both, the company and respective stakeholders' benefit" (Company annual report, 2018).

As the engagement complexity increased, over time, senior management played a central role in the engagement processes. Through a process of visible felt leadership, they were always visible in the community and this encouraged community understanding of company objectives. Visible felt leadership refers to the discernible involvement and presence of senior management in community safety, health and environment issues. The community was more likely to take senior management more seriously, especially in a context where authority is highly regarded, such as in Zimbabwe. The culture has conditioned communities to respect higher office.

"The company's leadership demonstrates commitment to adhering to SHE principles, deploying necessary resources and providing desired guidance to stakeholders for the ZERO HARM goal to be realised and sustained" (Company annual report,2017).

The firm utilised credible channels of engagement for more effective engagement. In Zimbabwe the local authority, the administrator, and traditional leaders are viewed as credible community leaders. Due to engagement complexity that developed over time, there was greater need for the firm to rely on more credible channels of engagement.

"They interact a lot with the Town Council. They also interact with the Rural Council. In addition to that, they have several of their employees who stay in the community and the community interacts a lot with these employees, such that the employees pass the information to the company" (Community member).

The firm's interaction with the local authorities was used as a lever to engage the community. Because they have an established relationship with the local authorities, it was fairly more likely that their engagements efforts became effective. Participants confirmed their support for communication coming through established offices of government. This is at the backdrop of a community that has always received orders from the government, as a result of the governance system that was in Zimbabwe at the time.

"They come through the office of the DA and the councillor. They do not come outside those offices. When they want to do projects, they look at the areas under their jurisdiction and look for the clever councillors. These are the ones

they assist. They call the office of the DA and they call the company who notify us even of people who come here" (Community member).

The community views the office of the District Administrator, and local leaders highly. Further, the study finds that, even where transformational engagement processes are employed, trust is built with an instrumental element. This is probably due to the culture in the community, where every relationship is accompanied by food. In the Zimbabwean culture, every visitor is offered food. The proverb used in the following quotation demonstrates this position well:

"In our view, when they constructed the dam that is when we started to see them as true friends. The relationship peaked. In the past we viewed them as strangers. But when they came here with the councillor and the District Administrator, we realised that they are credible people. A relationship is incomplete when there is no food on the table. Jaws must move to build relationships" (Community member).

c. Current and former employees as channels of engagement

Current and former employees are an important link between the firm and the community. Because the firm invested so much in developing its employees, when the employees retire, they have become an important point of contact, as well as a way to influence the effectiveness and direction of engagement in their respective communities. Some have been honoured with a number of community leadership roles.

"Now I assist the councillor because I have expertise that I gained from Company X…The company trained us such that wherever we go, we lead. We are always outstanding in the communities. We are mostly the leading light in our communities. The company has invested a lot in its employees, and this has benefitted the communities. We pass that training and knowledge to our communities" (Community member).

Another former employee explained how he had been a link between the firm and the community, from the period he was an employee, until the period post retirement.

"The communication was direct. We communicated directly with the company. I worked for the company during that time and I worked for forty years in the marketing department. Communication was easy. I was a senior member of the management" (Community member).

The firm built mutual understanding with the community because of how firm employees related with the community. In other words, the behaviour of employees, whether on duty or off duty had an impact on how the firm was perceived. When asked why the community had defended the company when invaders wanted to occupy firm land, a community leader had this to say:

> *"Aaah, we saw it fit to do that, because of what we got from the company. It was difficult, there was drought and famine. We helped each other. Their employees got sugar and sold it to the community, and we got help in the event of challenges. We also had things that their employees did not have. So, we helped each other to build mutual understanding. We had a cordial relationship. Especially when Mr Mabhika retired it became a knock. Everything broke down. He knew how to deal with the community. He was understanding. He retired in 2016"* (Community member).

7.5.4 Transformational engagement outcomes

Transformational engagement has several outcomes that bring mutual benefits to both the firm and the community. The study findings suggest that by engaging with the community, the firm gained a thorough understanding of community expectations, needs and aspiration.

i) Sustainable rural communities

Through working hard towards fulfilling context-specific expectations, the firm created sustainable rural communities.

> *"Contributing to the development of successful rural communities, including indigenous farmers of sugarcane and other staple food crops, within the areas that surround business operations"* (Company annual report, 2013).

Interviews with the communities suggested that they were transformed by the organisation's engagement processes. Communities were empowered.

"From extension officers. In the beginning the extension officers called the company agronomists to come and assist. These days they have equipped our agronomists, so we no longer need to invite company agronomists." (Community member).

Figure 7-10: Creating sustainable communities (Source: Company Annual Report, 2016, p.43)

ii) Mutual benefits

The study finds that a critical outcome of transformational engagement is the generation of mutual benefits. In addition to separate benefits, there are mutual benefits gained by both, the firm and the community. The community also enjoys well developed infrastructure in form of roads, hospitals, schools, and dams. There is also creation of food secure communities, through the various food-based, and income generating initiatives. The community's living environments were improved, while preserving the local culture and heritage.

> *"There are joint benefits. The community benefits as it becomes self-reliant and the sustainability of projects such that we can end up doing these things on our own. By improving us here it discourages congesting in the town. What the organisation is doing we see even other social vices are lowered…Meanwhile when people are occupied here, they do not go to town to bother the organisation with provision of critical services. The town is decongested. The organisation gets to know a lot about us from these engagements"* (Community member)

The study finds that the firm engaged in ways that were in line with its main objectives. By so doing, it jointly benefited from the engagement initiatives. For example, the cattle feedlot created a market for their stock feed manufacturing plant, while the sorghum and sugarcane out-grower projects naturally fed into their supply chain.

iii)   Social innovation

When considered together, the evidence demonstrates social innovation. The organisation invested in community projects that resonated with community values, yet central in its business. The following figure shows the symbiotic relationship between the engagement initiatives and company business:
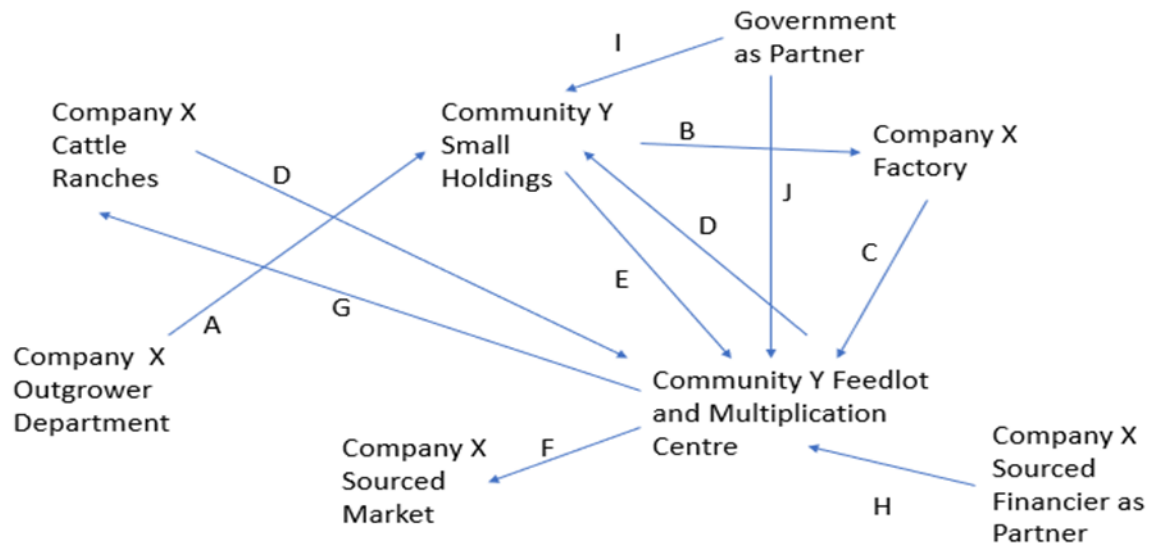
Figure 7-11: Social innovation shared value

The framework in fig 5-10 shows the innovative ways through which Company X, Community Y, Government and other Partners jointly created social innovation shared value. The following summary shows the flow of value in a social innovation outcome.

Relationship A shows the flow of sorghum planting inputs from Company X to the rural small-scale farmers. After harvesting Company X provided a ready market for the sorghum in relationship B. The community received significant income from the sale of the grain. The company manufactured stock-feed from the sorghum and supplied it to the community feedlot and multiplication centre in relationship C. In addition to feeding their livestock at the feedlot, the community also sold to other members and received commission. Small holder farmers auction their cattle to private buyers, sourced by the company, as shown in relationship F. The flow was done through relationship E.

Meanwhile, relationship D is the income generated by the community for auctions done through the feedlot. It also shows the provision of insemination services by the company to improve community cattle breeds. The community got finance from the company mediated financial partners, relationship H. When the market for cattle is depressed Company X bought community cattle at fair prices despite their condition in

relationship G. Relationship D represents the flow of money received for cattle sales to the company. It also represents the flow of expertise and materials given to the community, especially on constructing the cattle pens, solar powered borehole water provision. The government, as partner provided extensions service to the small-scale farmers. Extension services were provided jointly by the company and the government. This is shown in relationship I and J. Together, the relationships demonstrate social innovation jointly created by the company, the community, and other stakeholders. They also represent information flows.

7.6 Institutionalisation

7.6.1 Institutionalised trust

The study finds that over time the firm's relationship with the community was institutionalised, such that the firm was taken for granted.

Reciprocal trust between the firm and the community is built as they continuously interact. The interaction built a solid relationship over the years. Findings suggested this was a result of the various engagement initiatives carried out by the firm. The prominent initiatives included the socio-economic investments, communication and dialogue sessions jointly performed by the community and the firm.

> *"Company X has a well-established history of maintaining constructive relationships with a range of stakeholders' (Company annual report, 2013).*

A key finding of this study is the mutual nature of trust. Trust, in a social licence context, is not confined to the trust of the organisation by the community, but also the firm's trust of the community. This is important in transformational engagement, since it is two-way, and involves sharing a lot of information. Process integration which was a key feature of the transformational engagement processes require mutual trust.

> *"I would say the trust has advanced because if they have problems, they approach our coordinators. We also trust that they solve our problems. We both benefit from the mutual trust between the community and the company" (Community member).*

The channels of communication they use also demonstrate the level of trust between the firm and the community. Rather than just trusting the employees, the community trusted even the organisation as an institution. This highlighted the institutionalisation of trust. Institutionalised

trust became a governance mechanism in the relationship between the firm and the community, considering the remarks of the community leader below:

> *"We did not necessarily write any written document. We communicate through the phone and face to face meetings. Our proposal was not even written. We simply sent them our constitution and gave it to them. They trust us so we did not need to have anything written. We also gave it to the council" (Community feedlot leader).*

7.6.2 Cognitive legitimacy

As the firm engaged the community, they entered into partnerships with the critical government departments, that have traditionally offered the various services in the community. These included the office of the District Administrator, and the Local Authority. By associating with highly esteemed offices in the social context, the firm's legitimacy was taken for granted. Interviewed community members identified the firm's association with these offices as having an impact on the legitimacy of the firm and their claims. As the community came to realise, over the years, all projects that came through these offices were successful.

"In the past we viewed them as strangers. But when they came here with the council and with the DA (District Administrator) we realised that they are credible people". (Dam construction security member).

7.7 Community psychological identification

7.7.1 Sharing resources

The firm and the community shared grazing land and lived in harmony after dialogue and jointly solving common problems. As both parties realised the potential mutual benefits of genuine engagement, they got to a situation where they shared resources.

Earlier, during the establishment of the social licence, the relationship was adversarial due to disagreements regarding resources. The firm and the community competed for resources, particularly grazing land and water.

> *"The second meeting was on us having problems. We drove our cattle into their paddocks. Some community members took advantage of that entry to steal from the company. The company also branded our cattle when they get into their paddocks. So, we had some disagreements now and again". (Community member)*

However, following a period of genuine, constructive engagement, characterised with meaningful dialogue, the firm and the community was in a position to share land. They got to a stage where the community ceded land to the firm for their citrus project. Pastures, which were the source of adversarial relationship in the beginning, was shared harmoniously. This demonstrates the uniting power of transformational engagement.

> *We had a meeting and we deliberated on it. The organisation ceded a significant portion of their paddocks to the community by way of changing their boundary fence. That way we gained mutual understanding and our relationship flourished. This was largely as a result of us reflecting on our actions and the organisation also reflecting from the issues raised and information that came out from these deliberations. It is difficult to change some things so from reflection they decided to move the boundary. Now even a normal human being will never have livestock go beyond that boundary. The boundary was moved on their own volition". (Community member)*

During a period when the organisation wanted to establish an orchard for their project, they approached the community asking for land and they were given a portion of land for use. In return the organisation invested in fruit trees for the community. This is evidence of a cordial relationship between the community and the firm.

> *"Later on, we had a lot of interactions and they helped us in the construction of our school block and they gave us tractors to ferry pit sand. The fuel and driver were theirs. From there we realised that they are a good company we can identify with" (Community member)*

7.7.2 Community defends the firm

When people from other areas attempted to steal cane from the firm, the community defended the firm, by arresting or restraining them. The community saw itself as the vanguard of the firm. Several respondents narrated cases where the community citizen arrested perpetrators of theft from the company. This was in stark contrast with the early days when the community members were the perpetrators. During early stages of building the social licence, there was an incident when a company night security guard was speared to death while on duty, by poaching community members. Through dialogue centred engagement, the community and the company jointly resolved to have a small community-based security company offer security

services. Once this was done, the community took ownership of and protected the company and protected.

> *"In 2013 we caught people who stole irrigation pipes from the company. We make sure we gather all community members to arrest the culprits. If they are dangerous such that we cannot arrest them, we call the police. However, if the culprits try to resist, the police may find them injured because we attack them. We fight to defend our neighbours. To build our relationship. If we do not defend the company, it will think it's us who are stealing"* (Community member).

On a few occasions, the community managed to push away politically motivated illegal settlers who forcibly took the firm's land. Buoyed by the level of perceived co-ownership of the firm, the community took it upon themselves to defend the firm. It is also found that community perceptions, were partly influenced by the national context, in terms of government discourse on local ownership of companies. Although it was not enacted law, the government was advocating for firms to voluntarily ensure they contribute to the community, by establishing community ownership trusts. As the following quote suggests, this had a significant impact on community co-ownership sentiments. Thus, underscoring the important role that the social context plays in shaping the construction of a social licence.

> *"Maybe part of the activities is political. There was a period when they almost lost a section with a dam and a canal up to Virginlands to someone called Black Jack. But via the government system where the government says the community should benefit from local resources. The community went there. We said, 'It's either you work with the company, or you leave'. We went and managed to push that man out of the company farm. …We said we want to work with the company. We were able to defend the company* (Community member).

7.7.3 Symbiotic identification

Both, the firm and the community identify with each other. The community identifies with the firm while the firm equally identifies with the community. The firm is committed to a better community.

> *"Given this context, the business has articulated its strategic goal of striving for a relationship with society that is based on shared value and prosperity. This strategic goal has been described as "Value creation for all stakeholders*

through an all-inclusive approach to growth and development" (Company annual report, 2017).

Figure 7-12 shows an extract from minutes of community meetings**.**

Figure 7-12: Symbiotic identification- community providing food to company employees working in the community (from community archives)

Evidence obtained from community meetings minutes shows that while the organisation provided an excavator for resuscitating the irrigation scheme, the community offered, through its coordinator, to supply the excavator operators and Company X managers who visited the site in line with their visible felt leadership mantra.

An extract from the minutes shows some of the expenses paid by the community to feed company employees. While this seem a small amount, it signifies the extent to which the firm identified with the community as much as the community identified with the firm.

7.8 Summary of processes that constructed and maintained psychological identification social licence.

The firm proactively identified community expectations through taking the reflecting process to a higher level. Unlike during the transitional phase, where reflecting started from the organisational context, the transformational phase started from the community and other contextual dimensions, to inform organisational choices. Reflecting was key for the organisation to identify social expectations. At this point, expectations had been institutionalised between the community and the organisation. The organisation could

proactively address even unexpressed community expectations. This marked a gradual but clear shift from transitional to transformational engagement. The channels of engagement had been well developed, processes well synchronised between organisation and community, and shared value very noticeable. Senior management actively took part in community projects, to deal with the growing complexity of the relationship. Corporate governance principles were deeply cascaded into community governance processes.

Together, these processes generated institutionalisation of trust and legitimacy (institutionalised trust and cognitive legitimacy). The trust and legitimacy of the organisation was taken-for- granted. The thesis identified Institutionalisation as a necessary condition for the community to psychologically identify with the organisation.

7.9 Summary of results

The thesis found that, the community and the organisation relate within an evolving social context (organisational context, community context, national context, and global context). As the context evolved, community expectations shifted. Social influence was identified as an important determinant of community expectations. The community used information embedded in the social context to shape expectations. The key process through which the organisation tracked community expectations and perceptions was reflecting (understanding social context, attributing contextual outcomes to actions and events, developing a sense of social purpose, shifting focus, tracking social performance). The study identified three community engagement levels (transactional engagement, transitional engagement, and transformational engagement) that are necessary for constructing the three phases of the social licence (acceptance, approval and psychological identification) respectively. Varying degrees of trust, and different dimensions of legitimacy are critical preconditions for the maintenance of the various phases of the social licence.

The following chapter is the analysis of results. It is structured in accordance with the three propositions that resulted from the analysis process. The findings of the current study were analysed in terms of their support, extension of or contradiction with extant literature. Conclusions, and study implications to scholarship and practice are presented in chapter seven.

Chapter 8: Analysis of results

8.1 Introduction

This chapter provides an analysis of the research findings, in relation to extant literature. The researcher introduced the purpose of the study in chapter one, which was to investigate and understand the process of constructing and maintaining a social licence in a developing market. The first chapter outlines the research question, which is how and under what conditions do community engagement and other processes determine the construction and maintenance of a social licence in a developing market? Extant studies have mainly focused on two approaches in attempting to understand the social licence phenomenon. The first is to approach it from the company perspective, and the second is approaching from a community perspective. This study takes a dual perspective, and investigates social licence processes from both, the community and company perspectives. The approach has not been widely used in social licence research, leading to blurring of key corporate-community processes in social licence construction and maintenance.

An important highlight of the literature review is the dearth in research that focuses on the processes through which a social licence is constructed and maintained. Social licence processes are unclear, making the practical application of the concept very difficult, at this umbratical juncture. Using data from community interviews and mainly archival data from the community, and the case study organisation's annual reports, the researcher identified key corporate-community processes that are important in the construction and maintenance of the social licence. This shades light on understanding social licensing processes. Evolving community expectations, in tandem with social context dynamics, are the key drivers of community-corporate engagement processes, yielding different phases of a social licence. This, therefore, underscores the important role played by contextual dynamics, which have not been given much attention in extant research. Farther, the study identified social influence as playing an important role in shaping community expectations. Organisational reflecting was a key process through which the organisation understood community expectation and shifted focus to change engagement approaches.

The following paragraphs articulate how the study findings sit in relation to previous studies, highlighting areas of disagreements, agreements and extensions, that contribute to the body of social licence literature.

8.2 The process of constructing and maintaining acceptance (1999-2003)

Proposition 1: When the firm perceives community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence.

The review of literature in Chapter 3 has revealed that the processes through which a social licence is constructed and maintained are not clearly understood. However, it was possible to identify concepts and constructs that could be useful in the understanding of social licence construction processes. Literature suggests that the social context, in terms of organisational context (Harvey, 2014), community context (Filer & Gabriel, 2017), national context (Zhang, et al., 2015), and global context (Kemp & Owen, 2013) will play a role in the achievement of social licence to operate. However, studies have not looked at how these context dimensions interplay (Bowen, Newenham-Kahindi, & Herremans, 2010), in the social licence construction and maintenance processes. Extending extant literature, the current study found that the context dimensions interplay to shape community expectations, which drive engagement processes to achieve a social licence.

Community context factors such as lack of power to influence the social licence, low level of education to be able to articulate expectations and issues and poor community leadership, and cohesion are some of the key impediments in the construction and maintenance of a social licence (Meesters & Behagel, 2017; Amaeshi, Adegbite, & Rajwani, 2016; Brueckner, Durey, Pforr, & Mayes, 2014). However, the current study finds that communities are heterogeneous, and dynamic. They devise ways to deal with their weaknesses, over time, such that it would be possible to issue or withdraw a social licence, even under conditions of power asymmetry, favouring the MNC subsidiary.

Confirming findings by other studies, the developing market context was found to be quite different from the developed market (Idemudia, 2014), in terms of inherent institutional voids, in the former (Kenneth, Adegbite, & Rajwani, 2016). Hence, this study argues that the circumstances in which the community will shape its expectations will differ. Whether the expectations are implicit or explicit. Unlike past studies that have broadly linked community engagement to achieving a social licence, specifying neither the mechanisms nor the level of social licence (e.g. Dare, Schirmer, & Vanclay, 2014; Bice, 2014), this study specifically found that, social context specific instrumental community expectations trigger transactional engagement processes from the organisation. The processes are the main mechanisms

behind pragmatic legitimacy, a precondition for acceptance phase of social licence construction.

8.2.1 The social context

Although the broad context was expected to have an impact on the construction of a social licence (Kemp & Owen, 2016; Vanclay & Hanna, 2019), a key finding of this study, that was not anticipated, is how, in particular, the multidimensions of social context, namely the organisational context, the community context, the national context and the global context, interplay to shape community expectations. Interviewees in this study were highly influenced by the dynamics within their social context. The results suggest that there are four key dimensions of the context that are important in shaping social licence processes. Literature laments the lack of studies that unpack context in developing markets since it is taken for granted and therefore theorised away as different institutional contexts (Amaeshi, Adegbite, & Rajwani, 2016). This thesis contributes to theory by unpacking the different dimensions of context and infusing them in social licence theorisation.

i)   Community context

The focal firm in this study operates in Zimbabwe, a developing market context where the majority` of the people live in rural areas. The major source of livelihood for rural Zimbabweans is subsistence farming, especially in the drought prone region where the firm operates. Interview participants, and firm archival sources concurred that the region is characterised by small land holdings, dry and poor land productivity, scarcity of healthy facilities, low level of education and high unemployment in communities bordering the firm and its operations.

In Zimbabwe some of the many conditions that the communities grapple with, in Zimbabwe, are partly linked to the country's national history. The country was colonised by Britain in1890 and only got independence from Britain in 1980, a period spanning almost a hundred years. During the colonial era, mostly fertile productive land was forcibly acquired from the black majority people by the minority British settlers. Several laws were put in place to formalise the land acquisition. Some of them include the Land Apportionment Act and the Land Tenure Act, of the early 20th century. Together, the colonial processes and the subsequent legislations marginalised natives and relegated them to communal areas while the white settlers occupied vast tracts of commercial farms. The communal farms were designed to be small and to hold limited size of livestock. Immediately from the focal firm's vicinity, the land was occupied by commercial farms. The commercial farmers participated in sugarcane farming, cattle ranging and conservancies on a large scale.

Immediately beyond the commercial farms were the communal areas that were designed by the colonial system as reserves for labour that was intended to work on the commercial farms and the focal firm's estates. However, at the turn of the millennium, from 1999 to date, the country was gripped by a serious, and mostly violent conflict between local communities and foreign owned farming enterprises and individuals. The farms owned by white commercial farmers and other foreign firms where grabbed by the local communities, thereby building a new community layer immediately next to the focal firm's operations, including the milling plants and the sugarcane estates. This signifies a community that is not static but rather dynamic and evolving, as the invaders begin to develop into a community. This development gives us a unique context where a new community builds around the firm.

Past studies have looked at well - established communities, where new firms are coming in as visitors (Bice, 2014; Brueckner & Eabrasu, 2018). These communities have been viewed as stable over time. In this study we are presented with the community- as- visitors coalescing around the firm. The study finds that, under a context of negative past legacies, through community engagement, an organisation may be accepted in a community. The finding seems to contradict past findings, suggesting that, due to past legacies, the sentiments of anger, frustration and hatred within the community will stifle legitimacy (Wilson, 2015; Wilson , 2016), rendering social licence efforts by organisations futile (Baba & Raufflet, 2014; Dare, Schirmer, & Vanclay, 2014). However, considered together, the findings underscore the importance of understanding socio-cultural contexts, when engaging communities for social licence construction.

At this stage of interaction between the community and the firm, the community was divided and barely organised. One key finding is that the community faced a huge leadership vacuum. The typical setup in Zimbabwe is that rural areas are administered by Rural District Councils in close liaison with traditional leaders, namely chiefs and village heads, while urban areas are administered by local authorities without much space for traditional leadership. Because of the legacy of the colonial system, the commercial farms essentially ran their business and are not under the leadership of the traditional leaders. As a result, when the commercial farms were turned into rural areas, they faced a leadership vacuum as they did not fit into either the communal system or the urban system.

Underscoring the institutional voids experienced in less developed markets (Slack, 2012), the ruling ZANU PF party took advantage of that leadership gap to impose its party structures as the defacto traditional leaders in some areas. Such leaders lacked legitimacy that ordinarily comes with the role of traditional leader. At that stage engagement between the firm and the community was made difficult as community expectations were difficult to discern. The finding

supports literature suggesting that disintegrated rural communities, characterised by poor leadership structures wield less engagement capacity (Amaeshi, Adegbite, & Rajwani, 2016; Adenle, Azadi, & Manning, 2017) and therefore find it difficult to issue a social licence (Bice, 2014; Syn, 2014). However, despite the seemingly unpromising community context, the study finds that due to other contextual factors, notably the national and global context characterised by public scrutiny, typical of a period of resource scarcity, the firm had no option but to operationalise its rhetorical promises to the local community (Slack, 2012). This resulted in transactional engagement initiatives, in form of donations, and support towards health and education in the community, typically generating community acceptance.

ii)   Organisational context

A surprising result that was not anticipated was the role of the size of the organisation on its behaviour in the community. The study finds that because of the size of the organisation, it felt a sense of responsibility to support community building processes. This finding contradicts other studies that suggest big organisations operating in poor communities wield so much power and influence that make them arrogant instead of cooperative toward communities (Schleper, Constantin, & Wuttke, 2017).

The reason for this is that the organisational context impacts the firm's behaviour in tandem with the broader social context. In a developing market context were communities lack basic social services due to incapacitated governments (Slack, 2012), study participants and the firm's annual reports suggest that the focal firm felt a sense of responsibility, by merely considering its size, in terms of the land resources it commands, number of employees it has, as well as its contribution to economic development in a host country facing capital flight.

Another finding is that the organisational context is not static but rather dynamic. The dynamism of the organisational context, as it continuously restructured and changed its board and senior management, had an impact on its capacity to deal with community as well as the broader stakeholders' expectations. The impact of meeting stakeholder expectations on the construction of a social licence is not novel, as it has been opined by other scholars (Bice, 2014; Bice, Brueckner, & Pforr, 2017; Crean, 2017). A dimension brought by the current study is how the changing stakeholder expectations shape and are shaped by the changing organisational context. Past studies have assumed the organisational context to be static (Filer & Gabriel, 2017). This position, in as far as it simplifies our understanding of organisational processes, is startling, considering the huge body of strategic literature that suggest organisations are in constant flux.

The firm utilised available human and financial resources to respond to the largely transactional expectations of the community. This finding is important as it attempts to answer the question posed in literature on what role does "in-reach" play in the construction of a social licence (Harvey, 2017; Owen & Kemp, 2013). The finding highlights the importance of developing internal structures and processes to build organisational capacity for effective constructing and maintaining a social licence.

An organisational context factor that weighed down the firm's engagement efforts ealier in its operations within the host communities was an overly centralised orientation. During the earlier period under this study (from the year 1999 to around 2003) the firm concentrated mainly on the South African operation, with little attention paid to the subsidiary in Zimbabwe. An analysis of the firm's annual reports and responses by respondents testify to very sporadic interaction with the host community in Zimbabwe. Extant literature suggest that MNCs that are centralised are less responsive to the particularities of their host environments (Bondy, Moon, & Matten, 2012).

As a result of that, the company was unable to effectively respond to the Zimbabwean context, that was highly dynamic at the time. The following paragraphs explore the Zimbabwean context.

iii) The Zimbabwean context

The results of this study show that the developing market context, like Zimbabwe, is characterised by difficult institutional constrains (Adenle, Azadi, & Manning, 2017). An example was the impossibility to remit dividends. It became difficult for the firm to expand its investment in Zimbabwe in the early period of the study. This had an impact on the ways in which the firm engaged the community and other stakeholders, as discussed under community engagement section of this chapter.

Since the turn of the millennium, Zimbabwe has been characterised by a sliding economy. This is hugely attributed to the chaotic land grab that crippled the otherwise vibrant agricultural sector, which had for long been considered the backbone of her economy (Moyo, 2011). Following the 1999 to 2002 land grabs and the subsequent fast track land redistribution from 2002 onwards, crop production fell significantly. Sugarcane production also fell between 1999 and 2003. By 2006 it had dropped further for the firm's Zimbabwean operation (Scoones, Mavedzenge, & Murimbarimba, 2017). Generally, the economy was in a decline. This continued to put pressure on the government and the private sector to provide basic services to avert starvation and healthy challenges.

Under conditions of declining government credibility from the citizens' perspective, communities turned to the private sector for food security and to seek critical services, such as education, recreation and health. Such conditions shape community expectations in developing markets (Brueckner & Eabrasu, 2018). While in mature democracies, citizens generally view their governments as credible, with capacity to create an environment conducive for advancement, survival in developing market rural areas is difficult. MNCs operating in these communities are faced with numerous difficulties.

The government of Zimbabwe has suffered credibility challenges. As a result, the country was slapped with targeted sanctions by the western countries, through United States of America's gazetting of Zimbabwe Democracy and Economic Recovery Act (ZIDERA) of 2001. According to the Act, its purpose was to support Zimbabwe's peaceful transition to democracy, rule of law and economic recovery. From 1999, the government of Zimbabwe was suspended from participating in a number of the international community donor and support organisations, including the IMF in September 1999, and the International Development Association in October 1999 suspended all structural adjustment loans, credits, and guarantees. The step by the USA left the government of Zimbabwe with limited capacity to complete ongoing projects or start new ones. Thus, with a shrinking donor community, and an incapacitated government, private sector actors bore the heavy load of service provision.

Government directives and suppressive policies that were introduced by the government of Zimbabwe included the directive to sell 40% of foreign earned income to the government at the prevailing controlled exchange rate. The economic outlook was characterised by hyperinflationary pressures, foreign currency shortages and an overvalued currency. The firm was left with little room to manoeuvre meaningfully, in terms of engaging the community. There were instances of community neglect, as a transactional engagement process (Bowen, Newenham-Kahindi, & Herremans, 2010). While in developed markets, governments are expected to provide basic services to communities (Harvey, 2014; Slack, 2012), in developing markets, firms are expected to contribute to the provision of these services (Brueckner & Eabrasu, 2018).

8.2.2 Context-specific community expectations

Together, the community context, organisational context, national context and the global context interplay dynamically to shape community expectations. Due to the socio-economic environment, the community looked at the firm for assistance. The expectations where viewed as largely transactional between the year 1999 and 2004. Extant literature suggests strong transactional expectations for developing market communities (Adenle, Azadi, & Manning,

2017; Corus & Ozanne, 2012; Idemudia, 2014). This finding has however been omitted in the social licence discourse as most studies of the social licence were done in developed markets, such as Canada and Australia (Kahindi & Aloysius, 2011). Expecting material help from the organisation is understandable considering a context of community vulnerability (Sing, 2015), government incapacity (Slack, 2012) and a huge organisation operating in that small community (Brueckner & Eabrasu, 2018; Vanclay & Hanna, 2019).

The study finds that community material expectations are insatiable. As the firm initiated a number of projects and employed local citizens, the community expectations kept shifting. Thus, community expectations are not static but continuously evolving (Biraghi, Gambetti, & Romenti, 2017; Boutilier, 2011). Study respondents expressed their long list of expectations. The finding supports prior studies that found material support to create a dependency syndrome (Sing, 2015), with potential to create conflict between community members who receive material assistance and the rest of the community (Syn, 2014).

Community expectations are heterogeneous. They evolve temporally and differ spatially. Different geographic locations and other socio-cultural groupings have different expectations and will evaluate the social performance of the organisation differently (Huang, Faysse, & Ren, 2017). This is mainly due to the fact that they process information from the social context differently. Community expectations are constructed socially, from the information cues embedded in the social context (Salancik & Pfeffer, 1978).

8.2.3 Transactional community engagement

The study finds that at the beginning of the engagement process, the firm's approach was mainly transactional. Study respondents revealed that the firm was focused on tick-box processes. There was no demonstration of genuine desire to meaningfully engage the community in a constructive and sustainable way that builds lasting relationships. Such engagement was typically to please the host country government officials and to appear in the public eye as community oriented, yet in actual fact the firm was driven by a desire for business growth.

Since the national and the community contexts were characterised by rising nationalism sentiments and a drive to occupy land owned by foreign firms and individuals, the firm needed to fulfil the basic engagement expectations. This phase is characterised by one-way communication. The firm did very little to solicit community opinion, but rather informed the community of the initiatives the firm pursued. The firm perceived community expectations through interpreting the social context. By considering the developing market context, characterised by high levels of unemployment, food insecurity, poor health facilities, low levels

of education and poor infrastructure, the firm concentrated on provision of these as a source of gaining community acceptance. They perceived community expectations to be transactional in nature, hence responded accordingly.

Community engagement literature suggests that transactional engagement strategies are a viable option when firms operate in communities (Bowen, Newenham-Kahindi, & Herremans, 2010). Several scholars have argued that community engagement is important in the construction of a social licence (Biraghi, Gambetti, & Romenti, 2017; Corus & Ozanne, 2012; Dare, Schirmer, & Vanclay, 2014). However, this study differs from them as it builds on literature suggesting that community engagement (Bowen et al, 2010) and social licence (Boutilier & Thomson, 2012) are both multidimensional. Therefore, although the link between community engagement and social licence to operate is not novel, this study illuminates this link by finding that transactional community engagement processes will help in the construction of an acceptance level of social licence. The finding also links well with Aguilera, Rupp, Williams, and Ganapathi (2007) who identify instrumental motives as important in triggering corporate social responsibility, a view which is earlier opined by (Kapelus, 2002) who finds an instrumental approach to corporate social responsibility. Together, these findings suggest a pragmatic approach to community engagement (Esteves & Barclay, 2011).

8.2.4 Pragmatic legitimacy

i) Exchange legitimacy

The study finds that by transactionally engaging the community, in line with its expectations, the firm managed to build confidence in the community that the community may get economic benefits from the firm's operation in the community. This finding supports the theory of organisational legitimacy (Suchman, 1995). Other scholars have looked at this form of legitimacy under a different label of economic legitimacy (Boutilier & Thomson, 2012; Boutilier, Black, & Thomson, 2012; Jijelava & Vanclay, 2017). Although the literature on social licence has emphasised economic legitimacy as a precondition for acceptance social licence (Boutilier & Thomson, 2012), this study attempts to integrate economc legitimacy to exchange legitimacy, a pragmatic legitimacy dimemsion in the broader, widely used theory of organisational legitimacy (Suchman, 1995). Integrating the study of social licence to a broader, established theory helps in advancing this new, theoretically underdeveloped concept (Vanclay & Hanna, 2019).

ii) Influence legitimacy

Although the firm was unable to fulfil all the community economic expectations, study respondents acknowledged some of the posturing initiatives by the firm to be influential in shaping their opinions and attitudes toward the firm. Thus, the study finds that explicit engagement outcomes and potential benefits attributable to firm policies and postures will influence firm's legitimacy standing. Other studies that have looked at legitimacy and the social licence acknowledge how transactional engagement is closely linked to legitimacy (Bitektine, 2011; Crean, 2017; Herremans, Nazari, & Mahmoudian, 2016).

Some scholars have advocated for community engagement studies to shift from the dominant approach of looking at the community as a group, to studying individual attitudes related to engagement (Bowen et al, 2010), this study supports the theory of organisational legitimacy (Suchman, 1995). Although individuals may not necessarily see personal benefits of the project, in the context of a social licence, they may consider the firm acceptable on the basis that the firm broadly benefits the greater society. There were study respondents who believed the firm had not done satisfactorily to them as individuals, but to the greater society it had done very well. This is understandable considering the size of the firm and the context in which it was operating. Firm support to individuals in Zimbabwe was highly politicised and viewed as corruption, and sometimes as undermining the government.

The focal firm's approach is to deal with communities as opposed to engaging at individual level. Therefore, by relooking at legitimacy from the perspective of Suchman (1995) we are able to take a detour, from the commonly used variable of economic legitimacy, to more specific variants of pragmatic legitimacy. In this case, influence legitimacy. By so doing, we are able to explain how and why it is possible that a firm will be acceptable in the community when some individuals do not necessarily benefit economically at individual level. Although a plausible explanation remains missing, other scholars have noted that community members will have varying interests, yet jointly accepts the firm in their community (Hall & Jeanneret, 2015; Zhang & Moffat, 2015). This will be hardly comprehensible, under the purview of economic legitimacy as propounded in earlier studies of social licence.

iii)   Dispositional legitimacy

Interview respondents personified the organisation, as if it were a living being. They referred to the organisation as a neighbour, friend, relative and as someone that had the community at heart when it comes to provision of economic benefits. This demonstrates the level of confidence that the community had of the firm. The community valued more, the firm's donations that were made during periods of hardships than other normal periods. The finding suggests that during periods of socio-economic hardships, such as drought, floods, and economic decay, transactional engagement processes are more likely to deliver a social

licence. By extending a helping hand, the firm exudes a favourable disposition to the community. This probably explains why other scholars argue that, socio-economic development does not deliver a social licence (Harvey, 2014, 2016), while another school of thought argues for social licence through socio-economic development (Owen & Kempton, 2015). The seemingly contradicting finding, therefore, highlights the importance of context in the study of social licence and community engagement (Corus & Ozanne, 2012; Dare, Schirmer, & Vanclay, 2014).

Further, in addition to highlighting context as an important consideration in understanding the construction of a social licence, this study finds that community engagement is a necessary, but insufficient condition for a social licence. Transactional engagement delivered a social licence under conditions of pragmatic legitimacy. In other words, the community needs to believe that they will get economic benefits, directly or as part of a broader society, from the transactional engagement processes of the firm.

8.2.5 Community acceptance phase of social licence

The study finds that community acceptance can be either complete or partial. Complete community acceptance is when the firm is accepted without reservations, while partial acceptance is when the firm is accepted but there are some questions asked about its conduct. Respondents suggested that during their early days of engaging with the firm, they accepted the firm but there were some issues that needed agent attention. However, such issues where difficult to resolve as they had limited platforms to engage the firm. This finding highlights the importance of creating a favourable platform for engagement (Devin & Lane, 2014; Biraghi, Gambetti, & Romenti, 2017). Questions have been asked in literature whether or not a social licence entails total absence of opposing voices (Boutilier, 2014). By considering partial acceptance, it is possible to achieve a social licence in the presence of doubting, or even opposing voices (Boutilier & Thomson, 2012). The finding fits well into the conceptualisation of transactional engagement proposed by Bowen et al (2010), who argue that engagement strategies could be negative, such as retaliation, and monitoring. Interview respondents and archival data suggest periods when the firm engaged in these strategies. The study attributes partial acceptance to negative engagement by both the firm and the community.

Literature on social licence seem to acknowledge presence of doubting voices during the acceptance phase of the social licence (Boutilier & Thomson, 2011). By proposing partial acceptance, this study provides us with conceptual clarity, in addition to demonstrating that indeed opposing voices could be actually health for advancement of social licence to the next phase. The study finds opposing voices as providing information cues for the firm to take its

160

engagement strategies to the next level. Complaints are signals to the firm that there is need to realign their expectations and those of the community. Alignment of organisation and community expectations is critical in the construction of the social licence (Hall, 2014; Dare, Schirmer, & Vanclay, 2014).

There is evidence, in the study, suggesting that although the engagement was transactional, and executed as a tick-the-box activity, indeed it resulted in positive acceptance. Interviewees acknowledged that they were willing to have the firm continue to operate in the community. Past studies on social licence have used community willingness to have the firm continue with its operations as acceptance (Jijelava & Vanclay, 2017; Boutilier, Black, & Thomson, 2012). Further, a finding that was not anticipated, but came from several participants, was community participation in organisation-initiated programs as a sign of acceptance of the firm and its operation. Community members participated fully in the various programs that were sponsored by the firm. Although boycotting firm activities will be a clear sign of unhappiness with the firm, studies have not taken community participation as an important indicator of acceptance. Hence community participation is an important dimension of community acceptance.

The finding that community participation is a dimension of community acceptance is important as it provides us with an explanation of why initial acceptance, even if it is based on low level of engagement, is necessary for the firm's later transitional engagement in the construction processes of subsequent phases of the social licence.

8.2.6 Summary of community acceptance processes

In light of the above, it is therefore concluded that, when the firm perceives context specific community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence. Thus, the initial proposition that looked at economic legitimacy as a precondition for acceptance has been adjusted to broadly look at pragmatic legitimacy, while specifically zooming in on exchange legitimacy, influence legitimacy and dispositional legitimacy. In addition to empirically demonstrating the link between transactional community engagement and acceptance social licence, this thesis considered both positive engagement and negative engagement, to explain why there could be partial acceptance, then full acceptance as sub-phases of acceptance.

Thus, the initial proposition is supported with adjustments. While extant literature has largely looked at context as static and unidimensional, this thesis identified the multidimensionality (organisational, community, national and global) and evolving nature of social context to be

important factors on social licencing. Although past studies acknowledge the important role of expectations in the social licence, they assumed a rational approach to the construction of expectations. The current thesis differs in that it identified social influence to be much more important in shaping community expectations and social licence perceptions. Communities leverage information cues embedded in the evolving social context, to build context-specific expectations. Expectations and perceptions of the social licence are socially constructed. The community is an important unit of analysis.

8.3 The process of constructing and maintaining approval (2004-2010)

Proposition 2: As the firm reflects, it perceives a shift in community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence.

8.3.1 The transitioning social context

i)   Shifting community context

The finds that the community context has constantly shifted. At the beginning of the land grabs in 1999, as people started advancing from the tribal trust land into commercial farms, they did not have defined leadership structures. People who were vocal and forceful in the land grabs became natural leaders, but these qualities did not translate into vibrant leaders, who could meaningfully engage with the focal organisation. The disorganised nature of the community, and the leadership vacuum that is inherent in developing country communities (Adenle, Azadi, & Manning, 2017), was partly the reason for poor engagement during the initial phase of constructing a social licence. Social licence studies have shown that the leadership vacuum and the disorganised nature of developing country communities, make it difficult for the communities to meaningfully participate in the construction of a social licence (Corus & Ozanne, 2012). However, this study finds that, as time progressed, the communities got more organised, and they selected their own coordinators who represented them. Group formation literature suggests that when new groups are formed, they go through a number of stages from forming, norming and stabilising. This literature highlights that groups, including communities, are not static, but rather dynamic (Parsons, Lacey, & Moffat, 2014).

Therefore, this study concurs with literature that suggests the existence of a leadership vacuum, and general disorder in developing rural communities (Menzies, 2015; D'Amato, Rekola, Wan, Cai, & Toppinen, 2017). However, it reminds us of the dynamic nature of these communities. Developing rural communities are becoming more sophisticated, and they

device own ways of running their affairs, taking advantage of the changing broader national context. Following the land grabs, and the subsequent economic decline, the levels of unemployment increased in Zimbabwe. More educated people found themselves out of formal employment and resorted to farming. They therefore became an integral part of the rural communities.

The results of the study show that, the new generation of rural dwellers is actively driving community projects, in general, and the community's engagement processes with the focal firm, in particular. This finding dispels the social licence literature concerns, that the low level of education in rural communities could be an impediment to the construction of a social licence, as communities are marginalised (Ehrnstrom-Fuentes & Kroger, 2017). Some of the respondents in the study are former senior managers from the focal firm, and from several other reputable organisations. These are well educated individuals who took advantage of the second phase of the land reforms, commonly known as the Fast Track Land Redistribution Program (FTLRP) to get farming land within the focal firm's proximity. They are now part of the community that interacts with the focal firm.

Further, the study finds that social norms have also changed with changing times. Traditionally, the norm in Zimbabwe is that, rural areas are led by traditional leaders, such as chiefs and village heads. In the past they were indeed the typical uneducated rural people. However, the emergence of the rural elite shifted this norm. Local community coordinators, chiefs, village heads, local authority councillors, and members of parliament were now educated people who resided in these communities. Meanwhile, the ruling ZANU PF party, appointed its leadership into village head positions to maintain a grip in the rural areas. The traditional inheritance-based procedure of appointing traditional leaders was changed, with the Ministry of Local Government, and Public Works, playing a central role in the exercise. As a result of this contextual dynamic, the community became so much embedded in national politics. This finding draws us closer to ongoing social licence discourse that calls for a closer scrutiny of the dynamic link between the social licence to operate and political licence (Bice, Brueckner, & Pforr, 2017; Brueckner, Durey, Pforr, & Mayes, 2014). It highlights the importance of a political licence, as that of providing a conducive environment for efforts to construct and maintain a social licence (Brueckner, Durey, Pforr, & Mayes, 2014).

Together, the findings on a shifting community context, in general, and evolving social norms, in particular, is important in understanding social licence construction processes. This is so, because, social norms are known to influence human behaviour. Contextual changes are influential, as they inform community expectations and its social evaluation of firm interactions. Study respondents and archival data suggest that as time progressed from the period of

chaotic land invasions, through the later government effected Fast Track Land Redistribution Program, more people started nucleating around the focal firm, including informal settlements. This caused rising pressure on the limited resources that were left by the white commercial farmers. Without proper, organised leadership, vandalism and theft of infrastructural resources was rife. Roads, bridges, dams and other irrigation facilities were vandalised. Some sections of the invaded farms did not have basic services like schools, clinics, and clean water sources. These challenges gave rise to the need for more organisation of the community, hence the introduction of community leaders. With community leaders in place, it now became possible to have two-way interaction between the community and the organisation. Scholars have emphasised the need for a more organised community, and active leadership for effective firm-community engagement (Meesters & Behagel, 2017).

In the study context, where the ruling ZANU PF party was losing ground to the main opposition party, MDC, toward the 2008 harmonised elections, the government made sure they maintained control of rural communities through integrating them with institutions that are led by government appointed individuals. As a result, communities, district administrators and local authorities were highly integrated. This had an impact on the way in which the firm engaged communities. The study finds that the firm engaged communities through community leaders, local authority representatives and the District Administrator's office.

ii) Shifting organisational context

The results show that over time the firm kept renewing itself. Part of that renewal process involved restructuring. As the firm restructured, it changed its focus as new leadership brought fresh ideas that favoured closer engagement with the community. It is argued that the changes in the organisational context built firm capacity to handle community engagement processes. Leadership has been found to impact the construction of a social licence (Meesters & Behagel, 2017). Social licence literature confirms the impact of renewed organisational processes on the construction of the social licence, as it enhances engagement capacity (Harvey & Bice, 2014) (Bice, 2014; Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015; Harvey, 2017). An important aspect of the shifting organisational focus was the decentralisation of decision making. Firm annual reports showed that, while at the beginning of the study period in 1999, the firm was highly centralised, by 2002, the firm started to decentralise, and various country offices were empowered to make decisions. MNC literature suggests that when management decisions are decentralised, country managers have the flexibility to swiftly make decisions (Bondy, Moon, & Matten, 2012), and are more sensitive to local social dynamics (Kahindi & Aloysius, 2011; Amaeshi, Adegbite, & Rajwani, 2016).

a) Community visibility

As the MNC transitioned, to the concept of creating a parenting advantage, where the head office provided an environment that allowed the local firm leadership to excel and prosper, senior managers and executives at the head-office and at the subsidiary became more involved with shop-floor activities. Senior manager participation at grassroots meant they were also now accessible to the communities. In fact, the firm now wanted community matters to be discussed at the highest level, including the Board. The study proposes community visibility as a new construct to describe the ability of the firm's chain of command to see the community, perceive its concerns, and pro-actively participate in actions and processes that address them. A key feature of the transitioning organisational context, was the realisation that the firm was going through transition and they rallied their employees to appreciate that fact as a way of achieving buy-in.

The study finds that the shifting of the organisational context was influenced by, and also influenced changes in other contextual dimensions. This finding supports extant literature that suggests that contextual dimensions dynamically impact each other (Bowen et al, 2010). Understanding the dynamic processes involved in the shifting context is important as the community develops its expectations from information embedded in the social context (Johnstone & Hooper, 2016).

b) Company history as inspiration

The age and size of the firm kept growing. In 2006, the Zimbabwean subsidiary acquired a 51% stake in the country's other major agri-processor in the same region. Due to its size and long history of success, the firm was inspired to excel in its undertakings. The internal changes that where occurring within the organisation were something they anticipated. It had always thrived on a culture of change. An analysis of the firm's successive annual reports, shows that, the inspiration gathered from a long history of the firm provided it with the energy needed to transition in both, the firm's focus and engagement processes. This is an important finding that supports the need for "in-reach", which is the adjustment of a firm's internal processes to align with the engagement demands in its operating environment (Harvey, 2017; Harvey & Bice, 2014). Thus, the current study is part of social licence literature calling for "in-reach", as a precondition for achieving a social licence.

c) Focusing on building capacity and competences

In line with the organisational transitioning, the study finds that the firm exerted a lot of energy in building its capacity to meet the changing demands in stakeholder expectations. The leadership was tasked with the responsibility to drive the transition, through leveraging the firm's capabilities and competences. To support this drive, new business models were

designed, to underpin and support the firm's transitioning organisational context. Business management literature suggests that a firm's capacity and competences are an important organisational context element that is critical in discharging its mission (Parsons, Lacey, & Moffat, 2014; Prno & Slocombe, 2014; Prno, 2013). Extant social licence literature has not considered the role of a firm's changing capacity and competences in constructing a social licence. This is despite the prominence, in literature, of capacity, capabilities, and competences as key considerations, if a firm is to achieve its social performance objectives (Harvey, 2014). By borrowing insights from other disciplines, this study enhances our understanding of the processes involved in the construction and maintenance of a social licence.

The firm's annual reports suggest that, training and employee development were used to build capabilities and skills that proved to be important in the firm's engagement initiatives. The new skills were supported by changing internal, policies, processes and systems. Although attention to internal processes, policies and systems are highlighted as part of the "in-reach" in extant social licence literature, skills development is not given the prominence it deserves. Thus, this study points us to paying attention to skills development, in addition to other internal processes, as important mechanisms in the construction and maintenance of a social licence.

d) Corporate community governance

A finding that was not anticipated at the beginning of the study, that came out prominently is the impact of corporate governance, as an organisational context dimension, on the construction and maintenance of a social licence. The study finds that, adopting corporate governance best practices, played a major role in shaping activities that improved the firm's engagement processes. Although corporate governance has not specifically been studied in the context of social licence, there is emerging literature, suggesting that corporate governance has an impact on a firm's corporate social responsibility choices (Francoeur, Labelle, Balti, & Bouzaidi, 2019). Building on extant literature that link corporate social responsibility choices to social licence, this study integrates those insights to zoom-in on processes that construct a social licence.

Considering the growing importance of corporate governance, the wide taxonomies in use, and the prominence it is given in the current case study organisation, the author proposes labelling it corporate community governance. Corporate community governance speaks to how sustainability and community imperatives are governed in the organisation. Considering the growing calls for sustainability, as demonstrated by the United Nations' Millennium Sustainable Development Goals, social considerations are gaining traction. The proposing of corporate community governance as a construct should help social licence scholars to focus

more closely on mechanisms that construct the social licence. For social licence to advance as a theory, it needs development of its constructs, that are integrated to the broader literature. Hence the introduction of corporate community governance is timely. It is an important construct that highlights the need for social sustainability to find a place on the Boardroom table.

The study finds that gender diversity and independence of the board is important in the decisions they make regarding social issues in the host country of operation. Through diversity, in terms of Board composition, the firm drew members with different cultural backgrounds, from different operating countries, including Zimbabwe, and some of the Board members were black women. Emerging literature suggests that Board composition and skills development at Board level has an impact on corporate social performance (Francoeur, Labelle, Balti, & Bouzaidi, 2019). To this end, the organisation kept restructuring the Board, in line with changing societal dynamics.

iii) Shifting developing Zimbabwe market context

a) Legal framework changes

Like other contextual dimensions, the study finds that the national context is not static. It was continuously changing. The introduction of the indigenous bill in 2006 triggered a spate of negotiations for partnerships among the firm, government and the community. The main highlight of the indigenous bill was demanding that foreign investors hold at most 49% stake in firms operating in Zimbabwe. In other words, a shift in the legal aspect of the national context was a mechanism that initiated a shift in the firm's attention toward more engagement with both the community and other stakeholders. Although the firm's intention was to achieve a legal expectation by the government, it had to initiate engagement processes.

This supports extant literature that suggests a link between a legal licence and the attainment of a social licence (Bice, Brueckner, & Pforr, 2017; Gehman, Lefsrud, & Fast, 2017). The finding highlights the impact of achieving other licences as an important condition for the construction and maintenance of a social licence. Although the finding was not anticipated, it answers calls in literature to investigate the relationship between the legal licence and the social licence (Bice, Brueckner, & Pforr, Putting social licence to operate on the map: A social , actuarial and political risk and licencing model (SAP Model), 2017). The focal firm was later exempted from the requirement to fulfil the threshold demanded by the indigenous law, as a result of engagement efforts. The firm was able to demonstrate, through its engagement processes, that it was making significant contribution to society.

Due to the firm's engagement processes with government and community, it escaped government compulsory acquisition of its land. On those grounds, it could be argued that it achieved a legal licence to operate as well as a social licence. Thus, there is a dynamic relationship between a social licence and other licences, such as the legal licence and the political licence (Bice, Brueckner, & Pforr, Putting social licence to operate on the map: A social , actuarial and political risk and licencing model (SAP Model), 2017). A shift in one area of the social context, has potential to trigger a cascading effect on other dimensions. As the firm responds to emerging contextual changes, it is aware of the impact of its actions on other contextual dimensions.

An additional finding was that it was not only the firm that was affected by the changing national context. The firm's engagement initiatives also influenced the national context. The nation's policies and perspectives, to some extent, were shaped by the firm's activities. The firm attempted to enlighten the government on the potential win-win that may result from an orderly executed land reform, that is interactive, proactive, and participative. This is supported by a stream of literature highlighting the role played by MNCs is shaping national contexts (Bondy, Moon, & Matten, 2012). In the study context, it is understandable, considering the size of the organisation and the role it plays in social development.

Acknowledging the rapid dynamism in the operating context, the firm developed a model that emphasised project management approach to management. Change management strategies were adopted as mechanisms to contain the rapidly changing national contest. Rapid changes brought about a lot of uncertainty and the firm became more risk conscious. It designed risk management strategies to contain potential risks posed by communities. Extant literature suggests a relationship between having clear risk management strategies and attainment of a social licence (Bice, Brueckner, & Pforr, Putting social licence to operate on the map: A social , actuarial and political risk and licencing model (SAP Model), 2017). The link between risk management capabilities and a social licence to operate is understandable since losing a social licence is viewed as representing a social risk to the organisation (Esteves & Barclay, 2011; Cooney, 2017).

b) Multicurrency regime and quasi-economic recovery

Since the start of the land invasions, the country witnessed a period of protracted economic decline, characterised by hyper-inflation, foreign currency shortages, and an overvalued local currency. The trend peaked in the year 2008. The official inflation figures are estimated to have reached hyper-inflation levels, as the central statistics office stopped tracking the official rate. The general economic environment presented the firm with a very difficult operating environment. The period coincided with the 2008 harmonised elections, which were

characterised by the worst election related violence in the country's history. In the run-up to the election, the government introduced two draconian laws which banned unsanctioned gatherings. POSA and AIPA are laws that were introduced, mainly to limit opposition political parties from gathering as they needed sanctioning by the police to do so. During that time the police was highly politicised and by all means limited gatherings.

The 2008 presidential election result was contested. A Global National Agreement was reached where leading political parties shared power until the next election in 2013. In 2009, the government introduced a multi-currency regime where currencies of other countries became legal tender, replacing the Zimbabwean dollar as the official currency.

The multi-currency regime and the confidence generated by the Global National Agreement combined to create a positive economic outlook, at least until the next election in 2013. With the benefit of hindsight, it can be seen that the economic recovery was temporary-hence viewing it as quasi-recovery. Analysing the firm's annual reports, the study finds that the positive economic recovery had an impact on the performance of the focal firm. This development gave the firm confidence in the Zimbabwe division. The link between a positive economic outlook and firm's performance is not novel at all. Several studies have opined that relationship (Esteves & Barclay, 2011; Esteves, 2008).

An important result of this study is that the positive economic outlook for the firm creates a conducive environment for engagement, especially at the early stages of building a relationship with the community. The study results demonstrate that as the relationship grows, it relies less on the economic outlook, and more on mutual understanding. At the early stages of building a social licence, when the relationship was not well established, the firm would engage less when the economic outlook was not promising. More commitment was observed when the economic outlook and firm performance were positive. The finding could explain why some studies have found less corporate social responsibility engagement for MNCs in developing markets (Slack, 2012; Amaeshi, Adegbite, & Rajwani, 2016), while other studies find active engagement is possible in these contexts (Idemudia, 2014; Manetti, 2011; Herremans, Nazari, & Mahmoudian, 2016).

Together, the results suggest that the firm has always operated in an environment characterised by dynamism. The dynamism in the national context shaped the direction and intensity of engagement. Because of contextual dynamism, the firm adopted a project management approach, such that reflection on its operations was constantly undertaken. Although extant literature acknowledges the important role played by context in impacting the social licence, studies that take context into perspective are limited (Adenle, Azadi, & Manning, 2017; Bice, 2014). Studies have largely assumed a given static context (Biraghi, Gambetti, &

Romenti, 2017). Such an approach would not be sufficient, considering growing dynamism in social contexts. Bringing social dynamism to the theory of organisational legitimacy enriches the theory, by giving it more explanatory power.

iv)   The shifting global context

The global sugarcane industry has changed rapidly in recent years. The firm's annual reports suggest that new alternative uses for sugarcane, such as bagasse, ethanol, and power generation have gained traction. Such a situation has increased the demand of sugarcane for alternatives, mainly renewable energy generation and fuel, in line with growing calls to reduce carbon footprints (D'Ambrosio, De Girolamo, & Rulli, 2018; Devine-Wright, 2005). The development has heightened the firm's commitment in expanding its operations in Zimbabwe.

According to the firm's annual reports, this commitment was further encouraged by the fact that traditional sugarcane producers like Brazil started to see a decline in production, giving the Sub-Saharan region an opportunity to expand its industry. The focal firm was in good stead to capitalise on this opportunity considering its huge sugarcane milling capacity. Increased engagement opportunities arose as the firm expanded its sugarcane production through partnerships with local farmers. Zimbabwean produced sugar was given preferential treatment in the European Union market, as a poor developing market, under the "anything but arms" initiative.

8.3.2 Social influence

The study finds that social influence has a significant impact on the community's construction of expectations. As community members interact, they utilise information cues embedded in the social context, to formulate expectations. Community members who expressed their expectations, influenced their peers to emulate those expectations, or toned down those expectations. Study participants showed that, when they got information about what engagement initiatives the firm undertook in other areas, they developed strong expectations of similar projects. The firm leveraged this mechanism to create opportunities for communities from different geographic areas to interact.

Although the concept of social influence has attracted significant attention in social psychology literature (Salancik & Pfeffer, 1978), it has not yet received much attention in social licence studies. Social licence literature has largely assumed that community members make rational, cognitive evaluations in coming up with expectations (Hanna & Vanclay, 2013). The current study finds that community members socially construct their expectations, through the mechanism of social influence. The finding supports extant evidence, from social information

processing theory, which argues for retrospective rationality, where past events and experiences are useful in informing choices (Salancik & Pfeffer, 1978).

Leveraging this finding will help social licence scholarship to appreciate the role of community member interactions with other stakeholders in shaping expectations and constructing perceptions about the firm. The social licence is revealed as information, about the organisation, embedded in the community, expressed as social perceptions. The social influence impact on social licence has been omitted in extant literature, in part due to wide adoption of a stakeholder theory perspective that looks at individual stakeholder's interaction with the firm and not looking at the network effect of the stakeholders' interaction among themselves (Freeman, 1994). The finding brings new insights to the stakeholder theory. It addresses concerns raised by other scholars about the simplistic nature of conceptualising stakeholder-firm interaction (Donaldson & Dunfee, 1994).

8.3.3 Transitioning context-specific community expectations

The study results demonstrate that, over time, community expectations transition from being materialistic to become more relational. The community started expecting to interact with a credible organisation. Credibility expectations are linked to activities that build interactional trust. Extant literature suggests that communities, indeed hold expectations about the organisations they deal with (Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2015; Devine-Wright, 2005), and that communities and their expectations change over time (Brueckner & Eabrasu, 2018). According to this perspective, it is the balance between community expectations and organisational expectations which deliver a social licence (Filer & Gabriel, 2017; Gunningham, Kagan, & Thornton, 2004)**.** However, the current study, in addition, views community expectations as drivers in the construction and maintenance of a social licence. This is a novel finding, as it highlights, how the firm, through reflecting processes, perceive community expectations, and subsequently transitions its engagement processes, to meet expectation.

As the relationship between the firm and the community developed, the community expected to get more opportunities for meaningful dialogue with the firm. These expectations were found to emerge from community interaction with their social context. This finding highlights the emphasis that ought to be directed toward shifting expectations. It underscores the need for theory to consider the dynamism inherent in social interactions. Shifting expectations have not been widely explored in literature (Baba & Raufflet, 2014). However, meaningful dialogue as a community expectation has gained prominence in recent years (Mercer-Mapstone L. D., Rifkin, Moffat, & Louis, 2018).

A finding that was not anticipated but came out strongly was the impact of the context on expectations. The study finds that changes in all the dimensions of social context have an impact on community expectations. When new legislations where introduced, for instance, communities expected the firm to deliver on that aspect. The finding is more relevant in the developing market context, like Zimbabwe, where there are so many government directives (Idemudia, 2014; Lesser, Suopajärvi, & Koivurova, 2017). The directives impact on community expectations. This could explain why, in developing market contexts, characterised by poor communities, who are regarded as uneducated, it still remains important to construct a social licence. Some scholars have described as mission impossible, doing corporate social responsibility (Slack, 2012; Amaeshi, Adegbite, & Rajwani, 2016), hence constructing a social licence in developing markets (Prno & Slocombe, 2014; Lesser, Suopajärvi, & Koivurova, 2017). By acknowledging that community expectations are not fashioned in a social vacuum, divorced from social context, the study highlights why organisations may not reflect on these expectations, independently of their contexts.

A key shift of expectations from the pragmatic expectations experienced during the formative stage of social licence was the business ethics expectation by the community and other stakeholders. The size of the firm, as a leading employer, with up to 18000 employees during peak periods, means the employees are a significant part of the community (Cui, Jo, & Velasquez, 2016). Their expectations are shaped, as they also shape community expectations, through a process of social influence (Johnstone & Hooper, 2016). The study finds that the employees expected the firm to operate ethically and responsibly in a safe, respected and fairly compensated environment. As integral members of the community, the same expectations were shared by the community.

The study finds that the firm responded to this expectation by operating ethically and responsibly in a safe environment, for the employees and communities. The finding highlights the importance of integrating firm processes into community processes. Although past studies have shown a relationship between business ethics and social licence to operate (Bitektine, 2011; Bice, Brueckner, & Pforr, 2017; Gehman, Lefsrud, & Fast, 2017), the mechanisms through which this relationship is established are little known.

In pursuant of building strong relationships with all the other stakeholders, the firm thrived to meet their expectations. The expectations were centred on responsible and ethical conduct. Stakeholders concurred, there was need for the firm to uphold business ethics. This supports earlier discussions, in this study, that the relationship between the firm and other stakeholders will create an environment conducive for the construction of a social licence. Secondly, through the process of social influence, the expectations of the community are shaped by

these broader stakeholder expectations. This is so, because expectations are built from information embedded in the social context (Salancik & Pfeffer, 1978). Stakeholders are part of the social context, so their expectations, even if not yet expressed by the community, will provide an indication of the direction of societal expectations, in general.

As part of efforts to fulfilling the ethics expectations, the firm fashioned its engagement processes in line with community context specific expectations. For example, engagement processes involved classification of stakeholders, where the main focus was on the previously disadvantaged communities. As noted by Schwartz (1996) history considerations are important in our understanding of business ethics in developing market studies.

8.3.4 The process of transitional community engagement

The study finds that, at transitional level of engagement, the firm plays a leading role in the communication processes. Extant community engagement literature seems to be divided. One stream of literature argues that two-way communication may not be practical, in the context of a somewhat powerful organisation, interacting with a rural community (Bondy, Moon, & Matten, 2012). This study supports the later view, which acknowledges two- way communication between the firm and the rural community, despite the perceived power difference (Bowen, Newenham-Kahindi, & Herremans, 2010; Devin & Lane, 2014; Hall & Jeanneret, 2015). This is so because, in the context of the study, the community was highly embedded in the country's political systems. Community members, who were interviewed in the study, testified of leveraging their political networks to influence their relationship with the firm. This is understandable in a context where nationalisation sentiments are gathering momentum. It highlights how communities devise their own mechanisms to remain relevant in dealing with powerful organisation, hence the need for organisations to take communities seriously.

An important finding, which was least anticipated, is that, as the engagement transitioned, the firm closely linked its engagement processes with overall objectives. Analysis of company archival data suggests that the firm linked its engagement activities with its overall business objectives. The finding is in line with literature which argues that, for a firm to build a social licence, it will have to engage the community through processes that support its mission, otherwise it will not be regarded as genuine (Bice, 2014; Harvey & Bice, 2014; Harvey, 2017). Establishing a clear link between the firm's engagement processes, and objectives is important. It enables the firm to reflect on the extent to which business success is attributable to engagement initiatives, thereby reinforcing positive initiatives, and supplanting those activities with less business outcomes.

i) Socio-economic development as transitional engagement platform

While during the transactional phase of engagement, socio-economic development was used as an engagement in itself, a key feature of the transitioning phase is how socio-economic development is used as a platform for more meaningful dialogue. What then delivers the social licence is the dialogue between the firm and the community, probably not socio-economic development per se. This view resonates well with, and explains, that of scholars who argue that socio-economic development does not deliver a social licence to operate (Harvey & Bice, 2014). By viewing socio-economic development as a platform in engagement, the current study also explains why some scholars have said socio-economic development delivers a social licence to operate (Crean, 2017; Esteves, 2008). The current study seems to show us, that, socio-economic development is a necessary, but insufficient condition for a sustainable social licence, it does not supplant genuine, meaningful dialogue.

The motive of engagement transitions over time. While at the beginning the motive was complying, so as to enjoy business growth, during the transitional phase the motive is beyond business growth. The firm is motivated by building meaningful relationships with the community. Making a difference in the community is considered important by the firm.

ii) Transitional engagement processes
a) Corporate social partnerships

The model of engagement transitioned from solely focusing on tick-the-box donations, like volunteering in the community, to more inclusive approaches. One widely used approach during the transitioning phase was partnerships. The firm engaged the community in partnership with other organisations, such as banks, other organisations and the government. The role of the focal organisation became a coordinating one. By coordinating the engagement processes, the focal firm remained in control. Maintaining control of the engagement process is a key feature of the transitional engagement strategy (Bowen et al., 2010). The literature on private public partnerships is growing in popularity (Lund-Thomsen, 2009). However, private public partnerships, in the context of a social licence, has received little attention. An all-inclusive engagement approach, involving other stakeholders, is likely to have a significant impact on the construction of a social licence. It gives the focal firm an opportunity to reflect on the information processes taking place within its broader operating environment.

b) Transitioning channels of communication

A novel finding of this study is that, communication channels have a significant influence on the success of social licence construction strategies. Study respondents showed that, their

attitude toward the firm was to a large extent a function of the channels of communication used. Further, it is found that, as the relationship develops, engagement complexity increases and the channels of communication become more important in determining social licence construction success. The channels of communication become as important as the information communicated.

Although communication is widely acknowledged, in literature, as an important determinant of successful social licence construction (Corus & Ozanne, 2012; Devin & Lane, 2014). The role of the channel of communication is little understood, in the context of the social licence. Extant literature has viewed the channel of communication as a mere conduit, rather, concentrating on whether or not, there is communication between the firm and the community (Filer & Gabriel, 2017). Information processing literature suggests that the source of information is as important as the information transmitted (Stephens, Barrett, & Mahometa, 2013). This highlights the importance of credibility of the channel used. There have been questions, in literature, on the effectiveness of using community leaders as a point of contact between the community and the firm (Wilson S. A., 2015). Some scholars have argued that there is a danger of community leaders pursuing their personal interests at the expense of community interests (Sing, 2015). They have said these fears are more understandable in the emerging markets, where communities are viewed as less powerful (Wilson S. A., 2015).

However, in the study context, it was found that communities are not always static. They changed over time, and got to a point when a growing number of the formerly urban elites became part of the community. There are, therefore, very educated members of the community, who will question community leadership decisions that do not meet their expectations. Additionally, communities are responsible for selection of coordinators, who link them with the firm. Together, these arguments highlight the importance of leadership credibility, on the part of the community and the focal firm. Due to increasing relationship complexity, more senior members of the community leadership, and firm leadership participate in the engagement processes.

8.3.5 Credibility

i) Organisational credibility

A key finding of the current study is the influence of transitional engagement processes on credibility. As the firm continues to uphold its promises, it builds believability (Boutilier & Thomson, 2012). Communities believe that the firm will mostly behave in a morally responsible manner.

a) Moral legitimacy

The study finds that transitional engagement processes yield moral legitimacy. The various firm processes build confidence such that the firm is viewed by the community as morally proper, and appropriate (Suchman, 1995).

Moral legitimacy as structure

This study found that, due to changes in the organisational structure, the firm created the impression that they are geared at operating morally, in the best interest of the community. The firm's annual reports show that the firm included a safety, risk, health and environment committee on its board, with the responsibility of integrating firm initiatives into the community. As the structure at all levels of the organisation changed, the ability of the firm to engage the community improved. Study respondents acknowledged this had an impact on the morally legitimacy of the firm.

Extant studies acknowledge the impact of genuine community engagement on moral legitimacy (Edwards & Lacey, 2014; Melé & Armengou, 2016). In the study context, where historical legacies created organisational structures that were skewed on racial and gender grounds, it is reasonable to see how changes in structure would create moral legitimacy. It demonstrated the will to operate properly and appropriately, from a moral stand point.

Perceived expertise as moral legitimacy

Interviews with community members, and archival data from the organisation, suggest that structural changes where supported by training of employees, to be more effective in executing engagement processes. This finding supports the view that internal organisational processes are important in the effectiveness of community engagement activities (Harvey & Bice, 2014; Harvey, 2017).

With time, as the relationship between the community and the organisation improved, engagement complexity increased. The firm responded to the rising complexity by deploying senior management and experts in engaging with the community. Suchman (1995), theorises about the impact of expertise on building moral legitimacy. Expertise was very important in the context of this study, because the firm was trying to re-establish cane fields, so training of local farmers was ongoing.

Balancing damages and benefits as moral legitimacy

The firm demonstrated a commitment to balancing the costs to the community, that are associated with its operations with the benefits to the community. By incorporating this position

in the code of business ethics, the firm created the means to build moral legitimacy within the community. Employees remained focused on delivering on morality, the same way they would pursue economic business growth. Balancing damages and benefits have been known to play a significant role in the construction of a social licence. Scholars have discussed balancing damages and benefits from various theoretical perspectives. Borrowing from the social contract theory, some scholars have discussed this balance as distributive fairness (Moffat & Zhang, 2014). In a highly cited article, Moffat and Zhang (2014) demonstrate that distributive fairness has a significant impact on the construction of a social licence. What their study does not show, however, is that moral legitimacy is an important mechanism through which this can be achieved. By confirming this mechanism, the current study links the findings of social licence scholars with a broader theory of organisational legitimacy. This is important in integrating knowledge. Knowledge integrating is critical in theory advancement (Corley & Gioia, 2011).

Environmental commitment as moral legitimacy

An analysis of archival data, and participant interviews, suggest that the firm was focused on reducing the adverse impacts on their operation on the environment. It was found that the activities aimed at mitigating the adverse effects of operations on the environment had an impact on environmental legitimacy. A recent study by Li, Huang, Ren, Chen, and Ning (2018) finds environmental legitimacy to influence social responsibility actions. In a related study, Li, He, Liu, & Su, (2017) distinguish between symbolic and substantial environmental actions. They conclude that substantial actions are more likely to yield environmental legitimacy, and that environmental legitimacy will influence consumer purchase decisions. In the context of a firm that is involved in land-use, the potential negative impact on the environment is significant. The firm acknowledges this, in its annual reports. The negative environmental impact is due to the use of agricultural chemicals, land clearing for sugarcane plantations, water usage for irrigation, tillage and cane burning before harvesting. Therefore, environmental legitimacy becomes an important precondition for the construction of an approval social licence. The firm is understandably committed to environmental stewardship. The study concludes that environmental legitimacy is an important precondition in construction of social approval.

This is an important finding since the issues related to the environment are gaining traction, locally and globally (D'Ambrosio, De Girolamo, & Rulli, 2018). What is paradoxical in extant literature is the fact that MNCs operating in developing markets seem to largely neglect environmental matters in practice, while rhetorically foreground them in annual reports, taking advantage of incapacitated and docile governments (Amaeshi, Adegbite, & Rajwani, 2016). This, happening in the era of institutionalised corporate social responsibility (Bondy, Moon, &

Matten, 2012; Bice, 2017) boggles the mind. In finding environmental legitimacy to be an important precondition for attaining community approval, the current study confirms earlier arguments that genuine sustainable development calls for a paradigm shift from pragmatic corporate social responsibility, to becoming genuinely sustainable over time (Porrit, 2005; Esteves & Barclay, 2011; Prno & Slocombe, 2014; Owen & Kemp, 2013). The call also applies to developing markets, where questions have always been asked on the ability of pragmatic approaches in effectively addressing development concerns of local communities (Kapelus, 2002).

b) Organisational Interactional trust

The study finds that transitional engagement, involving two-way communication, significantly generates interactional trust. Through continued interactions, the community trust the organisation. Literature supports the view that ongoing interaction results in interactional trust (Boutilier & Thomson, 2012; Jijelava & Vanclay, 2017). However, a dimension of the debate that the current study highlights is the reciprocal nature of interactional trust. For construction of a sustainable social licence, the current study finds that the trust directed toward the community, by the firm is as important as community trust of the firm. The finding highlights the fact that social licence construction is a process involving active participation of both, the community and the firm. Credible partnering relationships with employees, the government, and the community, was identified as important in achieving interactional trust. By linking interactional trust and credibility, the study supports current social licence research, which views interactional trust as an element of credibility (Jijelava & Vanclay, 2017).

ii) Community credibility

Building on the nuanced relationship between interactional trust and credibility, and the fact that building a relationship takes the community and the firm, the current study finds wisdom in suggesting community credibility as a construct that emphasises the importance of a credible community. As the community and the firm interact, they both build perceptions about each other. The firm will need to view the community as believable if they are to genuinely have a dialogue in constructive ways. Genuine dialogue is emphasised in literature, as the cog of building a sustainable social licence (Mercer-Mapstone L. D., Rifkin, Moffat, & Louis, 2018). Thus, community credibility creates conditions, favourable for meaningful dialogue.

Information sharing flourishes where both the firm and the community are credible. Past studies have linked credibility to the dynamic ability to deliver on promises (Boutilier, Black, & Thomson, 2012). The interaction between the firm and the community gives the firm a chance to evaluate the credibility of the community. The finding supports the discourse on stakeholder

legitimacy (Brueckner & Eabrasu, 2018) and community legitimacy (Nyembo & Lees, 2020). However, the current thesis extends theory by not only identifying community legitimacy and community interactional trust as important dimensions of community credibility, but demonstrating that they are preconditions for construction of community approval.

Despite emphasising moral legitimacy, organisational credibility, community credibility and interactional trust, as important preconditions for achieving community approval social licence, the current study finds that the context also plays an important role. In the study context, where the political environment was highly contested, there were cases of information asymmetry between the firm and the community, caused by the sensitive nature of some government directives, and political threats. These made meaningfully engaging with the community difficult. Therefore, this study concludes that legitimacy processes are context laden.

8.3.6 Community approval social licence

The study finds that the community regards the company favourably, and is willing to have the firm continue operating in the community. The community is pleased with the firm and its operation. This is demonstrated by cooperating with the firm in its day to day operations. Studies that have included approval as a dimension of social licence have defined approval as favourable regard for the firm (Boutilier & Thomson, 2012). The current study establishes a relationship between transitional engagement and community approval. Community approval of the firm is achieved under conditions of credibility, which partly depends on the benefits accruing to the community from the firm (Jijelava & Vanclay, 2017). The study finds some instances where the company did not always keep their promises. This points to a need for proper records of promises to be maintained by both, the firm and the community, if the approval of the firm is to be maintained. The firm documented social activities, yet promises also need to be kept in a project community commitment register (Vanclay & Hanna, 2019).

Although community engagement and social licence literatures have been developed for some time, they have stood apart (Dare, Schirmer, & Vanclay, 2014; Hall, 2014; Hall & Jeanneret, 2015). This study makes an important contribution to literature by showing there is indeed a close relationship between the various engagement processes and social licence phases. Transitional engagement processes are found to impact on approval social licence.

Few studies have looked at community engagement in the context of a social licence (Dare, Schirmer, & Vanclay, 2014). However, they differ from the current study in that, they treat social licence as a unidimensional concept. This is despite a litany of studies that suggest

social licence to be multidimensional (Boutilier & Thomson, 2012). By taking a multidimensional approach to both community engagement and social licence, the current study is able to demonstrate the novel dynamic link between transitional community engagement processes and the resultant construction of a community approval phase of the social licence.

8.3.7 Summary of approval processes

The results analysis demonstrates how the study confirms and empirically demonstrates that transitional engagement builds credibility as a precondition for community approval social licence. However, this thesis identifies three dimensions of engagement (engagement platforms, processes, and outcomes), which interplay to determine engagement legitimacy. Engagement legitimacy is a new construct proposed in this thesis to highlight the importance of perceptions that engagement initiatives are seen as proper, appropriate or desirable for them to build organisational credibility. This is an important contribution to theory which has not distinguished between the legitimacy of the organisation and that of its actions, in social licence literature. This is surprising, considering the centrality of actions in the legitimacy definition proposed by Suchman (1995).

Although extant literature mentions transitional engagement as one of the three important engagement strategies (Bowen et al., 2010), studies have not been able to unpack the processes involved in shifting from one strategy to the next. The current thesis identified organisational reflecting as a key process through which the firm shifted from transactional to transitional community engagement. Agreeably, reflecting has been studied in communication literature, but that was at the individual level of analysis. The current study borrows the concept and develops it into an important organisational level construct, to provide strong moorings to the social licence theory.

As the firm reflected, it perceived a shift in context specific community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence. In doing so, the current study revises the original proposition that looked at credibility as a function of interactional trust and socio-political legitimacy. Socio-political legitimacy speaks more to the construction of a political licence, which is not the main focus of the current study (see Bice, Brueckner, & Pforr, 2017; Brueckner, Durey, Pforr, & Mayes, 2014).

By revising the dimensions of credibility to include moral legitimacy and environmental legitimacy, in addition to interactional trust, the current study integrates social licence

theorising to an established theory of organisational legitimacy proposed by Suchman (1995), but extending it by identifying environmental legitimacy as a dimension of moral legitimacy. Moral legitimacy is much more appropriate where there is power asymmetry between the firm and the community (Melé & Armengou, 2016), as the case is in developing markets (Meesters & Behagel, 2017), where governments are unable to enforce regulations (Amaeshi, Adegbite, & Rajwani, 2016), or their legitimacy is questionable (Brueckner & Eabrasu, 2018; Zhang & Moffat, 2015). Additionally, environmental legitimacy is much more important in developing markets, where MNCs are infamous for environmental rhetoric, but practical complacency (Li, He, Liu, & Su, 2017; Gardner, Ahmed, Bashir, & Rane, 2012; Li, Huang, Ren, Chen, & Ning, 2018).

A further contribution of the current study is the identification of a new construct, community credibility as an important precondition for approval social licence. Buy mainly taking a corporate perspective, extant literature has ignored the community perspective, resulting in an oversight on the importance of community credibility. The interactive nature of the second phase of social licencing called for confidence in the organisation that they were dealing with a credible community. In the context of a community that established, partly, from occupation of surrounding commercial farms, it was important for the community to also build the trust and legitimacy in the eyes of the organisation as well as among community members themselves. The thesis proposes community interactional trust and community legitimacy (Nyembo & Lees, 2020) as important dimensions of community credibility. By finding community legitimacy to be critical in social licencing processes, the current study also supports extant literature that has called for closer scrutiny of stakeholder legitimacy (Brueckner & Eabrasu, 2018).

Since the social context was in flux, informing community expectations, the organisation was continuously reflecting to understand its situation. The following sections focus on processes that transformed corporate community engagement to build institutionalisation of trust and legitimacy.

8.4 The process of constructing psychological identification (2011-2018)

Proposition 3: When the firm perceives context specific community expectations and social norms to be institutionalised, it transforms its engagement processes to achieve institutionalised trust and cognitive legitimacy, as preconditions for psychological identification phase of social licence.

8.4.1 Evolving social context

i)   Evolving community context

The study finds that societal dynamics play a significant role in the performance of the firm. The firm was constantly scanning the societal environment to determine a business model that considered balancing the interests both the firm and the community. From 1999 to 2018, the community evolved, from one that was unorganised, with uncoordinated expectations. The social norms of the community were not clearly defined as they lacked a clear identity. Over time, the community developed, to become one with its own identity. Literature suggests that communities evolve over time to come up with renewed identities (Parsons, Lacey, & Moffat, 2014).

Although the case study community became more organised over time, it remained a typical developing market rural market community. It survived on peasant farming. In a political environment characterised by a populist stanza, more families migrated into, and became part of the community. This development led to overcrowding around the organisation and competition for resources increased. Other studies have found that less developed rural communities eke a living from peasant agriculture (Corus & Ozanne, 2012; Williams & Martin, 2011). The context is important in shaping their expectations and social norms (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017). Increased population density resulted in rising unemployment. With most youths unemployed, literature shows that potential for generating conflicts between the firm and the community is high (Davis & Franks, 2014).

This dynamic is important, as it suggests a potential area of conflict between the community and the firm. Literature has highlighted conflicts in contexts characterised by low employment opportunities (Wilson, 2015; Davis & Franks, 2014; Sing, 2015). It is more important in a global context where the narrative of self-reliance is growing, providing justification for firms to reduce corporate social responsibility initiatives, assuming they have empowered communities, or that it is the responsibility of governments to develop communities.

Similar to other less developed market rural areas, the community is characterised by subsistence farmers, with very small land holding, and lack mechanisation. They do not have access to clean water, which is important for healthy living. Together, these developments shaped community expectations. The firm's annual reports show that, the firm responded to expressed expectations, by making corporate social investments targeted at meeting community expectations.

ii)   Evolving organisational context

182

The study finds that, in line with the evolving broader context, the context within the organisation evolved, as it sought to build capabilities to deal with this dynamism. The finding highlights the importance of organisational agility. By 2018, the firm had developed an identity of a leading player in Southern Africa, having operations in six different countries, employing the largest number of people, after the government, in two of those countries. The study finds that, although the firm was powerful and influential, it was still responsive to the expectations of the community. The finding contrasts those of other scholars who argue that, such a situation would make the firm less sensitive to small community expectations, yet this is important in creating dialogue and mutual understanding in community relations (Kemp & Owen, 2016).

By looking at the influence of organisational context shift, in relation to other contextual dimensions, it is understandable why a big powerful MNC will respond to community expectations. Unlike in the past, when huge companies would behave irresponsibly and get away with it, due to rising information diffusion, small communities can use digital technology to expose firms that are irresponsible. While communities where seen as voiceless, in the past (Ehrnstrom-Fuentes & Kroger, 2017), today they have more voice (Hall & Jeanneret, 2015). In Zimbabwe the mobile phone penetration rate is over one hundred percent. In other contexts, where the communities are illiterate and less informed, results would be different. Zimbabwe is one of the countries with the highest literacy rates in Africa. Past studies have linked the level of education with the ability of a community to grant a social licence (Meesters & Behagel, 2017).

The study finds top management integration in all operating countries to be effective in the firm's focus on local community engagement. This supports previous studies which find multicultural experience in top management teams to be associated with both global corporate social responsibility integration and local corporate responsibility responsiveness (Miska, Witt, & Stahl, 2016), suggesting notions of transnational corporate community engagement.

iii)   Evolving developing Zimbabwe national context
a) Socio-economic environment

A key feature of the national operating environment was its dynamism. The study finds that the firm was always aware of the volatile, uncertain, complex, and ambiguous nature of the environment. In its annual report for 2018, the firm confirmed that it was operating in a context where the societal systems are robustly challenged. On the legal side, in 2010, there was a statutory adjustment to protect interests of MNCs originating from South Africa, operating in Zimbabwe (Scoones, Mavedzenge, & Murimbarimba, 2017). However, this study finds that, regardless of the statutory pronouncements, the firm was still under pressure from people who

came from other areas like Harare, the capital city, to occupy company land. This finding confirms earlier findings, that, in the context of a social licence, it is not enough to have a legal licence to operate, such as the permission given by statutory pronouncements (Gunningham, Kagan, & Thornton, 2004).

The finding explains why the firm would still behave beyond the legal dictates, even in developing markets. It further underscores the widely held view that developing markets have poor institutions and face challenges related to high levels of corruption (Tashman & Fort, 2009). Due to corruption and poor institutions, constructing a social licence in the developing market is more necessary as the legal system may not be relied on. However, the same circumstances make it more challenging (Dare, Schirmer, & Vanclay, 2014).

Despite the largely negative outlook in the Zimbabwean context over the study period, from 2009 to 2018, the economy operated on a multicurrency regime. This brought about economic stability and a lot of confidence in the country as it was run by a Government of National Unity, from 2009 to 2013, following the disputed 2008 elections.

However, following the disputed general elections in 2013, and subsequently in 2018, the socio- economic situation slid, once again. The negative developments experienced between 2013 and 2018, culminated in the army-assisted national uprising that ended the thirty-seven-year rule of then President, Robert Mugabe, in November 2017.

b) **The firm's relationship with other stakeholders**

While it was adequate to engage with the community to achieve acceptance and approval, the study finds that for the third phase of psychological identification to be achieved, the firm's engagement with other external stakeholders provided a conducive environment for the community to construct a social licence. As the relationship between the focal firm and other stakeholders, including local authority, central government, suppliers, customers, employees and shareholders, improved, the relationship between the firm and community improved.

Extant studies concur with the view that stakeholder engagement is important in the construction of a social licence (Evans & Kemp, 2011; Greenwood, 2007; Hall, 2014). However, the mechanisms through which this is achieved is less understood (Dare, Schirmer, & Vanclay, 2014). The finding that building a constructive relationship with other stakeholders would create an environment favourable to the construction of a social licence could be explained by the social influence that other stakeholders will have on community expectations and evaluation of firm engagement processes (Desai, 2018). Social information processing

literature suggests that the information cues embedded in society will inform its choices (Saiancik & Pfeffer, 1978).

A sound relationship with other key stakeholders is also important in the context like Zimbabwe, where the population is generally polarised, such that they respect the views of these leading stakeholders. In a significant number of engagement initiatives, the firm partnered with these stakeholders. For example, the local authority and central government were always involved in the firm's engagement processes. Partnering these stakeholders was important in Zimbabwe, since socio-economic development is highly politicised. Since the introduction of POSA and AIPA laws, that regulated public gatherings, building relationships with government agencies became as important as building constructive relationships with the communities. To be able to consistently deliver on engagement promises, the firm profiled its stakeholders, grouping them according to their expectations.

iv) Global context

The study finds that the global context has been characterised by rapid dynamism. The changes in the environment accelerated in recent years. Since the firm is large, playing a critical role in the socio-economic development of the Southern Africa region, it felt a sense of responsibility to support local and global initiatives. The firm is committed to the 2016 United Nations Sustainable Development Goals. In balancing global and local dynamism, the firm used its local community initiatives, in light of pursuing the global sustainable development goals. The finding highlights the impact of the global context dynamics in shaping the firm's local community activities. The impact of the global context on firm activities has been studied in the past (Gunningham, Kagan, & Thornton, 2004). However, in the context of a social licence, this has not been studied. By taking a global context dimension into consideration, the current study extends the understanding of the role played by global context in shaping firm engagement activities.

Additionally, the firm was sensitive to global information cues, related to global industry reforms, sustainability and inclusiveness. The information was combined with local information cues, representing community expectations. The role of information cues in shaping human choices is not novel, as it has been discussed before (Saiancik & Pfeffer, 1978). However, it has not been studied in the context of a social licence. It is therefore argued that, the firm makes its decisions, regarding community engagement processes, in light of the global, national, organisational, as well as the local community context.

8.4. 2 Institutionalised context-specific community expectations

The third phase of community expectations is characterised by taken-for -granted expectations. While at the beginning of the social licence construction journey, the firm started with perceiving community expectation, the second phase involved reading expressed expectations, the third phase entails taken for granted expectations. The firm even anticipates community expectations which are not yet expressed, as they read information cues, globally and locally. The current study finds that the social context is not only important in shaping community expectations, but also how the firm responds to those expectations.

i) Fairness and responsibility

In responses to global and local trends, this study finds that community expectations shift over time. While at the beginning they were driven by transactional self-interest, they evolved to focus on broader considerations. An analysis of archival data and interviews with community respondents, find that, fairness and responsibility in operation became critical. Past studies have shown fairness to be an important community expectation (Moffat & Zhang, 2014; Moffat, Lacey, Zhang, & Leipold, 2016), that when fulfilled can yield a social licence (Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018). Although these expectations have been highlighted in literature, they are not viewed as resulting from evolving, but static expectations. This could be because most social licence studies are cross-sectional (e.g. Bice, Brueckner, & Pforr, 2017; Dare, Schirmer, & Vanclay, 2014). Cross sectional studies are unable to pick the nuanced processes that flow in time and space. One important element of responsible behaviour is valuing biodiversity. While at the beginning of the study period in 1999, it was not topical in the developing market context, by 2018 this had become a buzz word. The expectation of biodiversity became institutionalised.

ii) Provision of basic needs

The study finds that, in the context of a developing market like Zimbabwe, where communities lack basic services, it is taken for granted that firms that operate in the communities participate in the provision of basic services. The expectation of basic needs provision by communities is supported in literature (Kemp & Owen, 2013; Biraghi, Gambetti, & Romenti, 2017; Esteves, 2008). What is unique about the current study is how the basic needs transition from perceived, to expressed, and finally to be taken for granted. Both the community, and the firm take it as a given that the community expects assistance in these areas. This is also in part, due to the dependence that is created by supplying these provisions over time (Sing, 2015). The study finds that when the firm assists a community with basic needs provision, the community expects even more assistance. The finding of a dependency syndrome, emanating from donations and handouts, is not new, as it is well articulated in literature (Harvey & Bice, 2014; Sing, 2015).

Several scholars concur that corporate social responsibility, which is mainly marked by provision of basic needs has become an institution (Bice, 2017; Slack, 2012). It is therefore taken for granted that these are provided, especially by MNCs because their expected role in contributing to development is increasing, generally and moreso in developing markets (Gardner, Ahmed, Bashir, & Rane, 2012).

iii) Meaningful dialogue

In the early stages of the community-firm engagement the community essentially expected transactional benefits from the firm. As time progressed, interview respondents showed that the expectations evolved. More interactive engagement became an important community expectation. In fact, the case study community even expected their indigenous knowledge to be incorporated in firm decisions, especially on matters concerning them. Meaningful dialogue has been found to impact the construction of a social licence (Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018). This finding is understandable, as meaningful dialogue builds trust, which is an essential element of a constructive relationship (Lacey, Carr- Cornisha, Zhanga, Eglintonb, & Moffat, 2017; Mercer-Mapstone, Rifkin, Moffat, & Louis, 2018).

8.4.3 Transformational organisational reflecting as a process of shifting attention

Being aware of the dynamism in the operating environment, the firm is constantly in the process of reflecting on past events, activities and future prospects. The study finds reflecting to be an important process that enables the firm to reorient, as it moves to the next phase of the social licence.

i) Understanding the community expectations and perceptions

The evolution of the social context generates renewal of community expectations. It is in the best interest of the organisation to understand the shifting expectations. Without a sound grasp of community expectations, it is impossible to meaningfully address their concerns (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017), or to leverage indigenous knowledge (Desai, 2018), so as to create shared value (Porter & Kramer, 2011). Understanding community expectations involves genuine interaction with the different segments of the community, gathering the community's needs, concerns, and aspirations. These are obtained from information cues that are embedded in the social context. It is therefore paramount that the community expectations are investigated with consideration of the social context. The case study firm understood better the community's current and projected expectations by closely monitoring contextual dynamics, globally and locally.

The following figure shows the organisational reflecting process:
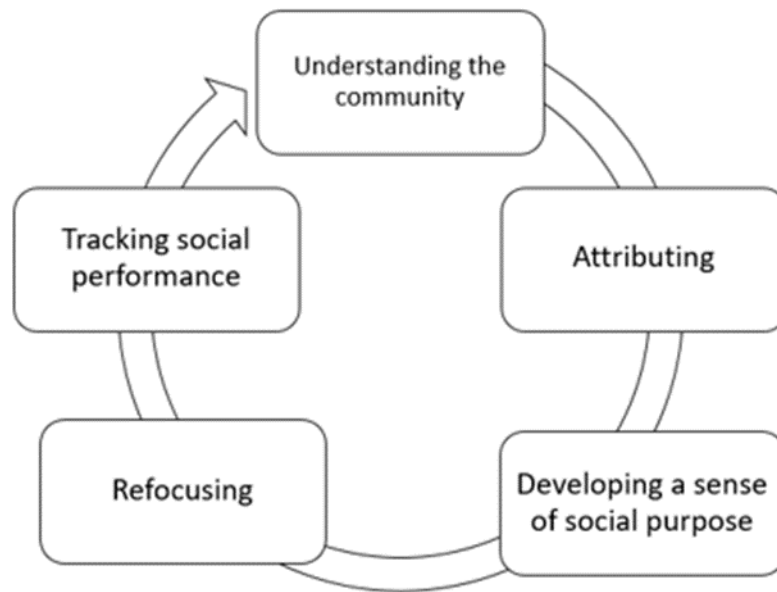
Figure 8-1: The organisational reflecting process in social licence construction

Understanding community expectations directs the firm to align its expectations with those of the community (Prno & Slocombe, 2012). The focal firm did not only address the community expectations but also shaped these expectations, where they were deemed unreasonable, through genuine interactive dialogue. Genuine dialogue delivers a social licence to operate (Lacey, Moffat, Zhang, & Ashworth, 2016; Bice, Brueckner, & Pforr, 2017; Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018), as it significantly results in trust and relationship building (Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018). Because of the trust generated through frequent interactions, there is increased open, honest information exchange which again helps by allowing the community to truly express their expectations. Some scholars have argued that unexpressed expectations are detrimental to the construction of a social licence (Biraghi, Gambetti, & Romenti, 2017; Zhang & Moffat, 2015).

ii) Attributing outcomes to past actions and events

The process of attributing was important in providing the firm with the energy to shift its focus. It gives it the motivation to want to change. Attributing negative outcomes to past behaviours resulted in changing the behaviour, while attributing positive outcomes to past behaviour reinforced the behaviour. The success of the firm was largely attributed to building sound relationships with stakeholders. This explains why the firm was so committed to building solid relationships with all its stakeholders, including the community. Attributing is an important

information processing process. As such it is critical that the correct attribute be assigned to the appropriate event or action. Otherwise a good intended decision will jeopardise a firm's social licence constructing process.

The construction of strong relationships is attributed to the ongoing, honest interaction with governments and communities. As such, the firm should be committed to meaningful engagement with various stakeholders (Parsons & Moffat, 2014; Lacey & Lamont, 2014; Lacey, Moffat, Zhang, & Ashworth, 2016; Stirling, Wilson-Prangley, Hamilton, & Olivier, 2016). This generates the mechanism that changes the firm's focus to the next level of engagement which is transformational.

iii)   Developing a sense of social purpose

The study finds that, as the firm attributes outcomes to events, processes and actions, the need to meaningfully create shared value ignite a sense of responsibility, which when fully matured is internalised by the firm to become part of its social purpose. Social purpose is achieved when social issues are internalised in the organisation, such that they are linked to the firm's day to day business processes. An example of this integration is the firm's safety, health and environment initiative. The community was integrated in all SHE processes. There are even joint committees that comprise the firm, community and other stakeholders, to deliberate and enforce SHE issues.

The firm attributes its sustainable success to good farming practices, for example. It therefore employs best practice in farming, such as minimum tillage and water conservation. The same practices are instilled into the communities, through training and extension services, as in the long run, the environmental hazards will affect everyone. Although the concept of social responsibility is widely articulated in literature (Lacey, Moffat, Zhang, & Ashworth, 2016), social purpose is not yet widely used. By foregrounding social purpose in the social licence discourse, this study bridges the gap that is created by the paucity in depth created by the use of social responsibility. Social responsibility has been criticised for lack of clarity (Bondy, Moon, & Matten, 2012; Morsing & Schultz, 2006), and for encouraging tick-box approaches to dealing with communities (Kemp, 2010a; Parsons, Lacey, & Moffat, 2014). The key difference is that social responsibility is externally driven, while social purpose is driven from within the organisation. Social responsibility is what the firm does in the community to survive, while social purpose is what it does in the community as long as it survives.

iv)   Shifting firm attention

Refocusing is an important element of reflecting processes. When the firm internalises corporate social responsibility to develop a sense of social purpose, its attention shifts, making community matters central to its daily routines. The study suggests a number of firm initiatives that resulted from a paradigm shift in its approach to social development. Its discourse became that of creating shared value, through constructive socio-economic investment. The following initiatives demonstrate that shift in attention.

a) Focusing on social sustainability and innovation

The firm refocused, paying particular attention to social sustainability and innovation. This would see the firm aiming at creating a sustainable environment for the community to sustain itself rather than relying on handouts. This gradual transformation was a slow, but well thought out process to achieve sustainability in the social space. Although the firm still concentrated on socio-economic development and corporate social responsibility, in some instances, these were not the traditional tick box processes. As the company reports in its annual report for 2016, it now took a holistic approach. The holistic approach entails a detailed profiling of all stakeholders. This was followed by investigating how group affects and is affected by the firm's operations. They then looked at how they can possibly engage with each group of stakeholders.

Communities are also categorised, on the basis of both geographic locations, and their interests, realising that they are not necessarily a unified whole (Evans & Kemp, 2011; Bowen, Newenham-Kahindi, & Herremans, 2010), but have different interests and aspirations (Martinez & Franks, 2014). The focal firm initiated, in collaboration with community segments, various projects, aimed at creating shared value (Porter & Kramer, 2011). The study finding supports the view that community is a multi-dimensional construct, that can be categorised in terms of community of interest and community of geography (Bowen, Newenham-Kahindi, & Herremans, 2010). Some past studies have looked only at community, without specifically defining the dimension they are looking at (Bice, 2014), or they only looked at one dimension of community (Dare, Schirmer, & Vanclay, 2014). By so doing, a number of studies have found the concept of community to be fluid. It will be difficult for a firm to construct a social licence without a clear profiling of stakeholders (Hall, 2014).

This study finds that constructing a social licence entails a process of profiling communities in terms of geography and interests. The focal firm paid particular attention to the previously disadvantaged members of the community. This is in line with the context of operating in a country that was previously faced with segregation on racial grounds (Scoones, Mavedzenge, & Murimbarimba, 2017; Moyo, 2011).

The holistic approach, taken by the firm entails social inclusion. Although they engage communities through the leadership, government and local authority inclusion provides a checking and enforcement mechanism. This dispels fears raised in literature that social licence efforts fail due to reliance on community leadership that is corrupt, and sometimes not trusted by the community (Martinez & Franks, 2014). It is however, also argued that government and local authority representatives are also corrupt and untrusted in a developing market context (Davis & Franks, 2014; Moyo, 2011; Scoones, et al., 2011; Sing, 2015). It is therefore necessary, as the case study firm did, to provide three lines of defence in their risk management approach. The social licence has been conceptualised as a risk factor in extant literature (Cooney, 2017; Parsons, Lacey, & Moffat, 2014).

Corruption and self-serving behaviour, by community leaders and company employees may threaten the success of social licence efforts (Lesser, Suopajärvi, & Koivurova, 2017). Company line managers provide the first line of defence, the second line of defence is provided by the senior management, while the third line of defence is provided by the hired third party external independent auditors. What this finding seems to highlight is the crucial role of social innovation in the construction of a social licence. The focal firm incorporated other management processes, which are not traditionally in the domain of social investment, to enhance the effectiveness of their social licence efforts. Some of these included project management, supply chain management, change management, and corporate governance.

An important finding of this study is that, social sustainability and innovation are fundamental to organisations as they seek demonstrable and practical outcomes to achieve positive social transformation, environmental stewardship and community upliftment. Thus, organisations that seek to genuinely uplift their host communities, should be socially innovative, committing to continuous social improvement. They seek novel processes, in pursuant of these goals.

The case study organisation continuously adjusted its internal processes, so as to put social imperatives at the centre of its operations. The organisation created a well-entrenched corporate social investment policy, with guiding principles on key focus areas for social responsibility activities. As directed by the policy, corporate social investment spend was mainly directed at education, health, community skills upliftment, charitable organisations, environmental needs and crime prevention. It is therefore clear, from these findings, that, the organisation genuinely transforms its community, by understanding its external context first. Once the external context is mastered, the firm shifts the internal organisational context, through new processes, policies and guiding principles, crafted accordingly. By crafting appropriate policies, the firm demonstrated a commitment to social positive transformation, environmental stewardship and community upliftment.

b) Operating beyond legal requirement

As the firm thrived to meet other stakeholders' expectations, it identified government, and local authorities' primary expectations as for it to operate within the legal dictates, in terms of licencing processes and the resultant outcomes. The firm has always been punctual in processing the licences, so it operated within the dictates of the laws of the host nation.

However, as the firm refocused its attention, and operating within the legal expectations became the minimum, target. The ultimate objective was to operate beyond the legal requirements. This was important for the firm as government and local authorities spoke highly of the firm in that regard. Through social influence processes, the positive remarks made in public by the stakeholders was important in shaping community attitudes toward the firm. Scholars have in recent times called for a closer look at the relationship between the social licence and the legal licence (Bice, Brueckner, & Pforr, 2017; Gehman, Lefsrud, & Fast, 2017). Therefore, this study contributes to that discourse, by finding that a legal licence is integral in the process of constructing a social licence.

However, in addition, this study extends this discourse by applying a social information processing perspective. In other words, the study argues that a legal licence will generate positive information cues in the community. At the minimum, a social licence is a collection of information about the firm, embedded in the community. This supports the notion that a social licence is not a legal document, but intangible (Cooney, 2017). The finding supports emerging literature, suggesting that regulations encourage rather than discourage corporate social responsibility initiatives (Williams, 2019).

Extant literature supports the idea of constructing a social licence by operating beyond the legal requirements (Cooney, 2017). The study finds that, this is even more important in a developing market context where the legal requirements may not be well articulated (Idemudia, 2014). In Zimbabwe, a number of statutes are not clearly elaborated, and government officials issue contradicting positions. The annual reports analyses attest to this challenge in Zimbabwe. This speaks to the well documented institutional voids that are characteristically inherent in developing markets (Adenle, Azadi, & Manning, 2017; Corus & Ozanne, 2012; Tashman & Fort, 2009).

The focal firm used a number of ways to achieve the objective of operating beyond legal. One way was through leveraging the country of origin laws as a bare minimum. South African laws are better articulated and well documented, especially the Black Economic Empowerment, if compared with the Indigenisation Act in Zimbabwe. This lack of clarity has been highlighted in the company's annual reports. The finding supports Miska, Witt, and Stahl (2016) who suggest

home-country characteristics to be an essential co-determinant of the Corporate Social Responsibility approaches of emerging-market MNEs. The second approach that organisations could use, when operating in developing markets is thrive for best practice. The firm used global best practice, when dealing with social issues, realising paucity in developing markets legal frameworks (Tashman & Fort, 2009).

The shift in focus is very important in this respect, as it had an impact on the firm's engagement processes. The firm could not rely on tick box approaches to engagement, employed in the transactional phase of engagement, or the transitional phase dominated by the firm. The shift in focus triggered a corresponding adjustment in the firm's engagement approach, towards more transformational processes, jointly driven by the firm and the community (Stirling, Wilson-Prangley, Hamilton, & Olivier, 2016).

v) Social performance tracking

An element of the reflecting process, that is not widely discussed in the social licence literature is social performance tracking. It is important that the firm set targets and track them, in a well-crafted and documented social strategy. The case study firm documented all its engagement activities and tracked the engagement processes and outcomes against set targets.

As early as year 2007, there is evidence that the firm set objectives and targets to facilitate meaningful progress with regard to best practice in sustainable development. It is because of a clear direction towards achieving a social licence, that gives the firm direction. Setting objectives and targets are known to deliver superior firm performance. Unfortunately, the social licence has not yet been viewed as a performance indicator, neither in business management literature nor in practice. By considering the impact of internal firm processes, on the construction and maintenance of a social licence, the current study answers a call for studying "in-reach" in social licence research (Harvey, 2017). In so doing, the study contributes to ongoing debate on whether "in-reach" or "out-reach" delivers a social licence (Harvey, 2017; Owen & Kemp, 2013; Kemp & Owen, 2016). The current study does not answer the question of whether or not (e.g. Harvey, 2014), but how, and why the two are combined to deliver a social licence. The study finds that the firm will have to design appropriate internal processes, to be in line with external activities for positive social outcomes. By setting objectives and targets, the firm is able to track and measure its performance.

Benchmarking against the best in class, is another important process that was employed by the focal firm. Benchmarking, could probably, be more important in the developing market context, than in the developed markets, since the lack of a solid institutional framework, in the former, has been known to discourage the firm from pursuing social performance excellence

(Tashman & Fort, 2009). Due to benchmarking, the firm may be able to compare its performance against the best in class. Together, these findings highlight the fact that, although developing markets are castigated for a lack of proper standards, and systems to manage the standards, committed firms may still follow international standards, such as, ISO certification, and subscribing to international standards guidelines.

Following global best practice is important in the context of global dynamics that have called for more focus on sustainability (D'Ambrosio, De Girolamo, & Rulli, 2018). To achieve a sustainable social licence, firms will need to set operational targets in respect of primary water use, energy use, greenhouse gas emissions, air quality (sulphur dioxide emissions), land use and bio-diversity. This study answers emerging literature that calls for research on environmental legitimacy, and green innovation (Li, Huang, Ren, Chen, & Ning, 2018), and finds these to be preconditions for sustaining a social licence.

8.4.4 Transformational community engagement

The study conceptualises transformational engagement as a construct with three dimensions. These are community engagement platform, community engagement processes, and the community engagement outcomes, as depicted on the figure below:
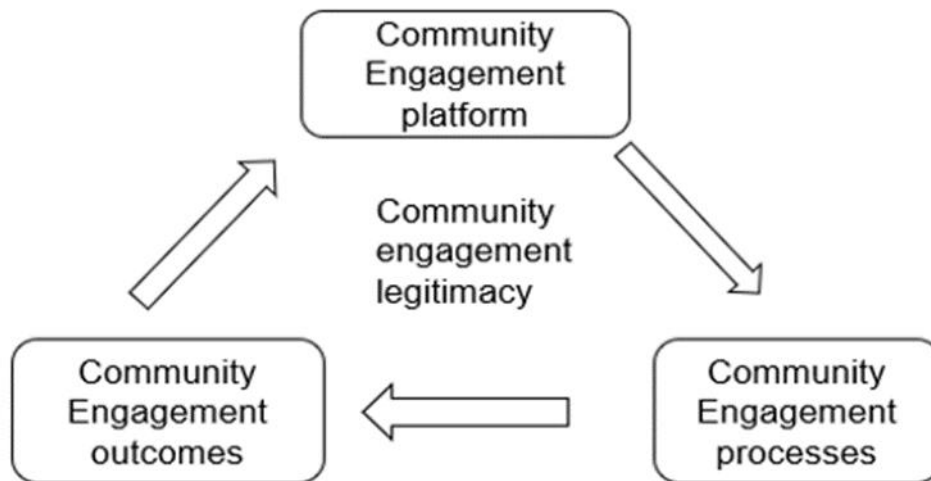

Figure 8-2: The community engagement triangle

The three elements of the community engagement triangle are discussed in the following paragraphs:

i) Community engagement platform

    a) Constructive socio- economic development as community engagement platform

The study finds that, while in the beginning of the engagement journey, socio-economic development is included in engagement processes as a tick box procedure (Evans & Kemp, 2011; Bowen, Newenham-Kahindi, & Herremans, 2010). During the transformational phase of engagement, the firm uses it as a constructive mechanism to provide a platform for meaningful engagement with the community. Challenges in obtaining a social licence has been attributable to lack of a platform for engagement (Hall, 2014; Lesser, Suopajärvi, & Koivurova, 2017), especially in developing markets (Corus & Ozanne, 2012). By leveraging socio-economic development as a platform for engagement, the focal firm was socially innovative. Building on a developing market context, where communities rely on assistance from private organisations, especially MNCs (Pedro, et al., 2017; Wilburn & Wilburn, 2011), the MNC subsidiary used socio-economic development as a useful platform to engage communities. The firm meaningfully contributed to food security, education, health, and infrastructure development, in an effort to uplift communities.

Food security efforts as engagement opportunity

Interview respondents and company annual reports suggest that the firm utilised its knowledge generated from analyses of the context to craft constructive socio-economic development initiatives. By utilising own knowledge from interacting with the broader context, in addition to indigenous knowledge, gleaned from community interaction, the firm was able to touch lives through social innovative engagement processes.

Realising the incessant droughts, characteristic of the global warming challenges, the firm implemented an integrated community-based sorghum grain out grower programme, in partnership with the government of Zimbabwe. This programme was community based, as it was proposed by the community at a local village meeting, attended by community members and also attended by representatives from the focal firm.

As highlighted by one interviewee, the village gathering was a progress reporting meeting to track the performance regarding the building of a community feedlot, for cattle fattening in the community. The feedlot was constructed by the focal firm, at the request of the community. When community members were offered to distribute firm manufactured stock feed at their community feedlot, they enquired how the stock feed was manufactured, and the ingredients used. It was established that they used sorghum, sourced from the government run Grain Marketing Board. This is when the community offered to produce the sorghum on behalf of the company. An agreement was reached, to mark the beginning of the sorghum project.

The programme had a huge impact on the livelihood of communities. For example, in the 2015/16 agricultural season, the project resulted in 1 600 households producing 2 100 tons of

sorghum grain. Approximately USD $0,56 million in sorghum sales revenue was achieved, equating to approximately USD $350 per household, for a crop grown, harvested and sold over four months. This shows how socio-economic development can be a platform for constructive dialogue and joint knowledge generation between the organisation and the community.

The findings outlined in this discussion section highlight the important role played by considering the context when firms design engagement strategies. Despite being regarded as having a significant impact on the success of social licence efforts (Bice, 2014, the context has been neglected in extant social licence studies (Boutilier, 2014; Harvey, 2017). The neglect has deprived us of an important aspect of the social licence construction process. The current study, therefore, proposes that, firms that are committed to construct a sustainable social licence, will need to closely follow the dynamic events in their social context, as they provide information cues, important in engagiment platform decisions. By involving the government, community leaders, and linking engagement platforms with the UN sustainable development goal of ending extreme poverty, the firm relates with all the four dimensions of organisational context, community context, national context and the global context.

Environmental stewardship as opportunity to engage

In designing community engagement platforms, the organisation paid attention to environmental stewardship. The objective of social sustainability and innovation, was always central, as the firm sought opportunities for engaging with the community. The firm also considered its organisational context, in terms of its size, and the nature of its business, which has a significant impact on the environment. Combining internal organisational context, with emerging global trends considerations, the focal firm was steadfast in integrating the community in its environmental stewardship processes. The study finds that the firm leveraged safety, health and environmental commemorations to constructively engage with the community.

The process of choosing environmental stewardship as a community engagement platform involved reflecting on environmental circumstances and consequences, including, ecosystem disruption, food scarcity and rising energy costs. That highlighted the need for the business to constructively engage with the relevant stakeholders, to identify solutions to mitigate these risks. Joint decision making is identified in literature as a key aspect of transformational engagement (Bowen, Newenham-Kahindi, & Herremans, 2010; Stirling, Wilson-Prangley, Hamilton, & Olivier, 2016). Making joint decisions with the communities was important in mitigating environmental risks. This finding reaffirms the notion that the firm employed a risk management lens in dealing with social licence construction efforts. The social licence is

viewed by some scholars as a risk imperative (Cooney, 2017; Kemp & Owen, 2013; Lacey, Parsons, & Moffat, 2012; Prno & Slocombe, 2012). As argued by Kemp and Owen (2013) this study finds that the social licence is more than just a risk item. Firms should seek to establish constructive relationships with their communities.

b) Community events and gatherings as engagement opportunities

Literature laments the lack of opportunities for community engagement, especially in developing markets (Syn, 2014). However, the current study finds that when an organisation is closer to the community, particularly, when the relationship is advanced, it is presented with numerous platforms for formal and informal engagement. For example, the firm is invited to community events and gatherings. They take the opportunity to engage the community when they attend agricultural field days, school speech and prize giving ceremonies, traditional community ceremonies, national events, such as Independence Day commemorations, and at ongoing village meetings. What the finding demonstrate is that, as the relationship between the firm and the community grows, they no longer rely on formal meetings in the office for engagement. Informal gatherings are also taken as important opportunities for transformationally engaging with the community. By participating in the daily lives of the community, the firm developed into family with the community. Recent studies have emphasised the need for utilising formal as well as informal engagement, in social licence construction (Pedro, et al., 2017; Parsons & Moffat, 2014). However, this study considers the formal and informal engagement platforms, as providing huge opportunities for engagement. The finding also suggests that both the firm and the community play a significant role in creating the platform for engagement.

ii) The community engagement processes

a) Organisational reflecting processes

As shown on figure 6-1 the community engagement platform is only one of the three legs of community engagement. The firm and the community will need to design the engagement processes, so as to practically execute the engagement. Based on the firm's reflecting processes, transformational community engagement is an outcome of a thorough understanding of the needs of stakeholders, including the community. The firm leverages its understanding of community expectations, to employ engagement processes which are inline with its long-term objectives. This finding supports extant literature advocating for the firm to construct a social licence in ways that promote the overall business objective (Bice, 2014; Biraghi, Gambetti, & Romenti, 2017; Ehrnstrom-Fuentes & Kroger, 2017). Otherwise the firm will be viewed as merely posturing (Kemp & Owen, 2016).

The process of engagement involves thorough processing of information cues, obtained from the social context. This develops a broader understanding of community concerns, and align priorities in areas where there will be maximum impact. The exercise is complex, calling for senior management involvement. Thus, as the relationship grows, engagement complexity increases, demanding meticulous decision making. This is understandable, considering the high stakes involved, should the relationship fail, jeopardising the social licence, constructed over several years.

b) Engaging with community emotions

The researcher anticipated to encounter information of a sensitive nature. What was however not anticipated was the finding that, in engaging the community, the firm dealt with community emotions. It is, therefore, argued that transformational engagement has an emotional dimension. A firm that thrives for superior levels of social licence will need to engage with the emotional side of the people's lives, touching their hearts. The case study firm demonstrated a commitment to meaningful transformation of communities, through socially innovative philanthropic and empowerment initiatives. These engagement processes are found to deliver a social licence.

Surprisingly, the current study shows that transformational engagement processes can touch the hearts of communities, through carefully selecting socio-economic initiatives that are closer to their hearts. The case study firm understood the community's way of life and what matters most to them. For that reason, the firm connected with the social and cultural heritage of the communities, thereby getting closer to them emotionally. An example of this process was the programme of supporting cattle feedlots in two locations in the community. From the interviews conducted, it shows that by investing in cattle projects, the firm did not merely fulfil a philanthropic expectation but touched the hearts of community members as cattle are regarded as a source of pride, and a symbol of prosperity, in the African culture. During periods of severe drought, the firm supported their communities through buying cattle at higher prices than their worth, so as to allow communities to restock after drought. The organisation also assisted with stock feed, obtained from company plantations, to preserve the community heard. This demonstrates doing more than just enough but going an extra mile to uplift the community (Syn, 2014). This finding is in line with Pedro et al (2017) and Provasnek, Schmid, and Steiner (2018) who advocate for increasing stakeholder engagement activities to positively respond to challenging business environments.

The evidence of this study shows that the achievement of a social licence is linked, not only to whether, but how engagement activities resonate with the cultural and religious orientations of communities. The role of emotions in the construction of a social licence are not well understood in literature (Cui, Jo, & Velasquez, 2016). The current study, therefore makes an important contribution to our understanding of the emotive dimension of the social licence processes. In a developing market context, where cultural values are still highly regarded, paying particular attention to cultural needs could be much more important to communities than the financial value of donations. This could explain why some scholars conclude that philanthropic activities do not deliver a social licence (Harvey, 2014), while others are of the view that such activities deliver a social licence (Kemp & Owen, 2016; Zhang & Moffat, 2015).

c) Partnering processes

Among the several processes available, the firm demonstrated commitment to the development of successful rural communities, through identifying ways to partner with local farmers, communities and governments. Partnering is an important process in constructing a higher order social licence, as it results in building constructive relationships with the community. It is necessary that in its partnering efforts, the firm incorporates the local farmers and the government, since local farmers are an important element of the community in terms of geography and overlapping interests (Bowen, Newenham-Kahindi, & Herremans, 2010). Through the process of social influence, partnership with other stakeholders becomes an important lever to engage the community.

The study finds that the focal firm developed partnerships with the community, and this created a conducive environment for meaningful collaboration, where information was shared freely, honestly, with mutual understanding. Collaboration, with its dimensions of information sharing, joint knowledge creation, and decision making is known to build sustainable supply chain relationships (Cao & Zhang, 2011). However, in the social licence context, collaboration is yet to be fully applied. Sustainable relationships, based on mutual understanding create high levels of institutionalised trust, where the community relates with both, the firm's individual representatives, and the organisation as an institution (Boutilier, Black, & Thomson, 2012).

Farther, it is found that, the firm leverages partnering processes, to deal with community engagement complexity, which results from the growing relationship. An example of how this was done, is through the introduction of a new model of enterprise development. The firm developed community members to become key suppliers. The suppliers are resourced, in partnership with other players such as private banks, the government and/or local authority as the financier or implementing partner. The firm supported them through local preferential procurement. The finding suggests a way through which the firm's engagement with other

stakeholders can contribute to the construction of a social licence. It became easier, to develop a community engagement model, that puts other competent partners, in their position, to run affairs in their day to day domain. For example, provision of water, and waste collection was done in partnership with the local authority, the sugarcane replanting, was in partnership with a local bank, and an international non-governmental organisation. The focal firm maintains a coordinating role.

The current finding is key as it highlights the importance of partnerships in delivering shared value between the firm and the community. This is an important finding, considering that results of studies of partnership effectiveness so far are inconclusive. As literature confirms, in a developing market context, the role of Public-Private-Partnerships in sustainable development are not fully understood (Lund-Thomsen, 2009). In a study of community-corporate partnerships, Esteves and Barclay (2011) find that local partnerships are an effective mechanism for social licence construction. However, contrary to this finding, Gardner, Ahmed, Bashir and Rane (2012) doubt the effectiveness of partnerships as they find organisations in Bangladesh to relegate corporate social responsibility in the name of promoting self-suficiency and empowerment. The current study follows Aguilera et al (2007) and conclude that relational motivated partnerships,moral partnerships and instrumental partnerships will yield sustainable, medium term and short-term social performance outcomes respectively. In the context of a social licence, they achieve psychological identification, approval and acceptance respectively.

d) **Behavioural changing interventions**

Over time, the focus of the firm shifted. Instead of a situation where employees and the community depended on the firm to monitor their activities, the firm started working on initiatives that changed the culture of both the organisation and the community. By encouraging interdependence, the firm was able to inculcate a common culture in both the community and organisation, to look after each other. Thus, cultural integration bound the community and organisation. Literature suggests that sharing a common culture influences identity development (Crane & Ruebottom, 2011). This, therefore, highlights how behavioural changing intervention impacted psychological identification social licence. Harvey (2014) argues that, changing firm employee behaviour could be more important in building a social licence than externally focusing of socio-economic development. This study advocates for behavioural changes that support a focus on sustainable socio-economic development, as suggested by Pedro et al (2017).

e) Interactive communication

Communication is a very useful process in community engagement. The focal organisation communicated with various stakeholders, including the community, to establish mutual understanding. The organisation leveraged its understanding of the local dynamics, to adjust internal structures, so as to more effectively communicate with the community. Realising the increasing engagement complexity, senior management were drafted in to spearhead the engagement processes. This finding brings to the fore, the importance of channels of communication in the construction of a social licence (Stephens, Barrett, & Mahometa, 2013). Although extant literature acknowledges the impact of communication on the social licence (Lacey, Carr- Cornisha, Zhanga, Eglintonb, & Moffat, 2017; Mercer-Mapstone L. D., Rifkin, Moffat, & Louis, 2018; Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018), the literature does not look at the nuances, which are brought by introducing channels of communication. Extant studies look at whether or not there is communication between the community and the organisation, as part of efforts to construct a social licence (e.g. Dare, Schirmer, & Vanclay, 2014). However, this study is different. It finds that, the choice of a channel of communication plays a very important role in determining how communication impacts the construction of psychological identification social licence.

Face to face interaction

One of the mainly used channels of communications is face to face interactions. The firm held community meetings at convenient venues, within communities. In the African traditional culture, in general, and in Zimbabwe, in particular, communities identify huge trees, where they hold their village meetings. Even traditional courts presided by headmen and chiefs are conducted under shades provided by the huge trees. Mostly, under -the- tree- meetings are highly regarded by communities as they show seriousness of the matter under discussion. The meetings are convened either by the company or by the community and the company is invited. According to findings from respondents, face-to- face meetings draw them closer to the company as they create an environment of trust when one sees the non-verbal expressions of the participants. Because of the two-way nature of communication, the organisation and the community could jointly create knowledge, for example the introduction of the sorghum programme, and joint community security meetings, at company premises.

Communication literature suggests that face-to-face interaction generates strong relationships as the interacting parties' bond (Stephens, Barrett, & Mahometa, 2013). In a study to investigate the effect of communication channels in an emergency, Stephens, Barrett, and Mahometa (2013) find that synchronous communication sources, for example, phone or face-to-face communication are more effective in drawing attention than asynchronous channels,

like text messages. The face -to-face interaction, can be formal or informal (Herremans, Nazari, & Mahmoudian, 2016). It is important to also study informal interactions, since much of the social influencing happens in these informal interactions, without anyone noticing the effects. Yet, informal interactions have been neglected in literature (Bowen, Newenham-Kahindi, & Herremans, 2010; Herremans, Nazari, & Mahmoudian, 2016).

By considering the effects of both, formal and informal communication, the current study significantly contributes to literature. Organisations that are genuinely committed to constructing sustainable social licence will create platforms for both formal and informal interaction. An example of a platform for informal interaction was the firm's sponsorship of a community soccer team. The team rose, over the years, to join the Premier Soccer League in the country. It even participated, in the continent's major competition. As the local community informally interacts with company employees, supporting the soccer team, they reciprocally identify with each other.

Information technology aided communication

The firm incorporated modern technology in its interaction with the community. The annual reports, researcher observations, and interviews showed that the firm utilised, social media platforms, such as Facebook, emails and WhatsApp, and telephonic media in their interaction. Information technology, generates big-data, which makes processing of information difficult, yet can help organisations to anticipate future community expectations, implied as they communicate. Therefore, information communication technology has an impact on the construction and maintenance of a social licence. This finding contributes to literature, by looking at the effects of communication technology in the construction of the social licence.

Meaningful dialogue

There is two-way interaction between the firm and the community, using the various channels, and modes of communication. The firm uses feedback obtained from the community to address pressing issues for the benefit of the community. They look at transforming the communities in which they do business. In its annual reports, the firm consistently invites feedback and provides details for stakeholders to be able to respond to their call for constructive engagement. The study finds that meaningful dialogue creates institutionalised trust. When the community feels that their concerns are listened to, and their feedback is taken seriously, they take it for granted, that the firm is trustworthy.

Scholarly studies held in the past acknowledge the role of meaningful dialogue, as firms thrive to construct a social licence (Mercer-Mapstone L. , Rifkin, Louis, & Moffat, 2018). The current study adds a voice to this discourse, extending it by showing that meaningful dialogue has an impact on the construction, not only on the social licence in general but psychological identification. In other words, psychological identification is created as a result of the trust generated through meaningful dialogue. The implication of this finding is the need for firms to genuinely engage their communities. In doing so, they have to design internal processes and establish structures that inspire confidence in the communities, if they are to be trusted. Additionally, the dialogue must be on issues that are central to the expectations of the communities.

f) Current and former employees as channels of engagement

Current and former employees are an important link between the firm and the community. The firm invested significantly in developing its employees over an extended time period. According to interview respondents, when the employees retire, they have become an important point of contact, as well as a way to influence the effectiveness and direction of community engagement. The study finds that, there is constant flow of information between the firm and the community, as former employees have contacts in the firm. Past studies have lamented the lack of quality community members, that have the capacity to issue a social licence (Meesters & Behagel, 2017; Parsons, Lacey, & Moffat, 2014). They cite lack of education as a critical hindrance to the firm's efforts in achieving a social licence (Wilson, 2015; Meesters & Behagel, 2017). It is therefore, the finding of this study that, the context in which a social licence is sought, is very important.

Current employees are also an important channel of engagement with the community. Through informal engagement with community, as they live in the same geography, and share certain interests with the firm, they are also part of the community (Cui, Jo, & Velasquez, 2016). They double as employees, and as community members. Thus, the flow of engagement is continuous. Decisions made by communities, and those made by the organisation are socially influenced through these dynamic interactions. Former employees are more informed on organisational processes and offerings. The information is shared with other community members. Through a process of social influence, this shapes community expectations, and their attitudes toward the firm. By finding the role of employees, as integral community members, the current study reconciles recent developments, where the World Bank has highlighted the inclusion of workers and human rights issues in the conceptualisation of the social licence (World Bank, 2013).

g) Community governance structures and firm leadership as a credible channel of engagement

The study finds that the channel of communication is not only limited to the modes of communication, but the seniority of participants involved in the communication. Communication done through senior members of the organisation was more effective both in terms of transforming the perceptions of the employees as well as those of the community. Through a process of visible felt leadership, the firm was able to utilise senior management presence in communities to demonstrate company commitment to make a difference in the community. The culture of engagement exercised in the firm was attributable to the Board's keen interest in community engagement. When senior managers and the Board participate in inclusive and constructive engagement, the firm ensured that communication and engagement with stakeholders was effective and comprehensive, enabling stakeholders to make informed assessments about the performance of the company and its prospects in the long term. Together, these processes generate institutionalised trust, as the community and the firm anticipate mutually beneficial outcomes. Literature on corporate social responsibility is beginning to talk about the role of corporate governance on effectiveness of corporate responsibility initiatives (Young & Thyil, 2014). This thesis contributes by not only confirming that application of social responsibility to corporate governance but extends it to community engagement and community governance.

Senior management played a central role in the engagement processes. They were always visible in the community and this encouraged community understanding of company objectives. Study participants pointed out that, the community was more likely to take senior management more seriously, than junior employees. Evidence demonstrates that senior managers were more likely to have a broader understanding of ongoing dynamics, than lower level employees. They were likely to have better information processing capabilities, which are more important, as the engagement process became more complex. Theory suggests that the perceptions of employees about leadership ethics will foster the way they have an orientation towards building relationships with other stakeholders (De Roeck & Farooq, 2018). This thesis builds on and extends that literature, to demonstrate the link between community governance and engagement effectiveness.

The firm utilises credible channels for more effective engagement. In Zimbabwe the local authority, the administrator, and traditional leaders are viewed as providing community governance structures. Due to increasing engagement complexity, over time, there is greater need for the firm to rely on more credible channels of engagement. The credibility of these community governance structures will influence the development of institutionalised trust. The

community will need to trust the governance institutions, as a necessary condition to psychologically identify with the organisation. Extant studies have hinted on the relationship between institutionalised trust and psychological identification (Boutilier, Black, & Thomson, 2012). However institutionalised trust is conceptualised narrowly to consider only trust extended to the organisation as an institution. The current study broadens our conceptualisation of institutionalised trust, to include community's trust of the governance structures running it (Prno & Slocombe, 2012). These include the traditional leaders, the office of the district administrator, and local authorities.

In the context of the current study, credibility of community governance structures is more important because the model of engagement used by the firm positions them at the centre of its engagement processes. The firm's interaction with the local authorities is used as a lever to engage the community. Because they have an established relationship with the local authorities, it is fairly more likely that their community engagements efforts are effective. The communities in Zimbabwe highly regard the office of the councillor, the District Administrator, and local traditional leaders. As such, information coming through these channels is received with much trust. This is in line with literature suggesting that information is trusted to the extent to which the channel is trusted (Stephens, Barrett, & Mahometa, 2013). The need to extend corporate social responsibility literature to build the social licence concept is timely, considering that despite being institutionalised, corporate social responsibility has always been problematic (Bice, 2017).

In light of the above discussion, it is argued that the effectiveness of community engagement in the construction of a social licence will be determined by the engagement processes chosen, including modes and channels. Firms should choose channels that are credible and offer social presence, so as to draw the attention of communities.

iii) Transformational engagement outcomes

a) Sustainable successful rural communities (SSRC)

A typical feature of transformational engagement processes is the generation of outcomes that bring mutual benefits to the organisation and the community. The study finds that the firm engages the community to understand its expectations, needs and aspirations. Armed with this understanding, the firm works hard toward fulfilling them. Sustainable rural communities are created through these dynamic processes. They are empowered to be able to continuously improve their lives, while being proactive custodians of their environment. The case study community, was empowered through a number of sustainable food security initiatives, such

as the successful traditional small grain sorghum programme, the cattle feedlots, and sustainable farming practices that were integrated into the community by the focal firm.

Interviews conducted with communities showed that their lives were transformed. For example, while in the beginning the community agronomists would invite firm agronomists to help out on local sugarcane farms, at the end, the firm trained the community agronomists, such that they became self-reliant. This is a typical case of community empowerment. Empowering local farmers is very important in a Zimbabwean context, that is reliant of agriculture. The firm's transformational engagement initiatives had practical impacts to the community. By 2014, the company had supported the establishment of some 813 active indigenous private farmers, farming on some 14 000 hectares and employing more than 6 700 people, who supplied 1 017 000 tons of cane generating US$58 million in annual revenue. Such a scale of production, in a rural community is life changing.

b) Mutual benefits

Transformational engagement processes, such as community meetings for constructive dialogue, generate community understanding. They jointly embark on initiatives that have mutual benefits, in addition to benefits that separately accrue to the community and to the firm. This finding supports existing literature that suggest attainment of mutual benefits, in addition to separate benefits, as a key feature of transformational engagement processes (Bowen, Newenham-Kahindi, & Herremans, 2010; Herremans, Nazari, & Mahmoudian, 2016). The current study extends that literature by proposing these mutual benefits to impact achievement of institutionalised trust, which is important in the construction of psychological identification. The focal firm achieved mutual benefits, through socially innovative programmes that are at the centre of community livelihoods. The programme resonated with the firm's business thrust. For example, the sorghum grain used in firm production of stock feed, was outgrown to local community farmers, who viewed it as a crop that connects with their traditional values. The crop is also used in brewing traditional beer for various rituals. In addition to connecting with their past, small grains are drought tolerant, so ideal in the community context, that is prone to droughts.

Studies have argued that, the firm is likely to achieve a social licence when it assists the community, in ways that are in line with its business mission (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017; Crean, 2017; Lesser, Suopajärvi, & Koivurova, 2017). This demonstrates, the firm is being honest, on its need to achieve economic benefits. An impression of honest is important in trust building (Bice, 2014).

c) Improved community infrastructure

The community's living conditions are improved when the firm invests in infrastructural development. In a Zimbabwean context, where the government, because of sanctions, plus incapacity, is largely unable to develop its infrastructure, the firm's participation in road upgrading, construction of clinics, schools and dams, has significantly improved the quality of life in rural communities in which the firm operates. During interviews, development of infrastructure came out prominently, as an indication of company commitment in the community. Apparently, the permanence of physical infrastructure has the impression of firm establishment in the area. For an MNC subsidiary, it is important to be viewed as a permanent neighbour, rather than one that is not investing in the future of the community. Literature identify the importance of corporate social investment that is in line with the economic and institutional environment (Young & Thyil, 2014). The evidence of this thesis demonstrates the importance of infrastructure development in a developing market such as Zimbabwe. The result contradicts literature suggesting that MNCs are mainly focused on rhetoric without practical tangible development, especially in what are deemed non-enabling institutional environments (Amaeshi, Adegbite, & Rajwani, 2016).

Further contradictions emerge from scholars who even argue that such developments do not deliver a social licence (Harvey, 2014). This contradiction could be explained by the fact that transformational infrastructure development is more that the physical buildings. In this thesis infrastructures were jointly developed by the firm and community. Together, the firm and the community devised, in mutual agreement, a model of infrastructure development execution. The community provided casual labour, and prepared food for the company employees, while the company supplied with materials, and provided the expertise. The model worked well, since it provided a platform for relationship building. In a context that is traditionally oriented, preparing food and eating together, should not be overlooked, as a source of lasting relationships. One interviewee confirmed this with a local Shona language proverb, "Ukama igasva, hunozadziswa nekudya". When translated, it means, "A relationship is incomplete, until food is set on the table". Eating together is a demonstration of trust and mutual understanding.

d) Creating shared value for the community

The study shows that transformational engagement can create shared value for the community. The case study firm, as its strategic goal strove for a relationship with society that is based on shared value and prosperity. This strategic goal has been described by the firm as "Value creation for all stakeholders through an all-inclusive approach to growth and development". In their seminal work, Porter and Kramer (2011) suggest that, for long term

success, businesses will need to put social issues at the core, rather than the periphery of what they do. According to their argument, the purpose of the firm is to create shared value. Business will not succeed at the expense of their communities (Young & Thyil, 2014). The finding in this study supports that view, extending it by gleaning it from a social licence standpoint. Creating shared value is important in constructing community psychological identitying with the firm.

iv) Community engagement legitimacy

A key finding of this study, that has potential to advance knowledge in a fundamental way is how the three legs of the engagement triangle interact to generate community engagement legitimacy. Building on the definition of legitimacy advanced by Suchman (1995), community engagement legitimacy is a generalized perception or assumption that the engagement of an entity and a community is desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.

This finding highlights the importance of choices made by the firm and the community in terms of the engagement platform, processes and the resultant outcomes. The credibility of the chosen channels, as well as partners with which to engage the community had an impact on the firm's credibility, as an entity. Context will determine the extent to which the engagement legitimacy is perceived. The result supports past studies that identify context as important in firm-community relationships (Young & Thyil, 2014). As clarified by Suchman (1995) the legitimacy of an entity is distinguishable from that of the actions it performs. This has significant implications, since most studies have focused on the legitimacy of entities (Melé & Armengou, 2016; Jijelava & Vanclay, 2017), rather than their actions. This is an important finding considering that a recent study by Maher (2019) finds that organisations may gain acceptance by unethically squeezing communities of their psychological freedoms. By suggesting engagement legitimacy as a construct, this thesis highlights the importance of ethics in securing a social licence.

Furthermore, the finding allows us to look at legitimacy from both, the firm and the community perspectives, as firms would also want to assess the credibility and legitimacy of the communities they engage with. The original conceptualisation of organisational legitimacy has been criticised for having an overly firm focus. This has led to social licence research, that is largely from a corporate perspective (Bice, 2014; Bice, Brueckner, & Pforr, 2017).

8.4.5 Institutionalisation

i) Institutionalised trust

The study finds that over time, the firm's relationship with the community is institutionalised, through transformational community engagement. The firm gets to a level where the trust between the firm and the community is taken for granted.

Reciprocal trust between the firm and the community is built as they genuinely interact, more frequently, on an ongoing basis. This helped the organisation to maintain constructive relationships with a range of stakeholders. Communities reflected on their relationship with the organisation, as well as the relationship the organisation has with other stakeholders. This study finds that the relationship between the organisation and the community, may be eroded if the community perceives a declining relationship between the firm and other stakeholders. This is explained by informational and normative social influence processes (Johnstone & Hooper, 2016). This implies that the firm will need some level of trust from other stakeholders for institutionalised trust by the community. For example, when there was employee industrial action in 2014, the community, including local farmers, negotiated with employees to end the industrial action. This highlights the impact of social influence, based on trust among the firm, various stakeholders, and the community.

Extant literature acknowledges the central role of trust in the construction of a social licence (Jijelava & Vanclay, 2017; Lacey, Carr- Cornisha, Zhanga, Eglintonb, & Moffat, 2017; Mercer-Mapstone, Rifkin, Louis, & Moffat, 2018; Moffat & Zhang, 2014; Moffat, Lacey, Zhang, & Leipold, 2016; Zhang & Moffat, 2015). However, the current study differs from the existing conceptualisation of trust, in two ways. Firstly, trust is not unidirectional. Existing literature has assumed that trust that builds a social licence is that of the firm by the community (e.g. Moffat & Zhang, 2014). The current study finds that institutionalised trust is reciprocal, and all encompassing. Since the organisation's community engagement model involves partnerships with other stakeholders, it will be necessary to not only look at the trust between the firm and the community, but trust among the various partners, if the reciprocal trust with the community is to be sustained. The implication of this finding is that the organisation will need to ensure there is trust among its engagement partners. It is therefore important to deal with credible partners, otherwise the credibility of the organisation will be compromised, and the trust broken.

Secondly, extant literature, based on developed market conceptualisation of trust, has emphasised a purely relational trust (e.g. Moffat & Zhang, 2014). However, in a developing market context, the trust has an instrumental dimension. Each time trust was mentioned, it was linked to self-interest, derived from the material benefit. It may not be possible to understand the processes of constructing a social licence in the developing market context,

with a developed market lens. The instrumental element of trust derives from the breakdown in traditional public service delivery mechanisms. It is also important to point out that although trust has an instrumental dimension, the relational dimension has to also be prominent for institutionalised trust to be achieved. The company's annual reports, and the community participants show that mutual understanding is central in maintaining constructive relationships.

The current study finds that institutionalised trust is an important governance mechanism in the relationship between the firm and the community. When they entered into partnerships, in some cases no contracts were signed. The community gave the company the community constitution, just to demonstrate they are not dealing with individuals, but the broader community. Trust has been studied as an effective governance mechanism in relationships (Cao & Zhang, 2011). It will be an important mechanism since it is cost effective. A cost-effective governance mechanism is ideal in developing market contexts, where resources are scarce (Adenle, Azadi, & Manning, 2017; Wilson, 2015). This is an important finding, considering that literature laments the lack of governance mechanisms, in developing markets, as the major stumbling block in the construction of a social licence (Prno, 2013) (Corus & Ozanne, 2012; Scoones, Mavedzenge, & Murimbarimba, 2017; Sing, 2015). Thus, an understanding of informal governance mechanisms is useful in our understanding of social licence construction.

ii) Cognitive legitimacy

The study finds that transformational engagement, marked by joint decision making, joint problem solving, active participation by the community in firm operations, and use of engagement channels that are taken-for-granted in the community, results in the company achieving a taken-for-granted status. Therefore, the study finds that the legitimacy of the firm is taken for granted when engagement legitimacy is taken for granted. The taken-for-granted finding, although not widely investigated in the social licence context, supports arguments raised by Suchman (1995).

8.4.6 Community psychological identification

i) Sharing resources

The study finds that when the relationship between the firm and the community is based on institutionalised trust, they get so close that they even share resources. They jointly co-own community resources. The firm and the community shared grazing land and lived in harmony after dialogue and jointly solving common problems. Both parties realised the potential mutual

benefits of genuine engagement. Although at the beginning, they had misunderstandings, regarding resources, through genuine dialogue, a once adversarial relationship was transformed into a constructive relationship. In a separate development, when the organisation wanted to start a fruit orchard, it approached the community, asking for land. The community harmoniously gave one hundred hectares of land to the organisation. This demonstrated the level of mutual understanding between the two parties.

Previous studies acknowledge psychological identification as possibly the highest level of a social licence (Boutilier, Black, & Thomson, 2012; Boutilier, 2014; Jijelava & Vanclay, 2017). Sharing resources between a community and a focal firm is argued to be an indication of the level of social licence (Boutilier, Black, & Thomson, 2012). However, the current literature hasn't been able to articulate the processes responsible for the construction of the social licence (Dare, Schirmer, & Vanclay, 2014; Francis, et al., 2010; Hall N, 2014). By outlining these processes, this study makes a significant contribution. Specifically, the study shades light on the role of transformational engagement processes in the construction of psychological identification. It finds that institutionalised trust, as an enduring attribute, will maintain the social licence. This supports studies that have established a link between community engagement and the social licence to operate (Dare, Schirmer, & Vanclay, 2014).

Scholars have argued that a true social licence can only be achieved under conditions of real benefits accruing to local communities (Jijelava & Vanclay, 2017; Vanclay & Hanna, 2019). The focal firm ensured benefits flow to communities through dedicating a percentage of their profits to community projects, contributing to the community ownership scheme, provision of jobs to locals, local procurement, local new farmers development. This was linked to the growing expectation of the company contributing to local community development (Vanclay, 2019).

ii) Community defends the firm

When people from other areas attempt to steal cane from the firm, the community defends the firm by arresting or restraining them. The community sees itself as the vanguard of the firm. On a few occasions, the community managed to push away politically motivated illegal settlers who forcibly took firm land. Buoyed by the level of perceived identification with the firm, the community took it upon themselves to defend the firm. Defending the firm demonstrates advanced relationship between the community and the firm (Boutilier & Thomson, 2012). The study finds institutionalised trust, derived from transformational engagement processes, to be a precondition for the community to defend the firm. In a way, according to interview respondents, they defended the firm, partly because they did not want the firm to think the community was responsible for thefts, or firm land occupations. This is a typical case of

normative influence, where the community is afraid of losing its relationship or reputation in the eyes of the firm.

iii) Symbiotic identification

The study finds that there is symbiotic identification between the firm and the community, where they both identify with each other. While the community identifies with the firm, the firm is committed to see a sustainable successful community. Although extant literature suggests a link between psychological identification with community perception of co-ownership (Boutilier & Thomson, 2012), some interview respondents, felt they identified with the firm, yet did not see themselves as co-owners of the firm. The current study proposes symbiotic identification to be more applicable for a firm thriving to secure a social licence in a developing market context, where communities may feel intimidated by the prospects of owning such a huge multinational company (Wilson S. A., 2015).

8.4.7 Summary of psychological identification processes

The thesis empirically demonstrates that transformational engagement platforms, processes and outcomes interplay to determine institutionalisation of trust and legitimacy, which are important conditions in the construction and maintenance of psychological identification social licence. The evolving social context plays a significant role in shaping community expectations. Extant literature suggests that expectations are always changing, without articulating how they change. This thesis has contributed to theory by identifying social influence to be the driving force behind the changes in expectations. Again, organisational reflecting is the process through which the organisation is motivated to shift its focus toward transformational engagement. Past studies have not explained how firms change from transitional engagement strategies to transformational strategies. The current thesis, therefore contribute by identifying organisational reflecting, as the process through which the firm responded to, as well as proactively anticipated, social context dynamics, to refocus engagement efforts. Transformational engagement efforts did not only respond to present and anticipated dynamics, but shaped them.

To be able to meet the transforming community expectations, the organisation was consistently adjusting its internal context, for example by building capacity and capabilities for transforming the community to create shared value. Internal organisational processes were integrated into community processes, for an all-inclusive, participative approach to social licencing. This thesis answers questions that have been raised in literature on whether organisations should focus on adjusting internal processes (in-reach) or external processes (out-reach)? (see debate between Harvey, 2017 and, Kemp & Owen, 2016). The thesis found

that it is possible, and even advisable that firms synchronise internal processes (organisational context), with external community engagement processes.

The following section presents a revised developing market process model of social licence. In doing so, it demonstrates diagrammatically the key contributions of the current thesis. This is done by showing the initial framework, in comparison with the revised model.

8.5 Developing market process model of social licence

Following a systematic literature review conducted in Chapter three, a conceptual framework was proposed. The framework constituted five important building blocks, for the construction and maintenance of a social licence. The building blocks comprised the social context, community expectations, community engagement processes, the social threshold (legitimacy and trust), and social licence phases. Some key engagement processes were identified from the literature of community engagement. Three community engagement processes were identified, namely, transactional community engagement processes, transitional community engagement processes, and transformational community engagement processes. Although these processes were identified in literature, they were not yet fully explored in the context of a social licence to operate. Although the link between the engagement processes was proposed in the literature review section of this study, it had not yet been tested empirically.

Table 8-1: The proposed social licence framework from literature

Social Licence Phases	Acceptance	Approval	Psychological Identification
Social Threshold	Pragmatic legitimacy	Credibility	Institutionalisation
Community engagement processes	Transactional community engagement processes	Transitional community engagement processes	Transformational community engagement processes

The initial proposed framework identified from literature review is shown on Table 6-1. As noted in the proposed framework, the processes responsible for the transitioning from one phase of engagement processes, and from one phase of social licence to the next, are not known. The framework is constituted from two literature streams that have sat across each other for long. The social licence model proposed by Boutilier and Thomson (2012) identifies the social threshold and the social licence levels, without elaborating the processes

responsible for each phase. This is largely due to a critique that has always been labelled against the theory of legitimacy, upon which the model rests.

Theory of legitimacy is criticised for lack of clarity on processes that build legitimacy. Building on the work of Bowen et al (2010) the literature review culminated in linking community engagement strategies to the social licence. As an outcome, the model by Bowen et al (2010) suggests legitimacy as an outcome of engagement processes. Again, the model does not specify which legitimacy outcomes result from which engagement processes. Since it is widely acknowledged that legitimacy and community engagement are multidimensional, it became paramount that this study identified the specific process that lead to particular social licence phases. Other scholars have also suggested a link between community engagement and social licence. For example, Dare, Schirmer, & Vanclay (2014) propose a link between community engagement and social licence, yet they use different dimensions of community engagement, namely strategic and operational community engagement. Clearly, these dimensions may not shade light on the different phases of the social licence. It is therefore not surprising that they do not look at the different phases of social licence. Bowen et al., (2010) model, adopted in the current thesis, is the most widely used in community engagement, with over 300 citations, and based on a multidisciplinary literature review. Using constructs borrowed from the theory of legitimacy (Suchman, 1995) as moorings, this thesis demonstrates the dynamic link between community engagement levels and social licence phases. The thesis, therefore, makes a significant contribution to literature by identifying the specific link between the different community engagement processes from communication literature, and the three phases of social licence, as proposed in social licence literature.

Further, the thesis extends understanding of social licence construction processes, by reconceptualising community engagement. The study proposes a community engagement triangle, comprising the community engagement platform, the community engagement processes, and community engagement outcomes. Being able to isolate the key pillars of engagement helps in understanding the social licence processes. Although extant literature suggests that community engagement influences social licence construction (Dare, Schirmer, & Vanclay, 2014), the key processes through which this is achieved are little understood (Hall, Lacey, Carr-Cornish, & Dowd, 2015). Identifying the three pillars of community engagement helps us to reconcile the debate in literature on whether or not socio-economic development delivers a social licence (for this debate see Harvey, 2014). The thesis found that socio-economic development is a platform through which genuine engagement processes are implemented to generate meaningful outcomes for social licencing. Therefore socio-economic development delivers a social licence, as part of other elements of community engagement.

The social threshold provides the preconditions for the achievement, as well as a buffer for maintenance of a social licence. Extant theory has emphasised, the credibility of the focal firm as having an impact on the construction of a social licence. However, evidence from the current study extends this position by not only proposing community credibility as a valid construct, but also showing that it has an impact on the social licence. In other words, trust between the community and the firm has to be symbiotic for more constructive engagement, and achievement of social licence. Community credibility was identified as an important dimension of credibility, alongside organisational credibility. The thesis distinguishes between community interactional trust and organisational interactional trust, to underscore the importance of building credibility for the community.

The understanding of trust in the developing market context is different from that in a developed market context. Trust has a significant instrumental element in a developing market context. Knowing this dimension helps efforts to build trust, a precondition in attainment of a social licence. Additionally, trust is more than just a precondition, but offers an important community governance mechanism, in the absence of well-developed governance mechanisms in the developing market context (Doh, Husted, & Marano, 2019).

Building on social information processing literature, the study extends social licence theorisation by acknowledging that expectations are in constant flow. The changes in community expectations, are to a larger extent informed by the shifting social context. The study therefore, highlights the important role that social influence plays in shaping community expectations. It is pointed out that expectations are not necessarily developed with unbounded rationality, but with retrospective rationality. Communities will build expectations, in the context of their past actions and behaviours, as they interact within a social context. The firm will attempt to address these expectations, through the community engagement triangle framework, where it socially innovates in the development of the engagement platform, processes and tracking of performance outcomes. The dynamic interaction of engagement platforms, processes and outcomes generate engagement legitimacy, proposed in this thesis to highlight the important role of engaging properly, appropriately and desirably, as advocated in Suchman's (1995) definition of legitimacy.

Together, these processes underscore the important role played by information processing. The information processing capability of the community and of the firm should be developed on a continuous basis. This is important, since the engagement complexity increases, with the growing relationship, as the social licence is constructed from acceptance, through approval, and ultimately psychological identification. Social influence does not only shape expectations,

but also informs how the community evaluates and responds to the firm's engagement initiatives, hence the creation of a social licence.

Therefore, the main contribution of this thesis is integrating insights from a broader community engagement literature, into the social licence concept. In doing so, the thesis anchors on an established organisational legitimacy theory, but extending it to provide solid conceptual moorings to the social licence theorisation. The study fills a gap in literature, emanating from paucity in process theorisation of the social licence. The study proposes a number of constructs, notably, community engagement legitimacy (to emphasise the need to properly, desirable and appropriately engage), community visibility (to emphasise the growing importance of senior management and company-wide involvement in community engagement) and community credibility (signalling the importance of a trusted and legitimate community- answering questions of who issues a social licence). To underscore the important role of social context in shaping community expectations, the study proposes context-specific community expectations, as an integral construct in the developed model. Social influence plays an important role in shaping community expectations, while organisational reflecting is proposed as a key process through which the organisation shifted its engagement orientation. The study presents its findings in form of a developing market process model of social licence as summarised on the model below.
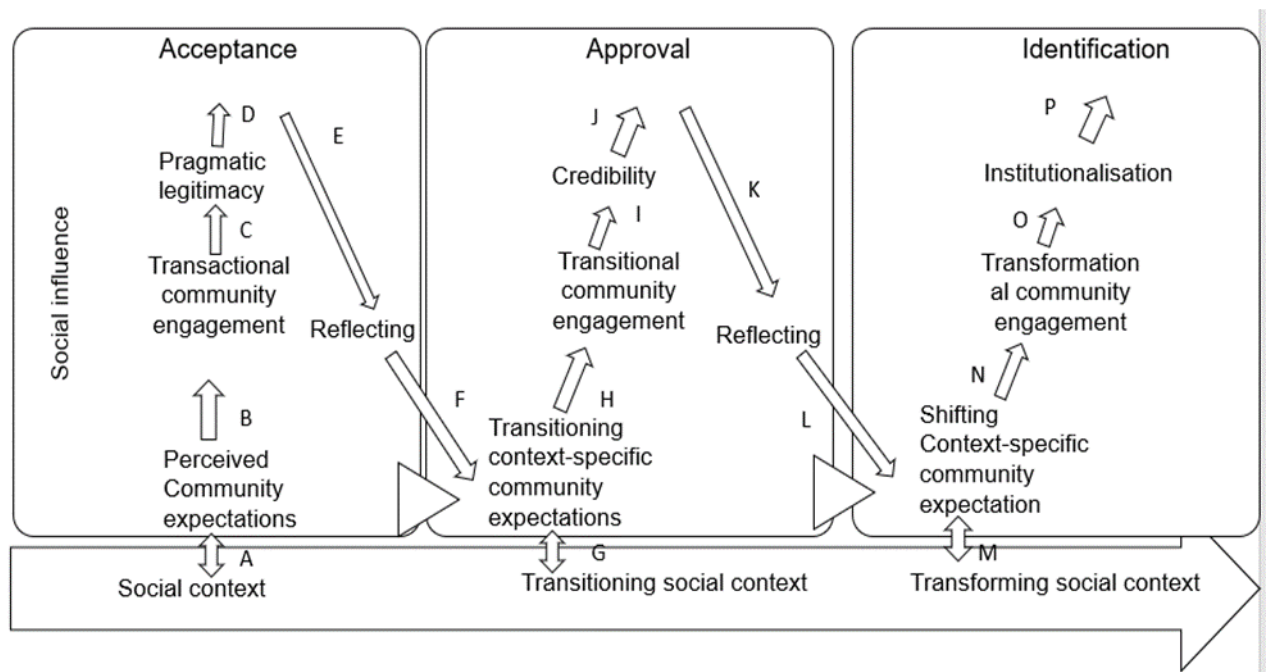

Figure 8-3: The process model of constructing and maintaining a social licence in a developing market

The new model has identified the relationship **A,** between the social context and perceived community expectations. By reading the social context, the organisation comes with its own perceptions of community expectations. The social context comprises the organisational context, community context, national context and the global context. The major observable contextual conditions are instrumental, such as unemployment, and legal licence requirements. As a result, the firm adopts transactional community engagement processes, which are essentially tick box, as shown in relationship **B**. They are not community driven. Information movement is unidirectional, with the firm informing the community of its activities and plans. There were no clearly defined lines of engagement as the community, at this stage, was disorganised, and characterised by a leadership vacuum.

As shown in the model, transactional community engagement processes have an impact on the firm's pragmatic legitimacy, relationship **C**. The study finds transactional engagement processes to impact all three dimensions of exchange legitimacy, influence legitimacy and dispositional legitimacy. This implies that, as the organisation fulfils some of the community's basic needs, albeit on its own terms, the community develops some level of confidence in the firm's potential to provide economic benefits. In relationship **D**, the model identifies pragmatic legitimacy to be generated through transactional engagement processes, and finds it to be an important precondition for the community to accept the firm. In a developing market like Zimbabwe, where the government lacks capacity to provide basic amenities, the community places so much value on economic benefits, such that acceptance based on transactional engagement is understandable. It is therefore proposed that:

Proposition 1: When the firm perceives community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence.

Relationship **G**, shows that, over time, the social context transitions. In the organisational context, the transition was characterised by restructuring and employee development. The new structure, including at Board level, was better positioned to deliver on engagement initiatives. The community context was also transitioning, with leadership structures beginning to take shape, thereby its ability to engage the firm. The policy of the focal firm was engaging with communities, rather than individuals. Therefore, a vibrant community leadership was important. Community expectations transitioned, with the transitioning context. The community expected more involvement in decision making, and participation in issues affecting or have the potential to affect them.

The study finds that the shifting expectations, may be either a case of the organisation, through more constructive engagement, being able to realise previously unidentified expectations, or

an actual shift. The new realisation is done through the firm's reflecting processes indicated in relationship **F**. The reflecting process entails understanding community expectations, shown in relationship **F**, and community perceptions of the organisation, relationship **E**. Through relationship **E**, the organisation is able to determine the community's level of acceptance, which is important for taking community engagement processes to the next stage of transitioning, marked by relationship **H**. Thus, the realised transitioning of community expectations triggers a shift in engagement processes, from transactional to transitional. Transitional engagement processes are more inclusive and participative, although the firm is still much in control. Organisations are encouraged to be attentive to the adjustments in community expectations, resulting from changing social dynamics. It is important for organisation to be always responsive to the information cues, derived from the social context, in designing community engagement processes.

The relationship marked **I**, represents the impact of transitional community engagement processes on credibility. Through more constructive, inclusive interaction between the firm and the community, there is growing believability in the ability of the organisation to deliver real value in the community. The position is achieved since the engagement is built on significant understanding of community expectations, relative to the social context. Unlike past social licence studies that focus only on credibility from the perspective of the organisation, the current study distinguishes between organisational credibility and community credibility. This highlights the importance of a credible community, with well-established leadership, equipped to carry out engagement with the firm. Highly coordinated communities are key, as the engagement complexity increases over time.

The credibility of community leadership is necessary for the community to approve the firm's operation, as marked in relationship **J**. Study results demonstrated that, transitional engagement processes resulted in the community being pleased with the firm. In following the widely used theory of organisational legitimacy, proposed by Suchman (1995), the study finds moral legitimacy, alongside interactional trust, to be dimensions of credibility, that impact the achievement of approval social licence. This highlights why it is important, as the relationship grows, for the organisation to adhere to sound business ethics. It is therefore proposed that:

Proposition 2: As the firm reflects, it perceives a shift in community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence.

Through a process of reflecting, the organisation understands shifting community expectations, relationship **L**, and community attitudes toward the firm, relationship **K**.

Realising that the community approves the firm and its operations gives the firm confidence to embark on more transformational engagement processes. These are aimed at transforming how the community and the organisation relate. In the study, this was demonstrated by joint knowledge creation. For example, the firm and the community started a socially innovative community sorghum project, in partnership with the government. A key feature of transformational engagement processes, is two-way communication, using well established formal and informal channels. Senior management and the board became active participants in engaging the community, through a process of visible-felt leading. This proved important as engagement complexity increased, demanding more sophisticated engagement models, in line with the organisation's thrust of creating shared value for all stakeholders. To do so, the organisation adjusts it internal context, through a process of "in-reach". This is done through organisational restructuring, board reconstitution to achieve diversity in board composition. Reconstituting the board resulted in more gender diversity, and multi-racial composition. Specifically, transformationally oriented board members were drafted into the board, and this had a significant impact in transforming the firm's engagement processes.

The shift in organisational context was necessary, in the face of transforming, community, national and global context. The global context was characterised by rising demand for alternative, renewable energy. Demand for sugarcane from low cost producing areas grew. This was also compounded by the European Union's "all but arms" approach to sourcing from least developing countries. Zimbabwe was a beneficiary of that initiative, and consequently the firm was buoyed to invest in transformative socio-economic development initiatives, as a platform for more meaningful dialogue with the community, as marked in relationship **N**. The desire to transform engagement processes was in part triggered by shifting community expectations. The community expectations went through a significant evolution, as the community was socially influenced by the changing social dynamics shown in relationship **M**.

Engaging meaningfully, over a lengthy period, built institutionalised trust and cognitive legitimacy between the community and the organisation, as indicated in relationship **O**. This was demonstrated through the use of trust as the main governance mechanism in the relationship. The community trusted the individual firm managers, and the organisation as an institution. The study finds institutionalised trust and cognitive legitimacy to be preconditions for psychological identification phase of the social licence, shown in relationship **P**. Therefore, transformational engagement is a necessary but insufficient condition, for achieving and maintaining psychological identification. This highlights the importance of both the engagement procedures, and outcomes, in the construction and maintenance of a social licence. Engagement processes must be seen by the community as fair and legitimate, if they

are to result in institutionalised trust and organisational cognitive legitimacy. It is therefore proposed that:

Proposition 3: When the firm perceives context specific community expectations and social norms to be institutionalised, it transforms its engagement processes, to achieve institutionalised trust, as precondition for psychological identification phase of social licence.

8.6 Summary of the key social licence processes

The study has identified five building blocks that are key in the process of constructing and maintaining the social licence. These are the evolving social context, the context specific community expectations, community engagement orientation (transactional, transitional, and transformational), each with three elements (platform, processes, and outcomes), the social threshold (pragmatic legitimacy, credibility, and institutionalisation) and the social licence phases (acceptance, approval and psychological identification). One way through which the thesis extends the initial propositions is by bringing new insights to the dimensions of the social threshold. Credibility is conceptualised as organisational credibility (organisational interactional trust and moral legitimacy) and community credibility (community interactional trust and community legitimacy). A clearer conceptualisation of credibility resulted from taking both, a community and organisational perspectives. Past studies have either taken a community perspective or a company perspective, thereby overlooking the dynamic processes and conditions that come with a bicameral perspective.

The study also finds that the evolving social context informs a shift in community expectations. The changing community expectations trigger firm adoption of specific community engagement orientation, that builds a social threshold, based on trust and legitimacy, as preconditions for constructing and maintaining of social licence phases. While trust is important for the construction of a social licence, legitimacy is more enduring and therefore important in the maintenance of the social licence. By identifying that community expectations and social contexts are evolving in tandem, the thesis provided insights into why the organisation was motivated to shift its orientation.

Further, the study finds an important insight that social influence is more important than rationality in shaping community expectations. Human beings are social creatures, and their choices and perceptions are socially constructed. Under conditions of volatility, uncertainty, complexity and ambiguity (VUCA), socially constructed choices proved to be more compelling than rational individual choices. The study context was a well-documented VUCA.

Although there are scholars who have attempted to link community engagement and the social licence (e.g. Dare, Schirmer, & Vanclay, 2014), they differ from this thesis as it specifically demonstrated empirically that three engagement orientations, notably transactional, transitional and transformational engagement, determine each a specific social licence phase, namely acceptance, approval and psychological identification, respectively. Further, the study identified and developed organisational reflecting process from an individual level of analysis concept to an organisational level construct, to explain the process through which the organisation shifts its engagement orientations. Bowen et al (2010), and subsequent studies have identified the three engagement strategies, but have neither provided the mechanisms nor the motivations for organisations to shift from one strategy to the other.

This chapter provided an analysis of results. It highlighted the major contributions of this thesis in terms of contradicting, supporting and extending existing social licence theory. The contributions are proffered in form of a compelling developing market social licence model. Chapter 9 proffers a summary of findings, conclusions and recommendations

Chapter 9: Summary of findings, conclusions and recommendations

9.1 Introduction

The social licence dialogue originated from practitioners, who grappled with the fact that traditional public relations initiatives were unable to guarantee long term survival of mining companies (Cooney, 2017; Hall, Lacey, Carr-Cornish, & Dowd, 2015; Gehman, Lefsrud, & Fast, 2017; Moffat, Lacey, Zhang, & Leipold, 2016). For the past two decades, the concept has evolved in application, as researchers attempted to investigate its applicability in several other industries, including agriculture, energy, and forestry, among others (Li, Huang, Ren, Chen, & Ning, 2018; Edwards & Lacey, 2014; Hall, Lacey, Carr-Cornish, & Dowd, 2015; Williams & Martin, 2011). Studies done in industries, other than mining, have shown the concept to be applicable, yet social licence literature has been criticised for a biased focus on the mining industry (Hall, 2014). There is a growing call to study the social licence outside the mining industry, if the concept is to further developed (Edwards & Lacey, 2014; Lacey, Moffat, Zhang, & Ashworth, 2016; Melé & Armengou, 2016).

The second critique of the social licence literature lies in studies concentrating more on the company perspective (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017; Mercer-Mapstone, Rifkin, Moffat, & Louis, 2018). Little focus is directed to the community perspective of the social licence (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017). In fact, it is argued that, the community is largely viewed as part of many other stakeholders (Biraghi, Gambetti, & Romenti, 2017; Greenwood, 2007). The biased approach is understandable, if we consider that the concept originated from practice (Cooney, 2017). This approach, however, undermines the important role the community can play in the social licence construction and maintenance processes. Undermining the role of the community is paradoxical, since the most basic definition of social licence speaks to the ongoing acceptance of the firm by the community (Moffat, Lacey, Zhang, & Leipold, 2016). Therefore, the community has to be at the centre of the social licence discourse.

Realising the outlined shortcoming, there are rising calls to take a community perspective when studying the social licence. The current study argues that, taking only the community perspective will swing the discourse to yet another extreme narrative. The study, therefore, joins the discourse, from a dual perspective, considering the firm as well as the community perspective, to understand organisational and community processes. Approaching it from the position of the licensor and the licencee gives us a broader appreciation of the dynamic processes involved.

Thirdly, the social licence literature is further criticised for carrying out most studies in the developed markets, mainly in Australia and North America (Bice, 2014; Brueckner, Durey, Pforr, & Mayes, 2014; Ehrnstrom-Fuentes & Kroger, 2017). Very few studies are done in the developing markets (D'Amato, Rekola, Wan, Cai, & Toppinen, 2017). Understanding the social licence processes in the developing market context is very important as these contexts present different complexities, to those of developed markets (Adenle, Azadi, & Manning, 2017; Amaeshi, Adegbite, & Rajwani, 2016). The highly contested, controversial Zimbabwean context, is an essential setting, to understand the processes involved, in the construction and maintenance of a social licence. It is a context, that has received much attention, related to the tensions and conflicts in rural farming communities (Scoones, Mavedzenge, & Murimbarimba, 2017; Moyo, 2011).

The fourth critique levelled against social licence literature, is devoting relatively much more concentration on whether, or not, firms and industries have achieved a social licence (Devine-Wright, 2005; Brueckner, Durey, Pforr, & Mayes, 2014; Hall, Lacey, Carr-Cornish, & Dowd, 2015). There has been limited studies attempting to establish the processes involved in the construction and maintenance of a social licence (Dare, Schirmer, & Vanclay, 2014; Hall & Jeanneret, 2015). The current study contributes to addressing this gap, by understanding the process of constructing and maintaining a social licence, from a dual perspective, related to the firm and the community. To do so, the study looks at the engagement processes between the community and the firm. Additionally, the study also looks at internal processes within both the firm and the community, in an attempt to unpack the nuanced nature of the processes involved in constructing and maintaining a social licence.

The objectives of this study were:

- To investigate and understand the processes and conditions under which a firm will construct and maintain the community's acceptance.
- To investigate and understand the processes and conditions under which the social licence shifts from acceptance to approval.
- To investigate and understand how and under what conditions does a firm construct and maintain the community's psychological identification.

The primary research question, which the thesis answers is: how and under what conditions does a firm construct and maintain different levels of a social licence?

The following sub-questions were investigated, in the process of understanding the main research question, and new propositions proffered for each question:

Question 1: How and under what conditions does a firm construct and maintain acceptance?

Proposition 1: When the firm perceives community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence.

Question 2: How and what conditions does a firm construct and maintain approval?

Proposition 2: As the firm reflects, it perceives a shift in community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence.

Question 3: How and under what conditions does a firm construct and maintain psychological identification?

Proposition 3: When the firm perceives context specific community expectations and social norms to be institutionalised, it transforms its engagement processes, to achieve institutionalised trust, as precondition for psychological identification phase of social licence.

A systematic literature review was done. Key terms were used to search on various search engines, including ProQuest, Web of Science, Scopus, and Science Direct. Terms and phrases, such as social licence, community engagement, social acceptability, social licence and engagement, were searched for. The review was anchored on the theory of organisational legitimacy (Suchman, 1995) and interrogated two baskets of literature. Literature relevant to the dynamic link between community engagement and the social licence to operate was reviewed. The social licence framework proposed by Boutilier and Thomson (2012) and substantiated by Jijelava and Vanclay (2017) was used as a point of departure to investigate and understand the processes involved in constructing and maintaining a social licence. The three phases of the social licence were linked to the three levels of engagement proposed by Bowen et al (2010) to demonstrate social licencing processes. The study took a dual perspective, exploring the processes from the perspectives of both the firm and the community. The review was comprehensive as it encompassed literature that takes a community perspective and studies that take a company perspective.

9.2 Research design and methodology

An embedded case study design was adopted in the study. The design was the most appropriate since the study sought to answer how and why community engagement processes

play a role in the construction of a social licence. The focus of the study was to investigate the social licence phenomenon in its real-life context. It allowed the researcher to utilise multiple sources of evidence. A total of 24 interviewees, were purposefully selected from the community, based on their past engagement with the focal firm, as outlined in archival data, and from snowballing during the research process. The interviews were corroborated with the company's annual reports for the period from 1999 to 2018, and six newspaper articles.

The study followed the coding strategies of Saldana (2016) to analyse the 24 interviews for qualitative content. Guided by both, the research questions and interview questions, the researcher undertook data reduction, coding and decoding analytic processes, in the analysis and interpretation of all the qualitative data forms (Saldana, 2016). The data generation and analysis took an iterative approach, comprising data generation, transcription of audio-recorded semi-structured interviews, translation from local language to English, Back-translation to local language from English and data analysis.

The researcher used both, descriptive and in vivo codes. The codes were developed abductively (combining inductive and deductive logics) (Gioia, Corley, & Hamilton, 2013; Kovács & Spens, 2005). The process started with a code book, generated from theory. As coding progressed, new codes emerged from data. A total of 817 codes were created. Some of these were later merged, in line with their similarity in meanings. The codes were then clustered into code groups, and ultimately themes were generated. To manage the complex processes, an advanced computer aided qualitative data analysis software package, ATLAS.ti version 8, was used.

9.3 Discussion of results

The study findings demonstrate the significance of community engagement processes in determining the construction and maintenance of a social licence. Importantly, the results show that community engagement processes can be categorised into three typologies. They can be transactional, transitional or transformational, and organisations can deploy these processes in line with the phase they are, in the social licence construction process. The community engagement processes result in community acceptance, community approval, and community psychological identification with the firm, respectively. Therefore, organisations in the agriculture and other sectors, such as forestry, mining and energy generation, that rely heavily on extraction or utilisation of natural resources, will find these engagement processes useful for long-term sustainability and survival.

For community engagement to be effective, in delivering a social licence, the organisations need to thoroughly understand not only community expectations, but those of the broader

stakeholder ecosystem. Specifically, socially licenced organisations are those that closely track the changes in community expectations, in line with shifting contextual dynamics. They also appreciate that the social context is multidimensional, hence the need to track and influence changes in the organisational context, the community local context, national context and the global context. Understanding the social context is an important requirement for effective implementation of constructive engagement processes. Community engagement efforts that are divorced from stakeholder expectations, and social norms are in vain.

Zimbabwe's initially chaotic land invasions, and the subsequent government controlled fast track land redistribution, has generated nationalisation sentiments even beyond its borders, as South Africa and lately Namibia are beginning to talk about the land question, which has always been at the centre of most conflicts in Africa. It is therefore imperative for organisations in natural resource linked industries, even in developing markets, to earnestly engage communities for creating shared value, if they are to achieve the elusive social licence. While meaningful community engagement is vital in the construction of a social licence, trust and legitimacy are key to social licence maintenance. Working toward building trust and legitimacy could be a more rewarding effort, since, as the Zimbabwe case demonstrates, title deeds and even the subsequent court based legal processes could not guarantee survival of organisations that lost land to communities, when the social licence to operate collapsed. This is the reality of doing business in a developing market context, characterised by poorly developed formal institutions.

The social licence literature has been criticised, among other concerns, for lack of a clear process, through which it can be constructed and maintained. This study proposes a theoretical process model, from key findings, to help our understanding of the social licence construction and maintenance process.

9.3.1 The process of constructing and maintaining acceptance

Question 1: How and under what conditions does a firm construct and maintain community acceptance?

Proposition 1: When the firm perceives community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence.

The first research sub-question investigated the critical community engagement, and related processes that are necessary in the construction and maintenance of community's acceptance of the firm. The results supported the proposition that, when the firm perceives community

226

expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence

The study finds that, at the beginning of the social licence construction process, the firm is internally oriented, seeking business growth as its main focus. As a result of this focus, it has little understanding of the expectations, from a community perspective. The limited knowledge the firm has of community expectations is based on assumptions, built on the bases of its interpretation of the social context. Since the firm invests limited resources in understanding community expectations, there is a danger of mismatch between what the firm perceives as the community expectations and what, in actual fact, are the real expectations.

An example to demonstrate the mismatch can be seen by considering how, after reading the community and national context, the firm realised that there was a high level of unemployment among the youths. The organisation responded by providing menial jobs to the youths, yet the community expected to get contracts to supply various services to the organisation, as an empowerment drive. They also expected their people to get senior employment positions in the organisation. This, therefore, confirmed that, indeed, when the organisations perceive expectations to be transactional, they engage in transactional processes. By reading the developing market context, characterised by high levels of unemployment, food insecurity, poor health facilities, low levels of education and poor infrastructure, the firms concentrate on provision of these as a source of gaining a social licence. However, these may partially address the expectations, leading to a mere acceptance social licence.

Although transactional engagement processes employed by firms, for example, informing communities of the firm's initiatives, and providing sponsorships and donations in the community may present a mismatch with actual community expectations, they resulted in building pragmatic legitimacy, as proposed in the study. Pragmatic legitimacy was necessary for the community to issue an acceptance social licence, as well as to maintain the social licence, once it was constructed. Despite these engagement processes delivering an acceptance social licence, it remains important for firms to take genuine engagement seriously, since community expectations are always changing. The firm may not merely rely on reading the environment. This supports the view that organisations do not exist only in environments, but also in society. They therefore need to get closer to society, by understanding societal expectations and concerns.

The study also confirms the problematic nature of disorganised communities, that lack clear leadership structures, and skills. This makes engagement with the organisations very difficult, as huge organisations may not be able to engage individuals, but communities, coordinated

by their leadership. It is therefore, in the best interest of organisations, and communities to develop leadership skills, and for governments to establish clear community leadership structures, to avoid leadership legitimacy challenges, that may hinder emerging market community engagement initiatives. In the Zimbabwean context, where communities are led by the politically elected leaders, as well as the traditionally inherited leadership structures, there is need for these to have clearly defined roles and be highly coordinated. Leaders have to be skilled in community engagement so as to advance community interests. These also have to be people with credibility, in the eyes of both, the community and the organisation, since the credibility of channels of engagement are very important in delivering a social licence.

What is clear in the study results, is the central role played by information processing. Whether or not a social licence is constructed will be determined by the information processing capabilities of the focal firm and the community. This is important in the creation of community expectations, the interpretation of those expectations by the organisation, as well as the community evaluation of the engagement processes. These processes are highly driven by social influence. Organisations and communities do not always make rational decisions. Decisions are socially influenced by peers. This therefore reminds us to follow closely the dynamic interactions in communities, to understand their expectation. Whether expressed or implied.

9.3.2 The process of constructing and maintaining approval

Question 2: How and under what conditions does a firm construct and maintain community approval?

Proposition 2: As the firm reflects, it perceives a shift in community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence.

The second research sub-question answered by this thesis is how and under what conditions does the firm construct and maintain community approval? The study findings confirm the proposition that, through a process of reflecting, the firm perceives a shift in community expectations and social norms, and its engagement processes transition, to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining community approval. Study results suggest that as the relationship between the firm and the community improves during the acceptance phase of the social licence, it provides a basis for

the organisation to critically reflect on its past and present actions, and choices. The reflecting process entails understanding the shifting community expectations, in the context of a changing social context. Understanding community expectations, calls for two-way engagement as the firm seeks to solicit feedback from the community, as well as an expression of expectations.

Although some of the transactional engagement processes, such as community volunteering and donations may be part of engagement efforts, during this phase, the study results suggest that they are utilised as a platform for transitioning engagement processes. They are not deployed as an end in themselves. A number of other sub-processes cascade as part of the reflecting process. The process of understanding community expectations is followed by attributing processes. The processes entail the firm, attributing results to past actions and behaviours. If positive outcomes are attributable to certain actions, the actions are reinforced. However, if negative results are attributable to those actions, or behaviours, they are discontinued or refined to produce positive outcomes. By looking at the actions and outcomes of those actions, the firm develops a sense of social purpose. They internalise a commitment to do business in ways that put the community at the centre of their day to day operations. Development of a social purpose is important in triggering a shift in the firm's focus. The focus transitions and they pay attention to community expectations. They meaningfully engage the community in two-way processes, although the firm takes a leading role.

Transitioning community engagement processes are important in creating constructive relationships with the community, and other stakeholders. For engagement to be effective, the organisation changes its internal organisational context, for example its structure, and people development to enhance community engagement skills. Another critical element of the reflecting process is the process of tracking social performance. The study results suggest that organisations, should track their social performance. The process entails, setting social targets, and social benchmarks, against international best practice. Whether targets and benchmarks are achieved or not, the firm will keep tracking these against community expectations.

During the transitioning phase of social licence construction, it is necessary that the firm keeps its promises to the community as these proved to be important in the building of credibility. Study results also underscore the important role played by the community credibility. Community credibility creates conditions necessary for the free and honest information exchange, as the firm seeks to understand community expectations, and address them, where possible. The study finds two dimensions of credibility, namely moral legitimacy and interactional trust. These are built through constructive transitional engagement processes.

They are preconditions for the realisation of community approval of the firm, as well as a buffer, to maintain approval, once gained.

9.3.3 The process of constructing and maintaining psychological identification

Question 3: How and under what conditions does a firm construct and maintain community psychological identification?

Proposition 3: When the firm perceives context specific community expectations and social norms to be institutionalised, it transforms its engagement processes, to achieve institutionalised trust and cognitive legitimacy, as preconditions for a community to psychologically identify with the firm.

The third sub-question answered by this thesis is how and under what conditions does a firm construct and maintain community psychological identification? Study results confirmed the proposition that, through a process of reflecting, the firm perceives community expectations and social norms to be institutionalised, and transforms its engagement processes, to achieve institutionalised trust, and cognitive legitimacy as preconditions for a community to psychologically identify with the firm.

The study results suggest that the process of constructing and maintaining a social licence starts with the organisation reflecting on past activities and choices. The process results in the organisation understanding community expectations, attributing the expectations and organisational outcomes to various actions, behaviour and contextual dynamics. Community expectations continuously shift with the evolving social context. It is therefore important for organisations to understand community expectations, within the social context. Reflecting processes lead to organisational shift in attention. The new attention is towards creating shared value.

The new focus triggers adoption of transformational engagement processes, by the firm. It is important to note that, in a developing market context, the transformational engagement processes use socio-economic development as the platform for engagement. The firm can use a number of engagement processes, such as meaningful dialogue, and information sharing. Yet they are executed in the wake of socio-economic investment initiatives. What is key is the organisation's social innovation, which results in the organisation coming up with creative ways of engaging the community. Typically, the engagement processes are done for the mutual benefit of the community and the firm. Thus, creating shared value for all the stakeholders.

The study shows that transformational engagement, carried out over time, results in building of institutionalised trust. The trust is advanced so much that the firm is taken for granted as a trustworthy entity. The community trusts, the company representatives as well as the organisation as an entity. A key finding of the study is how the organisation also trusts the community. Thus, the trust is reciprocal. This is important, for information sharing and joint knowledge creation to be done, honestly and harmoniously. Institutionalised trust is a critical governance mechanism in the relationship between the firm and the community. Without trust, it is difficult to manage relationships in developing markets, since formal governance mechanisms are difficult to enforce. However, it is important to realise that the conceptualisation of trust is different in a developing market context. Institutionalised trust in this context has an instrumental dimension, in addition to a relational dimension.

Institutionalised trust is a precondition in the construction of psychological identification phase of social licence. A sustainable licence, demonstrated by the community defending, rather than just acknowledging the presence of the firm in the community, requires a high level of trust, built over time, through commitment to creating shared value. Once the social licence has been achieved, institutionalised trust will maintain it. In other words, the organisation may be forgiven for other isolated shortcomings, if the community trusts the organisation. For example, some community members blamed the corruption in local authorities and government departments for certain periods of declining community engagement, demonstrating the impact of institutionalised trust on maintaining the social licence.

9.4 Developing market process of constructing and maintaining a social licence

The study identifies five building blocks necessary for the construction and maintenance of a social licence. These are the evolving context, context specific community expectations (instrumental, moral, and relational), community engagement processes (transactional, transitional, and transformational), the social threshold (pragmatic legitimacy, credibility and institutionalised trust), and the phases of social licence (acceptance, approval and psychological identification). Through a process of social influence, the community develops expectations from information embedded in the social context. Based on the firm's interpretation of these expectations, it develops engagement processes that are suitable for the respective expectations. The study finds that at the early stages of building a relationship with the community, the firm did very little to understand the community expectations, rather interpreting community expectations from its reading of the social context. By perceiving community expectations to be largely transactional, the firm engaged transactionally, giving rise to pragmatic legitimacy, as the community expected transactional benefits from the firm.

Pragmatic legitimacy was shown to be a precondition for community acceptance, as well as a buffer for maintaining that acceptance once it had been constructed.

The next phase of the social licence is constructed as the firm engages in reflecting processes, that enables it to understand more the community expectations, as they are shaped by the evolving social context. Identifying a shift in expectations, the firm is triggered to transition its engagements processes, employing more participatory, two-way interaction with the community, in an effort to be morally sound. This builds credibility, as demonstrated by interactional trust, and moral legitimacy (including environmental legitimacy), which were shown to be preconditions in construction of, and buffer for maintenance of approval social licence.

The third and final phase involves reflecting on past activities and the attitudes of the community to read the transformed community expectations. Community expectations are transformed mainly through social influence as they interact with their social context. As the firm views community expectations to be institutionalised, they transform their engagement processes, involving the community in joint decision making, developing constructive partnerships and genuinely working towards creating shared value for the mutual benefit of all stakeholders. Doing that results in building institutionalised trust, where the community trusts not only the company representatives, but the organisation as an institution. The same engagement processes over time resulted in the firm and its activities taken for granted by the community, a typical feature of cognitive legitimacy. Together, institutionalised trust and cognitive legitimacy are labelled in this thesis as institutionalisation. Once that is achieved, the study findings suggest a symbiotic identification as the firm and the community identify with each other. Institutionalised trust is not only a boundary condition for achieving psychological identification, but a buffering process for maintaining that phase of social licence.

9.5 Contribution of the study

9.5.1 Introduction

Social licence studies have mainly focused on the developed markets. Very little research was done in developing markets. This has resulted in social licence theorisation from a developed market perspective. As the current study finds, constructing and maintaining a social licence in a developing market context requires a somewhat different approach. Extant literature acknowledges the important role played by community engagement in constructing the social licence, yet the exact engagement processes are not well understood. The current study unpacks the engagement processes, to find that three key engagement processes, each determines a different phase in the construction of a social licence.

As engagement complexity increases over time, rural developing market communities may be faced with leadership and capacity constraints that can potentially hinder the evolution of the engagement processes, and articulation of their expectations. As such, part of the engagement processes, should address these constraints, through empowerment and capacity building. Organisations that take advantage of leadership vacuums in developing market rural communities to supplant community interests will not be able to construct and sustain a social licence. This is because rural developing market communities are mobilising and coming up with their own mechanisms to ensure their expectations are addressed. As the 1999 land invasions in Zimbabwe demonstrated, when the formal leadership structures do not deliver community expectations, the communities utilise informal structures, and these are difficult to contain, once they up rise.

Proactive engagement with stakeholders, builds stocks of legitimacy and trust, which are important in maintaining a social licence. Organisations will find it mutually beneficial to create shared value in developing markets, especially considering the growing nationalisation sentiments in Sub- Saharan Africa. Multinational organisations operating in developing markets need to be sensitive to the local socio-economic dynamics, and proactively thrive to understand community expectations, tracking them as they evolve.

9.5.2 Theoretical contribution of the study

The social licence has been studied from a number of theoretical perspectives, including stakeholder theory, and social contract theory. However, the widely used social licence frameworks are studied from an organisational legitimacy theory perspective. In the context of social licence studies, the organisational legitimacy theory has been criticised for two key shortcomings. It takes an overly organisational perspective, yet the social licence is between the community and the organisation. Secondly, the theory lacks clarity in terms of processes that generate legitimacy. The two challenges are evident in the theorisation of the social licence. Social licence literature has been studied from a company perspective and has been criticised for paucity in studies that elucidate the processes through which a social licence is constructed and maintained. The first challenge has overshadowed the important role played by the community in the social licence process, while the later challenge has resulted in a lack of dynamic process models of the social licence construction and maintenance.

This thesis bridges both gaps by borrowing constructs from a broader theory of legitimacy to provide moorings to link community engagement transactional, transitional and transformational processes to acceptance, approval and psychological identification social licence levels respectively. Using a theory of legitimacy has been encouraged in emerging

market studies in the wake of legitimacy and reputational deficits often suffered is such markets (Doh, Husted, & Marano, 2019; Zyglidopoulos, Williamson, & Symeou, 2016; Maher, 2019). Studies find that the effectiveness of legitimation strategies such as voluntary certification will vary with local conditions. For example, corruption is a major factor in emerging markets (Montiel, Husted, & Christmann, 2012), hence engagement legitimacy is an important integral element of a sustainable social licence.

In so doing, the study advances social licence theorisation in a number of ways. Firstly, this enables us to view the social licence from both, the organisation and the community perspectives. Secondly, the study demonstrates how social processes play a role in the construction and maintenance of a social licence. The study presents a dynamic process model of social licence in a developing market.

The findings of this study could be identified as supportive, contradictory or extending previous studies in social licence to operate. The research provides new insights into social licence literature. Although previous studies provide much debate about the nature and risks of social licence failure, this research identifies that three levels of community engagement (transactional, transitional, and transformational) are active players in social licencing processes. For each level, the interaction among community engagement platform, community engagement processes, and community engagement outcomes, generate community engagement legitimacy, a key determinant of the effectiveness of community engagement efforts. It is argued that some of the greatest ethical conflicts occur in emerging markets, where stakeholders will have diverse cultural orientations (Doh, Husted, & Marano, 2019), thereby informing the engagement legitimacy of a firm's initiatives.

Besides, this research provides new insights over the role of social influence, social context, context-specific expectations, and reflecting processes in the social licence phases. There seems to be lack in researches discussing the role of these constituencies over the social licence. Although work is beginning to explore influence strategies of emerging market stakeholders as they interact with local and subsidiaries of developing country multination enterprises (DCMNEs), little is known on stakeholder- processes of EMMNEs (Doh, Husted, & Marano, 2019). To address that gap in literature, this thesis builds on an African context where scholars have identified vast potential for building theory to answer pertinent questions (Barnard, Cuervo-Cazurra, & Manning, 2017).

9.5.3 Methodological contribution

Social licence researchers have rarely outlined their methodology. Some studies have not used a well -defined methodology. With the bulk of written work emanating from practice, it is

understandable that most of the studies do not even have a methodology section. Of the few that have outlined a methodology, they have mostly done qualitative studies, quantitative studies or mixed methods approaches. Some studies have done multiple-case studies, while others have done single case studies. The case studies were mostly done from the company perspective, leaving out the community experience in social licence discourse. The current study makes a number of methodological contributions. It looks at both the organisation and the community perspectives, gathering data from the community and the organisation. The study takes an embedded case study approach, corroborating rich data from the organisation and from the community, to get a contextualised explanation of the social licence phenomenon, in its natural setting.

An additional important contribution was in form of an additional coding method. Due to the importance of definitions in the theory of legitimacy, a new construct and method, labelled Definition Coding was utilised to build knowledge on the basis of a contextual understanding of various concepts. Definitions proposed by participants and from archival data were coded for analysis.

By studying a subsidiary, of an MNC, listed on international stock exchanges, the study utilised rich data, contained in detailed annual and sustainability reports, over a period of twenty years. This also provided the opportunity to borrow research strategies, typically used in historic studies, and utilise them in business management research.

Doh, Husted, and Marano (2019) highlight paucity in literature that explores stakeholder-related impacts of local and foreign firms' corporate social responsibility initiatives, despite the importance of understanding such impacts, in light of the emerging markets' developmental needs which the initiatives could significantly address. By studying am emerging market multinational enterprise operating in a developing market, this thesis makes a significant methodological contribution.

Extant studies have mainly been cross sectional, and therefore unable to understand the dynamic processes involved in the construction of a social licence. The stakeholder-related impacts of local and foreign firms' CSR initiatives have not been fully explored, yet such impacts are important to understand, given the emerging markets' developmental needs, which could be significantly addressed by CSR initiatives (Doh et al, 2019).

9.5.4 Practical contribution

i) Regulators

The government and local authorities were identified as key stakeholders that work in partnership with the organisation and the community. As such they play an important role both as engagement partners and as regulators. It is important that the two roles are clearly separated. The regulator participation as engagement partners, if not well handled, has the potential to crowd out participation of other stakeholders who are well equipped with capacity to engage communities, such as community-based organisations, and non-governmental organisations.

The study revealed elements of politicisation of engagement initiatives, particularly socio-economic development initiatives, leading to marginalisation of other community members and exclusion in some cases. This was mainly as a result of appointment of political leaders as community leaders in newly resettled areas. Political appointees did not have the authority of traditional leaders and their role as champions of engagement with local organisations is compromised, especially in communities dominated by members with a different political view. Therefore, regulators should facilitate rather than hijack community -corporate engagement processes.

Although there is close cooperation between the government, private organisations, communities and local authorities, there are no clearly outlined regulations to govern such processes and to define roles. It could be helpful for the regulators to define such interactions to avoid politicisation and corruption, which are rife in developing markets. Regulations should stipulate terms and conditions to ensure transparency and inclusive participation.

ii) Practitioners

Study findings have implications for the practitioners. The key implication underscores the need for genuine, constructive engagement with communities for sustainable social licence construction. Practitioners need to proactively seek to understand community expectations, and thrive to address them, in light of prevailing socio-economic dynamics. Establishing socially innovative platforms for, and processes of engagement is critical as part of a holistic approach to community engagement. Building a social licence in a developing market starts with acknowledging and dealing with the inherent institutional voids (Doh, Husted, & Marano, 2019) which are constantly undergoing change.

The organisation needs to carefully pay attention to the role of the community and other stakeholders in successful formulation and implementation of corporate community engagement initiatives in emerging markets. Organisational learning, undergirded by ongoing reflecting is especially important for firms that operate in emerging markets, considering the high level of dynamism and policy inconsistencies. In emerging markets, the community plays

a much more important role in the learning process, given the importance and diversity of culture.

iii) Communities

The key implication, for the communities, is the active role they need to play in the organisations' social licence efforts. The social licence is achieved through commitment of all stakeholders. Communities need to seek opportunities to participate in community initiatives, and proactively find ways to engage with their local organisations. Building long lasting relationships with local organisations may lead to creation of shared value, with mutual benefits to all stakeholders. The communities need to be organised and develop structures that lead them in the engagement processes.

9.6 Opportunities for future research

The social licence is a concept that was introduced by practitioners, only two decades ago. As such, there is relatively little research in the area. Although research has mainly been in the mining sector, where the concept originated, the application has since spread to other industries, notably forestry, mining and agriculture. The current study was done in the agricultural sector in a developing market setting, characterised by politically motivated nationalisation sentiments and rapidly changing land related laws. It would be recommended that studies be carried in similar settings, to determine how the social licence could be constructed. An opportunity arises for studies to determine if, and why the political licence and legal licence would interplay to influence the social licence processes.

A key finding of the study is the important role played by social influence in the construction of the social licence. It would be interesting to explore in greater detail, micro processes involved in social influencing. This is important as it plays a key role in determining community expectations and the actual granting of a social licence by the community.

The engagement triangle was a model proposed in this study, as part of a broad social licence process. It is recommended that the framework be explored future, to come up with a comprehensive engagement framework, applicable in the context of a social licence in developing markets. Specifically, quantitative studies could examine the nature and impact of community engagement legitimacy on social licence.

Although it was part of a broad study, an interesting result of this thesis is the impact of the Board of Directors, as part of an organisational context, on the construction of a social licence. It would be recommended that the Board, in terms of diversity, composition, and other attributes, be explored further to determine its role in social licence construction.

From the study findings, the table below suggests some of the hypotheses for future testing:

Table 9 -1 Suggested hypotheses for future studies

Propositions	Hypotheses for future studies
P1: When the firm perceives community expectations and social norms to be largely transactional, it engages in transactional processes to achieve pragmatic legitimacy as a precondition for community acceptance level of social licence.	• H1a: Transactional engagement is positively related to community acceptance • H1b: Pragmatic legitimacy mediates the relationship between transactional engagement and community acceptance
P2: As the firm reflects, it perceives a shift in community expectations and social norms, from transactional to credibility dominant, thereby transitioning its engagement processes to achieve interactional trust and moral legitimacy as preconditions for constructing and maintaining the community approval phase of social licence.	• H2a: Transitional engagement is positively related to community approval • H2b: Credibility mediates the relationship between transitional engagement and community approval • H2c: Organisational reflecting moderates the relationship between context-specific community expectations and transitional engagement.
P3: When the firm perceives context specific community expectations and social norms to be institutionalised, it transforms its engagement processes, to achieve institutionalised trust, as precondition for psychological identification phase of social licence.	• H3a Transformational engagement is positively related to psychological identification. • H3b Institutionalisation mediates the relationship between transformational engagement and psychological identification. • H3c Organisational reflecting moderates the relationship between community expectations and transformational engagement. • H4a: Engagement legitimacy is a valid construct. • H4b: The relationship between community engagement and organisational legitimacy is moderated by engagement legitimacy. • H4b: The relationship between social context and community expectations is moderated by social influence

The thesis demonstrated a close link between climatic change and corporate community engagement choices in developing markets. Future studies could explore how that link plays a role in the construction of a social licence in the context of water scarcity, drought and large-scale agriculture. Related to that, future studies could also investigate the role of events and pandemics on the social licence to operate.

The current study utilized qualitative methods, in particular in-depth interviews and a case study with a single country focus, future research could explore community- related dynamics in emerging markets through multi-country, large- N studies to enhance the generalizability of findings. Future studies may also do multi-industry case studies, rather than focusing on a single agricultural sector.

A qualitative study was necessary to explore the processes involved in constructing and maintaining a social licence. Future studies could develop hypotheses from the thesis propositions to quantitatively test them in similar contexts.

Although this study was conducted in accordance with established qualitative traditions to achieve rigor, there are limitations worth noting.

9.7 Limitations of the study

During the study, the researcher identified overlaps in the community in terms of their geography and interests. Interviewing other stakeholders differently could, therefore, help us understand the nuanced nature of social licence processes. The current study used a broader definition of community. Narrowing the definition of community in future could help us understand community dynamics in more detail. A broader definition was necessary at this exploratory phase of the process-based theorisation of the social licence.

Caution needs to be taken when transferring the findings to other contexts. The thesis has attempted to provide thick descriptions of the setting and social context over the twenty-year period so that transferability is done in accordance with the context. The study focused on a Zimbabwe context that has been described as volatile, uncertain, controversial and ambiguous within rural farming communities. It therefore, has limited generalisability to other contexts. Generalisability is limited to theoretical insights. Future studies may reflect on how social licence to operate in the agricultural sector characterised by out-grower schemes may be different than social licence to operate in enclave extractive industries like large scale mining in developing markets.

This thesis demonstrated that when there is meaningful engagement between the community and the organisation, and appropriate organisational reflecting, it is possible to construct and

maintain a social licence throughout the three phases of acceptance, approval and psychological identification. However, it is recommended that future studies investigate the possibility of losing a social licence, once it has been constructed and whether or not, under different circumstances, an organisation can move from say acceptance to psychological identification without going through approval.

Finally, the study utilised a historical perspective in generating data from the community. There could be possibilities of recall bias. However, the researcher utilised triangulation of sources, including archival data and group interviews to enhance recall and corroborate data.

References

AARD. (2015). Social licence in agriculture conference synopsis. *Alberta Agriculture and Rural Development and the Agri-Environmental Partnership*, (pp. 1-33). Leduc Alberta. Retrieved from http://www.agpartners.ca/aepa/Home.aspx

Adenle, A. A., Azadi, H., & Manning, L. (2018). The era of sustainable agricultural development in Africa: Understanding the benefits and constraints. *Food Reviews International*, 34(5), 411-433

Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). 'Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations'. *Academy of Management Review, 32*(3), 836–863.

Akua, A. D., Hudson, M., & Frederick, C. (2018). Social licence to operate and the granting of mineral rights in sub-Saharan Africa: Exploring tensions between communities, governments and multinational mining companies. *Resources Policy, 56*, 95-103.

Amaeshi, K., Adegbite, E., & Rajwani, T. (2016). Corporate social responsibility in challenging and non-enabling institutional contexts: Do institutional voids matter? *Journal of Business Ethics, 134*, 135–153.

Baba, S., & Raufflet, E. (2014). Managing relational legacies: Lessons from British Columbia, Canada . *Administrative Sciences, 4*, 15–34.

Barnard, H., Cuervo-Cazurra, A., & Manning, S. (2017). Africa business research as a laboratory for theory-building: Extreme conditions, new phenomena, and alternative paradigms of social relationships. *Management and Organization Review, 13*(3), 467–495.

Barratt, M., Choi, T. Y., & Li, M. (2011). Qualitative case studies in operations management: Trends, research outcomes, and future research implications . *Journal of Operations Management, 29*(4), 329-342.

Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report, 13*(4), 544-559.

Beverland, M., & Lindgreen, A. (2010). What makes a good case study? A positivist review of qualitative case research published in Industrial Marketing Management, 1971–2006. *Industrial Marketing Management, 39*(1), 56-63.

Bice, S. (2014). What gives you a social license? An exploration of the social license to operate in the Australian mining industry. *Resources, 3*(1), 62-80.

Bice, S. (2017). Corporate social responsibility as institution: A social mechanisms framework. *Journal of Business Ethics, 143*, 17–34.

Bice, S., Brueckner, M., & Pforr, C. (2017). Putting social licence to operate on the map: A social , actuarial and political risk and licencing model (SAP Model). *Resources Policy, 53*, 46-55.

Biraghi, S., Gambetti, R. C., & Romenti, S. (2017). Stakeholder engagement beyond the tension between idealism and practical Concerns. *International Journal of Business and Management, 12*(2).

Birkinshaw, J., Brannen, M. Y., & Tung, R. L. (2011). From a distance and generalizable to up close and grounded: Reclaiming a place for qualitative methods in international business research . *Journal of International Business Studies, 42*(5), 573-581.

Bitektine, A. (2011). Toward a theory of social judgments of organizations: The case of legitimacy, reputation, and status . *Academy of Management Review, 36*(1), 151-179.

Bondy, K., Moon, J., & Matten, D. (2012). An institution of corporate social responsibility (CSR) in multi-national corporations (MNCs): Form and implications. *Journal of Business Ethics, 111*(2), 281-299.

Boutilier, R. (2009). *Stakeholder politics: social capital, sustainable development and the corporation.* Stanford: Stanford University Press.

Boutilier, R. (2011). *A stakeholder approach to issues management.* New York: Business Expert Press.

Boutilier, R. G. (2014). Frequently asked questions about the social licence to operate. *Impact Assessment and Project Appraisal, 32*(4), 263-272.

Boutilier, R. G., Black, L., & Thomson, I. (2012). From metaphor to management tool: How the social license to operate can stabilise the socio-political environment for businesss. *International Mine Management 2012 Proceeding* (pp. 227-237). Melbourne: Australian Institute of Mining and Metallurgy. Retrieved from http://socialicence.com/publications.html

Boutilier, R., & Thomson, I. (2012). *Modelling and measuring the social license to operate: Fruits of a dialogue between theory and practice.* Retrieved from http://socialicence.com/publications.html

Bowen, F., Newenham-Kahindi, A., & Herremans, I. (2010). When suits meet roots: The antecedents and consequences of community engagement strategy. *Journal of Business Ethics, 95*, 297–318.

Bowles, P., MacPhail, F., & Tetreault, D. (2019). Social licence versus procedural justice: Competing narratives of (Il)legitimacy at the San Xavier mine, Mexico. *Resources Policy, 61*, 157-165.

Brueckner, M., & Eabrasu, M. (2018). Pinning down the social license to operate (SLO): The problem of normative complexity. *Resources Policy, 59*, 217-226.

Brueckner, M., Durey, A., Pforr, C., & Mayes, R. (2014). The civic virtue of developmentalism: on the mining industry's political license to develop Western Australia. *Impact Assessment and Project Appraisal, 32* (4), 315–326.

Bryman, A. (2006). Integrating quantitative and qualitative research: how is it done? *Qualitative research, 6*(1), 97-113.

Cao, M., & Zhang, Q. (2011). Supply chain collaboration: Impact on collaborative advantage and firm performance. *Journal of Operations Management, 29*(3), 163-180.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons, 34*(4), 39-48.

Castello, I., & Lozano, J. M. (2011). Searching for new forms of legitimacy through corporate responsibility rhetoric. *Journal of Business Ethics, 100*, 11–29.

Claasen, C., & Roloff, J. (2012). The link between responsibility and legitimacy: The case of De Beers in Namibia. *Journal of Business Ethics, 107*, 379–398.

Cooney, J. (2017). Reflections on the 20th anniversary of the term 'social licence'. *Journal of Energy & Natural Resources Law, 35*(2), 197-200.

Corley, K. G., & Gioia, D. A. (2011). Building theory about theory building: What constitutes theoretical contribution? *Academy of Management Review, 36*(1), 12–32.

Corus, C., & Ozanne, J. L. (2012). Stakeholder engagement: Building participatory and deliberative spaces in subsistence markets. *Journal of Business Research, 65*, 1728-1735.

Crane, A., & Ruebottom, T. (2011). Stakeholder theory and social identity: Rethinking stakeholder identification. *Journal of business ethics, 102*(1), 77-87.

Crean, S. (2017, January 13). *Social licence: an asset to be built, maintained and defended .* Retrieved from https://www.farmers.org.au/community/blog/social-licence-alec-120117.html: https://www.farmers.org.au

Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approaches.* Sage publications.

Creswell, J., & Miller, D. (2000). Determining validity in qualitative inquiry. *Theory Into Practice, 39*(3), 1-7.

Cui, J., Jo, H., & Velasquez, M. G. (2016). Community religion, employees, and the social license to operate . *Journal of Business Ethics, 136*, 775–807.

D'Amato, D., Rekola, M., Wan, M., Cai, D., & Toppinen, A. (2017). Effects of industrial plantations on ecosystem services andlivelihoods: Perspectives of rural communities in China. *Land Use Policy, 63*, 266–278.

D'Ambrosio, E., De Girolamo, A. M., & Rulli, M. C. (2018). Assessing sustainability of agriculture through water footprint analysis and in-stream monitoring activities. *Journal of cleaner production, 200*, 454-470.

Dare, M., Schirmer, J., & Vanclay, F. (2014). Community engagement and social licence to operate. *Impact Assessment and Project Appraisal, 32*(3), 188-197.

Davis, R., & Franks, D. (2014). *Costs of company-community conflict in the extractive sector. Corporate Social Responsibility Initiative Report No. 66. Cambridge, MA.* MA: Cambridge.

De Roeck, K., & Farooq, O. (2018). Corporate social responsibility and Ethical Leadership: Investigating Their Interactive Effect on Employees' Socially Responsible Behaviors. *Journal of Business Ethics, 151*, 923-939.

Demuijnck, G., & Fasterling, B. (2016). The social license to operate. *Journal of Business Ethics, 136*, 675-685.

Desai, V. M. (2018). Collaborative stakeholder engagement: An integration between theories of organisational legitimacy and learning. *Academy of Management Journal, 61*(1), 220-244.

Devin, B. L., & Lane, A. B. (2014). Communicating engagement in corporate social responsibility: A meta-level construal of engagement. *Journal of Public Relations Research, 26*, 436–454.

Devine-Wright, P. (2005). Beyond NIMBYism: towards an integrated framework for understanding public perceptions of wind energy. *Wind Energy, 8*(2), 125-139.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147-160.

Doh, J., Husted, B. W., & Marano, V. (2019). Corporate social responsibility in emerging markets. In A. McWilliams, D. Rupp, & G. K. Stahl, *Oxford Handbook of Corporate Social Responsibility: Psychological and Organizational Perspectives* (pp. 1-43).

Donaldson, T., & Dunfee, T. W. (1994). Toward a unified conception of business ethics: Integrative social contracts theory. *Academy of Management Review, 19*(2), 252-284.

Dyer, W. G., & Wilkins, A. L. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to Eisenhardt. *Academy of management review, 16*(3), 613-619.

Edwards, P., & Lacey, J. (2014). Can't climb the trees anymore: social licence to operate, bioenergy and whole stump removal in Sweden. *Social Epistemology, 28*(3-4), 239-257.

Ehrnstrom-Fuentes, M., & Kroger, M. (2017). In the shadows of social licence to operate: Untold investment grievances in latin America. *Journal of Cleaner Production, 141*(17), 346-358.

Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of management review, 14*(4), 532-550.

Erdiaw-Kwasie, M. O., Alam, K., & Shahiduzzaman, M. (2015). Towards understanding stakeholder salience transition and relational approach to 'better' corporate social responsibility: a case for a proposed model in practice . *Journal of Business Ethics*.

Esteves, A. M. (2008). Mining and social development: Refocusing community investment using multi-criteria decision analysis. *Resources Policy, 33*, 39–47.

Esteves, A. M., & Barclay, M. (2011). New approaches to evaluating the performance of corporate-community partnerships: A case study from the minerals sector. *Journal of Business Ethics, 103*(2), 189-202.

Evans, R., & Kemp, D. (2011). Community Issues. In P. Darling, *SME Mining Engineering Handbook* (pp. 1767-1777). Littleton, U.S.A: Society for Mining, Metallurgy, and Exploration.

Filer, C., & Gabriel, J. (2017). How could Nautilus Minerals get a social licence to operate the world's first deep sea mine? . *Marine Policy*. Retrieved from http://dx.doi.org/10.1016/j.marpol.2016.12.001

Francis, J., Johnston, M., Robertson, C., Glidewell, L., Entwistle, V., Eccles, M. P., & Grimshaw, J. M. (2010). What is an adequate sample size? Operationalising data saturation for theory-based interview studies. *Psychology & Health, 25*(10), 1229-1245.

Francoeur, C., Labelle, R. a., Balti, S., & Bouzaidi, S. E. (2019). To what extent do gender diverse boards enhance corporate social performance? . *Journal of Business Ethics, 155*, 343–357.

Franks, D. M., & Vanclay, F. (2013). Social impact management plans: Innovation in corporate and public policy. *Environmental Impact Assessment Review, 43*, 40-48.

Freeman, R. (1994). The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly, 4*, 409-421.

Friese, S. (2014). *Qualitative data analysis with ATLAS.ti.* Sage.

Fusch, P. I., & Ness, L. R. (2015). Are we there yet? Data saturation in qualitative research. *The Qualitative Report, 20*(9).

Gardner, K., Ahmed, Z., Bashir, F., & Rane, M. (2012). Elusive partnerships: Gas extraction and CSR in Bangladesh. *Resources Policy, 37*, 168-174.

Gehman, J., Lefsrud, L. M., & Fast, S. (2017). Social licence to operate: legitimacy by another name? *Canadian Public Administration, 60*(2), 293-317.

Gehman, J., Lefsrud, L. M., & Fast, S. (2017). Social license to operate: Legitimacy by another name? *Canadian Public Administration, 60*(2), 293–317.

Gerring, J. (2007b). The mechanismic worldview: Thinking inside the box . *British Journal of Political Science, 38*, 161–179.

Gerring, J. (2010). Causal mechanisms: Yes, but…. *Comparative Political Studies, 43*(11), 1499-1526.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: notes on the Gioia methodology. *Organisational Research Methods, 16*(1), 15-31.

Glaser, B., & Strauss, A. (1967). Grounded theory: The discovery of grounded theory. *The Journal Of The British Sociological Association, 12*, 27-49.

Golafshani, N. (2003). Understanding reliability and validity in qualitative research. *The Qualitative Report, 8*(4), 597-607.

Greenwood, M. (2007). Stakeholder engagement: beyond the myth of corporate responsibility. *Journal of Business Ethics, 74*, 315–327.

Grunig, J. E., & Hunt, T. (1984). *Managing public relations.* New York: Holt, Rinehart and Winiston.

Gunningham, N. A., Kagan, R. A., & Thornton, D. (2004). Social license and environment protection: Why businesses go beyond compliance. *Law and Social Inquiry, 29*(2), 307-341.

Hall, N. L. (2014). Can the 'Social Licence to Operate' concept enhance engagement and Increase acceptance of renewable energy? A case study of wind farms in Australia. *Social Epistemology: A Journal of Knowledge and Cultural Policy, 28*(3-4), 219–238.

Hall, N., & Jeanneret, T. (2015). Social licence to operate: an opportunity to enhance CSR for deeper communication and engagement. *Corporate Communication, 20*, 213–227.

Hall, N., Lacey, J., Carr-Cornish, S., & Dowd, A. M. (2015). Social license to operate: understanding how a concept has been translated into practice in energy industries. *Journal of Clean Production, 86*, 301-310.

Hall, P. A. (2006). Systematic process analysis: when and how to use it. *European Management Review, 3*(1), 24-31.

Hall, P. A. (2013). Tracing the progress of process tracing . *European Political Science, 12*(1), 20-30.

Hanna, P., & Vanclay, F. (2013). Human rights, indigenous people and the concept of Free, Prior and Informed Consent. *Impact Assessment and Project Appraisal, 31*(2), 146-157.

Harvey, B. (2014). Social development will not deliver social licence to operate for the extractive sector. *The Extractive Industries and Society, 1*(1), 7-11.

Harvey, B. (2017). The methodological trap: In reply to Kemp and Owen. *The Extractive Industries and Society, 4*, 1-5.

Harvey, B., & Bice, S. (2014). Social impact assessment, social development programmes and social license to operate: Tensions and contradictions in intent and practice in the extractive sector. *Impact Assessment And Project Appraisal, 32* (4), 327–335.

Harvey, B., & Brereton, D. (2005). Emerging models of community engagement in the Australian minerals industry. *UN conference on engaging communities.* Brisbane.

Herremans, I. M., Nazari, J. A., & Mahmoudian, F. (2016). Stakeholder relationships, engagement, and sustainability reporting . *Journal of Business Ethics, 138*, 417–435.

Hlady-Rispal, M., & Jouison-Laffitte, E. (2014). Qualitative research methods and epistemological frameworks: A review of publication trends in entrepreneurship. *Journal of Small Business Management, 52*(4), 594-614.

Holley, E. A., & Mitcham, C. (2016). The Pebble Mine Dialogue: A case study in public engagement and the social license to operate. *Resources Policy, 47*, 18-27.

Huang, X., Faysse, N., & Ren, X. (2017). A multi-stakeholder platform involving a mining company and neighbouring villages in China: back to development issues. *Resources Policy, 51*(1), 243-250.

Huberman, M., & Miles, M. B. (2002). *The qualitative researcher's companion.* Sage.

IAP2. (2004). IAP2 Public Participation Spectrum, International Association for Public Participation. Retrieved March 15, 2017, from http://iap2.affiniscape.com/associations/4748/files/IAP2%20Spectrum_vertical.pdf

Idemudia, U. (2014). Oil companies and sustainable community development in the Niger Delta, Nigeria: the issue of reciprocal responsibility and its implications for corporate citizenship theory and practice . *Sustainable Development*, 22, 177-187

Jacob, S. A., & Furgerson, S. P. (2012). Writing interview protocols and conducting interviews: Tips for students new to the field of qualitative research. *The Qualitative Report, 17*(42), 1-10.

Jijelava, D., & Vanclay, F. (2017). Legitimacy, credibility and trust as the key components of a social licence to operate: An analysis of BP's projects in Georgia. *Journal of Cleaner Production, 140*, 1077-1086.

Johnstone, M.-l., & Hooper, S. (2016). Social influence and green consumption behaviour: a need for greater government involvement. *Journal of Marketing Management, 32*(9-10), 827–855.

Kahindi, N., & Aloysius, M. (2011). A global mining corporation and local communities in the Lake Victoria Zone: The case of Barrick Gold Multinational in Tanzania. *Journal of Business Ethics, 99*, 253–282.

Kapelus, P. (2002). Mining, Corporate social responsibility and the community: The case of Rio Tinto, Richards Bay Minerals and the Mbonambi . *Journal of Business Ethics, 39*, 275–296.

Kemp, D. (2010a). Community relations in the global mining industry: exploring the internal dimensions of externally orientated work. *Corporate Social Responsibility and Environmental Management, 17*(1), 1-14.

Kemp, D., & Owen, J. (2016). On the limits of in-reach: A reply to Harvey . *The Extractive Industries and Society, 3*, 958–960.

Kemp, D., & Owen, J. R. (2013). Community relations and mining: Core to business but not "core business" . *Resources Policy, 38*, 523–531.

Kemp, D., Bond, C. J., Franks, D. M., & Cote, C. (2010). Mining, water and human rights: making the connections. *Journal of Clean Production, 18*, 1553-1562.

Kenneth, A., Adegbite, E., & Rajwani, T. (2016). Corporate social responsibility in challenging and non-enabling Institutional contexts: Do institutional voids matter? *Journal of Business Ethics, 134*, 135–153.

Kerr, C., Nixon, A., & Wild, D. (2010). Assessing and demonstrating data saturation in qualitative inquiry supporting patient-reported outcomes research. *Expert review of pharmacoeconomics & outcomes research, 10*(3), 269-281.

Ketokivi, M., & Choi, T. (2014). Renaissance of case research as a scientific method. *Journal of Operations Management, 32*(5), 232-240.

Key, S. (1999). Toward a new theory of the firm: a critique of stakeholder ``theory''. *Management Decision, 37*(4), 317-328.

Kim, I., & Arnhold, S. (2018). Mapping environmental land use conflict potentials and ecosystem services in agricultural watersheds. *Science of The Total Environment, 630*, 827-838.

Koivurova, T., Buanes, A., Riabova, L., Didyk, V., Ejdemo, T., Poelzer, G., . . . Lesser, P. (2015). Social license to operate: a relevant term in Northern European mining? *Polar Geography, 38*(3), 194-227.

Koppel, J. G. (2008). Global governance organizations: Legitimacy and authority in conflict . *Journal of Public Administration, Theory and Review, 18*(2), 177-203.

Kovács, G., & Spens, K. M. (2005). Abductive reasoning in logistics research. *International Journal of Physical Distribution & Logistics Management, 35*(2), 132-144.

Lacey, J., & Lamont, J. (2014). Using social contract to inform social licence to operate: an application in the Australian coal seam gas industry . *Journal of Cleaner Production, 84*, 831-839.

Lacey, J., Carr- Cornisha, S., Zhanga, A., Eglintonb, K., & Moffat, K. (2017). The art and science of community relations: Procedural fairness at Newmont's Waihi Gold operations, New Zealand . *Resources Policy, 52*, 245–254.

Lacey, J., Moffat, K., Zhang, A., & Ashworth, A. (2016). Earning a social licence for alternative transport fuels. In R. Clark, & M. Thomson, *Transport Fuels from Australia's Gas Resources.* Sydney: University of New South Wales Press Ltd.

Lacey, J., Moffat, K., Zhang, A., & Ashworth, P. (2014). Earning a social license for alternative transport fuels. In R. Clark, & M. Thomson, *Transport fuels from Australia's Gas Resources* (pp. 207-281). Sydney: UNSW Press.

Lacey, J., Parsons, R., & Moffat, K. (2012). *Exploring the Concept of a Social Licence to Operate in the Australian Minerals Industry: Results From Interviews With Industry Representatives.* CSIRO.

Langley, A. (1999). Strategies for theorizing from process data. *Academy of Management Review, 24*(4), 691-710.

Langley, A., Smallman, C., Haridimos, T., & Van De Ven, A. H. (2013). Process studies of change in organization and management: unveiling temporality, emergence and flow. *Academy of Management Journal, 56*(1), 1-13.

Lavastre, O., Gunasekaran, A., & Spalanzani, A. (2014). Effect of firm characteristics, supplier relationships and techniques used on Supply Chain Risk Management (SCRM): an empirical investigation on French industrial firms. *International Journal of Production Research, 52*(11), 3381-3403.

Lesser, P., Suopajärvi, L., & Koivurova, T. (2017). Challenges that mining companies face in gaining and maintaining a social license to operate in Finnish Lapland. *Mineral Economics, 30*(1), 41-51.

Lesser, P., Suopajärvi, L., & Koivurova, T. (2017). Challenges that mining companies face in gaining and maintaining a social license to operate in Finnish Lapland. *Minerals Economics*, 1-11.

Li, D., Huang, M., Ren, S., Chen, X., & Ning, L. (2018). Environmental legitimacy, green innovation, and corporate carbon disclosure: Evidence from CDP China. *Journal of Business Ethics, 150*, 1089–1104.

Li, J., He, H., Liu, H., & Su, C. (2017). Consumer responses to corporate environmental actions in China: An environmental legitimacy perspective. *Journal of Business Ethics, 143*, 589–602.

Lund-Thomsen, P. (2009). Assessing the impact of Public–Private Partnerships in the Global South: The case of the Kasur Tanneries Pollution Control Project. *Journal of Business Ethics, 90*, 57–78.

Luning, S. (2012). Corporate Social Responsibility (CSR), for exploration consultants, companies and communities in the process of engagements. *Resources Policy, 37*, 205-211.

Maguire, S., & Hardy, C. (2013). Organising processes and the construction of risk: A discursive approach. *Academy of Management Journal, 58*(1), 231-255.

Maher, R. (2019). Squeezing psychological freedom in corporate–community engagement . *Journal of Business Ethics, 160*, 1047–1066.

Manetti, G. (2011). The quality of stakeholder engagement in sustainability reporting: Empirical evidence and critical points. *Corporate Social Responsibility and Environmental Management, 18*, 110–122.

Manetti, G., & Toccafondi, S. (2012). The role of stakeholders in sustainability reporting assurance. *Journal of Business Ethics , 107*, 363–377.

Marshall, B., Cardon, P., Poddar, A., & Fontenot, R. (2013). Does sample size matter in qualitative research?: A review of qualitative interviews in IS research. *Journal of Computer Information Systems, 54*(1), 11-22.

Martinez, C., & Franks, D. (2014). Does mining company-sponsored community development influence social licence to operate? Evidence from private and state owned companies in Chile . *Impact Assessment and Project Appraisal, 32*, 294–303.

Mason, M. (2010). Sample size and saturation in PhD studies using qualitative interviews. *Forum: Qualitative Social Research, 11*(3).

Matten, D., & Moon, J. (2008). 'Implicit' and 'explicit' CSR: a conceptual framework for a comparative understanding of corporate social responsibility. *Academy Management Review*, 404-424.

Maxwel, J. (1991). Qualitative research. *Harvard Educational Review, 63*(3), 279-300.

Mayring, P. (2002). Qualitative social research. *A guide to qualitative thinking, 5*.

Measham, T., & Fleming, D. (2013). *Lessons from developments of resource extraction industries in rural areas: a literature review report to the Gas Industry Social and Environmental Research Alliance (GISERA).* CSIRO, Canberra. Retrieved from http://www.gisera.org.au

Meesters, M. E., & Behagel, J. (2017). The social licence to operate: Ambiguities and the neutralisation of harm in Mongolia. *Resources Policy, 53*, 274-282.

Melé, D., & Armengou, J. (2016). Moral legitimacy in controversial projects and its relationship with social license to operate: A case study. *Journal of Business Ethics*, 1-14.

Menzies, T. (2015, November 3). *What does 'social license' mean for agriculture? .* Retrieved from http://www.croplife.ca

Mercer-Mapstone, L. D., Rifkin, W., Moffat, K., & Louis, W. (2018). What makes stakeholder engagement in social licence "meaningful"? Practitioners' conceptualisations of dialogue. *Rural Society, 27*(1), 1-17.

Mercer-Mapstone, L., Rifkin, W., Louis, W. R., & Moffat, K. (2018). Company-community dialogue builds relationships, fairness, and trust leading to social acceptance of Australian mining developments. *Journal of Cleaner Production, 184*, 671-677.

Meredith, J. R., Raturi, A., Amoako-Gyampah, K., & Kaplan, B. (1989). Alternative research paradigms in operations. *Journal of operations management, 8*(4), 297-326.

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook.* Sage.

Miller, E., & Buys, L. (2014). 'Not a Local Win': Rural Australian perceptions of the sustainable impacts of forest plantations. Rural Society, 23(2), pp. 161-174. *Rural Society, 23*(2), 161-174.

Miska, C., Witt, M. A., & Stahl, G. K. (2016). Drivers of global CSR integration and local CSR responsiveness: Evidence from Chinese MNEs . *Business Ethics Quarterly, 26*(3), 317–345.

Moffat, K., & Zhang, A. (2014). The paths to social license to operate: an integrative model explaining community acceptance of mining. *Resources Policy, 39*, 61-70.

Moffat, K., Lacey, J., Zhang, A., & Leipold, S. (2016). The social licence to operate: a critical review. *Forestry, 89* (5), 477-488.

Montiel, I., Husted, B. W., & Christmann, P. (2012). Using private management standard certfication to reduce information asymmetries in corrupt environments. *Strategic Management Journal, 33*(9), 1003-1113.

Morgan, G., & Smircich, L. (1980). The case for qualitative research. Academy of management review. *5*(4), 491-500.

Morrison, J. (2014). *The social license to operate. How to keep your organization legitimate.* New York: Palgrave MacMillan.

Morse, J. M. (2015). Critical Analysis of Strategies for Determining Rigor in Qualitative Inquiry. *Qualitative Health Research, 25*(9), 1212–1222.

Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2002). Verification strategies for establishing reliability and validity in qualitative research. *International journal of qualitative methods, 1*(2), 13-22.

Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication: stakeholder information, response and involvement strategies. *Business Ethics: A European Review, 15*(4), 323-338.

Moyo, S. (2011). Land concentration and accumulation after redistributive reform in post-settler Zimbabwe . *Review of African Political Economy, 38*(128), 257-276.

Narasimhan, R., & Jayaram, J. (1998). Reengineering service operations: a longitudinal case study . *Journal of Operations Management, 17*(1), 7-22.

Nelsen, J., & Scoble, M. (2006). *Social licence to operate mines: issues of situational analysis and process . ,* University of British Columbia, Department of Mining Engineering, Vancouver. Retrieved from http://www.mining.ubc.ca/files/SocialLicense/Final%20MPES%20Paper.pdf.

Newmont Waihi Gold. (2015). *Social Impact Management Plan Framework.* Retrieved July 24, 2017, from http://www.waihigold.co.nz/updates/reports-and-plans/

Nyembo, N., & Lees, Z. (2020). Barriers to implementing a social licence to operate in mining communities: a case study of peri-urban South Africa. *The Extractive Industries and Society*, 7, 153-160

O'reilly, M., & Parker, N. (2013). 'Unsatisfactory Saturation': a critical exploration of the notion of saturated sample sizes in qualitative research. *Qualitative research, 13*(2), 190-197.

Owen, J. R., & Kemp, D. (2013). Social licence and mining: a critical perspective. *Resources Policy, 38*, 29-35.

Parsons, R., & Moffat, K. (2014). Constructing the meaning of social license. *Social Epistemology, 28*(3-4), 340–363.

Parsons, R., Lacey, J., & Moffat, K. (2014). Maintaining legitimacy of a contested practice: how the minerals industry understands its 'social license to operate'. *Resources Policy, 41*, 83-90.

Pedro, A., Ayuk, E., Bodouroglou, C., Milligan, B., Ekins, P., & Oberle, B. (2017). Towards a sustainable development licence to operate for the extractive sector. *Mineral Economics: Raw Materials Report, 30*(2), 153–165.

Pitts, M. J., & Miller-Day, M. (2007). Upward turning points and positive rapport-development across time in researcher—participant relationships. *Qualitative Research, 7*(2), 177-201.

Porrit, J. (2005). *Capitalism as if the World Matters.* London: Eathscan.

Porter, M., & Kramer, M. (2011). Creating shared value. *Harvard Business Review*, 62-77.

Prno, J. (2013). An analysis of factors leading to the establishment of a social license to operate in the mining industry. *Resources Policy, 38*, 577–590.

Prno, J., & Slocombe, D. S. (2012). Exploring the origins of 'social license to operate' in the mining sector: perspectives from governance and sustainability theories. *Resources Policy, 37*(3), 346–357.

Prno, J., & Slocombe, D. S. (2014). A systems-based conceptual framework for assessing the Determinants of a Social License to Operate in the Mining Industry. *Environmental Management, 53*, 672-689.

Provasnek, K. A., Schmid, E., & Steiner, G. (2018). Stakeholder Engagement: Keeping Business Legitimate in Austria's Natural Mineral Water Bottling Industry. *Journal of Bus Ethics, 150*, 467– 484.

Rooney, D., Leach, J., & Ashworth, P. (2014). Doing the Social in Social License. *Social Epistemology, 28*(3-4), 209-218.

Rowley, J. (2002). Using case studies in research . *Management Research News, 25*(1), 16-27.

Ruckstuhl, K., Thompson-Fawcett, M., & Rae, H. (2014). Maˉori and mining: indigenous perspectives on reconceptualising and contextualising the social licence to operate . *Impact Assessment and Project Appraisal, 32*, 304–314.

Salancik, G. R., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly, 23*, 224-252.

Saldana, J. (2016). *The Coding Manual for Qualitative Researchers* (3 ed.). CA: Sage: Thousand Oaks.

Schleper, C. M., Constantin, B., & Wuttke, A. D. (2017). The dark side of buyer power: Supplier exploitation and the role of ethical climates. *Journal of Business Ethics, 140*, 97-114.

Schwartz, M. (1996). Bussiness ethics in developing countries: A response to Rossouw. *Business Ethics Quarterly, 6*(1), 111-116.

Scoones, I., Marongwe, N., Mavedzenge, B., Murimbarimba, F., Mahenehene, J., & Sukume, C. (2011). *Zimbabwe's Land Reform: A summary of findings* . Brighton: IDS.

Scoones, I., Mavedzenge, B., & Murimbarimba, F. (2017). Sugar, people and politics in Zimbabwe's Lowveld . *Journal of Southern African Studies, 43*(3), 567-584.

Seedat, M. (2012). Community engagement as liberal performance, as critical intellectualism and as praxis. *Journal of Psychology in Africa, 22*(4), 489–500.

Seuring, S. A. (2008). Assessing the rigor of case study research in supply chain management . *Supply Chain Management: An International Journal, 13*(2), 128-137.

Shepherd, C., & Challenger, R. (2013). Revisiting paradigm (s) in management research: A rhetorical analysis of the paradigm wars. *International Journal of Management Reviews, 15*(2), 225-244.

Sidhoum, A. A. (2018). Valuing social sustainability in agriculture: An approach based onsocial outputs' shadow prices. *Journal of cleaner production, 203*, 273-286.

Sing, J. (2015). Regulating mining resource investments towards sustainable development: The case of Papua New Guinea. *The Extractive Industries and Society, 2*, 124–131.

Slack, K. (2012). Mission impossible?: Adapting a CSR-based business model for extractive industries in developing countries. *Resources Policy, 37*, 179-184.

Smit, B. (2005). Teachers, local knowledge, and policy implementation: a qualitative policy-practice inquiry. *Education and Urban Society, 37*(3), 292-306.

Smits, C. C., Leeuwen, J. v., & Tatenhove, J. P. (2017). Oil and gas development in Greenland: A social license to operate, trust and legitimacy in environmental governance . *Resources Policy, 53*, 109–116.

Stephens, K. K., Barrett, A. K., & Mahometa, M. J. (2013). Organizational communication in emergencies: Using multiple channels and sources to combat noise and capture attention. *Human Communication Research, 39*(2), 230–251.

Stirling, L., Wilson-Prangley, A., Hamilton, G., & Olivier, J. (2016). Antecedents to transformational community engagement in South Africa . *South African Journal of Economic and Management Sciences , 19*(4), 514-532.

Strauss, A., & Corbin, J. (1994). Grounded theory methodology. In *Handbook of qualitative research* (273-285).

Suchman, M. C. (1995). Managing legitimacy: strategic and institutional approaches. *Academy of Management Review, 20*(3), 571-610.

Syn, J. (2014). The social licence: Empowering communities and a better way forward. *Social Epistemology, 28*(3), 318-339.

Tashman, A. P., & Fort, T. L. (2009). Business Ethics: A Manual for Managing a Responsible Business Enterprise in Emerging Market Economies. *Buainess Ethics Quaterly, 19*(2), 307-318.

Thomson, I., & Boutilier, R. (2011). Social Licence to Operate. In P. Darling, *SME Mining Engineering Handbook* (3rd ed., pp. 1779–1796). U.S: Society for Mining, Metallurgy and Exploration. Retrieved from http://www.socialicence.com/publications

Twala, C. (2013). The Marikana Massacre: A historical overview of the labour unrest in the mining industry in South Africa. *Southern African Peace and Security Studies, 1*(2), 61-67.

Vanclay, F. (2019). Reflections on social impact assessment in the 21st century. *Impact Assessment and Project Appraisal*. DOI: 10.1080/14615517.2019.1685807

Vanclay, F., & Hanna, P. (2019). Conceptualising company response to community protest: principles to achieve a social licence to operate. *Land, 8*(6), 101.

Vanclay, F., Esteves, A. M., Aucamp, I., & Franks, D. M. (2015). *Social impact assessment: Guidance for assessing and managing the social impacts of projects.* Fargo ND: International Association for Impact Assessment. Retrieved from http://www.iaia.org/uploads/pdf/SIA_Guidance_ Document_IAIA.pdf

Voegtlin, C., Patzer, M., & Scherer, A. G. (2012). Responsible leadership in global business: A new approach to leadership and its multi-level outcomes. *Journal of Business Ethics, 105*, 1-16.

Voss, C., Tsikriktsis, N., & Frohlich, M. (2002). Case research in operations management. *International journal of operations & production management, 22*(2), 195-219.

Wacker, J. G. (1998). A definition of theory: research guidelines for different theory-building research methods in operations management . *Journal of operations management, 16*(4), 361-385.

Wei-hua, D. A. (2000). Linguistic and intertextual analyses within discourse analysis. *Journal of Foreign Languages*, 1, 1-13

Welch, C., Piekkari, R., Plakoyiannaki, E., & Paavilainen- Mantymaki, E. (2011). Theorising from case studies: Towards a pluralist future for international business research . *Journal of International Business Studies , 42*, 740–762.

Wilburn, K. M., & Wilburn, R. (2011). Achieving social license to operate using stakeholder theory. *Journal of International Business Ethics, 4*(2), 1-16.

Williams, G. (2019). Regulation enables: Corporate agency and practices of responsibility. *Journal of Business Ethics*, 154, 989–1002

Williams, J., & Martin, P. (2011). *Defending the Social Licence of Farming: Issues, Challenges and New Directions for Agriculture.* CSIRO Publishing.

Wilson, E. (2016). What is the social licence to operate? Local perceptions of oil and gas projects in Russia's Komi Republic and Sakhalin Island. *The extractive Industries and Society, 3*(1), 73-81.

Wilson, S. A. (2015). Corporate social responsibility and power relations: Impediments to community development in post-war Siera Leone diamond and rultile mining areas. *2*(4), 704-713.

World, B. (2013). *World Bank (2013). SMEs: Why adopt CSR?* doi:FZ88VMOM90

Yin, R. K. (1994). Discovering the future of the case study method in evaluation research. *Evaluation practice, 15*(3), 283-290.

Yin, R. K. (2013). *Case study research: Design and methods .* Sage publications.

Yin, R. K. (2015). *Qualitative research from start to finish.* Guilford Publications.

Young, S., & Thyil, V. (2014). Corporate social responsibility and corporate governance: Role of context in international settings. *Journalof Business Ethics, 122*, 1-24.

Zhang, A., & Moffat, K. (2015). A balancing act: the role of benefits, impacts and confidence in governance in predicting acceptance of mining in Australia . *Resources Policy , 44*, 25–34.

Zhang, A., Moffat, K., Lacey, J., Wang, J., Gonzalez, R., & Uribe, K. (2015). Understanding the social licence to operate of mining at the national scale: A comparative study of Australia, China and Chile. *Journal of Cleaner Production, 108*, 1063–1072.

Zyglidopoulos, S., Williamson, P., & Symeou, P. (2016). The corporate social performance of developing country multinationals. *Business Ethics Quarterly, 26*(3), 379-406.

Appendices

Appendix A: Interview guide

Community engagement – Social licence Community Interview guide

Name of Respondent:………………………………

Community:…………………………………………… Beneficiary community representative…………………………

Position:……………………………………………… External interested third party…………………………………..

Research questions	Probing questions			
1. How would you describe the organisation's engagement with community?

Elaborate on the Processes and practices that the company has followed to secure acceptance and approval of the community. Please explain?

Time brackets
-a) Year 1998- 1999
-b) From 2000- 2009
-c) From 2010-2018 | **Transactional**
Community investment/information ''Giving back''
- Charitable donations (philanthropy - financial)
- Building local infrastructure
- Employee volunteering (time)
- Information sessions (knowledge)
- Training of community members (skills) | **Transitional**
Community involvement ''Building bridges''
- Stakeholder dialogues
- Public consultations
- Town hall meetings
- Cause-related marketing | **Transformational**
Community integration ''Changing society'' (most proactive)
- Joint project management
- Joint decision-making
- Co-ownership
- Joint learning and Sensemaking
- Community leadership and decision-making | - Frequency of interaction?
- Number of community partners?
- How would you describe the dialogue process?
- How would you describe the learning process?
(one way, two way, collaborative)

- Where are the benefits realised? (distinct benefits to firm and community vs. joint benefits)
- How are the organisation's long-term plans for employees, local community relations, social issues crafted? And implemented?
- What is your overall experience of the company's community engagement practices? |
| 2a) How would you describe the relationship between the company and the community? Please explain. | **Legitimacy**
-perception of economic benefit
-company has legal licence | **Credibility**
-project/company contributes to the well-being of the region,
-respects the local way of life,
-meets expectations about its role in society, and
-acts according to stakeholders' views of fairness
Interactional trust
- company and its management listens,
- responds,
- keeps promises,
- engages in mutual dialogue, and
- exhibits reciprocity in its interactions. | **Institutionalised Trust**
-relations between the stakeholders' institutions (e.g., the community's representative organizations) and the project/company are based on an enduring regard for each other's interests. | - Explain the nature of trust? (limited, evolutionary, relational, institutional)?
-Explain the nature of legitimacy? (economic, socio-political)
- How would you describe the process of relationship building over time in periods a, b, c |
| 3) How would you describe the nature of ongoing acceptance and approval of the organisation by the community?
b) How does the community demonstrate the nature of acceptance?
c) Explain the steps taken to show appreciation/ or disapproval of the organisation | **Acceptance**
-tentative willingness to let project proceed
-complaints and doubts linger
-project under the close watchful eye of the community and NGOs | **Approval**
- affected stakeholders have favourable regard for, -agree to, or are
-pleased with the development and
- perceive project can result in more beneficial outcomes | **Psychological Identification**
-community shares responsibility with company
-Both view it as co-ownership
-Community ready to defend company | -How does the company respond to community demands and expectations?
- How should tension be resolved? (the government, community or company)?
- What is your overall experience of the company's acceptance over periods: a, b, c?
-How would you describe the process of building acceptance/approval/psychological identification |

Notes: Use of historical events from archival data and other interviews to enhance recall.

Appendix B: Informed consent

INFORMED CONSENT / INTRODUCTION

Title of the study

Illuminating the dynamic link between corporate community engagement processes and social licence to operate.

Research Conducted by:

Mr N. Chipangamate (15393349)

Cell: +263719453453

Dear Participant

You are invited to participate in an academic research study conducted by Nelson Chipangamate, a Doctoral student from the Gordon Institute of Business Studies (GIBS) at the University of Pretoria.

The purpose of the study is to gain an understanding of the processes involved for an organization to gain acceptance in the community. I will also attempt to understand how an organisation engages in interaction with the community and how that informs the extent to which the organisation is acceptable in the community.

Please note the following:

- Your name will not appear on the interview transcript and the answers you give will be treated as strictly <u>anonymous</u>. Data will be without identifiers. You cannot be identified in person based on the answers you give.
- The name of district that marks your community will not appear on interview transcripts.
- Your participation in this study is very important to us. You may however choose not to participate and you may also stop participating at any time without any negative consequences.
- During the interview you will be asked to share your experiences with a view to understand what shapes your participation.
- There will be no material or monetary benefit for your participation. However, one of the benefits of your participation would be that your opinions and experiences may help to have a better understanding of the relationship between the community and local company.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- If you decide to participate, the interview will take around 60 minutes to complete. If necessary, you will be available for follow up questions (telephonic / email) for additional data or clarification.

- The interview will be recorded for completeness. If you do not want it to be recorded, please delete the relevant item below.
- If at any point you wish to withdraw from the interview you may do so without any repercussion, and the interview recording and notes will be destroyed.
- Please contact my study leader Professor J. Olivier (+27-83-452-5539; olivierjo@gibs.co.za) if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis
- You give your consent for the interview to be recorded

....   …………………………

Respondent's signature   Date