Gordon Institute of Business Science University of Pretoria

Doctorate in Business Administration

Power Asymmetric Relationships Between Mining Firms and Community Stakeholders: What Works and What Does Not?

The Case of the South African Mining Industry

Student Name: Andile Hesperus Sangqu

Student Number: 05092079

Supervisors: Prof Cedric Dawkins and Prof Helena Barnard

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List of Acronyms and Initialisms

CEO	Chief Executive Officer
CERL	Centre for Environmental Rights
DMRE	Department of Mineral Resources
GDP	Gross Domestic Product
JSE	Johannesburg Stock Exchange
MF	Mining Firm
MHCS	Mine Host Community Stakeholders
MPRDA	Mineral and Petroleum Resources Development Act, 2002
NGOs	Non-Governmental Organisations
SLPs	Social and Labour Plans
TEBA	The Employment Bureau of Africa

List of Definitions

Firm: A firm is defined as an organisation which sells goods or services in exchange for an accurate approximation of their worth to the purchaser (Cohen, 1979).

Framework: An assembly or codification of systems, processes, mechanisms, and practices which stakeholders can access to manage firm power effectively.

Mechanisms: Instruments that stakeholders can use, apply, exercise, or use as leverage to reduce the dominant impact of firm power in the stakeholder relationship.

Mine-host community stakeholders: Mine-host community stakeholders are a group of stakeholders which influence or are influenced by mining activities of the mining firm and are identified as legitimate stakeholders (Shrivastava, 1986). They are often disadvantaged by mining firm activities. Most have been historically dispossessed of their land and their productive assets through many years of colonisation as well as by the apartheid system (Mtero, 2017). In this study we consider mine employees, traditional leaders, local business operators, ordinary community members, municipal ward councillors and the youth.

Mining firm: A mining firm is defined as a firm or an enterprise which conducts mining activities or operations in terms of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA).

Power: Power is defined as the capacity of one stakeholder to change another stakeholder's behaviour towards one's intentions regardless of other circumstances (Gaski, 1984).

Power asymmetry: Power asymmetry refers to the fact that a certain stakeholder or stakeholder group is in a better position in the stakeholder relationship than others, to influence what are considered legitimate, normal, or reasonable ways of viewing the world, and therefore impose their realities on others (Nash et al., 2010; Passetti et al., 2019).

Stakeholder engagement: Stakeholder engagement is defined as a type of interaction between the firm and its stakeholders which involves respect and recognition of common humanity and ways in which the actions of each may affect the other (Noland & Phillips, 2010).

Stakeholder relationship: Stakeholder relationship refers to relationship processes, following the exploration of engagement and participation in, and implementation of governance processes between stakeholders (Tregidga et al., 2015).

Stakeholder theory: Stakeholder theory is an idea about how business really works. It says that for any business to be successful it must create value for customers, suppliers, employees, communities and financiers, shareholders, and banks (Freeman, 2020).

Stakeholder: Stakeholder(s) is defined as an individual or a group which can affect or be affected by the activities connected with trade and value creation (Freeman et al., 2007). The stakeholder(s) in the context of the study are employees of the mining firm, including their leader representatives; mine-host communities, including traditional leaders; municipal ward councillors; youth, local business operators, mine employees and ordinary community members.

Themes of Engagement: Agenda Setting, Conflict Management, Decision-Making, Power to Promote Interests, Stakeholder Identification, Stakeholder Engagement and State of Relationships

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Abstract

The study presents observations and analyses of, and conclusions about, how relationships between mining firms and their stakeholders' function under conditions of power asymmetry. Power is an important dimension of stakeholder relationships yet remains understudied in the literature; power asymmetry is inherent in relationships, including stakeholder relationships. However, if asymmetry is not effectively addressed, it can engender conflicts or schisms, with stakeholders experiencing unfair and inequitable assessment and promotion of their interests by mining firms. Addressing this demands that both parties engage with each other in ways that promote joint interests and proactively address power asymmetry. One strategy is to develop specific mechanisms and frameworks to promote these joint interests. This study presents a perspective on how stakeholder relationships currently work in the mining industry in South Africa, where power asymmetry is prevalent, and how they can work better. The findings derive from three case studies, with data assembled through interviews with both stakeholders and mining firms. Based on this, the study proposes a novel engagement framework within which the relationship can function optimally, and which stakeholders can apply to assert and leverage their power during engagements. The research thus contributes to theorising an understudied area and proposes an innovative engagement framework for handling power asymmetry to benefit both stakeholders and mining houses.

Keywords: firm, mechanisms, mine-host community stakeholders, mining firm, power asymmetry, power, resource-exchange, stakeholder engagement, stakeholder relationships, stakeholders

CHAPTER ONE: INTRODUCTION TO THE PROBLEM

1.1 Introduction

When relationships between a firm and its stakeholders work optimally, they drive sustainable business performance, enhance the reputation of the firm, create social value, attract investments, improve harmony and cooperation, maximise stakeholder participation and create socioeconomic stability for the firm and its stakeholders. The study of stakeholder relationships is an important area and one relevant for today's business context because of the many challenges, conflicts and risks that can exist between firms and their stakeholders. The relationship between firms and their stakeholders is characterised by power; however, the distribution of power between the parties indicate that such relationships are not relationships of equals. Power distribution inequalities may exist, resulting in the firm having greater power than its stakeholders.

Power has been investigated extensively in the literature, using multiple lenses including examinations of the sources of power (French & Raven, 1959). However, the area of power asymmetry and, more specifically, how less powerful stakeholders can reduce power asymmetry by being better empowered to leverage their own power or influence, and promote their interests within the firm, remains under-studied. Even where stakeholders may have certain power advantages over the firm, and legitimate claims or interests such as land ownership or labour supply, they often remain the less powerful party, resulting in their interests often being disregarded or overlooked by the firm (Dawkins, 2015). The pursuit by the firm of its strategic interests has considerably dominated stakeholder relationships (Rasche & Esser, 2006), and so it is important to analyse how the dominant power advantage that a firm may possess can produce power asymmetry.

Because the existing frameworks proposed for analysing power imbalances between firm and stakeholder remain at an elevated level of abstraction, this limits their value in suggesting how less powerful stakeholders can improve their position (Dewulf & Elbers, 2018). Yet resource exchange (Lin et al., 2018) renders the relationship interdependent, introducing power for both the firm and its stakeholders. Thus, it is important to develop an analytical framework and propose mechanisms that capture the full reality of power asymmetry and can assist stakeholders to promote their interests and optimise stakeholder relationships.

This study analysed how stakeholder relationships work in the mining industry in South Africa in the context of power asymmetry and recommends an engagement framework and mechanisms that both firm and stakeholders can employ to better empower themselves in the course of their interactions. Although the context of the study is the mining industry of South Africa, the lessons learnt, and the results and proposals of the study are not context-dependent, and are likely to have applicability across many industries, sectors, and geographical settings. The South African mining industry provides a fruitful context for such a study because of its history and the ways in which the historical exercise of power has defined, shaped, and characterised the relationships between mining firms and stakeholders. These contextual factors will be discussed and further elaborated below, particularly in the historical outlining of Chapter Two.

1.2 Background of the study

Stakeholder(s) and firm relationships that work optimally are an important driving force for business strategy implementation: they form an integral part of the firm's process of value creation and drive sustainable socioeconomic change for stakeholders. The historical characterisation of stakeholder relationships between multinational global firms, local firms, and stakeholders as disputed, conflicted, and fissured (Calvano, 2008), makes it necessary to analyse the effectiveness and ineffectiveness of such relationships, to identify contributing factors and make recommendations on constructive ways of promoting the joint interests of the firm and its stakeholders. However, promoting the interests of one specific cohort only, at the expense of others, risks exacerbating conflicts. For the relationship between firm and stakeholders to be effective and operate optimally, a shared cooperative mindset needs to emerge, defining and foregrounding common interests as a reason to work together (Civera et al., 2019).

Importantly, previous studies of such stakeholder activities have historically been focused on the attributes of either the firm or of stakeholders, rather than on the relationship between them. Noland and Phillips (2010) suggest that the focus is now shifting from the attributes of the firm or of stakeholders and towards relationships that foster cooperation and collaboration to promote joint interests. To achieve a cooperative strategic posture (Strand & Freeman, 2015), the active participation of all stakeholders (Civera et al., 2019) is imperative. For such engagements to be effective, they must deliberately make provision for the meaningful participation of the broadest possible range of stakeholders with the firm (Brand et al., 2020).

Power is a central determinant, as stakeholders and the firm often find their interests opposed (Frooman, 1999). The firm's greater power implies that conflict will exist regardless of whether it exploits power relations to the detriment of specific stakeholders or not (Dawkins, 2015). However, how power is conceptualised and applied by stakeholders and by the firm in relation to each other determines the success or failure of their relationships (Torfing et al., 2012). There is growing concern that stakeholder engagements as tools for solving complex societal problems may not live up to expectations where there is a failure to acknowledge and manage power asymmetries (Purdy, 2012).

No single cause or definitive condition creates power asymmetry in stakeholder relationships (Frooman, 1999), and so it is likely to exist wherever there is interdependence between the firm and its stakeholders. Nevertheless, because power asymmetry plays such a crucial role in shaping stakeholder engagement processes and defining relationships, issues of power relevant to individual stakeholders or stakeholders collectively must never be disregarded. The literature reviewed in Chapter Three demonstrates the richness and scale of extant research on how the firm can exercise its power advantages to drive and create value. Equally, the chapter illustrates the paucity and limitations of extant research on how firm and stakeholders can interact to permit less powerful stakeholders to exercise their power under asymmetrical conditions (Gray, 2004; Hardy & Phillips, 1998; Purdy, 2012; Torfing et al., 2012).

When firms flex their authority in exercising power over stakeholders, they rarely live up to the expectation that they should promote goals based on shared interests and definitions of the situation (Habermas, 1990) to create sustainable socioeconomic value for stakeholders. For example, firms tend to prioritise their own interests, acting forcefully to protect them (Korab-Karpowicz, 2012), and are insensitive to the plight and legitimate interests of their stakeholders. When stakeholders tolerate power asymmetry, they give the firm and its shareholders an outsized advantage over how engagements are constructed and relationships between the parties defined (Dawkins, 2015). To reduce power asymmetry and create balance, the role of the firm needs to be based on an intention and commitment to achieve collaboration with stakeholders with different power sources, divergent and opposing interests (Missonier & Loufrani-Fedida, 2014). To achieve this, the firm needs to capacitate vulnerable stakeholders, giving them the power to exercise direct influence on the firm over economic, regulatory, and market-related aspects of the relationship (Greenwood & Van Buren, 2010).

Although social stakeholders form the bedrock of stakeholder relationships with the firm (Bocken et al., 2013; Hörisch et al., 2020; Joyce & Paquin, 2016) and have an integral role to play in the process of creating sustainable value for the firm, the recognition of their power sources and their interests are infrequently discussed in business model literature. Because stakeholders often enter the relationship with the firm under some degree of coercion (Greenwood & Van Buren, 2010) due to power asymmetry, this constrains their ability to fully express their potential as business partners (Civera et al., 2019).

1.3 Practical rationale

The interests of stakeholders, even if divergent, are legitimate, so those interests cannot be undermined or overlooked without harming the firm (Derry, 2012). Thus, a relationship where legitimate stakeholders feel excluded, with their interests disregarded, is counterproductive and unsustainable (Boaventura et al., 2020). Divergent views, disagreements and conflicts inevitably arise in the course of the relationship between the firm and its stakeholders, but mechanisms, and frameworks to deal with such disparities (Brand et al., 2020) have not been fully developed or jointly agreed by all parties.

Employees are an important stakeholder group just like other key stakeholder groupings in the relationship between the mining firm and stakeholders. One striking example is the "Marikana massacre" that took place in August 2012, in Rustenburg, in the Northwest province of South Africa. Armed police responded with live fire to an industrial action by platinum miners, resulting in the deaths of 34 mineworkers. This tragedy shone an intense spotlight on power asymmetry and on the grievances, divisions and conflicts that existed between the mining firm and its employee-stakeholders.

Events such as Marikana highlight how a historic, deeply rooted power asymmetry can result in the promotion of the mining firm's interests without proper engagement processes or proactive attempts to promote the interest of other stakeholders such the employees. Although this incident represents the most acute instance of how stakeholder relationships can go wrong, a strong possibility remains that other "Marikana-type" incidents could occur in a continuing context of unmoderated power between stakeholders and mining firms and unabated power asymmetry.

The discussion above foregrounds the need to analyse how relationships between mining firms and their stakeholders work in the context of power asymmetry. It provides empirical evidence of the need for power-balancing measures and mechanisms to be developed and promoted, to assist both firms and stakeholders with tools for promoting their joint interests. Optimising the workings of stakeholder relationships require new mechanisms and a new framework that can empower both firm and stakeholders to be actively involved in the processes of the firm – agenda setting; conflict management; decision-making; stakeholder identification and engagement – to promote joint interests.

The history of the mining industry cannot be taken lightly. It is significant and instructive for contextualising the discourse of power asymmetry between firms and their stakeholders. The trauma of Marikana, for example, persists even 11 years later. Memories of Marikana serve as a grim reminder of a major inflection point in societal realisation that power relationships between firms and stakeholders need to be recalibrated. Similarly, it also prompts a scholarly realisation of the need for research to develop inclusive and participatory measures that firms, and their stakeholders can employ to optimise the relationship between them, as discussed in the sections below.

1.4 Academic justification

The study focuses on how stakeholder relationships with the firm work when divergent stakeholder interests are at play (Frooman, 1999), how such interests they are promoted, and whether their promotion supports the interests of all parties. Stakeholder theory provides a relevant anchor for the study because it is concerned with the intersection of multiple interests and interdependencies (Crane & Matten, 2005) between the firm and its stakeholders. Predominantly, stakeholder theory discusses how firms behave in response to the needs and expectations of stakeholders (Freeman, 2020).

To study how stakeholder relationships work entails identifying ways of promoting the integration of stakeholder concerns into the firm's decision-making processes and offering insight into creating optimal relationships (Pedersen,2006; Van Huijstee &

Glasbergen,2008). Power asymmetry plays a crucial role in shaping engagement processes and in defining stakeholder relationship outcomes. However, this important aspect – which may impact either positively or negatively on stakeholder interests – has been given insufficient attention in the literature and is poorly understood (Gray, 2004; Hardy & Phillips, 1998; Purdy, 2012; Torfing et al., 2012). This study has sought to identify and address this gap in the literature, while acknowledging that further work may still be required to understand linkages between stakeholder empowerment, engagement, and the achievement of optimal outcomes (Lankoski et al., 2016) from the relationship between the firm and its stakeholders.

The objective of stakeholder dialogue and engagement is not to eliminate power asymmetries via a reciprocal discourse. What is rather required is to develop or introduce mechanisms between stakeholders and the firm that reduce the impact of power asymmetry on decision-making (Dawkins, 2019), as well as on other aspects of engagement such agenda setting, conflict management, power to promote interests, stakeholder identification and engagement, and the overall state of the relationship. Only by leveraging their own power can stakeholders access roles in and processes of the firm from which they were previously excluded and thus promote their interests and those of the firm through genuinely joint decision-making (Fung, 2020).

This study therefore analyses how a broad, coherent awareness of the firm's role and purpose is reflected; and the full range of immediate and long-term impacts that the firm has on its stakeholders (Hörisch et al., 2020).

1.5 Problem statement

Power asymmetry is inherent and prevalent in stakeholder relationships, and if it is not effectively addressed to moderate the dominant power of the firm, the resultant stakeholder dissatisfaction can have very serious consequences for both firm and stakeholders.

Power is fundamental to how stakeholder relationships are shaped and defined; it is implicit in all interactions. Yet power remains under-studied in the relevant business literature. The power (dominance) of the firm over its stakeholders is pervasive and unavoidable in stakeholder relationships. This results in power asymmetry, shaping practices, behaviours, meanings, and value demonstrations that prioritise the interests of the firm over those of other stakeholders (Dawkins, 2015).

For this reason, to fail to acknowledge and identify the impact of power on relationships between the firm and its stakeholders is effectively to ignore the existence of conflicting interests in stakeholder relationships (Friedman & Miles, 2002; Mäkinen & Kourula, 2012; Marens, 2012; Whelan, 2012). This blank spot may result in dissonances and disputes and its consequence may be stakeholders accepting power arrangements that favour the firm at their own expense (Dawkins, 2015). Since they have relatively less power than the firm, stakeholders risk firm managers not creating value that equitably promotes mutual interests, and not encouraging and celebrating the inclusive participation of all stakeholders. Situations of power asymmetry thus make it inevitable that conflict and fissures between the firm and its stakeholders will arise (Dawkins, 2015). Failing to manage and reduce power asymmetry is therefore likely to render stakeholder engagements ineffective as tools for solving complex societal problems (Purdy, 2012) and promoting the joint interests of the firm and its stakeholders.

In this context, adjusting power asymmetry and moderating the dominant power advantage of the firm is a prerequisite for achieving effective and mutually beneficial stakeholder engagements and optimal stakeholder relationships (Greenwood & Van Buren, 2010) predicated on the engagement themes. Delivering sustainable socioeconomic benefits for all parties requires the participation and active involvement of all stakeholders in the decision-making processes of the firm (and the other aspects of engagement) so that a fair and simultaneous treatment of their interests can emerge, be promoted, and made real (Matten & Crane, 2005a).

How this can be done, and through what frameworks, mechanisms, and tools, represents the problem this study addresses.

1.6 Purpose of the study

Stakeholders need to engage with mining firms (Brown & Dillard, 2015; Célérier & Cuenca Botey, 2015), but in this context such engagements need to be conducted in a way that seeks to: address power asymmetry; empower stakeholders to express their full potential as business partners; contribute to the decision-making of the firms on matters that promote their interests; and facilitate stakeholders' participation in the engagement processes and protocols of the firm to promote their interests using engagement themes.

In this study, I present a perspective, an analysis, and recommendations on how stakeholder relationships do work and could work for legitimate stakeholders and how these relationships could promote the interests of both parties, as well as how power asymmetry might be handled in this context.

The study consists of an analysis of three case studies based on interviews with stakeholders and mining firms in the South African mining industry. Through these cases, the study observed and analysed how stakeholder engagement and relationships operated under conditions of power asymmetry. As discussed above, although power in general is an important dynamic of stakeholder relationships – and has received broader academic attention and treatment by authors such as Banerjee (2008) – the specialised literature of business has not afforded it the same full and adequate attention.

Because of the unique South African context in relation to the history of British colonial rule and the apartheid system, and the rapid growth of the mining industry during that period, that industry provided a fertile backdrop and context for the study. Chapter Two below will discuss in greater detail the historical role of power asymmetry in the context of the mining industry and its impact on stakeholders during the nineteenth and twentieth centuries.

1.7 Research question

The overall question addressed is: How do stakeholder relationships work where there is an engagement and a relationship between the firm and its stakeholders operating in the context of power asymmetry in the case of the South African mining industry?

To engage with this question, I have done the following:

1. Analysed, observed, and sought to understand how stakeholder relationships between firms and their stakeholders work in the context of power asymmetry.
2. Analysed critical factors driving and influencing the relationships between mining firms and their stakeholders to function either optimally or sub-optimally.

3. Analysed ways of increasing the agency of less powerful stakeholders in their relationship with the firm where power asymmetry prevails.
4. Proposed a framework that stakeholders and the firm, can apply to promote their interests and that can build optimal relationships between mining firms and stakeholders under conditions of power asymmetry.

1.8 Scope and limitations

The study focused on analysing how relationships between the firm and its stakeholder's work; and what makes them work optimally. It analysed the factors that may contribute to and influence how well relationships between the firm and its stakeholder's work. The firm representatives studied are chairmen, CEOs, senior executives, general managers, and managers responsible for corporate affairs and/or stakeholder management. The stakeholders who formed part of the study are mine-host communities, the owners and providers of mine land, traditional leaders, employees of the mining firm, local municipal ward councillors, young people, local business operators and ordinary mine-host community members.

The definition of the stakeholder for purposes of the study excludes trade unions. The power issues and dynamics arising from the relationships between mining firms and trade unions differ in important respects that place them outside the focus of this work.

The nature of the stakeholder relationship between trade unions and mining firms (and hence the issues of power asymmetry) tend to be more formal, governed and regulated by contractual relationships such as the recognition agreements existing between the two parties. By contrast, the relationship issues between community stakeholders and mining firms are far broader, less formal, and non-contractual. Moreover, trade unions tend to have a national reach and footprint, and to focus on general employee issues. Even though national unions have local chapters in particular communities, their overwhelming focus is on power issues within the world of work. For all these reasons, and while acknowledging that trade unions have been significant role-players in the history of the South African mining industry, meriting their own focused studies, they have been excluded from this study.

The topic, and associated dimensions of power including asymmetry, form a rich tapestry of study. To avoid getting lost in its complexities, focus is required, so the study has been limited to analysing and observing how the relationships between mining firms and stakeholders work in the South African mining industry, where power asymmetry prevails. It must be acknowledged that any community of stakeholders is not homogenous and harbours its own issues of divergent agendas and power asymmetry that may well also impact on its engagements and relationship-building efforts. However, as stated above, these are not within the ambit of this study. Acknowledging that the governance measures and processes required by stakeholder communities themselves are diverse and complex, for the purposes this study such intra- and inter-relationships and dynamics are excluded. The study further accepts that power asymmetry is inherent in stakeholder relationships, and thus it is beyond the scope of this work to analyse how power asymmetry can be eliminated. The study does not seek to eliminate power asymmetry. Rather, the research has identified the side-effects and challenges of power asymmetry on stakeholder relationships with the firm and has proposed a framework that both parties can apply to promote their joint interests, and that stakeholders in particular can also apply to assert and leverage their power during engagements to better promote their interests.

1.9 Research Design

The study has made use of a multiple case-study research design to provide the researcher with the maximum number of instruments that can be applied to answer the research questions (Yin, 2003). The study has analysed three cases, to identify key issues emerging from within each case and analyse common and cross-cutting themes across all the cases (Yin, 2014). Two of the cases involved 15 participants each and one case involved 14 participants (see Table .3). All participants were drawn from the mining firm and its stakeholders in each of the mining areas selected. The selection was deliberately diverse, so that the three case studies took in different provinces, different language groups and different minerals being extracted, covering a total of 44 participants whose voices reflect at least some of the richness of South Africa's multiple communities involved in and impacted by mining.

The three case studies permitted the researcher and research assistants to conduct a study focusing on the following activities:

i) Analysing where the stakeholder relationships between the mining firm and its stakeholders operating in the context of power asymmetry have yielded bad, mixed, or good relationship results.

ii) Understanding the lived experiences and observing the feelings and thought processes of both stakeholders and mining firms about stakeholder engagement processes, cutting through idiosyncrasies and bringing to light similarities across the three selected cases (Siggelkow, 2007).
iii) Developing and recommending mechanisms and an engagement framework that can assist the firm and its stakeholders to promote their joint interests when power asymmetry inherently exists.

The unit of analysis for the study was stakeholder engagements between stakeholders and mining firms where power asymmetry exists (Yin, 2009). Chapter Four (Methodology) provides full details of all these aspects.

1.10 Theoretical Contributions

Participants in the kinds of processes that establish relationships (for example, dialogues and meetings) need explicit agreement (Dawkins, 2019) on conventions and processes that can moderate the dominant power of the firm to effectively reduce power asymmetry and the resultant conflicts and splits. However, it has been noted that some firms currently refuse to include such explicit arrangements in their stakeholder relationship agreements (Dawkins, 2019).

One source of this disregard may be the paucity of studies foregrounding power asymmetry as a significant factor in the often-sub-optimal functioning of engagements between the firm and its stakeholders. This work begins to close that gap by discussing and recommending measures, responses, strategies, tools, instruments, and mechanisms that firms and stakeholders can implement to deal with their engagements when there is power asymmetry so that their joint interests can be promoted.

Managing stakeholder relationships in a power asymmetrical context is a product of social construction, there is no one size fits all and there are no easy or universal solutions. However, what is important is to acknowledge that power asymmetry, if it is not managed through built-in checks and balances, with openness, transparency and accountability, application of end state principles and promotion of joint interests, is value destructive, because it poisons relationships, causing disputes and fissures that harm both parties, turning engagements into a zero-sum game for both firm and stakeholders.

1.11 Practical contributions

The study has been motivated by a need to break what sometimes feels like an impasse between mining firms and their mine host community stakeholders. Stakeholder relationships that work optimally benefit business and all stakeholders and have the potential to attract further investments, drive business growth, mitigate socioeconomic risks, and create sustainable long-term value for the firm and for stakeholders.

Conversely, firm-stakeholder engagements and relationships that function sub-optimally may be value-destructive for the firm and stakeholders and create stakeholder engagement paralysis that can result in escalating conflicts and the likelihood of tragedies such as. Therefore, work is required to optimise stakeholder engagements and to build relationships where all stakeholders are placed at the centre of the stakeholder relationship network and each stakeholder feels engaged with the firm and its overall mission, objectives, and activities (Civera et al., 2019). Both the firm and stakeholders need an engagement framework that builds leadership capacity, shared vision, and long-term value creation for all.

The way the engagements between firms and their stakeholders' function may vary depending on the context of each individual relationship in the context of power asymmetry. Because stakeholder engagements and relationships are socially constructed, no single uniform practice can be imposed on stakeholders in their engagement with the firm. Rather, guiding practices and principles for conduct, supported by underpinning mechanisms must be developed. These require foundations of common humanity, the promotion of shared interests and long-term value creation to mitigate socioeconomic risks.

The practical contribution of this study includes identifying the present strengths, shortcomings, weaknesses, and fault lines in the relationships between mining firms and their stakeholders under conditions of power asymmetry. Further, it identifies new and proactive steps that both firm and stakeholders can take to reduce power asymmetry.

Without proposing it as a one-size-fits-all solution, the study recommends framework and power- balancing mechanisms that the firm and its stakeholders can jointly apply to identify and promote their mutual interests. Doing this can contribute to stakeholder engagements that develop optimal relationships with the firm. Because power has an impact on how these relationships operate, power relations between stakeholders and the firm must be addressed continuously rather than intermittently, in a way that is compatible with democratic values (Passetti et al., 2019. Because relationships between the firm and its stakeholders also require the firm to align its role and activities with broader community values (Swanepoel, 1989), the firm must also act consistently with the moral foundations of society (Friedman, 1970).

In summary, because the principles, mechanisms, and framework that the study proposes can be applied both by stakeholders operating under the conditions of power asymmetry to attain power leverage in their relationship with the firm, and by the firm to optimise engagements with stakeholders to achieve and promote joint interests, the study has novel practical application in the field.

The chapters that follow this overview describe the study context, provide a nuanced review of the literature, detail the research design and methods, and then set out findings and discuss the conclusions that may be drawn. Of particular interest is the guidance in Section 7.5 towards applying the practical framework to support improved stakeholder relations.

CHAPTER TWO: THE HISTORICAL CONTEXT OF POWER ASYMMETRY IN THE SOUTH AFRICAN MINING INDUSTRY

2.1 Introduction

This chapter discusses the origins of power asymmetry in the South African mining industry to provide a historical context for the study. The mining industry in South Africa situates power asymmetry between the firm and its stakeholders in a unique historical context. Understanding this helps highlight the depth, magnitude, and complexity of power asymmetry, and enriches with human colour the context of power asymmetry and the effect it has had on firms and the various stakeholder groups mentioned in Chapter One above, throughout the history of the mining industry.

This chapter therefore traces and locates power asymmetry in terms of its historical context, and demonstrates how fissures, disputes and unresolved conflicts between stakeholders and mining firms have emerged over the years and how these have intensified the power imbalance in the overall relationship and specific engagements between mining firms and their stakeholders. The chapter discusses how the stakeholders of mining firms have been impacted by power asymmetry and its differential impacts on, for example, labour stakeholders as opposed to mine-host community stakeholders.

The political, social, and economic landscapes of South Africa have all been dominated by the mining industry since the turn of the 19th century. Even today, the mining sector continues to play a significant role in the socioeconomic fabric of the country and remains the mainstay of the South African economy. According to the 2020 Annual Report of the Minerals Council of South Africa; in 2020, the mining sector contributed R362 billion (8,2%) of the country's gross domestic product (GDP). The mining sector employed 451,427 people in 2020 and during that time it also contributed R6,5 billion to the national government in the form of taxes and royalties.

This chapter distinguishes three historical periods in tracing and locating the evolution of power asymmetry in the mining industry: the colonial period from the 1800s to 1948; the apartheid period from 1948 to 1994; and the democratic period from 1994 to the present day.

The dynamics of power asymmetry have evolved during the progression from one historical period to the next, and the implications for stakeholder relationships have equally evolved over time. How this happened and what it meant is detailed in the sections that follow.

2.2 The colonial period: 1800s – 1948

The history of the colonisation of South Africa dates back to the establishment of a settlement at Table Bay in the Western Cape by the Dutch East India Company in 1652. However, from 1806, when the Cape Province became a British colony, British colonialism and the English language came to dominate.

Diamond-mining began at Kimberley after 1867, leading to the development of the first large-scale coalfield at Molteno in 1870 to power the Kimberley mines; gold was mined on the Witwatersrand (around Johannesburg) after 1886, and broader industrial development steadily intensified the demand for coal. The mass recruitment of black African employees for the mines can be dated to the late 1880s. As the mining industry grew and gathered momentum, black landowners were uprooted and pressured to work on the mines, first by the imposition of cash taxes they could not otherwise pay, and ultimately by the countrywide dispossessions enacted in the Black Land Act of 1913. (Harrison & Zack, 2012).

This dispossession of black people from their land weakened their asset base, thereby reducing their economic power to negotiate and to enter into stakeholder engagements from a position of equality with their formidable counterparts, the mining firms.

The recruitment of cheap black African labour helped the mining firms of the period to contain their costs, and this stimulated their economic activities. Simultaneously, however, it robbed black African employees of any power leverage in their engagements with the mining firms, although they were critical stakeholders (Harrison & Zack, 2012). As one example, the real wages for black gold mine workers were frozen in 1911; by 1969 (58 years later) they remained the same and had declined in real purchasing power. Further, the 1911 wages established for mine workers were lower than those that had prevailed in the previous two decades (Harrison & Zack, 2012).

Endorsed by government, the colonial policies of the country marked, propelled, and legitimised the early onset of power asymmetry between mining firms and stakeholders. Colonial policies overall, and specifically in the mining industry, squeezed black farmers out of farming and relegated them to the status of wage labourers. The Employment Bureau of Africa (TEBA) was established by the then Chamber of Mines – now the Minerals Council of South Africa – and became the reservoir from which mining firms could secure cheap black African labour to support the mining industry from its beginnings and through its expansion (Forrest, 2013; Humby, 2016).

Black African workers who came to the mines to earn a living were confined to hard menial labour in low-paying jobs, irrespective of their levels of education, age, or work experience, something formalised by the 1926 Mines and Works Amendment, which followed a decade of intense industrial unrest among both black and white mineworkers and essentially rewarded already privileged white mineworkers for staging an insurrection: the 1922 Rand Revolt. But it was the attempts by black African workers to break away from their employment contracts that were most severely punished. This was to intensify with the advent of apartheid. After 1948, legislation was codified and strengthened in direct support for the mining industry and punishment for infractions, including imprisonment, harshly imposed (Humby, 2016), as detailed below.

2.3 The apartheid period: 1948 –1994

The rule of an Afrikaner (Dutch-descended; Afrikaans-speaking) elite that began in 1948 and continued without black or meaningful mixed-race representation until 1994, saw the continuation of the fundamental tenets of colonial rule. Apartheid perpetuated the power dominance of mining firms endowed with financial resources, entrepreneurial knowledge, technical skills, and land ownership over marginalised, vulnerable, dispossessed and often under-educated employee-stakeholders. The latter had no financial means or economic power, no wage-bargaining power and no access to technical skills or professional advice.

The exploitation of new commodities such as platinum, chrome, and titanium, in addition to precious metals and gems and the intensification of coal mining in the 1960s, all signalled an advance in the development of South Africa's mining industry, driving the transition into a boom period, where firms set up new operations in provinces such as Limpopo, Northwest, Mpumalanga, Eastern Cape and KwaZulu Natal. The extraction of these new commodities became very profitable, so many mining firms scrambled for access to land where they could be found, making use of land belonging to the “homelands “: territories set aside by the apartheid government as ostensibly self- governing states for tribally defined black populations, run by apartheid-approved leaders. There, the mining firms were able to negotiate land leases from traditional leaders in mine host communities at below market rates, because mine land was governed in terms of customary law (Open Society Foundation for South Africa, 2017), with no title deeds and direct ownership by the landowners, and land ownership housed in a Trust. The mine host communities lacked the skills, knowledge and negotiating leverage to interact on an equal basis with powerful mining firms amply endowed with all these resources.

The mining firms continued to generate economic wealth from the mining boom and their executives and providers of capital were richly rewarded. However, the economic inequality, social squalor and poverty in which mine workers and host communities lived continued unabated (Coleman, 2012; Hawkins, 2012). Employee-stakeholders continued to be underpaid for the long hours they worked underground; mine host communities were underpaid in royalties for the land leased to mining firms. The confluence of the above-mentioned factors – a clear demonstration of power asymmetry – set the stage for conflict and confrontation between mining firms and their stakeholders.

Rural mining communities became the epicentre of mining activities in South Africa and were viewed as “mining dependent”: they depended entirely on the activity for their livelihoods and sustenance. Many rural mining communities are located in the peripheral and poorer provinces, such as Northwest, Limpopo, Northern Cape, and Mpumalanga (Capps, 2016; Rogerson, 2012). Because they were marginalised and excluded from participation in the economic opportunities of the mining firms, mine host communities continued to experience high levels of poverty, high unemployment, and deprivation (Mtero, 2017), despite their proximity to mining firms and their operational activities.

Where mine host communities lost ploughing and grazing land to make way for mines, some members of these communities were absorbed as mine employees. Others were unable to find sources of sustainable livelihood for themselves and their families. It cannot be formally verified whether mine-host communities were compensated for leasing their land and for the loss of their ploughing and grazing land; the relevant agreements between mining firms and their stakeholders were never made known to the public and remain confidential (Pickering & Nyapisi, 2017). In 1987 mineworkers decided to strike and withheld their labour to mine employers in support of demands for a living wage, improved fringe benefits and decent working conditions. Some 300,000 mineworkers participated in the 1987 strike; to this day it is still considered the biggest and costliest wage dispute in the history of South Africa (Howcroft.P, 2000). Although the mining firms forfeited millions of rands in lost production, they used their financial power and authority as employers, retaliating by dismissing 50,000 mine workers (Howcroft.P, 2000). The exercise of power by mining firms expressed through the dismissal of so many mine workers weakened employees' ability to use the strategy of withholding their labour as their power leverage against the mining firms.

After this weakening blow against the financial muscle power of employee-stakeholders, black African workers continued to be paid low wages. However, white mine workers – immigrants or the descendants of immigrants from Great Britain and Australia – who had access to acquire high-level mining skills and expertise had historically received far higher salaries – particularly after the events of the 1920s discussed above – and continued to do so. Over time, the practice of employing expensive white labour squeezed the profits of mining firms. When commodity prices dipped, mining firms began to replace white mine workers with cheaper black workers to contain their mining costs and to improve their profits (Yudelman, 1984), entailing regulatory changes that, longer- term, contributed to the erosion of apartheid's legal framework.

The migrant labour system, which had begun under colonialism and remained in place until 1994, stripped black African workers of their dignity and rural identities, extinguished their bargaining power, diminished their asset base, and rendered them unable to purchase land in the areas where they were worked (Humby, 2016). The harsher treatment of black African workers by mining firms had been reinforced by the notorious closed compound and later the hostel system over the same time span (Hermanus et al., 2019; Humby, 2016). The hostel system was a form of accommodation used for cheap labour in the mines and cities, where labourers were housed in a unique accommodation type in the form of a closed compound.

This further aggravated black mine workers' impoverishment, relegated them to the margins of society, and damaged family structure. The pent-up anger and resentment that black African workers and their communities harboured against the mining firms because of all these harsh and unfair exercises of asymmetrical power, created a climate highly unconducive to the effective functioning of stakeholder engagements or the optimal development of stakeholder relationships. These remnants of uneven power distribution still persist and reverberate to this day.

2.4 The democratic period: 1994 – present

The Mineral and Petroleum Resources Development Act 28 of 2002 (Republic of South Africa, 2002), introduced by South Africa's first democratically elected government in 1994, became the new legislation regulating and governing mining activities in South Africa. The MPRDA replaced and superseded all earlier mining legislation, and the new act resulted in a complete overhaul of mining regulation in South Africa. Under the new MPRDA, mining firms were now required to develop social and labour plans (SLPs: plans to promote economic growth, employment, and economic welfare in mine-host communities) after consultation with host communities and before they could become eligible for the issuance of mining rights by the mining authorities (Mtero, 2017). However, the MPRDA does not make it mandatory for mining firms to obtain consent from mine host communities before they can submit SLPs as part of their application to the mining authorities for mining rights.

This omission by the government of mandatory consent from mine host communities as a precondition – which has not, to date, been rectified – has had an important unintended effect. It has given the firms an unassailable power advantage over host community stakeholders by weakening their bargaining power. The omission further strengthened the momentum of persistent power asymmetry between mining firms and their host community stakeholders. The arrival of a new democratic government did not address the practice of using black African mine workers as cheap labour, which was a legacy of colonial and apartheid policies, the poverty created by generations of low wages. The historic racialised dispossession of land belonging to black people (Mtero, 2017) continued unabated.

Mine-host communities by customary law have rights of use to the communal land on which they reside. However, they have no title deeds and no security of tenure. Consequently, such land is kept in a community trust under the custody of traditional leaders. Traditional leaders often enter into land lease agreements concerning communal land with mining firms without proper consultation with, and/or the consent of, their mine-host communities (Action Aid, 2018). This often results in conflict and fissures among stakeholders themselves; and between stakeholders and mining firms, because mine host community stakeholders are frequently kept in the dark about the lucrative dealings on their mineral-rich land between the mining firms and the traditional leaders (Pickering & Nyapisi, 2017).

Because mine-host communities have limited access to information, they are not empowered to know their rights or understand the law that applies to mining; they lack the skills and expertise to find out about their rights and the financial means to access the knowledge that could empower them to understanding and assert their rights. Such knowledge disparity further weakens stakeholders' power position in promoting their interests and compounds the power asymmetry between mine host community stakeholders and the mining firms (Centre for Environmental Rights, 2013).

Mining firms, in an attempt to avoid the protracted processes of consultation with mine host community stakeholders – which they describe as protracted, risky, and expensive (Nyembo & Lees, 2020) often negotiate with illegitimate traditional leaders or with tribal authorities who are not members of the local community in exchange for monetary gain (Nyembo & Lees, 2020). This practice in itself further fuels schisms between communities and "leaders" as well as conflicts and confrontation among host community stakeholders.

Mining projects are complex and highly technical in nature. Understanding their detail and implications requires specialised knowledge and expertise, and mine host communities often lack access to professional advice and the financial capacity to engage it. As a result, mine host community stakeholders are unable to evaluate or interrogate the information distributed to them by the mining firms (Centre for Environmental Rights, 2013). The Benchmarks Foundation, in its 2018 annual report, highlighted that mining firms do not engage with mine-host communities or their representatives as equals. The Foundation criticised them for not making their strategic intentions open, transparent, and clear, so that mine host community stakeholders can engage them on their strategic plans and contribute their own inputs.

Mine host community stakeholders expect mining firms to develop and co-create long- term strategic plans with them, predicated on the promotion of their stakeholder interests, because such collaborative engagements would result in the creation of sustainable relationships between stakeholders and the firm (Bench Marks Foundation, 2018). The Marikana incident of August 2012 described in Chapter One, still lingers as a grim reminder and a clear demonstration of what can happen when power asymmetry and its resulting conflicts are allowed to escalate and not resolved in ways promoting the shared interests of all.

2.5 Summary

The history of the mining industry in South Africa – and, in particular, the relationship between mining firms and mine host community stakeholders – has been characterised by conflicts: confrontations due to the deliberate and intentional disempowerment by mining firms of mine host community stakeholders through, among others, forced land dispossession, the payment of below-market amounts for mine royalties and land leases and the poverty wages paid to black African mine workers. Both the system of colonialism and the apartheid government, across the period from 1867 to 1994, further aided, abetted, and intensified the dominant power of mining firms over their mine host community stakeholder counterparts. This resulted in sustained conflicts and the prevalence of suboptimal stakeholder engagements and relationships.

The superior power advantage of mining firms emanated from their exclusive command of financial resources, entrepreneurial knowledge, and technical expertise. It was further entrenched, augmented, and supported by the colonial and apartheid governments in legislating and enforcing dispossession without compensation of land that belonged to black people. The migrant labour system, which provided cheap black African labour to the mining industry, added further impetus. Employee stakeholders had, among others, no wage bargaining power and highly restricted education and were offered a role only as cheap labour with substandard wages. When they attempted to get out of their mine employment contracts, they were sanctioned with imprisonment. Mine-host community stakeholders who relied on their traditional leaders to negotiate land lease agreements against the mining firms were and still are taken advantage of by the mining firms and by their traditional leaders: they are rarely if ever consulted and updated on the structure, terms, and conditions of land lease agreements.

The power asymmetry dynamics discussed above did not take place exclusively in, and were not confined only to, the country's mining industry under colonial and apartheid rule. Many analogous examples and experiences have been recounted across many industries including agriculture. However, for the purpose of this study, the mining industry is the grounding context. It has been selected because of the uniqueness of the power asymmetry dynamic that prevailed during the colonial and apartheid periods up to the current democratic dispensation. The Marikana incident of August 2012 serves as a confirmatory reminder of the continuing existence of power asymmetry as well as a tragic example of power asymmetry gone wrong.
This chapter highlights the deeply entrenched, and embedded nature of power asymmetry in stakeholder engagements in the mining industry in South Africa over centuries, and the adverse effects it had and still has on cultivating optimal relationships between mining firms and their stakeholders. The narrative underlines the importance of understanding the history of power asymmetry, its scale and legacy, and why and how fissures and conflicts continue to exist to this day between mine host community stakeholders and mining firms.
This understanding forms one foundation for what this study goes on to propose: a framework and mechanisms that both stakeholders and firms can apply to optimise their engagements and create sustainable stakeholder relationships promoting the interests of all parties. Discussion of extant scholarship can both enrich this understanding and uncover incompletely researched areas, assisting in refining the perspectives and processes of this research. It is to a consideration of these aspects that Chapter Three proceeds.

CHAPTER THREE: CONCEPTS AND CONSTRUCTS OF POWER

3.1 Introduction

In this chapter I review the relevant literature by discussing how it has dealt with the constructs relevant to my inquiry: power, power asymmetry, stakeholders, and the firm, with particular focus on their evolution and development over time and on the areas less completely represented in the discourse.

Because a historical perspective is so important to this study, the literature review spans two centuries. It covers the periods from 1947–2000, and 2001–present. For the earlier period an account is offered of Twentieth Century scholarship: how the foundational work of Weber on power was elaborated by subsequent scholars, and the shifts in focus that followed. The period from 2001 to the present updates the analysis, with discussion of 21st century – and particularly current – scholarship and theoretical development.

This approach assists in locating those aspects of scholarship most relevant to this study. In particular, it highlights how the constructs have intersected with each other during their development over time, and the significance of, in particular, the key works of Foucault (1970), Freeman (1984), Habermas (1990), Mitchell et al. (1987), and Dawkins (2014).

3.2 Review of literature during the period 1945 – 2000

3.2.1 Power

Weber (1947) defined power as “the probability that one actor within a social relationship would be in a position to carry out his own will, despite resistance”. Dahl (1957) enhanced this definition, defining power as “a relationship among social actors in which one social actor A, can get another social actor B, to do something that B would not otherwise have done”.

Although power had already been described (Emerson, 1962) as a property of social relations existing only because one party was dependent on another, it was Foucault (1970) not quite a decade later, who advanced scholarly understanding of power by asserting that the power of others, or the exercise of power over others, is an inseparable aspect of stakeholder relationships. Foucault (1970) offered the perspective that power should be viewed as a matrix, in which the customs, practices, and agreements of communal power are embedded. Foucault (1979)

further suggested that even when power is hidden, its impact on the interactions between stakeholders and the firm may be clearly felt.
This richer conceptualisation of power was later strengthened by Gaski (1984), who defined it as the capacity of one stakeholder to change another's behaviour regardless of resistance. Clegg (1989) established a baseline definition by adding that stakeholders and the firm each have their own sources of power, thereby creating a situation in which conflict is all but inevitable. Clegg's (1989) further contribution was the recommendation that stakeholders should draw upon their power sources, such as resources, discursive legitimacy, and the authority derived from their respective constituencies, to bolster their leverage during engagements with the firm.
The normative implications of this were foregrounded when Habermas (1984, 1987) asserted that stakeholders and the firm should focus on the objective of reaching understanding amongst themselves through collective cooperation to promote their plural stakeholder interests, rather than focusing on self-interested behaviour. Habermas (1984) further asserted the importance of cooperative action between stakeholders and the firm, so that both parties could engage in reasoned deliberations recognising, respecting, and agreeing on the capacity of each participant to communicate both their own positions and those of others.
By the 1990s, the focus of the discussion had shifted from definitions of power and their normative implications to how power is exercised. Power may be tricky to define (Mitchell et al., 1997) but is less difficult to recognise: it is signalled by the ability of those who possess it to bring about the outcomes that they desire: “a party to a relationship has power to the extent that it has or can gain access to coercive, utilitarian or normative means to impose its will in the relationship” (Mitchell et al., 1997, p. 865).
Because power is transient – it can be gained or lost – however, how it is exercised stems from the choices each party makes (Mitchell et al., 1997). Thus, in contextualising the exercise of power, even though a stakeholder may possess the power to impose their will on a firm, only if that stakeholder is conscious that they possess it and is willing to exercise it, does that stakeholder have salience for the firm (Mitchell et al., 1997). This distinction between having power and exercising power is an important one. Having power describes simply being in a position to assert one's will over another stakeholder; exercising power refers to actually using

that position to change behaviour and achieve a desired outcome (Nye, 1990). What matters to the firm is for the power of the stakeholder to be rooted in authority and legitimacy.

Habermas's (1984; 1987) normative proposal that stakeholders and the firm should reach an accommodation to resolve power disputes between them did not extend to discussion of how stakeholders might leverage their power. It was the work of Salancik and Brand (1992) that began to explore this dimension, proposing that stakeholders have two options: to exercise discretion over the allocation of resources; and/or over the use of such resources. However, exercising discretion requires a symmetrical distribution of power and this, as discussed below, is an area rather less well developed by business scholarship to date.

3.2.2 Power asymmetry

Rather than elaborating definitions of power asymmetry, business model literature has preferred to discuss the construct by locating instances in stakeholder engagements – most importantly in resource-exchange relationships – where such asymmetry exists. As one example, Salancik and Pfeffer (1978) suggest that power asymmetry exists where there is stakeholder power and firm power due to a mutually dependent but unequal relationship arising out of the resource-exchange relationship.

For the purposes of this study, therefore, the starting point will be a basic dictionary definition: “the situation of not being equal or the same; something that causes this situation” (Oxford English Dictionary, 2022). The dictionary (2022) illustrates this with the example of "power asymmetry between the two countries”: clearly analogous to the situation between a firm and its stakeholders.

Power asymmetry exists in all stakeholder relationships and must be managed and recalibrated within the context of an engagement framework and engagement principles. In many regions where there is mining or extractive industries, there is a strong and long history of power asymmetrical relationships between firms and host communities. This has been the business model, which is proving to be dysfunctional, conflictual and poses sustainability risks for both the business and its stakeholders. The status quo of unmoderated power asymmetrical relationships irrespective of the geographical context is not sustainable; therefore, new ways of optimising how such relationships must work ought to be investigated, applied and recalibrated.

This study focuses attention on this area of intersection between firms and host communities to underscore the core issues at the centre of such relationships, and it is therefore feasible to adapt and apply the engagement framework and engagement principles to address power asymmetrical issues applicable in other regions across the world.

The severity, peculiarity and idiosyncrasies of each geographical setting and how the source of power originated and applied between actors may differ from place to place and so, therefore, the application of the framework and the principles may have to be recalibrated and adjusted to address the specific needs of each situation because there is no one-size-fits-all solution, only the essence of what is matters. Although the issue of the communal land tenure system may be a unique feature in the South African historical context, the business interest of firms of wanting to access resources that belong to host communities elsewhere, such as in the Niger Delta, Nigeria or Australia (with the Aboriginal community) illustrates the commonality and the preponderance of issues of power asymmetry and how firms with capital, and other means of production continue to command oversized power over their host communities. If firms actively do not recalibrate or intentionally modify power asymmetry, without necessarily having to resort to the courts or government intervention, they introduce the risk to the business due such unstable host community relationship due to failure to optimise the stakeholder relationship that promote joint interests.

The study recommends a mechanism and tools that instil leadership in both the firm and the community stakeholders on how to develop, negotiate and conclude a socially constructed engagement framework and principles that will establish and embed effective relationships between actors. Events deeply embedded in the social fabric, such as the Marikana tragedy in South Africa, and Ken Saro-Wiwa's death in the Niger Delta during the conflict between the Ogoni people and the Royal Dutch Shell Company, exemplify the complexities of managing stakeholder relationships in a power asymmetrical context and how such relationships cannot be managed without a co-created framework and set of tools designed to optimise the working of such relationships.

Discussing and analysing power asymmetry within the context of a resource-exchange relationship (Salancik & Pfeffer, 1978), however, has utility in illuminating the sources of stakeholder power and the issues around choices in leveraging power. Power asymmetry arises because both stakeholder and firm power both exist in the resource- exchange relationship, but within that relationship, the firm is not self-contained or self- sufficient. It relies on stakeholders to provide it with the resources required to drive operational and financial success and this endows stakeholders with power over the firm (Salancik & Pfeffer, 1978).

Consideration of how stakeholders can leverage this power (Salancik & Brand, 1992, p. 3) was elaborated by Frooman (1999), who proposed that, as stakeholders of the firm, employees can exercise their discretion by withholding their labour and skills, and this may impact on the choices the firm makes in response. Frooman (1999), however, cautions that the strategy of withholding resources has a dual effect: it has a financial impact on both the firm and employee-stakeholders.

There are therefore compelling arguments for firms to consider their role as participants in multi-actor relationships and recognise that they exist in a stakeholder context (Frooman, 1999). How counterpart stakeholders choose to act or not act can be decisive in whether a firm achieves its goals.

Utilising forms of the withholding strategy proposed by Salancik and Brand (1992) and elaborated by Frooman (1999), in the case of mine-host communities, presents them with a number of power levers they can exercise against mining firms. For example, they might disrupt mine operations by blocking access to those areas of the mine essential for extracting mineral resources. Barricading roads to block access for employees and contractors to access the premises of the mining firm and disrupting the supply of critical resources required for the mine operations to continue are among the options for the exercise of power by stakeholders.

The resource-exchange relationship thus provides both the firm and stakeholders with power. However, the dominant power advantage the firm holds relative to other stakeholders may give rise to opportunistic behaviour by the firm in instances of conflicting interests. As early as 1981, Axel and Hamilton (1981) cautioned the firm to exercise restraint, as it has a predisposition to act in accordance with its own interests at the expense of those of other stakeholders. Habermas (1990) reinforced this argument, declaring that conflict is unavoidable when power asymmetry prevails between firms and stakeholders. It was in this context that he proposed the need for building mutual understanding and agreement described in Section 3.1.

However, limited literature to guide either scholarship or practice has emerged in the wake of this work articulating any detailed framework for how the mutual understanding and agreement he suggested should be developed or implemented. Habermas (1990) asserted that power asymmetry between the firm and stakeholders was a morally illegitimate outcome. The core of his argument was that, ideally, to ensure a good faith engagement, a complete elimination of power asymmetry between the firm and stakeholders is necessary. Firms cannot avoid bias in their stakeholder engagement efforts: the inherent nature of firm power and the reasoning and language governing the relationship all place the firm at an oversized power advantage relative to its stakeholders. This was an absolute, purist and idealistic position, advocating for the complete elimination of power asymmetry between the firm and its stakeholders and making no concessions for a middle path of moderating it. It is not practicable in the prevailing context of commercial reality within which business is conducted. Habermas (1984) proposed his ‘ideal speech condition’ as a regulative goal rather than an operational requirement. For this reason, investigating any all-or-nothing approach to power asymmetry falls outside the scope of this study. It is to consideration of what is known about those realities as they impact on first, stakeholders, and then the firm that this discussion of extant scholarship now turns.

3.2.3 Stakeholders

Rhenman (1964) defined stakeholders as those “who are depending on the firm to achieve their personal goals and on whom the firm is depending for its existence” (Mitchell et al., 1997, p. 858). Other definitions (e.g. Allstedt & Jahnukainen, 1971) emphasised own interests and goals as drivers of the dependence of stakeholders. Bowie (1990, p. 112) focused on the firm's dependence: in his formulation, stakeholders are those, “without whose support the firm would cease to exist”. Freeman and Evan (1990, p. 79) nuanced this relationship by introducing the impact of firm power: stakeholders are those who “benefit from or are harmed by, and whose rights are violated or respected by the actions of the firm”.

Emerging from all these contributions to the definition is a consistent message about mutuality of interests and existential dependence between the firm and stakeholders: about a relationship. What that relationship might encompass was elaborated by Carroll (1998, p. 57), proposing that a stakeholder may be one who “asserts to have one or more kind of stakes – ranging from an interest to a right (legal or moral) to ownership or legal title to the firm’s assets or property.”

While Thompson et al. (1991, p. 209) proposed broadly that stakeholders must be in “a relationship with an organization". However, both Freeman and Evan (1990) and

Savage et al. (1991), focused on the place of formality in the relationship between the firm and stakeholders. The former (1990) defined stakeholders as contract holders, while the latter (1991, p. 61) foregrounded both mutuality of interest and formality, proposing that a stakeholder must "have an interest in the actions of an organisation and must have the ability to influence it".

Yet the broad "relationship with an organization" suggested by Thompson et al. (1991, p. 209) need not be reduced to writing for it to be valid. For example, mine-host communities may have a relationship with a mining firm operating in their community purely by virtue of the community making their land available for mining. Salancik and Pfeffer (1978) in fact, asserted that the necessity for a resource-exchange relationship does not imply that it must be reduced to writing.

The stakeholder definition was further nuanced by Hill and Jones (1992, p. 133) who added that stakeholders must be "constituents who have a legitimate claim on the firm . . . established through the existence of an exchange relationship", and who supply "the firm with critical resources (contributions) and in exchange each expects its interest to be satisfied by inducements."

This was only one of the elaborations of the definition of stakeholder(s) contributed by scholars in the 1990s, a decade during which the construct received increased scrutiny. Table 1 contains a summary of key areas of scholarship.

Table 1

Summary of Key Areas of Scholarship and Authors

Key areas of scholarship	Authors
Stakeholders must be “participants in the human process of joint value creation of the firm”	Freeman (1994, p. 415)
Stakeholders must “interact with and give meaning and definition to the firm”	Wicks et al. (1994, p. 483)
Stakeholders “must bear some form of risk as a result of having invested some form of capital, human or financial, something of value in a firm” or “are placed at risk as a result of a firm's activities”	Clarkson (1995, p. 5)
The firm is significantly responsible for Stakeholder’s wellbeing, or the Stakeholder holds a moral or legal claim on the firm”	Langtry (1994, p. 433)
Stakeholders are “persons or groups that have legitimate interests in procedural or substantive aspects of a firm's activity”	Donaldson and Preston (1995, p. 85)
A socially responsible stakeholder relationship requires the inclusion of stakeholders, and this must be done by the firm in an unbiased manner and should not prioritise its own interests simply because it has the dominant power advantage	Ulrich (1996)

All these contributions illuminate a comprehensive and nuanced characterisation of the construct of stakeholder. Taken together, they emphasise that the context of the resource-exchange relationship makes it necessary to consider the definition of a stakeholder both in its own right and in relationship to the firm.

Conversely, some scholars suggest that the definition of a stakeholder is merely a “product of social construction and… not based on objective reality” (Mitchell et al., 1997, p. 868). They suggest no standard formula, or conscious will, or effort is involved in determining who is a stakeholder. The definition is informed by context and no “one size fits all” or steady state stakeholder definition exists.

Because of this, and because of the multiplicity of relationships a firm may have with stakeholders, and their complex, interwoven nature, the firm therefore needs to prioritise stakeholders and identify which “really count” in any engagement. This leads to consideration of what factors enable such prioritisation.

Most importantly, a relationship must exist between the firm and the stakeholder, which is a “legitimate, non-trivial relationship such as exchange transactions, action impacts, and moral responsibilities” (Brenner, 1993, p. 205). The stakeholder must “interact with and give meaning and definition to the firm” (Wicks, et al., 1994, p. 483). However, the mere existence of a relationship is not adequate: there must be power dependence. That is, the firm must be dependent on the stakeholder (Freeman & Reed, 1983) and vice versa: the stakeholder “can affect or is affected by the achievement of the firm’s objectives” (Freeman, 1984, p. 46). In other words, the stakeholder must be similarly dependent on the firm: “the firm is significantly responsible for their well-being, or the stakeholder holds moral or legal claim on the firm and/or the firm has power over the stakeholder” (Freeman, 1984, p. 46).

Secondly, the stakeholder must be viewed as having interests, even though they may not have sufficient power and authority to influence the firm (Loosemore, 1999).

As well as the relationship between the firm and the stakeholder being one of mutual power dependence, the following additional characteristics (Freeman, 1984) are required: the relationship must be legitimate; the firm and stakeholders are in a contractual relationship; the stakeholder has a claim on the firm; the stakeholder has something at risk; and the stakeholder has a moral claim on the firm.

Importantly, Mitchell et al. (1997, p. 866) characterised legitimacy as “socially accepted and expected structures or behaviours often coupled implicitly with that of power when people attempt to evaluate the nature of relationship in society”. The concept of social construction enriches the definition and characterisation of a stakeholder: “an entity may have legitimate standing in society, or it may have a legitimate claim on the firm, however, unless it has either the power to enforce its will in the relationship or a perception that its claim is urgent, it will not achieve salience for the firm's managers” (Mitchell et al., 1997, p. 866). Other authors, (e.g. Suchman, 1995, p. 574) argued that legitimacy itself is “a social system” (Mitchell et al., 1997, p. 867) suggests that legitimacy is attained at multiple levels: individual, organisational, and societal.

Mitchell et al. (1997, p. 864) argued that legitimacy “is a desirable social good, that it is something larger and more shared than a mere self-perception, and that it may be defined and negotiated differently at various levels of social organization". In this framework, legitimacy too is socially constructed and does not lend itself to an objective measure or a steady-state definition. There may well be stakeholders who do not have power, yet they matter to firms and managers and thus, “in the socially constructed world within which managers engage stakeholders”, they must be counted as legitimate. (Mitchell et al., 1997, p. 873)

The final factor in determining which stakeholders "really count" is that there must be urgency in the relationship between the firm and these stakeholders (Mitchell et al., 1997). For the purposes of this discussion, urgency is determined by two factors: time- sensitivity and criticality. The first refers to the degree to which delay by the firm in acting or dealing with the stakeholder claim or relationship is or is not acceptable to the stakeholder; the second, the importance of the claim, interest, or relationship to the stakeholder.

In summary, four factors determine whether the stakeholder “really counts” to the firm: a relationship with the firm must exist; there must be power dependence between the firm and the stakeholder; the stakeholder must have legitimacy; and there must be urgency. For the purposes of this research, at least one, but not all, of these factors need to be present for the stakeholder to be identified as salient by the firm. However, the more of these factors that are present, the higher the level of salience between the firm and the stakeholder, and the greater the likelihood of a stakeholder being considered by the firm as one that “really counts”.

3.2.4 Firm

Scholarly discussion of the role of the firm in society can be traced to origins in the views expressed by Friedman (1970), who posited that the responsibilities of the firm should not go beyond legal requirements and the rules of common decency. Friedman expanded this statement (1970, p. 218) to detail how firms must conform "to the basic rules of the society, both that embodied in law and those that embodied in ethical customers". Levitt (1970) in agreeing with Friedman (1970), argued that the role of the firm was to make profit, and social responsibility was the task of government. However, Epstein (1978, p. 33) posited that firms must act consistently "with the moral foundations of society" while Carrol (1979, p. 500), proposed that the "firm's responsibilities are derived from societal expectations at a given point in time". Carroll (1998) advocated for the expansion of the role of the firm and suggested that its roles and responsibilities must include economic, legal, ethical, and philanthropic responsibilities. The economic responsibility is to be profitable; the legal responsibility to abide by the laws of society; the ethical responsibility is to do what is right; and the philanthropic responsibility is to contribute towards social, educational, recreational, or cultural causes.

In the 1990s the consensus of scholarship – though with important dissenting voices – was that the firm had a broad role in society. Freeman and Evan (1990) stated that the firm must take on board the interests of all stakeholders. Beiner (1995) foregrounded the concept of corporate citizenship, with such citizenship needing to capture current debates and issues in society and reflect changes in the political, economic, and social environment.

Elkington and Rowlands (1999) argued that firms must provide a major contribution to society through a long-term commitment to social participation, and that such participation should not merely be an indication of the obligation of the firm as a citizen or be viewed as a pre-requisite for good governance; but should rather serve as a basis for individual human and social improvement. Swanson (1999, p. 517), reinforcing Elkington and Rowlands' (1999) view, argued that firms must align their activities with the broader community values. However, Reich (2008, p. 17) offered a dissenting voice, arguing that "firms should not interfere in non-business activities that are the responsibility of government because this may lead to the weakening of the political system and to a problematic politicization of the firm".

By the time the year 2000 marked the end of the 20th century, the role of the firm had developed significantly beyond the boundaries of the narrow definition propounded by Friedman (1970). Despite differences in perspectives, a far more extended role definition for the firm in society was emerging. However, the scholarly discourses around power, power asymmetry and stakeholders had shown more extensive development than that around the firm. This uneven terrain in the scholarship provides important context for the contributions made by scholars in the current period.

3.3 Review of literature from 2001 – present day

3.3.1 Power

Current literature renews and intensifies interest in the responsibility with which power may be exercised and the importance of the voices of the less powerful, with a growing weight of argument that accessible social dialogue offers a route to optimising the outcomes of engagements between the firm and its stakeholders. The power wielded by firms played no less dominant a role in firm decision-making than it had earlier, as well as in how such decisions were constructed (Jawahar & McLaughlin, 2001). There has been, however, acknowledgment that stakeholder participation in the governance processes of the firm remains critical to the success of the latter (Van Buren, 1999).

Mere participation or engagement by the stakeholder does not equate to acting in stakeholder interests; that requires direct attention to the outcomes of the engagement, potentially providing greater assurance that the interests of less powerful stakeholders are being considered. (Greenwood, 2007). Whereas firms can gain the trust of vulnerable and powerless stakeholders, they must subsequently act in a non-opportunistic manner by addressing the rights and interests of stakeholders fairly (Greenwood & Van Buren, 2010).

One element of this is the way power is conceptualised and applied by the firm in relation to its stakeholders, which may determine whether stakeholder relationships will succeed or fail (Torfing et al., 2012). For this reason, Dawkins (2014) argues that firms engaging in stakeholder relations must submit certain issues to arbitration to indicate good faith. In arguing for moderation in the exercise of dominant power by the firm, Dawkins (2015) cautioned that the pressure of the firm's power may result in stakeholders adopting or accepting positions that might contradict their own interests. Additionally, stakeholders who are not sensitive to power relations could end up being tolerant of power positions taken by the firm that may work to their detriment (Dawkins, 2015).

Dawkins (2015) consistently set out the need for moderating the dominant power of the firm, advocating for a normative, assertive culture of engagement with stakeholders. By addressing the range of forms and expressions of firm power that could potentially generate conflict, such measures offer the potential to create conducive conditions for promoting dialogue and for positive engagements that promote mutual interests.

In this context, enhanced understanding of what power the firm has and how it may be applied has utility. Fung (2020) broadened the definition by defining four orders of power: a first, second, and third order plus an ethical order. He described these as covering the capacity of the firm to advocate its own interests, its policies, practices and procedures, its ethical power, and the resources, instruments and levers it can apply to embed its power advantage. The definitional lens applied by Fung (2020) is that of the firm with dominant power, leaving a blank spot around whether such orders of power can be similarly defined and analysed through the lens of a marginalised and vulnerable stakeholder: it does not consider asymmetry.

3.3.2 Power asymmetry

The developing scholarly discourse of the 20th century around the importance of power asymmetry continued its momentum into the 21st century. Many scholars proposed that the decision-making of the firm must be based on social dialogue accessible to all stakeholders, and that such decision-making can lead not only to informed and rational results, but also to an increased likelihood of such decisions being accepted by all stakeholders – even in the continued presence of power asymmetry (Parker, 2002). Gutman and Thompson (2004) concur with Parker's (2002) assertion of the importance of understanding that engagement between the firm and its stakeholders does not always ensure the firm acting in the interest of all those stakeholders. What matters is how power asymmetry can be managed to reduce its impact (Greenwood, 2007).

Acknowledging that no relationship can be power free, Torfing et al. (2012) argue that the substantial impact of power asymmetry between the firm and stakeholders demands the development of a framework to moderate the power of the firm, entailing mechanisms for discussing and reaching agreement on matters that promote stakeholder interests. The power advantage of firms over their stakeholders may not be sustainable, since it undermines and imperils prospects for social change that could produce positive benefits for all (Celerier & Botey, 2015). Therefore, it is important to acknowledge not only how power asymmetry can distort any genuine exercise of reciprocity between the firm and stakeholders but also the need for forms of social dialogue promoting the interests of all stakeholders (Brown & Dillard, 2015). Even where discord and conflict between the firm and stakeholders are typical occurrences, Dawkins (2015) emphasises that what matters is for all parties (the firm and its stakeholders) to engage in a social dialogue with principled flexibility. This permits outcomes to emerge that are mutually acceptable to both stakeholders and firm.

No market-centred remedies are available that support self-regulation or building consensus in ways that capture the full range of power existing between firm and stakeholders. Thus, within the system of capital markets, clashes between various stakeholders and the firm are almost inevitable. This lack makes reconciling opposing interests imperative, to optimise outcomes for all parties (Dawkins, 2015). Civera et al. (2019) conclude that power asymmetry often renders stakeholders unable to express their potential as business partners of the firm in any meaningful and substantive manner. These authors too propose social dialogue to harness and nurture the potential of stakeholders to add value and contribute to optimising stakeholder engagement. The principle of accommodating opposing stakeholder interests has been normatively argued by Dawkins (2015), with subsequent concurrence from Civera et al. (2019). What remains absent from the literature is theoretical and practical inquiry into the modalities by which this principle can be given concrete expression.

3.3.3 Stakeholders

As discussed in the first part of this review, the issue of stakeholder salience – how stakeholders are identified, and whether a stakeholder "really counts" – has been conceptualised not as a steady-state concept or hard definition, but rather as a product of social construction (Mitchell et al., 1997). In this research, the principle applied to define and characterise the salience of the stakeholder to the firm has adhered to the concept of social construction as proposed by Mitchell et al. (1997). Brown and Fraser (2006) suggest that there must be an integration and promotion of multiple stakeholder interests that resonates with both the firm and stakeholders, because stakeholders have a moral standing. But a stakeholder may play multiple roles: a single stakeholder may have relationships at multiple levels with the firm

(Barnett, 2007) and this multilevel set of relationships is discussed in Chapter Four as stakeholder populations are delineated.

An employee of the firm may also be an investor or a shareholder, or a member of a community where the firm conducts its business activities, as well as a member of an NGO, church, or civic organisation. What is therefore required in such a context, Barnett (2007) concludes, is to decide which role is most salient to the firm.

Platforms for communication and public relations alone as the basis for engagement with the firm are inadequate (Freeman et al., 2010). What is required is for stakeholders to be included in the participatory processes of the firm, so that their concerns are considered in crafting and developing new possibilities that nurture enduring stakeholder relationships (Derry, 2012). No stakeholder voice should be ignored or side-lined by the firm simply because it is not considered legitimate and/or powerful (Derry, 2012).

Although Dawkins (2014) concedes that stakeholders may lack pragmatic means, including knowledge, skills, and tools, he emphasises their moral standing to sanction or modify activities that affect them. This necessitates their being empowered with the capacity to change, rather than accept, an unfavourable situation. Dawkins (2015) argues that a stakeholder should be able to build such capacity without dependence on the actions, power, or permission of the firm. What is required, he asserts, is the furtherance of the human dignity of stakeholders through the integration and incorporation of their interests into the decision-making processes of the firm.

This in turn means that a countervailing voice representing the interest of marginalised and vulnerable stakeholders is required (Dawkins, 2015). Concurring, Kumar and Pansari (2016) underline that stakeholders must be committed in seeking to achieve alignment between their values and those of the firm. Agreed rules and processes are needed to regulate interactions between stakeholders and their firms (Klijn & Koppenjan, 2016). But a dearth of literature exists to give effect to these suggestions. Thus, the proposed study seeks to develop such rules and processes.

Current scholarship continues to make a compelling case concerning stakeholders with opposing interests to those of the firm. This appears to place a burden of responsibility on the firm to shed some of its dominant power advantage and share more power with their stakeholders to create mutual value. This may be commendable, but it may prove difficult for firms to do this voluntarily, presenting a need for measures stakeholders can apply to modulate their power, bolster their position, and better empower themselves to counterbalance the dominant position of the firm. A further gap in the literature is therefore evident in the fact that – with the exception of Frooman (1999) – scholars do not seem to have explored developing such measures.

This study is thus focused on suggesting and proposing mechanisms, measures, and a framework that stakeholders can apply to leverage their own power to promote their interests with the firm in conditions where power asymmetry exists.

3.3.4 Firm

Despite considerable growth in the quantity of scholarship on the role of the firm before the beginning of the 21st century, no scholarly consensus had emerged on what the role of the firm in society should be. Woods (1991), among scholars arguing for an expanded role for the firm, asserted a new normative argument: that as a corporate citizen, the firm should enter the societal arena not as an individual citizen, but rather as a formidable public actor with a responsibility to uphold individual citizens' rights.

This normative focus was extended significantly by Matten and Crane (2005a), who proposed that the firm needed a broader view of its corporate citizenship role. The role of the firm in society should not simply be about adopting corporate social policies and programmes, but rather about taking up some of the functions of government, which would then embed the firm into "citizenship". As Matten and Crane (2005a) expanded their normative perspective, they proposed that the firm's corporate citizenship role must include rights for individuals, such as employees, customers, and shareholders, as well as others within the wider constituency of firm relationships – even though some in this ambit might not have a direct transactional relationship with the firm.

Matten and Crane (2005b) add that corporate citizenship must be about the social role of the firm and therefore, the firm should be: i) a provider of social rights; ii) an enabler of civil rights; and iii) a channel of political rights. They caution, however, that as the firm enters the arena of corporate citizenship on a discretionary basis, no specific or prescribed legal or regulatory framework exists to guide institutionalising the administration of citizenship.

The core argument advanced by Matten and Crane (2005b) is that the firm, in taking over vital functions of government, also needs to assume the concomitant accountability attached to the function which modern society demands (though the firm has freedom and flexibility in how it constructs its role and responsibilities). This recommendation has been successfully applied by some mining firms. For example, where the firms operate in underdeveloped rural communities in South Africa, they have built schools, roads, and healthcare facilities. This approach, however, carries a risk: mine-host communities and other stakeholders may start demanding that the firm fulfil government responsibilities, thereby absolving government of its own constitutional responsibilities for providing essential services and infrastructure. Because firms are distributors of benefits and opportunities in society, they are expected to create mechanisms by which stakeholders can represent their own interests, and to build alliances with stakeholders to mitigate risks (Moriarty, 2005; Palazzo & Scherer, 2006). Arguing that literature has paid little attention to the relationship between business and society, Palazzo and Scherer (2006) posit that firms need to reconsider their policies so that they are able to maintain and reproduce legitimacy and should strive to create a two-way dialogue premised on joint decisions (Cooper & Owen, 2007).

To allow for effective stakeholder engagements to emerge, the firm needs to empower stakeholders so that they become stronger and more competent counterparts (O'Riordan & Fairbass, 2008). The role of the firm itself must be that of both an economically and a socially responsible stakeholder (Scherer & Palazzo, 2007). In this regard, its engagement with stakeholders must be predicated on seeking to understand their expectations of the strategies implemented. It must seek an optimal balance of interests (Freeman et al., 2010), through reconsidering its own power privilege (Delbridge & Keenoy, 2010) in order to accommodate the interests of other stakeholders. Acknowledging its expanded role in society, the firm must engage with stakeholders in ways that recognise the inherent reality of power asymmetry, trace its effects, and impact, and apply appropriate power mitigation strategies to empower marginalised and vulnerable stakeholders (Dawkins, 2014; 2015). In the context of a free-market paradigm, the firm itself is expected to take active measures to reduce the impact of power asymmetry – active measures to accommodate the interests of all stakeholders (Dawkins, 2015).

3.4 Conclusion

The 20th and the 21st centuries saw significant advances in theory that developed and unpicked the intersections between key constructs relevant to this study: power, power asymmetry, the stakeholder, the firm, and its role in society. Such theoretical developments, however, were largely presented during the Twentieth Century through the lens of the firm or other entities with a dominant power advantage. Scholarly contributions in the Twenty-First Century shifted the focus, boldly and normatively arguing the case for power asymmetry to be addressed by the firm to promote the interests of stakeholders.

Yet gaps remain. In particular, the literature has little to offer by way of detailed theoretical explanations or clear practical guidance on how power should be applied by the firm in stakeholder relationships where power asymmetry prevails, to promote the joint interests of stakeholders and the firm. Literature and practical guidance concerning how power asymmetry might be reduced from the stakeholder side is almost completely absent. No mechanisms and processes are discussed or frameworks provided that can be applied by the firm or stakeholders to promote joint interests, let alone to assist stakeholders with less power in promoting their interests with the firm in an environment where the firm has the dominant power advantage.

This study begins by accepting that power asymmetry is inherent in stakeholder relationships, cannot be eliminated and will continue to exist. It therefore presents as its contribution to both scholarship and practice, a design for a framework, processes, and mechanisms that allow both firm and stakeholders to promote their joint interests, and stakeholders to leverage their power in their relationship with the firm to counterbalance the existence of power asymmetry.

CHAPTER FOUR: METHODOLOGY

4.1 Introduction

In this chapter I describe the practical aspects of the approach I employed in conducting the research and situate it within the framework of my research approach. In particular, I detail and justify the sampling technique employed. I elaborate on the interview process, discussing the selection of participants and the rationale for my choices here, and explain how the interview process was conducted. I then discuss the data-gathering approach, data analysis and coding strategies that were employed.

4.2 Philosophical paradigm

For this study I adopt an interpretivist paradigm, assuming that social reality is shaped by human experiences and contexts. In working within this paradigm, my assumption as researcher was that knowledge would be constructed based on the insights and contextual meanings of participants (Hiller, 2016). I conducted the research in the participants' own settings to achieve a better understanding of their meanings, experiences, and utterances. I embarked on knowledge construction that was anchored in the depth and breadth of understandings within these meanings. Drawing on Hiller (2016), I acknowledge that, as a researcher, I bring my own world of beliefs and experiences to the interpretive process. Therefore, no interpretation is privileged over any other and no single definitive interpretation exists (Hiller, 2016). For this reason, the interpreted knowledge is presented in a context-specific manner (Green, 2014).

4.3 Approach to theory development

I employed an inductive approach: moving from the particular to the general (Mantere & Ketokivi, 2013). This assisted me in gleaning theoretical insights from the data throughout all phases of the study. Because theory development is iterative, I have constantly compared theory with data to develop the theoretical understanding that most closely fits the data being gathered (Ridder, 2017).

The case-study approach employed was based on interviews and provided me with the latitude, flexibility, and freedom to adjust, by adding questions to the interview protocol during the data collection process (Eisenhardt, 1989a; Harris & Sutton, 1986) to better reflect and accommodate new insights and aspects of inquiry that emerged.

The literature review section has demonstrated how the definition of both the constructs of power and power asymmetry have been developed and evolved over time. South Africa’s historical context and the role of apartheid, though unique in their effects on power and power asymmetry to stakeholders, provides further empirical evidence of the existence, display and development of the constructs of power and power asymmetry. The experiences of power asymmetrical relationships as enunciated in the empirical evidence provided below by respondents clearly explains the conceptual development of the constructs and power asymmetry in supporting the development of the theory.

Firm Respondent: “Our investment proposal does not address what the communities are saying about these investments and what is critical for them to really see this opportunity as fitting to them. When we talked about investment and that we want to build a mine, there is a financial component to it—this is how much we will make as a company. This is something that is solid rather than something that we are defining the communities for. Let us go out there and sign off on what the communities want. I must deliver the investment proposal to build the mine and the plant as well as deliver value to the community, which is also part of the value of the proposal which is costed.”

Firm Respondent: “If they are part of our decision-making, I do not think so. I think it is more listening to them and doing what the right thing. So, I don't think there is a process. I might be wrong because I am not involved that much. But I know that we have these forums where we sort of engage with them and educate them. I think the local municipality should be more involved in decision-making. I think if you speak about the landowner, the doorstep community, it would be more about informing them and not necessarily having them as part of my decision-making. I do not think so.”

Firm Respondent: “I am laughing because social performance always deals with that. And what has happened is that four to five engagements probably would have to take place to understand what these people are saying. But unfortunately, we cannot push them to the side because we have seen their power. If they do not get the response they seek, they go to the Department of Mineral Resources. They have learnt to lobby them and, unfortunately, that has resulted in our having also to play a role as mediator between the mines and the communities. So, we do not disregard that because it could be disruptive if we do. Instead, we engage it, and we try to find

common ground. We only walk away if we have tried our best but still could not find common ground.
Community Respondent: “Somewhere somehow, we don’t blame the majority that want to strike because the mine is known for not taking the community seriously. I think the mine doesn’t take the community seriously because they are aware that most community members don’t know the steps they need to follow. It’s a question of, we know the steps that can be taken but they are not beneficial because at the end of the day, we don’t get what we want from the mine. The other thing is that it can take up to a month or two months before you obtain a formal seat.”
Community Respondent: “That’s when they come to our attention and ask what we want, and we would tell them that we have sent several emails requesting a meeting with them as a service provider and as a foreman, but they don’t respond to me about anything until we block the gate and say no one is going to work. That’s the only time that they will give you attention to find out what we want. That’s what actually happened. Typically, when they give us problems, we just block the gate, that’s how we operate.”
Community Respondent: “So, we met, and I told him our concept, the one we had there. We now want to start a youth organisation that would basically focus on unemployment, skills, education, business, and then arts in its own aspects, your fashion and everything. His response was that they are looking into something like that because now you go and talk and there is no gateway so you can talk to the youth. Currently, we are working on the process whereby we are now having engagements, we’re busy with a proposal on what it is that the youth are demanding from them.”
Community Respondent: “I don’t think the firm would take any advice from the youth when it comes to major decisions.”
Community Respondent: “I, as the Chief, report to the speaker, and so do the ward councillors. The Chief and ward councillors are supposed to work together as directed by the government. Even though we have never worked together, we are meant to. Even our offices are at the same locations. My office is here, and next to it is the mayor’s office. We all work for the needs of the community. I focus on land, and they focus on services. If we work together, things run smoother. Even if we want to approach the mine for assistance, it’s better when I am with the councillor.”

The three case studies which form part of the study have demonstrated how power relationships between the mining firms and mine host community stakeholders are unequal. The mine host community stakeholders are not engaged in the setting up of the agenda for stakeholder engagements, they do not participate in the firm's decision-making processes on matters that affect and pertain to their interests. This provides clear empirical evidence and represents a practical demonstration through data, the existence and dominance of power asymmetry in stakeholder relationships between the mining firms and stakeholder communities.

Power asymmetry in the context of stakeholder relationship remains a relatively new concept that is likely to be defined and refined further by future research, but we cannot wish away or ignore its relevance, dominance and preponderance. Therefore, although there may be a rudimentary or nascent theoretical framework in giving full expression to its theoretical underpinnings, its intellectual force and relevance is clearly supported by empirical evidence as the current research has demonstrated.

4.4 Multiple case-study research design

I have applied a multiple case-study research design to answer the research question (Yin, 2003), using three cases to both identify issues within each case and analyse common and transcendent themes across them all (Yin, 2014). This helped me as the researcher to observe feelings and thought processes and also enabled me to cut through idiosyncrasies and bring to light similarities across the three cases (Siggelkow, 2007). I have acquired an in-depth and holistic understanding of the behavioural conditions of the participants based on their comments, inputs, and interpretative perspectives (Razali & Zainal, 2013)

4.5 Level of analysis

The level of analysis for mining firms was at the decision-making level of executive and non-executive directors, executive committee members, senior managers, and other managers with responsibilities for mining operations and stakeholder management. The level of analysis for stakeholders was at the individual level for each of stakeholder participant from the following categories of stakeholders residing in the mine host community (the area where a mining firm conducted operations and its surrounds): employees of the mining firm; young people; traditional leaders; local business operators; ordinary community members; and municipal ward councillors. These are detailed more fully) Through the three cases, I have analysed and observed emerging patterns, converging, and diverging results were identified and compared against theory to determine or reveal what is.

4.6 Unit of analysis

The unit of analysis for the study is instances of engagement between stakeholders and firms in the SA mining industry under conditions of power asymmetry. Engagements, for the purposes of this study, were defined as interactions based on relationships existing, either formally or informally, between mining firms and mine host community stakeholders.

4.7 Participant selection and criteria

As described above, participants were drawn from the populations of representatives of mining firms and stakeholders in mining host communities. I observed that geographical spread meant that it was possible for a mining firm to have more than one mine-host community, so participants were selected from all the mine host communities where the firm operated, to ensure the study represented every community identified. This situation, and how it shaped the research process is illustrated via the example below.

4.7.1 Illustrative example: Case Study 1

Figure 1 illustrates the stakeholder relationships between the mining firm and the relevant stakeholders for each mine-host community with which the firm is involved. Each mining firm may have up to five or more host communities, each with its own stakeholders. If there are five surrounding mine-host communities for each mining firm, and each mine host community has four to six stakeholders. Theoretically, this suggests around 30 direct stakeholders for each case-study mining firm and a potential 90 or more stakeholder interviews. The figure illustrates these relationships; the section that follows explains the underpinnings of stakeholder selection.

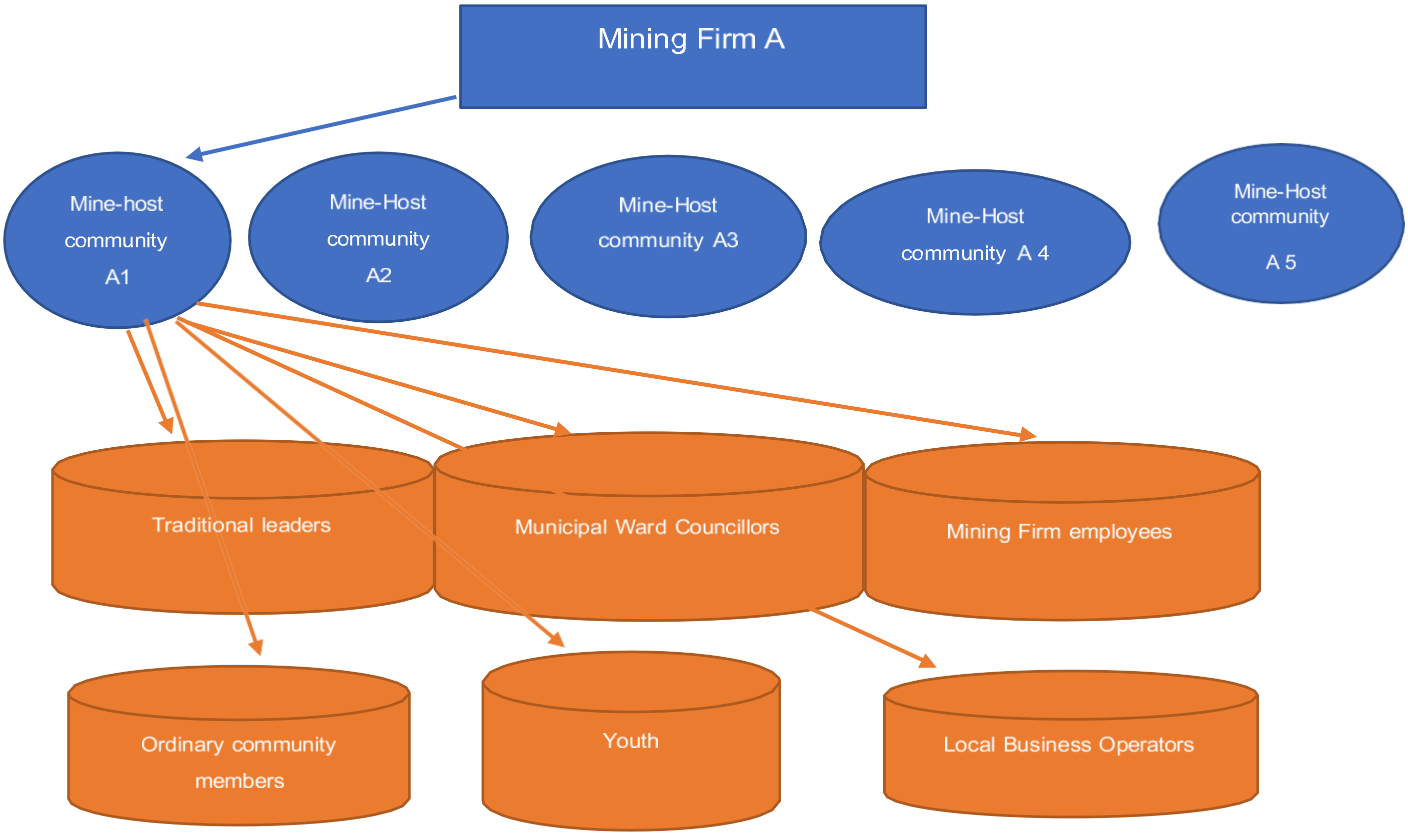


Figure 1

Stakeholder relationships between the mining firm and relevant stakeholders in each mine-host community

4.7.2 Selection of stakeholders

The study employed the criteria developed by Mitchell et al. (1997) in their theory of stakeholder salience, to determine which stakeholders should form part of the study population. In determining what impels a manager to pay more attention to some stakeholders than to others, Mitchell et al. (1997) proposed the criteria of power, legitimacy, and urgency: a stakeholder fulfilling all three of these criteria possesses a high degree of salience for the firm; fulfilling two, indicates a moderate degree and fulfilling one, only a low level. The higher the degree of salience of the stakeholder in the eyes of the firm, the greater the weight the firm accords to that stakeholder's engagement. These criteria are detailed below.

The dynamic, transient nature and social construction of both salience and power has previously been discussed in Chapter Three. Even if power exists today, it may not be permanent or even exist tomorrow. Likewise, stakeholders who meet the salience requirements today may not always meet those requirements in the future, while stakeholders who did not meet salience requirements in the past may meet all or some of them today or in the future. Continuous assessment and evaluation are required.

4.8 Power

As discussed earlier, Mitchell et al. (1997, p. 865) posited that a "party has power to the extent that it has or gains access to coercive, utilitarian or normative means to impose its will in the relationship." They defined stakeholder power as, "power that exists where one social actor A, can get another social actor B, to do something that B would not otherwise have done" (Agle et al., 1999, p. 508). Relying on the work of Etzioni (1964), Mitchell et al. (1997) elaborated three bases of power: coercive power; utilitarian power; and normative power.

They defined coercive power as being based on physical resources such as force, violence, or restraint. Utilitarian power, by contrast, entails the use of resources either, financial, economic, intellectual or land, for purposes of control over the other party. Finally, normative power refers to the use of non-physical resources such as reputation, political and social influence, or proximity to key decision makers.

However, power alone cannot determine stakeholder salience to the firm; hence other factors such as legitimacy and urgency augment the decision-making framework for determining salience.

4.8.1 Legitimacy

In determining legitimacy Mitchell et al. (1997) follow the definition of legitimacy developed by Suchman (1995, p. 866): "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. Legitimacy further has moral, pragmatic, and cognitive aspects, related to whether the actions of the firm or party are proper, desirable, and appropriate to the stakeholder (Suchman, 1995). In summing up legitimacy, Suchman (1995, p. 867) captures it as a "desirable social good" and it is this definition this study employs to define legitimacy.

For mining firms, their "desirable social good" is constituted by the provision of infrastructure, employment and development required in their SLP: a regulatory requirement detailed in Chapter Two. This evidence suggests that legitimacy as defined by Suchman (1995) does exist for the purposes of the study.

4.8.2 Urgency

Mitchell et al. (1997), as detailed in Chapter Three, posited two dimensions of urgency: time sensitivity and criticality. These are, respectively, the degree to which the delay by the firm in acting or dealing with the stakeholder is unacceptable, and the importance of the claim, interests, or relationship to the stakeholder. The theoretical underpinnings can be used for the classification of mining stakeholder groups. Stakeholders meeting all the three salience requirements will be classified as 'Tier 1 Stakeholders'; stakeholders meeting two out of the three will be classified as 'Tier 2 stakeholders'; and those meeting only one will be classified as 'Tier 3 Stakeholders'. Table 2 depicts this classification.

Table 2

Stakeholder Salience Framework

Stakeholder type	Power	Legitimacy	Urgency	Salience
Stakeholder 1	X	X	X	High – Tier 1
Stakeholder 2	X	X	O	Moderate – Tier 2
Stakeholder 3	O	X	X	Moderate – Tier 2
Stakeholder 4	X	O	X	Moderate – Tier 2
Stakeholder 5	X	O	O	Low – Tier 3
Stakeholder 6	O	X	O	Low – Tier 3
Stakeholder 7	O	O	O	Low – Tier 3

4.8.2.1 Operational definition of power: Measurement of power

The quality of engagements resulting in bad and/or mixed relationships, the failure to resolve conflicts and the firm's inability to promote interests of all stakeholders gives clear empirical evidence of the existence of power asymmetry between the firm and stakeholders as well as the firm's oversized power advantage.

However, the ability of the mine host community stakeholders to use force and close mining gates, stop mining operations, disrupt mining production and block access roads to mining operations gives empirical credence of an operational definition and clear measurement of their power. Even though it is qualitative, the mining firms feel the stakeholders' presence, its effects, the weight of their power and its forcefulness resulting in firms' actions that acknowledges its existence and responding appropriately towards addressing the interests of the mine host community stakeholders.

The mining firms have defined their stakeholders as follows:

"Community": A coherent, social group of persons with interests or rights in a particular area of land which they exercise communally in terms of agreement, custom or law.

"Employee": Any person who directly works full-time for the owner of a reconnaissance permission or permit, prospecting right, mining right, mining permit, technical cooperation permit, exploration right and production right, and who is entitled to receive any direct remuneration from the holder of any of the above-mentioned rights, including any person working for an independent contractor.

"Mine community": Defined as those towns, villages and settlements that fall within the surrounding area of the mine.

"Municipality": A local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155 (1) of the Constitution as a Category B municipality.

As far as the SLP is concerned, only the municipality or municipalities within the mine community from which the mine sources 10% or more of its labour are regarded as major labour-sending areas. Special consideration is given to these municipalities because of the requirements for planning and implementation of

Integrated Development Plans. The regulations require that the mine community directly and indirectly address the following issues in the SLP:

a. Existing and expected patterns of human settlements and villages within this community.
b. Patterns of labour sourcing for the mine.
c. Common commuting habits to and from the mine on a daily or weekly basis for the purpose of work.
d. Spending patterns of the mine's employees.
e. The use of social amenities, recreational facilities and infrastructure.
f. Commercial and industrial linkages.
g. Provincial and municipal boundaries.
h. Existing and proposed functional boundaries, including magisterial districts.
i. Existing and expected land use, transport modes and routes.
j. The need for coordinated social development programmes and services including the need for housing, nutrition and healthcare; and
k. The need to rationalise the delivery of sustainable services and other socioeconomic programmes as committed to in this SLP, particularly with respect to pragmatic delivery, financial viability and the mine's administrative capacity.

The SLP was compiled by the mining firm's contribution towards the advancement of the socioeconomic welfare of the mine host community by focusing especially on the social and economic impacts that the operation has on the surrounding communities. The mining firm recognised that because minerals are non-renewable, the focus of the SLP is on managing the impacts of eventual downscaling and mine closures to mitigate the financial and social impacts on communities. The SLP provides for the development of historically disadvantaged employees as well as equips members of the surrounding communities through different training interventions.

4.8.2.2 Operational definition of legitimacy: Measurement of legitimacy

The stakeholder identification and mapping process that the mining firms undertake consist of engagements and consultation engenders close interaction and collaboration with all the community stakeholders. For example, the mining firm is expected to conduct environmental assessment as a precondition to mining.

Part of the environmental assessment involves extensive engagement and elaborate consultation with affected stakeholders. Mining firms are also involved in the relocation of graves for some communities before mining can commence, all these activities, and the basis of such engagements is proof points that anchor and demonstrate the legitimacy of community stakeholders. Therefore, the stakeholder mapping exercise that mining companies undertake prior to the commencement of the mining processes and activities give both an operational definition and a measurement of the legitimacy of the mine community stakeholders as the mapping and stakeholder identification provides empirical evidence of which stakeholders are legitimate and which ones are not.

4.8.2.3 Operational definition of urgency: Urgency

The mining firms have defined in terms of their stakeholder mapping which stakeholders have influence. The firms have defined the universe of their stakeholders in accordance with the requirements of their SLPs, indicating their respective role and importance in the business of the firm. The firms have developed clear engagement strategies, plans, an engagement framework that clearly identifies and articulates community development needs for each community. After due consultation with all such stakeholders, community development plans are part and parcel of the SLP and mining licence conditions and must be submitted to the regulator (DMRE) for approval before each mining firm can commence its mining activities.

The process of stakeholder identification is a consultative process and is part and parcel of each firm’s stakeholder engagement framework, which comprises the following:

(i) Traditional leaders
(ii) The youth
(iii) Local business operators
(iv) Employees
(v) Municipal ward councillors
(vi) Ordinary community members (e.g. women, traditional healers)

These processes are well documented, and each mining firm has a clear engagement strategy that it communicates to the regulator, and which is incorporated in each firm’s annual report.

The mining firms must meet certain commitments within certain time frames as part of the conditions of the mining licences. The mining firms must implement inclusive procurement practices that involve sourcing some of the goods and services from mine host community stakeholders.

To enable the mining firms to execute their responsibilities, they are guided by the accumulated data in terms of the stakeholder mapping exercises that are reviewed annually to check their relevance, currency and appropriateness to what the stakeholder base is like, to identify their needs and to confirm what all parties agreed upon.

In addition to what the mining firms are required to do in terms of their mining licence conditions, some interests that relate to stakeholders may form part of the SLP (mining licence conditions) that the mining community stakeholders want and expect from the mining companies, such as reduction in emission of dust from mining activities and fixing of cracked houses due to mine blasting activities. The community expectations with regard to such matters are urgent and require immediate attention and response because of the adverse impact on health and the quality of life for mine host community stakeholders.

The sections below consider the diversity of contextual factors and interviewee group characteristics, and, where relevant, relate these to the salience framework to explain selection choices.

4.8.3 Location

Mineral resources and mining activities in South Africa are located across all provinces. Each province is endowed with a distinctive mix of mineral resources: for example, coal is found in Mpumalanga and Limpopo provinces, whereas iron ore and manganese are found in the Northern Cape. Each province brings its own cultural nuances and its own history of mining and power asymmetry and practice to enrich the study. To accommodate this diversity adequately, the research design extended across different provinces: a coal mine in Mpumalanga; a platinum mine in Limpopo; and an iron-ore mine in the Northern Cape.

4.8.4 Language diversity

South Africa has 11 official languages, and each province differs in its linguistic mix. As with location, these languages each carry distinct cultures, histories, and experiences. For example, the cultural norms and protocols of Ndebele-speaking people and those of the Swati-speaking people – even though they live in the same

Mpumalanga province – differ significantly, and the same is true of the Venda-speaking and Pedi-speaking peoples both residing in Limpopo Province. Ensuring that the study included participants who were speakers of different languages brought this richness and diversity to bear on the study of power asymmetry. The study encompassed speakers of Swati, Zulu, Tsonga, and Ndebele in Mpumalanga province; speakers of Sotho, Tsonga, Venda, and Sepedi in Limpopo province; and speakers of Afrikaans, Tswana, and Xhosa in the Northern Cape.

4.8.5 Executive leadership

Leadership of the firm is important in setting the tone, posture, and direction of strategic engagement with stakeholders: the values that a CEO embodies and espouses shape the discourse the firm has with its stakeholders. The orientation and posture of the CEO in conceptualising and exercising power in the firm is not only crucial in itself but has a cascading effect throughout the various levels of the firm. If the leadership style from the top is confrontational and combative, this style will eventually permeate all the firm's organisational structures.

To accommodate a diversity of leadership styles and stances, the study focused on selecting CEOs of mining firms with diverse backgrounds in terms of demographics, cultural influences and orientation and views on stakeholders and power, and on analysing how these differences translated into stakeholder relationships and engagement practices in the context of power asymmetry. The CEOs selected were one black male; one white female; and one black female. Each of these CEOs also has a different degree of experience in relation to power and stakeholder engagement. This variety in leadership across the three mining firms in the study provided unique insights that contributed to its richness.

4.8.6 Ownership

Large mining firms tend not to be privately owned and often raise their capital through the stock exchange, either locally or overseas. Foreign stock exchanges have deep capital markets and enable mining firms to raise substantial capital to capitalise their mining operations adequately for an extended period of time throughout the life of mining operations. The firms selected in the study are listed mining firms with diverse shareholders, facing different shareholder expectations driven by different investment objectives. It was important to understand how the leadership of the mining firms responded to the needs and expectations of all stakeholders – including shareholders – even though shareholders did not form part of the study.

4.8.7 Size of mining firms

Large mining firms were selected because the size of the firm can demonstrate more strongly how the firm exercises its power in its relationship with stakeholders. Large firms have greater financial resources, economic power, and larger numbers of employees, and are larger contributors to the fiscus. Their leaders have direct access to the main decision makers. Thus, how large firms in mining deploy their power in engagements with stakeholders is a phenomenon highly relevant to this study.

4.8.8 Tenure of mining in host community

The study focused on mining firms that had been operating in particular mine host communities for a period in excess of ten years. The first assumption behind this is that over such an extended period, mining firms and stakeholders would have had sufficient time to establish their relationship situations and ascertained and established ways of collaborating with each other. Second, after a ten-year period, the power dynamics between the mining firms and stakeholders would have begun to play out in observable ways. The study could thus engage all participants based on extensive experience of mutual engagements. A tenure of ten years-plus of stakeholder relationships created a particularly useful baseline to study the phenomenon of power asymmetry.

4.8.9 Type of stakeholder relationship

The cases selected for the study represented diverse types of relationships between mining firms and stakeholders (see Table 3 for the typology). The study sought to delineate stakeholder relationship types as of three types: good relationships; problematic relationships; and mixed (or average) relationships. The selection of the cases, the preliminary classification and categorisation of each case as either good, mixed or bad in terms of the management of stakeholder relationships prior to the study have been based on the careful review and perusal of the following sources of information:

1. Community stakeholder publications, such as the Sibanye Stillwater report (https://www.sibanyestillwater.com/sustainability/community/), the South African Mining Development Association report (https://pmg.org.za/committee-meeting/28741/) and the Chamber of

Mines of South Africa Integrated Annual Review 2016 (https://www.mineralscouncil.org.za/reports/2016/download/CM-IR16-focus-stakeholder-engagement.pdf)

2. Newspapers and mining industry magazines
3. Minerals Council of South Africa publications
4. Radio, TV, and social media news coverage
5. Information provided by the Mining Industry Regulator, Department of Minerals and Energy (DMRE)

In the categorisation, I looked for indications of the nature of the relationship between the community and the mind, for example mentions of conflict or "success stories". I looked at the frequency and intensity of those comments.

Even though a mining firm may have been granted a mining licence by the Mine Regulator to operate in a particular area, they are still required to obtain the consent and approval of the host community stakeholders to begin operations, so fostering good relationships at this preliminary stage matters.

The relationships were assessed based on participant responses and provided a gauge of the type of relationship in any particular case. Determining the type of relationship overall was based on aggregating the responses of interview participants about the type of relationship each participant believed to exist.

4.8.10 Type of company

a. Company with Mixed (Average) Relationships

   A leading producer and exporter of thermal coal in South Africa. The company is listed on the JSE with PIC. Number of employees = 7 525, and net income is R5 billion.

b. Company with Good Relationships

   An iron ore mining company in South Africa. It is the fifth largest iron ore producer in the world and the largest in Africa. The company is listed on the JSE. Net income = R 29,8 billion (2023) [2][3]. Number of employees = 11 878 [4]. The company approved investment of R7.6 billion ($428 million) in ultra-high-dense-media-separation (UHDMS) technology to boost the quality of iron ore produced and extend the mine's operational life.

c. Company with Bad Relationships

The world's largest primary producer of platinum, accounting for about 38% of global annual supply. The company is listed on JSE. Employees: 20,158. Revenue (2023) = R124,5 billion. Net income (2023) R14.0 billion. The company is investing heavily in the future, with a continuous funding programme of emerging technologies and ongoing partnerships with leading OEMs working to develop hydrogen fuel cell battery solutions.

4.8.11 Type of community

The cases selected reflected different community settings ranging between peri-urban and rural. These diverse settings helped to ascertain whether there was unique stakeholder priorities related to   setting. The researcher did not assume that mine host communities had similar issues irrespective of their setting: each community was investigated as a distinct entity with its own life and identity. How each mining firm exercised its power in engaging with a host community also differed, and both community setting and firm behaviour had a bearing on how stakeholders responded to the firm's exercise of power asymmetry.

4.8.12 Rural

Mining in South Africa takes place in rural and peri-urban communities. These communities are the epicentre of mining activities and are viewed as 'mining dependent' communities because they depend entirely on mining for their livelihoods.

They are geographically located in the peripheral and poor provinces such as North West, Limpopo, Northern Cape and Mpumalanga. Platinum, chrome, titanium, iron ore and coal are mined in these provinces.

Colonial rule and apartheid impoverished these communities, which lack financial resources, technical knowledge and skills and have limited education. Most mine host communities lack negotiating power and leverage against mining firms due to these deficiencies and their lack of knowledge of the mining industry. Despite their proximity to mine operations, communities continue to experience high levels of poverty, unemployment, deprivation and limited economic growth opportunities (Mtero, 2017). The discovery of platinum, chrome, titanium and coal in the 1960s drove the mining boom, with mining firms setting up mining profitable operations in Limpopo, North West, Mpumalanga, Eastern Cape and KwaZulu-Natal.

The migrant labour system, which was in place until 1994, stripped Black African workers of their rural identities, extinguished their bargaining power and diminished their asset base so they were unable to purchase land in the areas where they worked (Humby, 2016). Colonial rule and the apartheid system relegated these communities to rural and peri-urban areas that became mining firms' source of labour.

Although customary law gives mine host communities rights of use of the communal land where they reside, they have no title deeds or security of tenure. Consequently, such land remains in a community under the custody of traditional leaders who often conclude communal land lease agreements with mining firms without properly consulting mine host communities to obtain their consent (Action Aid International Annual Report, 2018) resulting in conflicts and fissures between stakeholders and mining firms because mine host communities are frequently kept in the dark about the lucrative deals that take place on their mineral-rich land between mining firms and their traditional leaders (Pickering & Nyapisi, 2017).

Because mine host communities have limited access to information, they do not know their rights or understand the law that applies to mining, and they lack the skills and expertise to learn about their rights and promote their interests. These shortcomings further compound the power asymmetry between mining firms and mine host communities (CERL, 2013). To avoid the lengthy process of consultation with community stakeholders, which they describe as 'time-consuming, risky, and costly,' mining firms often negotiate with illegitimate traditional leaders or tribal authorities who are not members of the local community in exchange for monetary gain (Nyembo & Lees, 2020), which exacerbates the conflict between mining firms and community stakeholders.

Because mining projects are complex and highly technical, mine host communities experience difficulty in understanding them because they have no specialised knowledge and expertise or access to professional advice and are unable to evaluate or challenge the information that the mining firms give them (CERL, 2013). In its 2018 annual report, Bench Marks Foundation highlighted that mining firms engage mine host communities, or their representatives not as equals and criticised mining firms for not making their strategic intentions transparent so that mine host communities would be able to engage mining firms on their strategic plans.

Mine host communities expect mining firms to develop and co-create long-term strategic plans that are centred on promoting stakeholder interests and creating effective stakeholder engagements that result in sustainable stakeholder relationships (Bench Marks Foundation, 2018).

4.8.13 Youth

Young people in South Africa constitute the majority of the population. According to Statistics South Africa (Statistics South Africa, 2021b) individuals between the age of 15–34 constitute 63.3% of the population. The majority of the youth population is unemployed: according to Statistics South Africa (2021a) 66,5% lack employment. This population segment represents an important stakeholder in mine host communities. Young people may exercise coercive power if mining firms disregard or overlook their interests related to job, bursary, or internship opportunities. For this reason, the study selected youth as an important stakeholder cohort and a constituent participant of the research.

4.8.14 Local business operators

Local business operators in mine host communities are most often SMMEs reliant on the mining firm’s ecosystem to access commercial opportunities for providing goods and services to the mine. The goods and services they provide often include transport services for mine employees, security guarding and safety services, plumbing, electrical and maintenance services, and catering services. Many businesses in mine host communities are set up with the primary purpose of serving as suppliers to the mining firms and consider the firm's engagement of those services as part-fulfilment of the regulatory requirement on mining firms discussed in Chapter Two to stimulate local economic activity and reduce direct dependence on the mining firm.

Local business operators have coercive power if they feel mining firms are overlooking their interests and sourcing the services that they can provide from regional, national, and international providers instead. Their experiences as participants were therefore important to the study.

4.8.15 Traditional leaders

Traditional leaders ("chiefs") hold an important leadership position in host communities, but as discussed in Chapter Two, their role is sometimes ambiguous or contested. This contestation can arise from a leader's current behaviour or from their perceived legitimacy: whether they inherited the chieftaincy from their forbears, were appointed by government (including by the apartheid regime) or were put into power by only one faction from among community members. However, even traditional leaders who find their mandate challenged may be recognised by mining firms as host community leaders.

Traditional leadership is a leadership structure indigenous to South Africa and the African continent. Traditional leaders existed before the conquests of the colonial rule and advent of the apartheid era. Traditional leadership structures have evolved over time in terms of governance. Each traditional community is an independent entity. Before the advent of colonialism, societies comprised structures and hierarchies that originated from a social organisation defined by family and kinship ties.

Traditional leaders form the nucleus of the traditional leadership structures in rural host communities, which endows them with power, legitimacy, and urgency. Such leaders often sign land lease agreements with mining firms for communal land and are often recipients of mining royalties and other financial benefits on behalf of host communities. Their proximity to the mining firms puts them in a salient position as important stakeholders in mining activities.

4.8.16 Ordinary community members

The views ordinary community members hold, and the nuances of how they have experienced the relationship with the firm, may be different from those of other stakeholders. These insights matter to the study because these stakeholders have no formal title, yet their "ordinariness" (in truth, the experiences of diverse individuals) added breadth to the data. Additionally, ordinary community members have coercive power and a vested interest in how mining firms distribute economic opportunities such as jobs, royalties, and local economic development projects. Ordinary community members may be employed in other business enterprises unrelated to mining, may be teachers, stay-at-home spouses or unemployed people living in the mining community. Whoever they are, however, they remain stakeholders with high salience due to their coercive power, legitimacy, and urgency (Mitchell et al., 1997). The lived experience of the relationship with the mining firms seen through their eyes added to the richness of the study.

4.8.17 Employees of mining firms

Employees of mining firms play a dual role in the study. Their first role is as employees; in this role, they are stakeholders with high salience because of the resource-exchange relationship with the firm, which gives them power, legitimacy, and urgency. But their second role is as community members, where they equally possess coercive power, legitimacy, and urgency. (A third potential role, as labour union members, is, for reasons discussed in Chapter One, outside the scope of this research.) Thus, if mine host communities decide to act against a mining firm over a grievance by, for example, barricading roads, employees can exercise their coercive power in collaboration with the rest of their community in demanding what they believe they are legitimately entitled to from the firm.

4.8.18 Municipal ward councillors

Municipal ward councillors are a representative conduit between the mine host communities they represent and the municipal council. Municipal ward councillors are elected by the people and have a mandate to make decisions on behalf of their constituencies. They engage in planning and implementing community programs on behalf of communities. However, conflict with traditional leaders is unavoidable, and to avoid and resolve conflicts between municipal ward councillors and traditional leaders, government steps in to ensure smooth cooperation and collaboration between the community leaders.

These councillors operate in peri-urban areas where traditional leaders do not function, and they play a role similar in practice to that of a traditional leader. Their responsibilities include reporting back regularly through ward meetings to the host communities and assisting the community in identifying needs and priority areas of development, which feed into the municipality's planning processes. They may also take up mine host community concerns and issues against mining firms such as lack of youth employment opportunities, environmental concerns such as mine blasting, houses damaged by subsidence and business opportunities for local entrepreneurs. They represent a stakeholder with high salience because of their coercive power, legitimacy, and urgency.

4.8.19 Local business leaders

Local business leaders are entrepreneurs living and operating in mine host communities. They run many types of businesses to service the mine’s needs, from transportation, security and gardening services to hiring of personnel, accommodation and hospitality services. These business leaders include men, women and youth as well as professional and ordinary members of the community.

Mining firms have formal procurement and vetting processes, such as company and tax registration, with which local business operators must comply before their registration is completed and confirmed. Mining firms issue a tender when they need to procure goods and services. Local business operators submit their bids and, if they meet the procurement requirements, they win the procurement contract.

Table 3

Typology of Stakeholders for the Three Case Studies

Types of Power	Mine employees—Stakeholders	Traditional leaders—Stakeholders	Municipal ward councillors	Ordinary community members	Youth	Business operators
Coercive power	x	x	x	x	x	x
Utilitarian power	x	x				
Normative power	x	x	x	x	x	x
Urgency			x	x	x	x
Time sensitivity	x	x	x	x	x	x
Criticality	x	x				
Legitimacy	x	x	x	x	x	x

4.9 Dimensions of stakeholder power and urgency

4.9.1 Coercive power

Stakeholders in mine host communities have coercive power in that they can take actions such as barricading roads, blocking access and taking other steps that can interrupt production and bring mining activities to a grinding halt. They are also able to instigate violence if they feel that their demands and expectations are not met.

4.9.2 Utilitarian power

Mine employees offer their services to the mining firm and thus have the power to use their resources or to withhold them. Therefore, for purposes of this study they are considered to have utilitarian power, as do traditional leaders, the youth, local business operators, ordinary community members and municipal ward councillors who are custodians of mine land belonging to the community. Even though national government, through the Mine Regulator, issues the mining licences to firms, those firms still require the consent of mine host communities to access the land: mine host community stakeholders as the firm's hosts can be defined as having utilitarian power for purposes of this study.

4.9.3 Normative power

Because the stakeholders in mine host communities have the ability to organise and mobilise communities to protest against the mining firm, draw media attention to their plight and approach government to register their grievances, they possess normative power.

4.9.4 Urgency

Tensions and conflicts between mining firms and stakeholders often relate to access to job opportunities and economic opportunities and the improvement of social conditions in communities such as building of roads, health, and educational facilities by the mining firms (Coleman, 2012; Mtero, 2017; Hawkins. V, 2012). These are clearly time-sensitive: the lack of a road or clinic impacts on stakeholder lives in the moment when such a facility is needed.

Further, because mine host communities own the land where mining activities are conducted and are the ones granting the mining firm its social licence to operate in the host community. The relationship possesses criticality.

4.10 Piloting, sampling, and selection processes

A total of 44 participants were selected across the three cases. Sampling criteria were developed, and decisions taken based on the considerations set oable 4tab;e , and religion, alongside specialist knowledge of the issue being researched and capacity and preparedness to participate in the research (Oliver, 2013).

4.10.1 Piloting of research instrument

To improve the efficiency and likelihood of success of the interview process and identify any unforeseen challenges, an informal pilot process was conducted by interviewing five friends and people known to me who work in the mine industry. This informal pilot testing together with subsequent work with the research assistants (see 4.10.2 below) helped to achieve the following:

i) Checking how much time should be allocated for each interview question and the estimated duration of the whole interview process.

ii) Establishing whether the sequence of interview questions flowed logically, and coherently for both the researcher and the participant.

iii) Simplifying concepts, terminology, and an appropriate language level during the interview so participants could understand and participate easily.

iv) Improving the interview guide to provide clear objectives for the questions.

v) Refining the line of interview questioning and facilitating invitations to participants to introduce anecdotes to explain their lived experiences during the process.

vi) Amending the interview guide to include “ice breaking” and “warm-up” questions, to create a conducive atmosphere where the interview participants feel relaxed and welcomed.

vii) Rethinking the approach to the interview to build in flexibility, so the research assistants and the researcher could better accommodate the needs and the style of each interviewee.

viii) Identifying potential but unforeseen challenges (such as load shedding, extreme weather, funerals, community protests and social unrests) that might impact on the logistics of interviews.

4.10.2 Research assistants

Three research assistants were appointed who had extensive research experience as well as the proficiency and acumen to conduct qualitative research interviews. I appointed research assistants proficient in the vernacular languages spoken in each of the provinces where the mining firms conducted their activities. The research assistants worked independently and were thus able to conduct interviews concurrently in each of the provinces selected for the study. Because they were familiar with local languages, they were able to connect with the cultural nuances, language dynamics and idiosyncrasies of specific communities. The assistants were encouraged and advised to gather data from the interview participants in the manner that reflected the lived experiences of the respondents: this included storytelling, vignettes, anecdotes, and examples of stakeholders' experiences in the languages interviewees were most comfortable speaking, so interviewees could illuminate the expression of their lived experiences more freely, eloquently, and accurately.

The research assistants could simplify high-level concepts and make them relatable and understandable to the interview participants, employing story-telling or illustrative examples where necessary. They helped in collecting, collating, and preserving the primary level of data from the respondents without abstraction, circumspection, or interpretations. This allows others to audit the data trail and observe and analyse my process in moving from observations and portrayal to concepts and interpretations (Suzuki et al., 2007).

Together with these research assistants, I contacted the mining firms to provide me with the names and contact details of their own relevant principals and the traditional leaders and municipal ward councillors active within each mine host community. In the course of their interviews with the mine host community stakeholders, the research assistants enquired if there were other stakeholders whom they believed that should be included in the interview process.

After the list of interview participants had been compiled, I issued invitations for participation in the interviews to selected representative of mining firms and the research assistants issued invitations for participation to the interviews to mine host community stakeholders. As some mine employees were participating in their capacity as mine host- community stakeholders as well as employees, caution was exercised to avoid selecting them twice. The confidentiality of the information shared by such employees was preserved in line with the ethical guidelines and names of the participants have not been disclosed in the research study report.

4.11 Researcher positionality

I have worked in the South African mining industry for over ten years, until the end of 2019 as a senior executive, with the last five years of this period as a CEO of Anglo American SA: the largest mining company in South Africa. This prior role and the active and prominent role I have played in the mining industry as well as in the South African business community in general presents a risk to the study, as I may be perceived as not being objective and independent for the purposes of the study. The risk was especially salient in the context of mine host community stakeholders, who might have recognised me and not spoken comfortably, freely, openly, and candidly if I had conducted such interviews myself. I might have been perceived to have close proximity to the dominant power of mining firms or simply as not objective and independent – a representative of the establishment that has exercised dominant power against less powerful stakeholders. In consultation with the supervisors to protect, preserve and enhance the independence and objectivity of the study, it was considered prudent and appropriate to make use of the research assistants to conduct interviews with mine community stakeholders, however, it is important to state that the interviews with the mining firm executives were conducted by the researcher.

An intention to mitigate this risk and create a research space where interview participants feel free to express their views candidly and objectively was another factor underlying the decision to appoint research assistants to conduct the interviews with host community stakeholders face-to-face, in the languages that the stakeholders felt comfortable with and/or were proficient in. The study encompasses three provinces with nine different languages being spoken and I only speak two languages (English and Xhosa), another reason for using research assistants. However, to ensure that the research did not drift from my intention, I conducted training for the research assistants: workshops to build their proficiency on the approach to take during the interviews. Through the following steps, I oriented the research assistants clearly to the goals of the project.

i) I confirmed with them their understanding of the requirements, and my expectations about interview outcomes.

ii) Based on informal pilot interviews I had previously conducted making use of friends, I worked with the research assistants to evaluate the research instrument and address any unforeseen issues that might arise during the interview process.

iii) I used the feedback and insights that came out of the pilot interviews described above in the workshop as a training tool for the research assistants. In particular, this gave both researcher and research assistants an opportunity to familiarise themselves with the content and the context of the questions and to anticipate participant's responses. It also helped in developing a shared thought process to support framing follow-up questions and deciding on the timing of such questions during the interview process.

iv) Because I was not physically present when the research assistants conducted stakeholder interviews, I held regular debriefing sessions with them to get a sense of the progress they were making, identify the challenges they were facing on the ground, and listen to their insights, feedback, and reports.

v) I took corrective measures immediately to ensure that the quality, richness, and the integrity of the data collection process was not impaired and compromised by any problems that arose.

vi) The interview guides and interview questions were translated into the different languages required, and we went through each to confirm their understanding and interpretation of the questions in the research.

vii) The interview responses were then transcribed first in the local language spoken in the mine host community and later translated to English.

viii) Transcribing the interviews was done immediately after each interview to assist me in my debriefing sessions with the research assistants, to serve as a tool for initiating corrective measures where necessary.

I conducted all the interviews with mining-firm representatives such as the chairman, chief executive officers, directors, executives, senior managers, and managers responsible for stakeholder management. I did this in English, either face-to-face or by using video conference tools such as Microsoft Teams and Zoom where appropriate. Table 4 summarises each key interview's questions, answers and duration.

Table 4

Summary of key interviews with questions, answers and durations

Designation in the firm	Role in the organisation	Questions asked by the researcher	Answer	Duration of interview
General manager	Mining Operations	What do you consider to be the key drivers of conflict between the mine and the mine host community stakeholders?	"The community has got these perceptions that the mine is actually not being honest, and when we talk to them, we only, we are not sharing everything, and they do not trust us. And then on our side as well as the mining industry, we also don't trust the intention of the community when they come to us.	90 minutes

			So, it is just one thing that we actually do not trust each other."	
Chairperson	Strategy development and oversight	In terms of what gets put on the agenda for discussions, who sets that up in terms of your stakeholder engagement processes? Is it sort of a co-created process? Or does the firm just decide what goes into the agenda?	"It starts with us. Let's put it this way. Because we are coming into a community or were employing people, so we are actively starting something. So we have to start that relationship to say, "excuse me I am going to be here, and this is what I will be doing and etc. And you are going to be our neighbours or our host community and if this goes on, so let's talk."	60 minutes
CEO	Strategy execution and implementation	Would you say that you are happy and satisfied with the relationships because you have many stakeholders? You have your employees, and your mine host communities, the ordinary communities and your local businesses. I mean, would you say that you are happy and satisfied with those relationships?	"I will only be happy with the relationship when I can get testimony from all. In particular, the most affected stakeholders like the communities and employees who say, "we are better off as a result of the mining firm." We may have our issues, but we are able to resolve those issues constructively. You will not find any relationship where	60 minutes

	there are no issues coming up from time to time. All I want my stakeholders to do is to know that we can resolve those constructively but it's not going to be down to my opinion. It is going to be down to the people that are most affected by my activities. Typically, it is the employees and the communities, in the context of which you are doing your study.”

4.12 Data collection process and safeguarding

Data was collected in the form of semi-structured interviews, face-to-face and via video conferencing. These data collection mechanisms were provided to the participants, the researcher and the research assistants exercised flexibility in the interview process to allow the interview(s) to flow without interruptions. Follow-up questions were posed where appropriate.

The interview phase of the research was scheduled to allow for data collection to be both systematic and concurrent, yet adaptable for comparison and analysis of emerging issues during the interview process. Certain artefact data, including email correspondence, social and labour plans (SLPs) and stakeholder engagement plans were collected. These will be kept confidential: non-disclosure agreements were concluded with the mining firms to allay any concerns that had regarding confidentiality. An undertaking was made that the data collected would be used solely for academic purposes and will not be disclosed to any third party.

The participants’ concerns about confidentiality were addressed at the start of the interview process (Suzuki et al., 2007). Because the interviews were recorded, the consent of each participant (see Appendices A and B) was obtained, and after each interview the recorded content was transcribed into verbatim text and the interview information has been kept in a place that is secure.

Respecting these agreements, as researcher I have made decisions about which information or documents are included in this research report, using as my criteria the undertakings in place, the information content of the documents and the relevance of the material to the research question, including any links that should be made between the data acquired and certain interview responses (Merriam, 2002). Voices expressed by various interview participants were included in the recordings so that the findings reflect the views and experiences of all participants on how stakeholder engagements and relationships work; are working or have worked between the mining firm and mine host community stakeholders in the context of power asymmetry (Suzuki et al., 2007).

Support for an open and productive set of interviews was provided at three levels. First, the interview schedule was personalised to suit the needs, convenience, and availability of each interview participant. Second, the interview guide was structured to provide guidance about building a rich conversation while at the same time addressing all the emerging themes extracted during the interview process. It was structured into themes such as the purposes and objectives of the study, participant, confidentiality issues and permission to record the interview, the objectives of the interview questions and the definitions of key concepts and themes. Finally, the interview process took cognisance of language barriers, cultural practices, and protocols, with the research assistants providing support to those interview participants with limited educational background so they could freely express their lived experiences using the language of their choice. The opportunity was made available at the end of the interview for the interview participants to make additional comments and to ask questions that they may have (See Appendices A and B).

Because the interview is the most important aspect of the data-collection process for this study, I, together with the research assistants, ensured that we respected the following aspects of interview good practice. We:

i) Guided the situation, topics, and the direction of the conversation during the interview (Suzuki et al., p. 2007)
ii) Guided the interview process to produce data portraying the lived experiences of each participant.

iii) Provided participants with comfort and assurance about the safety and confidentiality of the information shared with me and the research assistants.

iv) Considered the language barriers and any other constraints that the interview participants may have such as speech impediments.

v) Translated interview questions into the vernacular language suitable to the interview participants.

vi) Reviewed with the interview participant some of the main points covered or learnt and picked up from the interview.

vii) Invited the interview participants to provide additional comments (Suzuki et al., 2007)

viii) Expressed gratitude and appreciation to the interview participant at the conclusion of each interview.

4.12.1 Observation process

As part of field observation, I and the research assistants undertook the following. We:

i) Gathered additional pieces of information through observing the interview participants, focusing on the following (Merriam, 1998): a) the physical setting; b) the behaviour of the participant; c) the demeanour of each participant; d) activities and interactions with each participant (for example, gestures and social norms); e) verbal and non-verbal communication; and f) subtle factors in the form of peculiarities, unplanned activities or interactions that may have otherwise gone unnoticed.

ii) Reviewed all secondary data in detail to understand the lived experiences and perspectives of each participant as well as the context in which such artefacts and documents were produced.

4.12.2 Reflective field notes

In structuring our sets of reflective field notes, the research assistants and I provided a running commentary on our interview insights and understandings, including observation and analysis (Van Maanen, 1988) of each participant. The field notes were written making use of phrases used at the time, because the words written during field observations helped me and the research assistants to trigger memories that could be expanded later (Musante & De Walt, 2010). In the field notes I and the research assistants included impressions that occurred, intuition, narrative, and informal observations (Eisenhardt, 1989a).

These short notes made at the time of data collection were then expanded, before being combined with information from the fieldwork journal to record ideas and problems that arose at each stage of data collection. This process provided material for tentative analysis (Silverman, 2005), that served as a basis for final analysis when the data collection and initial analyses had been completed.

4.12.3 Transcription

At the end of each interview, to preserve data and to prevent time lapses due to delays in processing the data, a quick transcription was done. This helped me and the research assistants to be better empowered and prepared for the next set of interviews (Rubin & Rubin, 2011). Achieving precise data transcription helped me and the research assistants to maintain the accuracy of data collected (Rubin & Rubin, 2011). I have noted every detail that could potentially influence data interpretations.

I carefully conducted post-transcription checks to check the accuracy of the transcription process and I reminded the research assistants and transcribers of the importance of honouring the commitment made to interview participants regarding confidentiality. (Suzuki et al., 2007)

4.12.4 Verification

I and the research assistants provided each interview participant with an opportunity to confirm, verify and where necessary correct the accuracy of the interview transcript (Merriam, 2002). In any case where there was language difficulty, I and the research assistants recapped and summarised for each participant what was contained in the interview. I employed a memo file to make notes of the striking elements, and this assisted me in connecting the interview responses to the research question (Rubin & Rubin, 2011). The research design set aside sufficient time to collect data until it was saturated (Merriam, 2002) and I have provided a comparative view of the three case studies.

4.12.5 Researcher reflections

Two fundamental questions that both I and the research assistants constantly asked during the interviews were: what am I learning and how does this case differ from the last interview? (Eisenhardt, 1989b). We were flexible in allowing for additional questions to be added to the interview protocol to take advantage of additional data sources and emergent themes during the interviews (Harris & Sutton, 1986).

4.12.6 Process of data analysis

I read transcripts of between 10-25 pages each for all 44 of the interview participants: equivalent to reading between 440 -1000 pages of data. This was then coded, using codes anchored on the following pillars.

a. Agenda setting
b. Conflict management
c. Decision-making
d. Power to promote interest.
e. Stakeholder engagement
f. Stakeholder identification
g. State of the relationship

The data was analysed employing these codes and validated via verbatim quotes extracted from the interview participants. Because I employed a qualitative case study approach using a multiple case-study design, I worked through interview transcripts, individual case summaries, themes, and sub-themes so that I could identify, define, and manage them with the intent of discovering what individual participants talked about, what they shared, and how they behaved during the interview process (Ayres et al., 2003). I have re-read the interview transcripts closely to have familiarity with all the nuances, idiosyncrasies, and implications of what the participants are bringing to the surface and conveying during the interviews. Data were analysed and assessed data using different measures and tools such as data triangulation to enhance the quality of the research (Patton, 1999; Yin, 2018).

Using AtlasTi, I have searched for patterns, emerging themes, insights, and concepts. I have created visual displays using flowcharts and graphics to assist me in the analysis of data. The frequency of different events was tabulated and in chronological order. I have used Inductive analysis to analyse and interpret data and this has allowed for meanings to emerge from the data collected in the context of the case-study research (Hatch, 2002), analysing data to identify matching patterns (Yin, 2018).

Because I am mindful of my own biases and limitations, throughout the process of collecting, interpreting, and analysing data, as well as reporting on findings (Merriam, 2002), I have analysed all the evidence exhaustively to cover the key research question and have avoided detours to lesser issues. I have analysed themes, similarities, and differences that cut across all cases and highlighted those that are peculiar within each case.

I have made use of iterative explanation-building techniques to help me to make an initial tentative theoretical statement and then compared data from the three case studies against the statement (Yin, 2018). I then revised the earlier statement and compared other details of the three cases against the revised statement. I have repeated the iterative process as many times as was required. Within and across case analysis (Yin, 2018), I identified key variables and then aggregated cross-case data for each variable, employing cross-case synthesis to show the marked differences among the cases and to develop strong and plausible arguments that are supported by data.

I have created codes to demonstrate that sufficient interviews have been conducted and each code represented a new piece of data (Guest et al., 2006). I have described each code as a distinct label employed in the research study for each concept, theme, event, or topical marker (Rubin & Rubin, 2005). I have coded each of the emerging themes by employing the format of open coding (Merriam, 1998). I have intensely reviewed the documents, observational data and have organised them into categories of relevant groups by employing axial coding (Corbin & Strauss, 1990). I have re-read the emergent themes until a hierarchy of themes emerged and have employed selective coding to assist me in the determination of the data most relevant to the study (Lichtman, 2014).

I have checked and rechecked data against emerging themes and insights in systematically building a sound theoretical argument and foundation based on data. I have built a "macro conceptual/theoretical understanding" focusing on higher levels of abstraction (Morse et al., 2002) and through a process of iteration, I have determined what is known and what still needs to be known (Morse et al., 2002). I have checked the coherence of the research question, data collection methods and data analysis and have assessed for methodological coherence that allows for "efficient and effective saturation of categories" of data in each case (Morse et al., 2002, p. 18).

I have divided data by source and have identified subtle similarities or differences between the cases (Eisenhardt, 1989b). I have employed different data sources to corroborate evidence gathered, to make it stronger and better grounded (Eisenhardt, 1989b). I have consolidated data and have reduced it to writing as part of interpreting "what people have said and what the researcher has seen and read as part of the process of making meaning" (Merriam, 1998, p. 178). I have analysed data by employing the data interpretation and categorical aggregation method (Stake, 1995) and I have learnt from each case and have drawn my own conclusions as a researcher (Ridder, 2017).

4.12.7 Within-case analysis

In analysing each case I have made use of directed content analysis to understand the phenomenon where existing theory and literature is incomplete: this is what the proposed study seeks to address (Hsieh & Shannon, 2005). This approach guided me as the researcher to deepen my knowledge as well as my understanding of the context and interpretation of content to discover the underlying meanings (Hsieh & Shannon, 2005).

4.12.8 Analysing the data from interviews

I have re-read the interview text to get a sense of the data as a whole and the words in the text capturing key messages, core ideas and concepts were well accentuated through the reading repetition (Hsieh & Shannon, 2005).

i) These were then be coded using the AtlasTi analysis tool.
ii) The coded items were analysed to look at codes that link up together; those were grouped to form a cluster.
iii) Clusters of codes were put together to form categories.
iv) Categories were kept loose so that new clusters and subcategories as they emerged could be incorporated as the data-analysis process progresses.
v) A tree diagram was developed to organise and structure data categories to form a hierarchy (Hsieh & Shannon, 2005).

4.12.9 Cross-case analysis

I have conducted a cross-case analysis to determine patterns and trends that cut across all cases (Kovacs & Corrie, 2017). I have identified "within-group similarities with intergroup differences" (Eisenhardt, 1989b, p. 540) and have paired the cases with each other to identify similarities and differences between them. In conducting a cross-case analysis, I used AtlasTi to group the data from each case, clustered, and compared with other cases to generate key variables and aggregate the cross case for each variable (Yin, 2018). I have identified the patterns within each case and analysed to see if they replicate across the three cases (Yin, 2018).

4.12.10 Triangulation

Employing data triangulation to analyse collected data has reduced the risk of drawing conclusions that reflect systematic biases or limitations (Denzin, 1970), allowing me to detect any threats that might have affected the credibility of case study findings (Lincoln & Guba, 1985). I have employed multiple sources of data to confirm themes that are emerging (Merriam, 2002; Stake, 1995; Yin, 2009).

4.12.11 Limitations and delimitations

As with any interview process, although the researcher had additional access to documents, observations, and field notes, the nature, quality, and depth of the information that I was able to collect depended on what the interview participants were willing to share.

The interview approach was preferred because it offered the best route to anchoring the study and capturing the lived experiences of participants in their natural settings. However, this made it “extremely difficult to replicate the study” (Wiersma, 2000, p. 211) as interview participants may not be able to replicate their responses objectively in different contexts or at different times. Further, the use of the case study method in this study does not imply that similar findings will be found in similar firms, from similar stakeholders and from similar settings or contexts. There are no correlational findings, and the study does not claim generalisability to all mining firms, all stakeholder relationships, all stakeholders, or all power asymmetry conditions.

4.13 Ethical considerations

Many of the ethical safeguards implemented have been detailed in the course of the descriptions of the data-gathering process presented above; the relevant documentation appears as Appendices A-G. The research assistants and I gave interview participants the assurance that we will not release responses by a participant in any way that could make it identifiable as their own (Dillman et al., 2014). The team observed the ethical practices of case-study research (Merriam, 2002), advising interview participants about the period of debriefing at the end of the interview to give the participant an opportunity to reflect on the interview process. We provided each participant with the opportunity to add information that they might have felt was important but which the interview questions did not cover (Suzuki et al., 2007). We also asked the participants if they had any concerns or misgivings about participation in the interview, if they felt comfortable and were willing to continue with the interview. One interview participant decided to withdraw their participation: this decision was respected, and arrangements were made to find a suitable replacement.

4.14 Chapter conclusion

In the chapters that form the remainder of this dissertation, I present and discuss the data and the conclusions that may be drawn from it. Translating the emerging themes from each case and aggregating them creates an expansive analysis that supports both explanation and the illustration of nuance (Smith & Osborn, 2007). My table of themes will present an account of the responses of interview participants, clearly distinguishing between what each interviewee said and my interpretation. The subsequent chapters combine description and discussion with supporting and illustrative verbatim quotes from the transcripts and establish concurrences and conflicts with the literature (Smith & Osborn, 2007).

I have made use of a comparative structure to set each case against the others, as well as employing anecdotes where necessary to illuminate the lived experiences of the interview participants around the research question (Yin, 2018). As I set out the findings, I identify key elements of literature to support the case study data, indicating how the findings contribute to dealing with the gap in literature (Yin, 2018). The methodology and processes described above generated unique and robust data permitting me to draw conclusions about the strength and consistency of the stakeholder relationships between the mining firm and its stakeholders within and across cases. I ended the study at the saturation point when incremental learning from the three case studies became minimal (Glaser & Strauss, 1967). I believe that what follows represents the lived experience of stakeholders engaging with mining firms in a context of power asymmetry, and points realistically towards a framework for mitigating that asymmetry.

CHAPTER FIVE: FINDINGS

5.1 Introduction

In this chapter I set out the findings of the study, derived from my analysis of three case studies conducted by means of interviews with both stakeholders and mining firms in the South African mining industry. The three case studies were classified as, first, a mining firm with bad relationships with its stakeholders; second, a mining firm with mixed relationships with its stakeholders; and third, a mining firm with good relationships with its stakeholders.

The chapter is made up of two sections. In the first, I begin by defining the themes employed to collect, analyse, and interpret data and discussing the inquiries undertaken to elicit relevant information from respondents. Although data collection initially covered seven themes and all of these are discussed below, five received the most extensive discussion across all respondents and case studies as contributing to how the firm/stakeholder relationship was rated. This is demonstrated in the tabular presentation of data that forms the second part of the chapter. Full commentary and analysis follow in Chapter Six.

5.2 Themes

Seven themes – agenda setting; conflict management; decision-making; power to promote interests; stakeholder engagements; stakeholder identification; and state of relationship – are outlined as the elements employed to characterise the relationship existing between stakeholders and the mining firm. But two themes – agenda-setting and stakeholder identification – received only limited mention during interviews with stakeholders, however, and thus play a smaller role in the Chapter Six analysis.

5.2.1 Agenda setting

Agenda setting is defined as the category for those issues relating to how the agenda for engagements between stakeholders and the mining firm is set and agreed on, including who decides what issues should feature on, or be omitted from, the agenda. Overall, the agenda setting process covers the full range of agenda-setting processes and role- players. The research sought input from interviewees on whether the mining firm engaged with stakeholders to elicit inputs before an engagement agenda was set and whether the agenda was finalised through joint discussion, or by the firm acting alone. What types of items were discussed on such agendas, and what types were not?

The research further sought to understand in what context those agenda-setting decisions were taken: how participant stakeholders became involved – voluntarily or by firm invitation? – and whether meetings were convened as collective events involving all stakeholders or as separate engagements with different stakeholder groups. It was crucial to understand how such involvement operated and, equally crucially, which stakeholders were not involved and why.

Having explored in this way the practicalities of stakeholder agenda-setting, the research investigated how the dimension of power asymmetry in this process impacted on stakeholders' perceptions, feelings, and reactions. Did stakeholders feel included and consulted over matters of concern to them, right from the earliest stage of agenda- setting? Did they feel free to raise the issues that mattered to them, and have confidence that the firm would take such concerns seriously?

5.2.2 Conflict management

Conflict management relates to the processes in place between the firm and stakeholders to resolve and/or manage grievances, disputes, and conflicts. The research therefore sought information from participants about the nature and types of such frictions experienced currently, and in the past, with examples and accounts of whether and how they were resolved. It enquired into the histories and main drivers of such disagreements (where they, for example, the consequence of unresolved legacy issues?) and into the existence and efficiency of any processes established for resolution. What challenges does resolution encounter? Equally important was how both firm and stakeholder perceived those disagreements and, where applicable, their resolution, as well as how each saw the role of the other party in the engagement. It was noted, for example, in the Chapter Three review of literature that firms may adopt a winner-takes-all attitude unconducive to mutually beneficial outcomes and that stakeholders may lack knowledge of or confidence in employing their own power. So, to what extent did firms view their role in engaging with stakeholders as expedient box-ticking, and to what extent was it transformative, and underpinned by deep commitment to self-regulate asymmetrical power? How much knowledge and confidence did stakeholders possess?

From these accounts and examples, the research sought to understand more generally what drives firm/stakeholder conflict, what methods and tools have been developed (and how, and how effectively) to explore all options, move towards resolution and avoid impasses, and what role stakeholders may have played in shaping conflict resolution mechanisms. The understanding derived from analysis of these responses, provided a foundation for the engagement framework proposed at the conclusion of this research: a support for open-mindedness and a willingness to enter conflict resolution in search of mutually beneficial outcomes.

5.2.3 Decision-making

Decision-making relates to whether stakeholders feel included or excluded: whether their inputs are elicited by the firm when decisions are being made about matters that affect them as stakeholders. Like the two previous themes, and closely related to them, this entailed investigating both what actually happens during decision-making, and how the two parties perceive it. It relates to the existence and implementation of mechanisms for involving some or all stakeholders in decision-making and accommodating their interests, and whether and how these mechanisms are used.

But the conversations in the research also explored more deeply. Was there transparency about what decisions were being made and how? Did stakeholders feel included and heard, or excluded, and what reactions did those experiences invoke? Further, did the firm see value in involving stakeholders in decision-making about matters that affect them?

5.2.4 Power to promote interests

This theme was employed to analyse stakeholders' understanding of their power and how to exercise it, and to establish if stakeholders can or do use their power productively to advance and promote their interests. Power to promote interests refers to the ways stakeholders understand, articulate, and assert their interests during engagements and with what degrees of success.

My researcher assistants and I probed for experience and examples, stakeholders' analysis of what failed or succeeded and why, and the learnings from that. This included probing opinions and experiences about using coercive or violent means such as blocking access to mine operations to promote stakeholder community interests.

5.2.5 Stakeholder identification

Stakeholder identification relates to understanding the processes and criteria that the firm employs in determining who counts as a stakeholder for the firm. In identifying stakeholders, the firm develops a rationale on which to set up qualifying criteria for who qualifies as a stakeholder. The interviews thus probed firm representatives about what process was followed; the rationale and underlying considerations for that process; the timeframe of those considerations (should a stakeholder be permanent; could a group not currently defined as stakeholders become so in the future?); and more.

5.2.6 Stakeholder engagement

Stakeholder engagement relates to how stakeholders and the firm engage with each other; the matters on which they engage; and the frequency and forms of engagement. Forms of engagement may be transactional, scheduled, relational, transformative, or collaborative in nature. Interviewers sought to understand whether engagements were scheduled regularly or forced by circumstances or emergencies; whether they were issue-specific or covered a range of concerns; and whether they were collaborative or confrontational in tone. Further, as was noted in Chapter One, the interests of all stakeholders are not always aligned, so how did the firms see, and the engagements analyse and deal with conflicting interests among stakeholders?

5.2.7 State of firm/stakeholder relationships

This theme relates to how the firm and the stakeholders view and rate the relationship between them. The state of the relationship is a subjective measure: interviewees are communicating their impressions, experiences, and views. Interviewees were asked to rate the relationship on a four-point scale (good; average; bad; very bad) and provide substantiated reasons for the rating. They were also encouraged to discuss their satisfaction with the state of the relationship and describe measures they believed could change it.

In the section that follows, a series of tables illustrates the results of the study in relation to the themes.

CHAPTER SIX: DISCUSSION

The data in Chapter Five underlines the importance of ethical social dialogue between mining firms and mine area stakeholders to develop mutually beneficial solutions for a shared future, and foregrounds certain aspects – including the massively destructive impact of broken promises from the firms – requiring urgent correction. This chapter begins by drawing out meaning from these findings. It discusses how the novel instrument and framework I have developed to help mitigate power asymmetry – a stakeholder relationship barometer and an engagement framework – derive from the data. In the second part of the chapter, I consider the relationship of the data to the scholarship discussed in the Chapter Three literature review, underscoring consonances, and future directions for theory development. Chapter Seven goes on to delineate such directions.

6.1 Increasing the agency of less powerful stakeholders – the sources of a positive engagement framework

Table 5

The themes characterising and defining the nature of the relationship between the firm and the stakeholders

Agenda setting	Conflict management	Decision-making	Promotion of interests	Stakeholder identification	Stakeholder engagement	State of relationship

Source: researcher's analysis

The themes outlined in Table 5 above guided the research and will form the framework for discussing the implications of the findings. The study observed and analysed the processes by which power-asymmetric relationships between three firms (a coal miner, a platinum miner, and an iron ore miner) and their stakeholders functioned across three South African provinces.

Chapter Two has already detailed the history of power asymmetry in the mining industry and its impact on stakeholders. The Chapter Three literature review further detailed how, although power asymmetry plays a crucial role in shaping engagement processes and outcomes (either positively or negatively) this important aspect has been given insufficient attention in the literature and is poorly understood (Gray, 2004; Hardy & Phillips, 1998; Purdy, 2012; Torfing et al., 2012). Chapter Four detailed the methods employed, and processes undertaken by the researcher and research assistants. This study thus presents a perspective gleaned from interviews augmented by both study of the literature and further data analysis. One overarching conclusion emerges. Stakeholder power can only be leveraged where stakeholders gain access to roles and processes that empower them to influence – and even jointly make – decisions from which they were previously excluded. This is consistent with previous work (Fung, 2020), but advances that work by providing a 360-degree perspective that draws conclusions from setting firm and stakeholder perceptions side-by-side across a spectrum from bad to good relationships.

The study acknowledges that community stakeholders have their own challenges and power asymmetry issues among themselves; these internal stakeholder conflicts may impact on their mutual relationships and cooperation. This recognition underlies my decisions about scope of the study and its exclusions: it does not investigate intra- and inter-relationships amongst stakeholders in communities and the attendant stakeholder dynamics. The study assumes that power asymmetry is prevalent and pervasive in stakeholder relationships but that it is beyond the scope of this study to examine the manifestation or elimination of these. Its focus is solely on the relationship between community stakeholders and the firm. The framework it proposes is aimed directly at firm and stakeholders to optimise their engagements and relationships by supporting stakeholders in asserting and leveraging their power to promote their interests.

6.2 How the results help build the framework

In this section I draw findings from the data to make recommendations in relation to the seven critical engagement themes set out in Table 7.

6.2.1 Conflict management

6.2.1.1 What mining firms need to do

The firm must develop and establish engagement processes and mechanisms to resolve conflicts by reaching consensus with the stakeholders on dealing with grievances, disputes, and conflicts. These processes need to be characterised by openness on how conflicts are to be resolved; establishing mutually agreed principles to underlie conflict resolution. These principles need to be enshrined in the values of the firm and in the purpose of the company and to embody an explicit, long-term vision.

"It is genuinely seeking the third way: that both of us can say that is not what I thought would initially be the outcome, but this is the similar outcome that I came to. That is what co-creation is all about. Co-creation is about you and me, engaging as stakeholders in a way that when we come up with a solution both of us can say, 'This is the solution which is far similar to the one I started off with'". (CEO respondent)

This entails the firm undertaking deep introspection about the commitments it has made to its stakeholders, providing reasons for any failure to honour commitments, and demonstrating humility in accounting openly and transparently to its stakeholders. Where this has not happened in the past, efforts are required to regain stakeholder confidence and reduce power asymmetry. Among these should be committing to and honouring dates and timelines for meeting so far unfulfilled promises. Where outside experts are involved in these processes, there needs to be mutual agreement on the selection of the experts.

Additionally, firms must invest in building the capacity for and skills of leadership, negotiation, and collaboration, alongside a shared sense of community, joint destiny, and shared value for all stakeholders. Any winner-takes-all approach violates the core community value of shared humanity on which traditional communities are founded. One traditional leader summed up what was not happening, but should be:

"There is a gap between the mine and the community, there is no communication, no implementation of what was promised to the community, no training, unemployment, No compliance. What is compliance? The one that is inside the social and labour plan from the mine." (Traditional leader respondent)

6.2.1.2 What firm and stakeholders can jointly do

Both parties need to focus on finding common ground and co-creating solutions that work for all parties. When the interests of stakeholders and firm diverge, agreement is, of course, more difficult to reach. What matters is that such engagements are premised and predicated on the principles of openness, honesty, and transparency and a bigger goal remains shared: improving the lives of the marginalised and vulnerable communities where the mining firm operates.

Mining Executive respondent: "We normally do small things probably sometimes just to tick the boxes so we struggle to have seriously demonstrated things that we have done where we can actually say, this is something that we have done. The communities must talk good about what we are doing, through things on the ground. If we can get to that level where, they say the mining firm has done here and then our children are benefiting because of that. We need to get to that level, then we will know that we are starting to gain trust.”

Community Stakeholder respondent: "If we could have a good relationship, if we promise each other something, we must fulfil it. If you don’t, the relationship might not be good, but it might not be bad, we are going to meet in the community, like I work in the mine, it is not bad or good, that is why I rate it average. More action is needed from the mine’s side to meet the community’s needs and other requirements"

The firm and mine host community stakeholders must confer and agree on the long-term growth strategy for the mine host community and detail plans and priorities to achieve targets. The plan must entail building leadership capabilities within and across all communities, empowering them with negotiation, technical and governance skills as well as helping them to build other skills they can draw on when mineral resources are exhausted or no longer in demand.

This requires both parties to thrash out issues and establish rules and processes for dealing with disputes that are explicitly agreed by both parties. The ultimate aim of resolving grievances must be to create a two-way dialogue with the primary focus of joint solution creation, by aiming for mutually beneficial medium and long-term outcomes for both parties. Taking the long view rather than grasping short- term solutions emerged as extremely important.

Mining firms and stakeholders both need to confront the ills in communities, such as greed, a winner-takes-all mentality, crime and corruption. They need to speak with a collective moral voice, rather than condone or look away from these ills. Such ills destroy the moral fabric of communities and erode the collaborative power of community stakeholders, exacerbating poverty and disempowerment and making them less able to promote their interests under conditions of power asymmetry with the mining firms. Stakeholders and mining firms therefore need to work together in nurturing, training, and grooming a new cadre of leaders who stand for more effective and positive values. Education can play a key role here, but it will require hard collaborative work with schools and faith-based institutions, grounded in strong ethical and moral foundations.

An annual summit involving the most senior levels of both the mining firm and mine host community stakeholders would be adequate. The implementation and execution of the summit’s decisions and resolutions would provide credibility to these engagements. The co-creation and co-development of execution plans, which are then implemented to promote the interests of both the mining firms and mine host community stakeholders, will recalibrate the power asymmetrical dynamics.

6.2.1.3 What community stakeholders can do

The stakeholders, as counterparts to the firm in resolving conflicts on matters of common interests, have not been empowered through access or training with the capacity to negotiate, collaborate and exercise leadership skills. This makes them less able to seek and co-create solutions that work for both stakeholders and the firm based on a shared set of ground rules and values. Thus, the priority noted above for firms to proactively endow communities with these skills.

"If you have matriculated and clearly have the results that allow you to go to the university institution. We will pay for your registration fees. As of the applied university, we have partnered with them. But I do not want any child who has received matric to say that they are stuck at home because they have nowhere to go. And this is a partnership that we are driving with local university. And if you think about it, that is a big statement. We just do not want you to be stuck at home, we want you to go through and I have to say the university has been quite good around this and there is work that we are doing with the local schools. So, by virtue of that it is quite helpful because the community can see the intent and the intent is good. It does not mean to say that there is no conflict, but they understand our intent."- Mining Executive respondent

Acknowledging that no relationship can be power free, Torfing et al. (2012) argued that the effect of rampant power asymmetry between the firm and stakeholders requires that a framework be developed to moderate the power of the firm by putting mechanisms in place for discussing and reaching agreement on matters that promote stakeholder interests. To be able to use these most effectively, stakeholders need to organise themselves in a more structured way with a governance framework, and to build the capacity to lead and build common ground on their own issues. This will permit them to engage with the mining firms as a coherent voice, albeit stakeholders are not always a homogeneous unit.

"In terms of our employees we want our people to be trained, skilled, coached and on conflict management because it is a space that is quite sensitive, and it is quite dynamic which we need as a company to improve in that area. In terms of the community area side, we want to do this, and this is something that we are or have not embarked yet as a company. It is capacitating communities to be able to be better engaged and to be better skilled in terms of negotiating. This is something that we really want to try and instil with community leaders in particular. So just when they come into engagement, we start from the kind of stuff from the same page”.

Mining Executive- respondent

Even if the firm owns the mining licence, it is hosted by the mining community and is there serving and mining with the consent and approval of the community and its stakeholders. Therefore, community leaders need to engage proactively with the firm to understand its plan for promoting stakeholder interests and its long-term growth strategies to create shared value beyond what the regulations stipulate.

6.3 Decision-making

6.3.1 What mining firms can do

As noted above, many responsibilities – capacity-building, developing appropriate governance frameworks, and eliminating a winner-takes-all approach – are shared. However, a primary obligation rests on the firm during decision-making: to engage with all stakeholders and seek to iron out areas of difference; listen to all voices and inform all interested parties about the projects that are being embarked upon, so that stakeholders are genuinely made part of the decision-making processes of the firm. Firms must engage with their stakeholders on matters of interests to them with openness, honesty, and transparency. This requires intentionally moderating and adjusting their power dominance by co-creating a decision-making framework with stakeholders that supports the adequate representation and active participation of affected stakeholders wherever decisions on matters of interests to them are being made.

"Whenever the employer wants to take decisions, there must be consultation."

(Employee respondent)

To do this, the firm must adopt a values-driven leadership approach to creating shared value with stakeholders. Involve stakeholders in the decision-making processes of the firm will create value that will outlive and outlast the resources being mined and leave behind a positive and beneficial legacy for the firm for future generations.

The data pinpointed decision-making with local business operators as facing specific challenges. Many in this stakeholder cohort lack a relevant standard of education, leading to limited business acumen and negotiation skills, and poor value choices such as short termism. Such challenges require a targeted, long-term investment in skills and capacity by the firm. Such investments need the underpinning of a formal commitment to a strong and robust governance framework for engagements and relationships, to rebuild not only the capacity of communities but their ethical fibre, thus fostering a conducive climate for addressing the interests of all stakeholders and the firm.

“I don’t think they include us, because if the mine, let’s say they need to engage a business, they don’t say that they need local people. They just look for anyone who is capable of doing whatever they want”. (Local business respondent)

“You could have avoided all of this by first engaging with us and saying you know what guys, I am building, I am opening such an operation. You know these are the type of opportunities that come up. I am telling you in advance, so you guys prepare yourselves. And then start collating information saying these are the opportunities I will be looking into”. (Local business respondent)

Firm power rests not only on physical and monetary resources but institutional knowledge and research capacity. The firm needs to employ these systematically and holistically to gain a 360-degree perspective on stakeholder issues and their potential for harm or disruption to the firm in the short, medium, and long term. This understanding should inform steadfast collaborative work with stakeholders to co-create a long-term shared value proposition for all.

6.4 Power to promote interests

6.4.1 What mining firms can do

As noted, engagements between the firm and stakeholders do not happen as engagements between equal parties. The reasons for this, as well as power asymmetry, include stakeholders' lack of leadership capacity, good governance frameworks, relevant education, skills in negotiation and appropriate business acumen. The firm needs to develop capacity-building plans for mine host community leaders. When all of that happens, the resulting engagements and relationships will yield positive and mutually beneficial outcomes for all parties.

Firms must show the way in mine host communities with clearly mapped out and explicitly agreed growth strategies to create long term sustainability for both firm and stakeholders. It is not only to conform to legislative requirements that firms must develop long term investment plans that create and unlock long term socioeconomic value for stakeholders. A long-term purpose predicated on common humanity and shared destiny creates value and promotes the interests of all parties.

There is thus an obligation to avoid situations where stakeholders feel compelled to resort to mass force, violence, intimidation, and disruption in a desperate move to have their voices heard by the firm. To do this, engagement processes need to be defined by established rules, procedures, and protocols. There should be formally agreed procedures and systems for managing and resolving conflicts. These procedures should specify the frequency and content of engagements, including, for example, a regular financial presentation on the (financial and social) performance of the firm.

The firm needs to lay out transparently its social value creation plan for the stakeholders in the short, medium, and long terms for each community and for each stakeholder cohort in that community. The firm should also present an honest register of promises it has made, how these have been implemented and any evidence of success to date.

"No development to the youth at all. Most of the people that are closing the roads, and all those things are the youth. They are frustrated because mines should put them under training and other things for the youth. How are we going to have the developed community if the mine cannot develop the youth? We have a serious problem because it is the youth and women, and they must be part of everything that is happening in the mine." (Traditional leader respondent)

6.5 Stakeholder identification

6.5.1 What mining firms can do

The firms must develop and adopt clear process to identify stakeholders, adequately, to define their interests and needs and engage with them in a systematic and structured manner to promote joint interests accurately and collaboratively.

I set out below the empirical evidence gleaned from interviews with the respondents of mining firms on how the stakeholders are identified, the criteria used, and the factors that are considered in the identification and determination of who becomes a stakeholder.

Firm Respondent: ‘So we technically look at areas where we operate, starting with our host community and the mining operation area of influence. So, when we talk about community host stakeholders, they will be determined by the people who live in our area of influence. Stakeholders means anybody who touches our organisation and where we have transactional type of relationship with them; it’s really stakeholders who can influence the sustainability of our business. So, I would say stakeholders who have a vested interest in the business and stakeholders where we operate. Of course, it is broken down into all those different categories.’

Firm Respondent: ‘For me, I think defining who your stakeholders are really starts with your business activities and business plan. To an extent it becomes an uncomfortable conversation with someone who claims to be an interested party. We often ask “what is your interest? Why do you feel you are a stakeholder? Are our activities impacting you? Are you affected by our activities? Where are you located?” So, we always have to establish those critical links with people who want recognition as stakeholders. We have to do the due diligence and verification work.’

Firm Respondent: ‘We identify all stakeholders using a fairly rigorous process, which we call the socioeconomic assessment. What that tells us is that we identify those people who are interested in our activities and equally those people who are also impacted by our activities. So, once you have done that, you are able to map the stakeholders into those who have an active interest in what you do and those who are almost passive stakeholders. They may be impacted but we are not aware of it. However, they are stakeholders all the same. So, part of the process that we go through is to identify those specific issues and risk factors that could form or that could impact what you ordinarily call stakeholders that are outside your classic zone of influence.’

Firm Respondent: ‘Anyone who is interested in speaking with us or engaging with us, we consider them as our stakeholders. So, we also have a stakeholder classification. The doorstep community is the first layer. The host community, the bigger area, is the second layer. The labour sending area is the third layer. The labour sending area is where the majority of our community resides, I mean where the majority of our employees reside.’

(i) The above data clearly indicates the subjective, context-dependent, evolving and dynamic.

(ii) As business needs change and evolve, so will the community stakeholders change.

In addition, firms must strategize and co-create the long-term vision with community stakeholders and empower stakeholders such as traditional leaders with leadership capacity, negotiation skills, business knowledge, project management capability and awareness of good governance frameworks so that they can both effectively lead their communities and feel that they are part and parcel of the mining firm's decision-making structures and processes.

6.6 Stakeholder engagements

6.6.1 What mining firms can do

The style firms adopt for engaging with, for example, local business operators need to be proactive and not reactive. This will help eliminate the possibility of and obviate the necessity for stakeholders resorting to the use of mass force simply to get the attention of the firm about their concerns.

"We have made many phone calls, and they don't respond to us, they will promise to call us back but that never happens so that is how we think we exercise our power by blocking the gates because we know they will come, obviously to find out what we want and what is happening. The only way to get their attention if they don't respond to emails is to block their employees from going to work. They want to see themselves working and getting production and if you stop production, that is when they will come to find out what do you want, what is happening and what do you need, and they give you all the attention that you want. That is how we deal with them". (Local business respondent)

Engagements between the firm and traditional leaders are fundamental to cultivating successful relationships between the firm and mine host community stakeholders, and Langtry (1994, p. 433) posited that "the firm is significantly responsible for stakeholder's well-being, or the stakeholder holds a moral or legal claim on the firm." It is therefore important and fundamental that these engagements are nurtured and harnessed. The data suggested that sometimes a short-termism and instrumental approach to traditional leaders was employed, where the leaders were simply viewed as agents of the firm for conveying messages.

"We can teach, we can educate people in terms of, what the mine's intentions are and what is our commitment to people. So that we can obviously go and teach people. I think the one thing that I think we shouldn't undermine is that every mine has about 1 500 employees and they can potentially become our ambassadors as well. So, I think sometimes we short sell what we can do in communities. I think those people who are within the gates, our gates, if we can make them our ambassadors that could also help. So that when they go back to the communities they speak on our behalf" – Mining Executive- respondent.

To be positive and productive, relationships with traditional leaders must not be exclusionary and must have built in checks and balances to avoid abuse of power or the marginalisation or exclusion of other stakeholders whose legitimacy also matters to the firm and stakeholders.

Part of bridging the knowledge power divide must be for the firms to arrange educational tours for all its stakeholders, so they can better understand how the mine works, how it generates value and how value is created and shared. The mine host community stakeholders need an intimate view of what the firm does if they are to become ambassadors of the firm. This starts with their understanding how the firm operates. A new dialogue of this kind between the firm and stakeholders can build a new sense of vision, purpose, collective identity, and shared ownership of current and future value.

But even where the approach that mining firms adopt to stakeholder interests is reactive, it must still serve to reduce power asymmetry and cultivate engagements and relationships that work optimally for both firm and stakeholders. A proactive agenda setting process is required to develop a long-term strategy for shared value creation. Short term strategies and a winner-takes all approach is not working, as respondents indicated repeatedly; they are fraught with the potential for conflicts.

A firm and its stakeholders need a well-developed and co-created strategic social value creation plan that promotes the interests of both. It cannot only be about the stakeholders or the firm: both must be able to create and accrue value from the process.

However, to reach this goal, the mining firm must customise its approaches to build on the leadership strengths and attitudes of each stakeholder community and cohort. Where strong pillars exist that can help build a solid foundation for sustainable stakeholder engagements, investments of time and resources are required to shape such relationships towards sustainability.

The firm must address and promote the interests of their stakeholders by acknowledging stakeholder power and creating programmes and projects that support stakeholders in promoting their own interests and those of the firm. Key principles must underpin the momentum and sustain the commitment from both firm and stakeholders as they collaborate in removing any obstacles impeding the construction of mutually beneficial engagement models. Short-termism is recognised by respondents as a negative influence:

“The first thing that comes to their mind, when they start the mining operations, is not how do we give back to the community. It’s how do we make the mine work and how do we make money. So then giving back to the community is an afterthought, or after we have set up operations and ensure we have profits”. (Local business respondent)

Achieving shared, positive objectives starts with a clear vision of what is to be achieved by the firm and stakeholders and honesty, reliability, and integrity from both firm and mine host community leaders. Firms must demonstrate empathy and compassion for ordinary community members living in poverty without skills, jobs, or education, and develop long-term programmes to build new personal growth paths for this cohort. Empowerment programmes and strategic initiatives must be co-created between the firm and the community to address and promote their interests. Where decisions need to be taken, the decision-making processes must be inclusive of representatives of both the firms and the stakeholders. Such decisions must be made in a timely manner. Stakeholders need to see the big picture of the future envisaged for themselves and for the firm, to understand what role they can play. In this process, communication is key. The firms must actively listen to the verbal and non-verbal voices of their stakeholders and communicate regularly with openness, honesty, and transparency.

6.6.2 Shared responsibilities

The firms and mine host community stakeholder leaders must both take responsibility for their actions. They must hold themselves accountable and must be accountable to their stakeholders for achieving their goals.

Additionally, the leaders of both groups must accept the need for flexibility. The plans and strategies for shared social value creation must be adaptable, to adjust to changes, and versatile enough to respond to new situations as they emerge.

6.6.3 What community stakeholders can do

These processes risk being overturned when engagements become confrontational. Therefore, the use of mass force by community stakeholders must be avoided at all costs. New ways of engagement are required to replace the use of force by either party, whether firm or stakeholder. It is frustration that triggers the use of mass force, so the aim is to utilise peaceful engagements and conflict resolution mechanisms such as arbitration.

The leaders of stakeholder cohorts have a responsibility to encourage these non-confrontational approaches and are better equipped to do so if they have been empowered with leadership and negotiation skills, relevant information, access to professional advice (paid for by the mining firms) and business knowledge. They can work most effectively in the context of open and transparent engagement structures that create a sense of hope, and when they are equipped with truthful information about the firm's short-, medium- and long-term plans, including the constraints and the challenges the firm faces.

However, our interviewees pointed out how difficult this is when the mining firm does not keep the promises made to mine host communities and when there is not a long-range plan co-created with the firm that can demonstrably create socioeconomic value for both parties.

“Listen to be honest with you, I don’t think there is really a perfect way apart from the Imbizos that we have had in the past, to bring that back and they must be show and tell. It should really be about getting to the roots of the problems. Getting to know what the issues are. The imbizo is a Xhosa or Zulu word meaning “a meeting, an assembly or a gathering usually called by a traditional leader to discuss general issues or a particular problem or to share knowledge”) must bring in traditional leaders, your councillors- the important stakeholders”. Community member respondent

6.7 State of relationships

The research explored firm/stakeholder relationships across the spectrum, from good to bad. Respondents' inputs indicated that how they characterised the state of the relationship related to how much effort the firms were perceived to have put in to building it and cited various instances of this.

As one example, the firm must invest time, effort, and resources in building and nurturing relationships with traditional leaders, to accord them the appropriate dignity, recognize, and respect their authority and seek their counsel on matters affecting community stakeholders. As another, the firm's management must be visible and accessible to, listen to and engage with employee stakeholders. Management needs to step out of their offices.

“Do not shut me out, I am trying to explain something to you; rather be able to hear me and say okay and show interest that you want to know. This is what I am crying about, and someone has shut me out or not trying to undermine or bring your frustrations to it” (Local business operator respondent).

Table 6 summarises the discussion thus far, delineating the pillars of the proposed engagement framework. Additionally, an objective measure is required that can be implemented by both the firm and stakeholders for measuring the quality of engagements and relationships to serve as the basis for improvement by identifying deficiencies requiring redress. The stakeholder relationship barometer was introduced in Section 6.1 above and the opportunities for further development of this tool are elaborated in Chapter Seven.

Table 6

Stakeholder engagement framework (source: researcher's data)

Engagement themes	What data shows	Needs and Action Steps
Agenda setting	Mining firm power	Narrowing education gap (firm & stakeholders)
Conflict		Upgrading negotiation skills of stakeholders
management	Financial power (employment;	Upgrading leadership capacity of stakeholders
Decision-making	business opportunities; bursaries)	Firm developing & co-creating long-term vision
Power to promote	Intellectual power	for stakeholders as part of mine investment plan.
interests	Skills and knowledge power	Transparent, honest communication
Stakeholder	Education power	Good governance framework (conflict
identification	Entrepreneurial power	management rules; engagement rules &
Stakeholder		protocols)
engagement		Communication & engagement model Power
State of	Mine host community stakeholders'	asymmetry reduction effects:
relationships	power	Minimising conflicts, splits, disputes
	Legitimacy power	Constructive dialogue & joint solution-seeking
	Social power	Good relationships between firm & stakeholders
	Coercive power	Good strategy implementation
	Resources power	Long-term value creation
	Power asymmetry side- effects	Good state of relationship
	Conflicts	Shared decision-making
	Disputes	Joint agenda setting
	Intimidation	Stakeholder & firm interest promotion (jobs;
	Violence	business opportunities)
	Unfulfilled promises	
	Lack of common vision	
	Fissures	Mine Investment Plan (education; enterprise
	Suboptimal engagements	development; supplier development)
	Bad relationships	

6.8 How the data relates to the literature

The seven key themes that matter for firm/stakeholder relationships are closely interrelated, and in respondents' comments more than one of them was sometimes alluded to in a single statement. To be faithful to respondents' voices, this section accepts such discursive conflation and reflects it in the way the themes are discussed. Agenda- setting is not discussed separately below: it is present in the discussion whenever the co-design or co-creation of engagement spaces and events exists or is absent.

6.8.1 Conflict management

Clegg (1989) posited that stakeholders should draw upon their power sources, including resources, discursive legitimacy, and the authority derived from their respective constituencies to bolster their leverage during engagements and negotiations with the firm. Data from the case of firms with mixed and good relationships with their stakeholders confirms that in these cases this has happened and is effective.

Dawkins (2014) argues that firms should submit certain issues to arbitration to indicate good faith in engaging in stakeholder relations. In the good/mixed relationship firms, some degree of common agreement exists between stakeholders and firm on the established processes and mechanisms for resolving conflicts and on how conflicts are to be resolved, because the firm has and applies conflict-management principles that everyone subscribes to. All role-players recognise that conflict resolution is a specialised competence outside the ambit of the firm and so the firm acknowledges it needs to engage the services of an external expert and firm, and stakeholders reach consensus on the selection of the expert, with stakeholders given an opportunity to appoint their own expert, with the cost born by the firm. In this way, stakeholders do not feel compromised by lack of financial resources.

These activities and their effectiveness are grounded in a firm's sincere focus on finding common ground and co-creating solutions that work for both parties, even in complex and tense situations:

“There must be a buy-in of conflict resolution between us and them, but we should have the humility to realize that when it goes beyond that interface that is a competence for other people.” (CEO respondent)

"So, there are certain issues where, as two parties [we] cannot really come to a resolution even through an independent party. Where we would have to ask them, outside your organization, appoint someone within a recognised institution. And because it is very important also to have a bit of a power to appoint say, independent arbitrator. So that person must also have some credibility and also some professionalism within where they are coming from. Like a body of arbitrators for example.” (General Manager respondent)

However, the firm evaluated as having bad relationships with its stakeholders lacks the skills, knowledge, and expertise to resolve and manage conflict. Unlike firms with mixed and good relationships, stakeholders from firms with bad relationships have not shown an inclination to appoint independent arbitrators. Celerier and Botey (2015) posited that the power advantage of firms over their stakeholders may not be sustainable as it threatens prospects of social change which could have produced positive benefits for all. The data provided concurrence with this. The CEO of the mining firm with bad relationships with stakeholders conceded the unsustainability of their current situation. The firm recognised the dire consequences for all of failures to honour commitments, which may have adversely impacted relationships with stakeholders and escalated conflict.

Further, the data persistently demonstrated an important linkage between unmet commitments and an atmosphere where conflict resolution for mutual benefit became unattainable. The 'bad relationship' firm described plans to embark on skills-building for the management team and committing significant resources to effective conflict resolution in future:

"We are going to do official training to know how to go into that process and resolve the conflict before you have to” (CEO respondent)

Bad Relationships – What Happened?

To understand what happened in the relationship between the mining firm and mine host community stakeholders, the firm respondent’s comment below captures the essence of the characteristic features of this relationship:

Firm Respondent: ‘I think to be honest we are not proactive in our approach. It’s sort of the one who shouts the loudest is the one that you will try to pacify and negotiate with. Since I am not that involved with them on the financial side, I think if I look at when roads get blocked and operations get blocked, those are the people that you tend to want to focus on. And like I said earlier, I have identified local companies, and I said in the past that, “Let us go out and assist them and see if we can work together”. I think I don’t identify these local businesses properly enough. Again, it is the one that shouts the loudest, the one that blocks the road, that I will try to approach. You get to a point where you start thinking that “this guy is just blatantly stopping me, so I am going to get the police to help me open up a case against him.” I think we do have a system in place where we identify local communities or local businesses, and where we can see where we can assist them. We do have a lot of programmes within our schools, around operations where we speak to the youth. I am honest with you if I say I don’t think we are doing enough.’

The bad relationships have the following characteristics:

(i) There is a history of conflicts between the mining firm and mine host communities that has never been resolved for many years.

(ii) In the past the mining firm has ignored engaging directly with the mine host communities and focused only on targeted engagements with the traditional leaders.

(iii) There is a history of not promoting the interests of communities. For example, one respondent said that they wanted the mine to supply them with water, and instead the mine built them toilets, which they did not ask for.

(iv) The mining firm cannot meet some of the mine host communities' demands because they relate to joblessness or unemployment, poverty and lack of business opportunities.

(v) In resolving community disputes, the mining firm often invited the police to intervene.

Where stakeholders are not united, and splinter groups form, however, conflict management becomes more complex. The pursuit of self-interest by stakeholders emerged as a very significant driver of conflict:

"Each person can come and mobilise 10 people and they become a stakeholder, and they have a seat. So that is currently the biggest challenge that we have, it is really starting to create problems. Because people are starting to form these small associations so that they can actually be the ones that are engaging with the company's director". (General Manager respondent)

The data reflected the growing emergence of self-interested splinter groups in all host communities. This seriously impedes conflict resolution as no cohesive stakeholder voice exists for expressing their interests.

"What I have seen over the years is that you get business leaders that infiltrate all these systems. They infiltrate municipalities, they infiltrate all these structures, and you will find that all these councillors are there for their own benefit. It is not for the benefit of the people and unfortunately, we know them. So, you know that over here, these guys are looking out for themselves." (General Manager)

Fragmentation makes it difficult for firms to engage constructively and meaningfully with stakeholders. The firms find stakeholder identification confusing, and stakeholders find their potential collective power diminished.

Politicians initiate or manipulate some community conflicts, taking advantage of vulnerable and unemployed youth to promote their interests in exchange for a pittance. Additionally, greed and criminality often also result in conflicts becoming too difficult to resolve, leading to the involvement of the law enforcement authorities, escalating and complicating situations that might otherwise have been amenable to mutual and peaceful resolution. Yet in the absence of active, informed involvement from other agencies, including government, it is sometimes near impossible for the firm and its stakeholders to resolve such conflicts. This is discussed in in Chapter Seven at Section 7.8.

Because the research targeted multicultural mining areas, the data was able to add nuance; responses demonstrated how management has begun to recognise the complexities of resolving conflict in such contexts and are committed to learning about the diverse cultures of their stakeholder cohorts:

"There is a value continuum, there is a technical experience, just the whole concept of conflict resolution – getting our people who go in, into the requisite knowledge and skills to do that. The other thing that comes to mind is just the cultural understanding" (CEO)

The data demonstrate significantly more commitment and effort (including the deployment of resources) by the firm with good relationships with its stakeholders to undertaking mediation and finding lasting, mutually beneficial solutions.

Habermas (1984, 1987) argued that stakeholders and the firm must focus on reaching understanding amongst themselves through collective cooperation to promote their plural interests, rather than focusing on self-interested behaviour. Habermas (1984) underscored the importance of cooperative action between stakeholders and the firm, enabling both parties to engage in reasoned deliberations that recognise, respect, and agree on the respective capacity of each participant to communicate both their position and those of others.

The data portrays a growing willingness among firms to engage with stakeholders for collective cooperation towards promoting common interests, as evidenced by the efforts of the firm with good relationships above. The data demonstrates that across all firms, conflicts deriving from employee concerns are taken most seriously, with concerted efforts to resolve them promptly and to the satisfaction of all parties. Firms are fully aware of the risk impact of unresolved conflicts with employees, and the potentially adverse effect on production and the bottom line. Dawkins (2015) posits that despite the typical occurrence of conflicts, what matters is that parties engage flexibly, allowing for mutually acceptable outcomes to emerge. However, Civera et al. (2019) suggests this may be less possible because of power asymmetry, which often renders stakeholders unable to express their potential as business partners. Both authors propose social dialogue as a means of nurturing and harnessing this stakeholder potential to enhance value creation, something the dialogic activities of the firm rated as having good stakeholder relationships underlines.

Data derived from the responses of employees indicates that certain employees have ambitions to become business operators. When they engage the firm in this capacity, however, they meet mixed responses, sometimes leading to protracted and unfruitful engagements. But in whatever capacity they operate, employees expressed the need for consistent, regular communication with the firm.

"No matter how tight the schedule of my supervisors is, he needs to ensure that he accommodates me. It might be something that is disturbing my performance or me being able to deliver what is expected of me. So, he cannot compromise because he needs to ensure that he gives me time to listen to my grievances, should I have any". (Employee respondent)

In situations where the stakeholder voice is fragmented – or for other reasons – firms may identify the traditional leader as a potential and possibly unifying authoritative intermediary in conflict resolution. Traditional leaders occupy a different locus of power and may represent a different value system. Dawkins (2015) posits that firms must be willing to set aside their considerable prerogative so they can operate as equals and be willing interlocutors that seek consensus on stakeholder issues by acknowledging that the value system of capital markets and those of various stakeholders will clash. However, the data shows that traditional leaders in the area of the firm with mixed relationships have concerns that the firm does not engage with them constructively as counterparts, as well as not dealing with community interest issues such as job opportunities. In the case of the firm with bad relationships with its stakeholders, traditional leaders in that area believe it lacks openness and transparency in its engagements and does not make them feel valued and recognised as key stakeholders:

". . . unemployed youth are troublesome. I have pressure from the community, they want to know what is being done by the mine. Even today, they know I am here, and they will want feedback on what is happening." (Traditional leader)

This data supports the assertions by Dawkins (2015) and Civera et al. (2019) that power asymmetry impedes stakeholders from expressing their interests as equal counterparts to the firm. The firm with bad relationships with its stakeholders does not engage traditional leaders about their employment practice or its selection criteria for sourcing source labour from local communities. Yet without this information, the traditional leaders cannot answer questions posed by their constituents and lack confidence and clarity about how the firm allocates employment opportunities. This puts the leaders in the invidious position of being vulnerable to attacks and undermining from unempowered and uninformed leaders who have far less power to defend and promote stakeholders' interests against the dominant powers of the firm. It casts the traditional leaders, in the eyes of their constituencies, as weak and ineffective, and thus inadvertently paves the way for more opportunistic and self-interested stakeholders who may form the kinds of splinter groups discussed above. The knowledge vacuum thus created can easily ignite conflicts and mistrust among community stakeholders as well as between stakeholders and traditional leaders.

The issue of job opportunities is a particular flashpoint in this regard. The data shows how strongly community stakeholders believe local people are capable of doing certain jobs. Yet the firms continue to employ non-residents, which triggers conflicts, strikes and violence:

"If you are going to get someone from KZN or Bloemfontein to come and do the same job, then you are telling us that you don't want to help the locals and that you undermine them, and that is what causes community unrests which later causes the delay in the production in the mines. They burn the tyres on the roads which then damages and causes potholes on our roads, which later affects the Chief as they are responsible for the community. It makes them feel as if they are losing control of their community, which was never the case before the mines came into our villages. These are caused by the operations of the mines within our communities, which do not help or listen to the needs of the community through the Tribal authorities". (Traditional leader respondent)

Traditional leaders argue that the firm seems to have forgotten that they, the leaders, are the hosts of the mining firm on behalf of the community and the ones who have given the firm permission to mine the land. Therefore, the leaders say, the mining firm remains accountable to them; they occupy their position representing the community.

This is an area where the data show no evidence of attempts by bad relationship mining firms to reduce power asymmetry by actively managing areas of difference between stakeholders and the firm. Deliberative engagement, as Gutman and Thompson (2004) posited, does not always ensure an outcome in the interest of all stakeholders. What matters is how areas of difference can be managed to reduce power asymmetry (Greenwood, 2007).

By contrast, the firm with good relationships constructively engages with the traditional leaders, consults with them, and seeks their counsel on all key community stakeholder matters. The firm listens to the issues, complaints and grievances raised by traditional leaders and make concerted efforts to address them and respond timeously and positively to their concerns.

Further, these firm grounds its behaviour in a long-term vision and approach. It is through a determined, sustained effort over time and with a lot of setbacks that workable solutions beneficial to all parties (including themselves) emerge. The firm has committed considerable resources towards developing well capacitated engagement structures where all stakeholders and the firm feel that they can talk freely with mandated counterparts who are committed to finding common ground.

What the contrasting data from good and bad relationship firms above indicates is that there is still a long way to go in the engagements between some firms and their stakeholders to develop mutually dependent relationships as discussed by Freeman (1984), where the firm recognises, (in this case via acknowledging the authority of traditional leaders), that stakeholders have a legitimate moral claim on the firm. Instead, there is pervasive poor communication in general, and unmet promises on the firm's part that are never explained.

Habermas (1990) posits that conflict is unavoidable in conditions of power asymmetry between the firm and stakeholders. He proposes a normative responsibility to jointly develop forms of coordination oriented towards cultivating mutual understanding and agreement. As power asymmetry develops, leading to the ultimate dominance of the firm, this inevitably shifts the responsibility for establishing such coordination platforms wholly into the hands of the firm.

The data suggests that the form of coordination proposed by Habermas (1990) does not exist or is not in place in the cases examined, for a range of reasons. That splinter groups and other diverse voices seeking direct engagement with mining firms have emerged, suggests stakeholders do not recognise or have faith in existing coordination platforms on issues that matter to them, and so bypass them. There is cynicism, as expressed in this comment:

"You can see from the state of our roads, the mine would have a conversation with the municipality, and they will give the money to them, but those projects do not kick off because the municipality takes that money for themselves and share the money amongst themselves and not finish what should be done for the community." (Youth respondent)

Axelrod and Hamilton (1981) argue that the firm must exercise restraint since it is predisposed to act in its own interests at the expense of others. Dawkins (2015), proposes moderating the dominant power of the firm, advocated for a culture of engagement with stakeholders that is normative and assertive. Dawkins (2015) further proposes that addressing all the forms of firm power with the potential to generate conflict can result in more conducive conditions for promoting stakeholder relationships with the firm.

The data derived from local business operators allowed me to focus on this aspect. Again, unfulfilled promises loomed large in the conversations:

"They come to us as I said to find out what we want, where they can improve, and they would promise this and that but never deliver anything. I see them involving us many times but when it comes to delivering, they don't. Or when it comes to making decisions, they also don't involve us". (Local business operator respondent)

Local business operators believe that the efforts of mining firms to address and promote their interests has been only reactive and often an afterthought. Only when stakeholders resort to the use of force are their voices heard and their interests taken on board by the mining firms, albeit even then only slowly. It has been the clear demonstration of stakeholders' collective power that has pushed mining firms to recalibrate and moderate their power:

"Because we are going to keep on talking back and forth, having thousands of meetings, but nothing is happening. Or I will keep on asking for a particular person. I want to see this person, I want to see this person and this person keeps on saying hey, they are busy, very busy. I guarantee you, the day when we close down your mine, the person will be magically available". (Local business operator respondent)

Elkington and Rowlands (1999) argued that firms must contribute to society through a long-term commitment to social participation, not merely to meet citizenship obligations or as a prerequisite for good governance, but rather as a basis for individual human and social improvement. Swanson (1999) reinforced this view, urging firms to align their activities with community values.

As the first part of this chapter discusses, a key element in this is the articulation of an explicit long-term vision enshrining shared values and aspirations. Local business operators commented on the lack of any such articulated vision or, indeed and indication of how the firm intends to promote their interests in the medium to long term. Reactive afterthoughts take the place of a well thought-out and properly executed firm strategy. They feel their issues are not dealt with by firm representatives with decision-making power or mandate. This undermines them, exacerbates conflicts and protracts processes of resolution. This lack of availability of mandated firm decision-makers, and the slowness of their responses was seen as a key driver of conflict.

Scholars propose that firms need to reconsider their policies to maintain and reproduce legitimacy (Palazzo & Scherer, 2006); strive to create a two-way dialogue premised on joint decision-making (Cooper & Owen, 2007); and empower stakeholders to become stronger and more competent counterparts (O' Riordan & Fairbass, 2008). Engagements must be predicated on seeking to understand stakeholders' expectations of what strategies will produce, seeking an optimal balance of interests (Freeman et al., 2010), with interactions regulated by agreed processes and rules (Klijn & Koppenjan, 2016).

Data from the firm with a bad relationship with its community stakeholders showed none of this. Local business operators saw no established or agreed rules and processes. Because of this lack, it was difficult to seek or achieve two-way dialogue. The vacuum created by the lack of engagement protocols has facilitated conflicts taking root and festering and created fertile conditions for conflict to thrive. This situation, they urged, must change:

"To me, that is the conflict that we are having, because I believe for each and every engagement, let's say we are building a relationship, you and I, there must be terms of reference or terms and conditions to say in our relationship, this is tolerated, and this is not. We have been fighting for that document. We don't have that document so generally when we fight, we fight". (Local business operator respondent)

As proposed in the first part of this chapter, the need is to foster a two-way dialogue between firm and stakeholders, with its primary focus on jointly creating solutions that can lead to mutually beneficial medium to long term outcomes. However, the cohort of local business operators also has its own special interests. Freeman and Evan (1990) posited that the firm must look out for the interests of all stakeholders, with Beiner (1995) further proposing that firms must assume the role of corporate citizens in a way that captures current debates and a changing political, economic, and social context.

The data shows that some other mine host community stakeholders perceived a sense of entitlement from the firm among local business operators, without the businesspeople taking any responsibility for their own development:

"Small businesses should groom themselves and stop being entitled. They should stop expecting benefits that they did not earn. I am saying benefits that they did not want because you did not work for it. The thing is some of us are greedy and entitled, we will just take and take. When I look at most of the other businesses, they were funded and given equipment which they sold, they used up all the money and nothing is really happening". (Ordinary community member respondent)

This sense of entitlement may be seen as one manifestation of the social ills, such as greed and winner-takes-all mentality noted in the first part of this chapter.

6.8.2 Decision-making

Freeman et al. (2010) posited that merely offering certain stakeholders communication and public relations platforms as a basis for engagement with the firm is inadequate. The need is for inclusion in the participatory processes of the firm, so their concerns are considered when new possibilities are crafted that nurture and sustain enduring stakeholder relations (Derry, 2012). Derry (2012) further posited that no stakeholder voice should be ignored or excluded by the firm simply because it is not considered sufficiently legitimate or powerful.

However, the data shows that none of the firms believe stakeholders are sufficiently involved in decision-making processes on matters pertaining to their interests. The nature and trajectory of stakeholder engagements has not matured to a level where firms recognise and embrace the importance of the active involvement and participation of stakeholders in decision-making.

None of the firms had been proactive from the onset of their relationship with stakeholders to actively elicit their inputs, and all had undergone a confrontational phase of engagement, often characterised by conflicts and disputes, where stakeholders resorted to protests and disruption before their existence was acknowledged by the firm and their interests were recognised.

It was these prior episodes of confrontation that catalysed the firm's recalibration of the power balance between itself and the stakeholders. These unfortunate confrontations, which often resulted in loss of production and strained relationships, inadvertently paved the way for firms to reframe their responses to stakeholder issues to become more positive, progressive, and cooperative. As a consequence, all the firms have to some (but variable) extent taken on board the need to consult and engage with stakeholders to discover their concerns and positions and take these into account in their own decision-making. However, if the firms consider some stakeholder claims to be unrealistic and unaffordable, they often do not engage openly, honestly, and transparently with the stakeholders about this.

The data demonstrated a continuum of levels and degrees of consultation and engagement between firms and their stakeholders. The firm with bad stakeholder relationships has low levels of consultation and engagement when compared to the firm with good relationships. In that latter, stakeholder consultations and engagements are thorough, comprehensive, and robust.

The firm with mixed relationships sits in the middle of the continuum. Its level of consultation and engagement on decision-making is continually improving but not optimal, with scope for improvement in relation to the firm with good stakeholder relationships:

“It calls for a higher calling, in terms of our ability to listen to each other, our ability to suspend our judgements and our positions, to be able to fully seek a solution that is beneficial to both parties”. (CEO respondent)

The firm with bad relationship with its stakeholders believes itself to have started the processes of consultation and engagement with its stakeholders, specifically in relation to decision on implementing its required Social and Labour Plans (SLP’s). However, the firm admits this is something it knew it was not doing previously, and that the processes are at a nascent stage:

“I would argue that we have moved on significantly to say that we co-create solutions. The SLP (Social and Labour Plans) is a good example; you know that if the community has not signed off that the SLP would not be approved.” (CEO respondent)

This firm believes that consulting stakeholders to elicit their inputs on its decision-making processes is a step forward and is encouraged by the progress being made. However, the firm remains cautious and tentative and does not believe it needs to do more at this stage. It is wary of having stakeholders further involved in its decision-making processes, even on matters that have an impact on them.

This is in stark contrast to the firm with good relationships. This firm does not believe it has yet reached the ultimate destination in terms of bringing its stakeholders into the fold of decision-making. It continues to try and improve its recognition and involvement of stakeholders in decision-making. This firm believes it cannot afford to be complacent because nurturing successful engagements is a dynamic and ongoing process. This firm and the firm with mixed relationships both approach stakeholder engagements and consultations with humility, guided by the desire to forge and nurture mutual cooperation towards a shared destiny with its stakeholders, reflecting the need articulated in the engagement framework above for value-driven, shared, and positive future visions.

Following Civera et al. (2019), another element in decision-making is the capacity of stakeholders to express their potential as business partners and the recognition and nurturing by the firm of this potential through social dialogue. However, the data shows that firms with bad and mixed relationships with their stakeholders do not always elicit stakeholders' inputs during decision-making. Ongoing engagements in these firms are rather characterised by seeking forms of cooperation that do not give stakeholders a role in decision-making structures:

"No, they would not be part of policy making or procedure making. So, let’s say for example we decide we have got 20 vacancies on the mine for operators. We would set time aside and go through all applications and go through a screening process and you only screen those that have got maths and science, and we go through a bit of a literacy test and numeracy test. And you whittle it down to maybe from 400 to 100 or 5”. (CEO respondent)

Dawkins (2015) posits that stakeholders must be able to build capacity to change their unfavourable situation, without being conditional or dependent on the actions and prerogatives of the firm, adding that what is required is to further the human dignity of stakeholders through integrating and incorporating their interests into the decision- making processes of the firm.

The firm with good relationships has undertaken extensive and continuous engagement with its stakeholders in shaping their mutual engagement policies and has come up with co-created policy solutions. Even though these policies do not always result in active stakeholder involvement and participation, the firm is in touch and “takes the pulse” of its stakeholders about issues of concern, because of its well-thought out and co-developed processes of co-creating solutions. This firm however concedes that its initial mine investment proposal does not yet include how to deliver socioeconomic value to community stakeholders:

"Our investment proposal does not address what are the communities saying about these investments. And what is critical for them to really see this opportunity as fitting to them . . . And that is something that when we talked about investment and that we want to build a mine, there is a financial aspect of it, and it should be something that is solid and not something that we are defining for the communities. Let us go there and sign off on what the communities want and as I am delivering the investment proposal to build the mine and to build the plant. I must also be delivering the value to the community which is also part of the value of the proposal which is costed.” (CEO respondent)

Perhaps because (as noted in section 6.9 above) firms are prompt to deal with employee concerns, employees from all the firms express a belief that there is political will to address and to respond to their issues:

“I do raise matters and then they are heard and if it is not going to be possible, then you would be told why. It is not like you just being told no. They will give you reasons behind; whether it is cost constraints or whether it is resources of that matter that they cannot get or whatever the case might be”. (employee respondent)

Like the respondent quoted above, employees believe there is openness and transparency by firms even when some of their demands, concerns and complaints may not be met. Employees believe the firms provide them with reasons and keep them continuously informed about what is going on in the firm. Across all firms the way firms engage with employees is different and surpasses the way the firms engage with the rest of stakeholders in their mine host communities. This is in contrast to community stakeholders, who feel they lack orientation and understanding of the firms’ processes and protocols, decision-making processes, and constraints. Firms take a calculated, risk- based approach in dealing with stakeholder interests. More attention is paid and more energy, and investment made by the firm towards stakeholders like employees who have the capacity to pose direct threats to the commercial interests of the firm.

An interesting case here is that of traditional leaders, ostensibly loci of power in their communities. Dawkins' (2015) emphasis on the need for flexible social dialogue between all parties might be expected to prevail here. However, traditional leaders in the areas where firms with bad and mixed relationships operate, do not feel engaged and consulted by the firms. They cite a lack of transparent, and honest engagement from firms about their decision-making processes. They receive no information about current or planned projects, about employment decisions that bring in employees from outside the local area, and about land-use decisions. These leaders may not have formal title deeds to their land, but are leaders, nevertheless. Thus, they feel bypassed by the firms:

“When you engage such issues and ask the mine to give us projects, you find that their projects within the community that the mine is running but have only employed people that are outside of the community. People in the community know each other by surnames, so there is no way you can have someone with a Mahlangu surname in the community.” (Traditional leader respondent)

"Because we live on the farmer's land, sometimes they make decisions with farmers and don’t involve me. That is the problem.” (Traditional leader respondent)

This nullifies an important opportunity for flexible social dialogue with a significant stakeholder that could iron out areas of difference and make all voices part of the decision-making processes of the firm. (The same lack of inclusion is experienced by the broader stakeholder community in the context of this bad relationship: community stakeholders living in surrounding communities have never visited the mine, do not know how it functions and have limited understanding of mining processes and operations.)

By contrast, the traditional leaders of the firm with good stakeholder relationships feel consulted and involved by the firm in multiple ways. The firm reaches out to consult them when major issues involving the community come up. Further, they feel their inputs are valued and considered during firm decision-making.

"Each and every time when they need something they call, and I know that my input is valued, and I am always part and parcel of what they do. I feel included because they always consult me. There are many other cases that they came to me to check in different things before they implement them”. (Traditional leader respondent)

The firm is not self-contained or self-sufficient (Salancik and Pfeffer, 1978). It relies on stakeholders to provide it with the resources required to drive operations and financial success. In this respect, stakeholders hold power over the firm, and local business operators in particular have this capacity. Dawkins (2015) proposes that within the context of the free-market paradigm, the firm is expected to take active measures to reduce the impact of power asymmetry: active measures to accommodate the interests of all stakeholders.

However, the data shows that local business operators across all three firms feel excluded and not involved in the decision-making processes of the firms. They cite multiple reasons. The firm does not ever ask what their wants and needs are or invest time in discovering these. Rather it simply informs them of, for example, a pre-made decision:

"They will never come to you and ask what you want e.g., things like water, electricity, and this and that. They would just come and say we need to put water here and there. They never involve us anywhere; they would have made the decision to give us water and they will not have known that we need toilets and not water. When they make decisions, they don't involve us. They just come with their projects that they decided on. They don't care about our interests as a community and find out what we want". (Local business operator respondent)

Many such conflicts and misunderstanding with the firms could have been avoided by proactive dialogue, continuous consultations and engagements between the firms and stakeholders. Local business operators with the firm with good relationships with its stakeholders, however, say that despite their not being involved in the decision-making processes of the firm, they see and recognise the strides that the firm has made in addressing their concerns and acknowledge the efforts undertaken by the firm to respond meaningfully to their interests.

6.8.3 Power to promote interests

Matten and Crane (2005b) posit that the firm needs to have a broader view of its corporate citizenship role. The role of the firm in society should not simply be about adopting corporate social policies and programmes but to take up some of the functions of government which would then embed the firm into "citizenship".

The data shows that all firms are committed to promoting the interests of their stakeholders and they have embarked on some measures, in varying degrees as discussed below to demonstrate their interest and commitments. Firms have allocated transport contracts to a sizable number of entrepreneurs in their doorstep communities, representing a substantial portion of the firm's transport expenditure budget:

"Our concentrate transport contract has gotten to 10 entrepreneurs all of them doorstep I think we have seen something like a 600% increase in doorstep communities spend over the last four years. So that is a very high-level measure, you have got that spent measure. We have also in the recent past entered into substantial contracts". (CEO respondent)

Further, they have invested in developing entrepreneurial skills, capability, and capacity to enable them to grow in running and operating their businesses. However, the scale of such interventions is inadequate relative to the demands and expectations of mine host community stakeholders. Partnerships with institutions of learning such as universities have created opportunities for the youth to pursue their academic ambitions and develop skills and expertise to make themselves self-reliant young leaders. Finally, partnerships with local municipalities have helped strengthen the municipalities' capacity to deliver public services through investment in critical skills. All these form part of the kind of promotion of community interests that can help forestall community anger, violence, and disruption.

Scherer and Palazzo (2007) posit that the role of the firm must be that of a both economically and socially responsible stakeholder. The engagement by the firm with stakeholders, then, must be predicated on seeking to understand their expectations and firm strategies. The firm must seek an optimal balance of their interests (Freeman et al., 2010), through broadening its own power privilege (Delbridge & Keenoy, 2010) to accommodate the interests of other stakeholders.

The data shows that all firms are, to some extent, promoting the interests of their stakeholders. The firm with good relationships has acknowledged that the forceful influence of local business stakeholders in pursuing their interests has been a major driver for the firm overhauling its procurement processes to make them responsive to local business stakeholders in their doorstep communities.

Disruptive strikes and protests have prompted all firms to review their earlier positions and become more active and responsive in addressing and promoting the interests of the stakeholders as the risk to the firm, its production and its commercial interests increases. However, the firm with bad relationships with its stakeholders, even though it is committed and has done some good work in promoting the interests of its stakeholders admits its engagement processes in respect of stakeholder interest promotion are not structured or well-orchestrated. The firm focuses on those stakeholders who “shout the loudest” and responds to them first. Those who may be more deserving but prefer dialogic engagements with the firm over confrontation do not receive priority:

"I have identified local companies and in the past where I said, 'Let us go out and let us go and assist them and let’s see if we can work together'. I think I don’t identify that local business properly enough. Again, it is the one that shouts the loudest, the one that blocks the road, that is the one that I will try”. (CEO respondent)

This links with the theme of stakeholder identification. Better processes are required, as proposed in the stakeholder engagement framework above.

The firm with mixed relationships with its stakeholders also believes it has not done enough to promote their interests, and blames itself, in respect of not keeping promises previously made:

"I think many times as a mining company we drag our feet in implementing and then when you get to a community forum meeting you cannot defend yourself. Because they will stand up and say, 'you know you said you were going to build a community hall, but it is 3 years down the line and that community halls have not even started yet'. Then you have got nothing to say because really a lot of it is due to your own fault. And that is a major point of frustration for community members, and you just don’t do that”. (CEO respondent)

"But we then look at the issues that the community are raising, and we actually changed our decision to take away 40% and say 40% will actually have to come from the doorstep community. And that is actually not our policy, it was something that we said. Our decision needs to take into consideration what the communities are raising so that when we come into the final decision, we actually have to represent them”. (CEO respondent)

Weber (1947, p. 152), defined power as “the probability that one actor within a social relationship would be in a position to carry out his own will, despite resistance”. As previously described in Chapter Three, the literature review, this definition was extended and enhanced by Dahl (1957) and Foucault (1970). More recently, Frooman (1999) posited that as stakeholders of the firm, employees can exercise their discretion by withholding their labour and skills, emphasising that leveraging their power by employees may impact on how the firm chooses to respond to them as a stakeholder group.

The data concur with this analysis. They demonstrate that firms have not decided on the basis simply of a change of heart to promote and address the interests of their employee stakeholders, but because of the previously discussed power of employee action to impact negatively on firm operations. Employees across firms believe their firms are committed to and demonstrate tangible evidence of how they have promoted and continue to promote their interests. Firms provide support and counsel to employees when they experience personal and family difficulties, investing in the wellbeing of their employees.

“The firm representatives are a call away and make time to listen to the grievances and complaints that the employees may have. Maternity leave policy at first started with four months, and then it was negotiated to be five months. So, the ladies get five months now, and we do not even need to go and claim for leave. I think the company covers in full”. (Employee respondent)

"The firms have committed and have invested in personal development programs for employees, you are able to raise your interests and tell them about your personal development plan and trust me, it does happen that when they would ask you that and whatever answer you give them that they would take note of it”. (Employee respondent)

All firms perform relatively well in promoting and advancing the interests of employee stakeholders. However, a distinct shortfall was discernible in the data related to promoting the interests of traditional leaders and through them their constituencies, from the firms with bad and mixed stakeholder relationships. Traditional leaders believe the firms do not accord them the respect and the dignity that they deserve as leaders of mine community stakeholders. They do not see political will from firms to empower them as vulnerable and marginalised community members. They note the lack of training and development programmes for the community and the youth. Stakeholders’ express frustration that their interests are disregarded. This has created an atmosphere in which firms have become vulnerable to sometimes violent community protests, particularly from stakeholders who own no land.

This lack of acknowledgment for traditional leaders demonstrates how intimately power to promote interests is connected to stakeholder identification: which stakeholders are legitimate and "matter" for firms? Freeman and Evan (1990, p. 79) defined stakeholders as those who “benefit from or are harmed by, and whose rights are violated or respected by the actions of the firm “. Yet Mitchell et al. (1997, p. 864) caution that there are stakeholders who do not have power yet matter to firms and managers. Therefore, “in the socially constructed world within which managers engage stakeholders” they must be counted as legitimate. Mitchell et al. (1997) discuss legitimacy as "a desirable social good, that it is something larger and more shared than a mere self-perception", which "may be defined and negotiated differently at various levels of social organisation”.

The data demonstrate how traditional leaders believe their power has been weakened when they do not own land:

". . . despite the fact that as the traditional leaders, we are leaders of the community: The problem we have is that we do not own any land. We are born here; we take over the reins from our forefathers and continue. With regards to the mines, it started with our generation to approach the mines. Our parents never approached the mine. The biggest challenge as I mentioned earlier is not owning the land. If the land was owned by the chieftainship things would be easy, and they would not take long. As the community leadership we are on the white farmers’ land. We must build relationships with the farmers and the mine then develop the relationships to a friendship. Building these relationships is not fast, compared to someone who owns land. A person who owns the land does not ask; he instructs. The one with no land asks” (Traditional leader respondent)

Once more, there is a marked difference for the firm with a good relationship with its stakeholders. This firm has shown commitment and invested in tangible programmes and initiatives to promote the interests of stakeholders. There is active and proactive involvement of traditional leaders in community programmes and projects and their counsel is sought on all matters that affect community stakeholders, because the firm is aware and respectful of these leaders' power and the importance of collaborating with them.

This reinforces the traditional leaders' awareness of and confidence in the power they hold and how to use their influence over the firm's decisions. As a result, tangible community projects that have yielded mutually beneficial results have been implemented.

"Each time when they (the firm) have got something that they need to do they always call and involve me. I am able to go to them, sit with them in a meeting and share ideas on whatever it is that they need done. I did exercise my power, and they came to me, and we were able to get them to build clinics for us in that village. They were also able to help the community establish a poultry program for them, and we have the facility". (Traditional leader respondent)

The data reveal a similar pattern in the relationships with local business operators. With the firms with bad and mixed relationships, business operators say they have had to resort to mass force to get the firms to promote their interests. The firm's executives show willingness to dialogue only after mass action has closed mine gates, disrupted production, and threatened commercial wellbeing. If, on the other hand, they only send emails, the firm does not even respond to their requests for engagement.

Salancik and Pfeffer (1978) and Mitchell et al. (1997, p. 865) posit that "a party to a relationship has power to the extent that it has or can gain access to coercive, utilitarian or normative means to impose its will in the relationship". As detailed in the literature review in Chapter Three, power is much easier to recognise than define (Mitchell et al., 1997) because is manifested in the ability of those who possess it to achieve their desired outcomes. But in recognition of its expanded role in society, the firm (Dawkins, 2014; 2015) is obliged to engage, acknowledge, and tackle power asymmetry, applying appropriate mitigation strategies to empower marginalised and vulnerable stakeholders.

This is apparent in the data gathered from interviews with business operators active in the area of the firm with good relationships with its stakeholders. These business operators feel empowered to engage the firm and have had success in persuading the firm to attend to their interests, including training and development needs. What is more, they detect an awareness of shared purpose in these endeavours and a commitment to medium and long-term shared goals for local business development.

"They develop employees in terms of education and in terms of skills development and all those other things they do for their employees which is good. They are taking a role in saying we are able to take our workers and develop them within our industry so that they can grow." (Local business operator respondent)

6.8.4 Stakeholder engagement

What we can draw from Habermas (1990) is that stakeholder engagement must be a good faith exercise consequently, power asymmetry between the firm and stakeholders is a morally illegitimate outcome. As detailed in Chapter Three, such engagement should result in a complete elimination of power asymmetry, but firm power and the resulting bias are inherent and embedded, making this hard: the logic and discourse of firm- stakeholder relationships give the firm an oversized power advantage relative to its stakeholders.

The data show that the firms with mixed and good relationships with their stakeholders do engage robustly with their stakeholders in ways relevant to mitigating power asymmetry. Local engagement forums have been created where information about the firms' business activities, community projects, jobs offered and procurement opportunities available are shared and communicated. The firms focus on an inclusive engagement approach where stakeholders are given space to articulate their interests and express complaints, and the firms see the value of honesty and transparency.

"We have created around each mine, these local consultation forums that allow us in the first instance to share the kind of information that I was describing. So, their guys could actually begin to say, "I now understand the business activities of this company and I understand where I can provide goods and services". (CEO respondent)

These positive practices, however, are not embedded in all firms. Cross-pollination of ideas and exchange of practices across firms could provide opportunities for all firms to improve practice without having to reinvent the wheel. The firm with bad relationships with its stakeholders, for example, does recognise its relationships are less than ideal and has embarked on what it terms a process of listening. Albeit early days, the firm now expresses a clear intention and political will to listen to and engage with stakeholders:

"We have changed the way we are approaching our communities. We have changed the way we are working with them. So not everything that I say to you is perfect in any sense of the imagination. But we are embarking, we have embarked on a process of listening and being more in tune to what our social stakeholders are saying to us" (CEO respondent).

As detailed in Chapter Three, Matten and Crane (2005b) delineated the social role of the firm as a provider of social rights; an enabler of civil rights; and a channel of political rights, while cautioning that no prescribed legal or regulatory framework exists to institutionalise the administration of citizenship. The data shows that the firm with good relationships with its stakeholders has developed its own such framework. It has created a space by setting aside two days a month for the various cohorts of stakeholders to dialogue with the board of directors. This means that the unfiltered voices of stakeholders are listened to, valued, and recognised by the firm, while stakeholders feel respected and listened to; their power is recognised, and their interests acknowledged and acted upon.

This firm has adopted a social engagement style that defines and agrees on terms of engagement, via the establishment of stakeholder engagement forums and broader engagement forums to address the specific interests of some stakeholder cohorts including local business forums and forums with the municipalities:

“Social way, which defines some of the things in terms of engagements. So, we have what we call the stakeholder engagement forum. These are the forums that within a year we say are going to be happening at a high level. And then within those there is a broader engagement forum which has business forums. Which has got all which we proactively have those meetings with. And then below those forums, we also have specific engagement forums. For example, businesspeople and then we have got a specific engagement forum for municipalities, for example”. (general manager respondent)

The data shows that the firm with bad relationships with their stakeholders locates one because of its bad relationship and the absence of any engagement framework in the lack of skills and capacity among stakeholders. The firm describes its attempts to economically empower stakeholders suffering setbacks because, for example, stakeholders awarded construction work by the firm lacked skills and produced inferior, poor-quality work, so that the firm spent substantial amounts without seeing satisfactory results. The firm is now engaging in providing education, proper guidance, and skills capacitation for its stakeholders so they can meet the procurement standards in terms of the quality of work required by the firm.

“We gave out a lot of construction contracts where we basically said that we will go out locally. It will be a contract, and we will not go outside the area of influence, and now I think a year later, we have built few buildings we are sitting with where it is completely inferior work, and we paid a lot of money and people have moved on. I do not think that it is their problem, I think somewhere they need to get proper guidance, education with the contract. They had a contract that they were building but the work that they had given us is not on the right standard”. (General manager respondent)

Because firms are distributors of benefits and opportunities in society (Moriarty, 2005; Palazzo & Scherer, 2006), there is an expectation they will create mechanisms for stakeholders to propound their interests and build risk-mitigating alliances. Jointly engaging to upgrade skills as part of awarding contracts locally can be seen as one form of risk mitigation.

The firm with mixed stakeholder relationships presents a more complex analysis of unsatisfactory engagements, locating some shortcomings in its own approach. It concedes it has made promises to stakeholders – for example, in a community forum – which it has failed to fulfil. It also concedes it has not communicated the reasons for these broken promises.

"We make a commitment in a community forum meeting, where we commit that, in future we will water down the road in front of these houses. And then time goes by, and you do not do it and then you get to your next community forum, and then you get accused of saying things which you are not doing. And I have unfortunately found this also happens, where we are our own worst enemy. And I think this is the part where mining companies can become much better at". (General manager respondent)

Comparative data between firms with good, mixed, and bad relationships clearly indicates the gap identified by Moriarty (2005) and Palazzo and Scherer (2006) around mechanisms for stakeholders to represent their own interests and alliances to mitigate risks. Where these are wholly absent, firm/stakeholder conflicts continue unabated.

However, the data also demonstrates the factors preventing stakeholders from building mechanisms. These have all been introduced earlier in this chapter, but include, as well as capacity shortfalls, the emergence of self-interested splinter groups which undermines the legitimacy of traditional leaders and ward councillors; the lack of an explicit and shared medium to long-term vision; and poor governance frameworks and short termism within mine host communities. Finding ways of fostering the collective collaboration of all stakeholders (some of which may fall outside the realm of the firm stakeholders) is imperative. This may involve local and provincial governments, interfaith organisations, NGOs, and social partners, and is discussed in Chapter Seven.

Freeman and Evan (1990) posited that the interests of all stakeholders must be taken on board by the firm and Beiner (1995) proffered that firms must assume a corporate citizen role that captures current debates and reflects changes.
The data demonstrates that out of all stakeholder cohorts, it is employees who most strongly express an experience suggesting ingredients for this are in place. They observe transparency in the engagements between the firms and employee stakeholders and experience regular engagements where issues of production, business performance, safety and general employee performance are communicated and discussed. In addition, various other communication tools are employed by the firm to reach employees regularly, such as SMSs, WhatsApp messages, emails, and newsletters with information about what is happening within the firm:
"They try to be transparent with where we stand, how we are doing. Because I know quarterly, they do take out those reports to say this is how we are production wise, safety wise. So, you get to know where you are standing as an employee". (Employee respondent)
"So, we have also got our internal newsletter. If let's say we have got a salary increase or maybe we are running a competition, we will speak to our communications department, and they will distribute a newsletter or they will send out SMS to our employees to say there this thing happening within and then if you need any information you can go to this department and get more information there". (CEO respondent)
However, even employees of the firm with good relationships with its stakeholders believe the firm could do more to replicate its good communication with employees in reaching out and becoming more visible to the rest of the community stakeholders:
"We also need to bring the mine to the people. To say these are the opportunities that we have, this is how you can access these opportunities because you realise then that we do have these opportunities, but it seems like people don't know about them and they do not know how to access them". (Employee respondent)
Dawkins (2014) posited that even though stakeholders may lack pragmatic means, including knowledge, skills, and tools they still have moral standing to deal with firm activities that affect them; stakeholders must be empowered with the capacity to change, rather than accept, an unfavourable situation. The matter of moral authorities is thrown into sharp focus by how engagements with traditional leaders

are conducted. The traditional leaders in the areas of firms with mixed and good relationships with their stakeholders observe regular engagements with the firms. Even though not all of their issues and interests are addressed, they believe a positive atmosphere exists. Issues of youth development and training are discussed, with solutions jointly created, including licensing agreements that permit the youth to learn about moving equipment. Perhaps most importantly, as a recognition of legitimate authority, the firm has funded the establishment of a traditional house in a place where apartheid had forcibly removed traditional leaders. The traditional leaders see this as an expression of political will to address and respond positively to their interests:

"We have now re-established the traditional house. As traditional leaders that were forcefully removed from the areas, we are now back and engaging with the mine. If they need something, they call me, and we are able to sit down and talk." (Traditional leader respondent)

This is in marked contrast to what happens between traditional leaders and the firm with bad relationships with its stakeholders. These leaders believe the firm does not take those seeking for peaceful dialogue seriously: they are not listened to. The firm only responds when the stakeholders' resort to force; only then does the firm give attention to their interests and concerns. The firm does not respect their culture nor uphold their cultural protocols about how engagements should be held.

"We thought that the good approach which is peaceful is the best one to use because it does not cause harm to anyone. Our culture dictates that we must use a peaceful procedure but that does not help us because we do not get the help we need. They take advantage of us because of our approach towards them. Other villages have crèche, schools, they have toilets and everything that the community needs meanwhile we are left behind because we are not arrogant or violent." (Traditional leader respondent)

Nor do traditional leaders in this bad relationship perceive the firm as being attuned to their moral priority of putting the interests of the communities above their own interest.

"We started by focusing mostly on the youth. It is not for a Chief to focus on own development but rather on the development of the community through job opportunities and general assistance."

As noted earlier, these often-distinctive features of cultural identity make it imperative that mining firms do not take a one-size-fits-all approach to engagements, but should rather observe, listen, and customise their approaches to achieve mutually beneficial outcomes.

Local business operators from the firms with mixed and good relationships, too, submit that these firms have embarked on creating structures and providing support to them so they can write and prepare business proposals and tender documents and take advantage of the business opportunities provided by the firms. The firms share information through a portal and database about available business opportunities.

However, even where inclusive platforms of engagement with the firm exist, the issue of broken promises once more undermines their effective operation:

"There is a platform called CEF- Community Engagement Forum, and this forum includes people from the community both youth and adults. It includes traditional leaders and councillors on that forum. Those people meet monthly to discuss their grievances with the mine or the way forward or planning with the mine itself. Where improvements are required, they meet with the mine to make those improvements even though the mine will commit to do something, but it never does". (Local business operator respondent)

This dysfunction is significantly more marked in relation to the firm with bad relationships with its stakeholders. Local business operators observe that the firm does not inform them about business opportunities nor offer advice on the protocols that they need to follow to engage with the firm in order to promote and advance their interests as stakeholders. Further, there is no transparency about challenges and constraints.

"We do not know what is going on. We are coming from outside, so we cannot necessarily tell you how to better engage with us, unless we know what your issues, what your struggles are with us. So, if you guys, had come, and tell us, your issues are with us, and then we come together and then we solve it, because you already know what the issues are; you guys know what our issues are. We do not know what is stopping you guys from being able to work with us effectively. We do not know why . . ." (Local business operator respondent)

6.9 Concluding overview: the state of the firm/stakeholder relationship

The foregoing now enables me to discuss the factors determining the overall state of the relationship between the firm and its mine host community stakeholders. Brown & Fraser (2006) propose an integration and promotion of multiple interests that resonate with both the firm and stakeholders, precisely because, as noted above, stakeholders have moral standing. It was clear from the data that CEOs are preoccupied with understanding and concerned to get the relationship with stakeholders right. The CEO responses demonstrate willingness and openness to finding new ways of strengthening the quality of the relationship with the stakeholders. They are, however, realistic in recognising that much effort and commitment is required if firms are to improve the quality of their relationship with stakeholders. They agree that the foundational basis for sustainable relationships with stakeholders is co-created solutions, where all parties' interests are jointly promoted.

There is recognition that promoting the interests of one specific stakeholder cohort at the expense of others risks disputes and conflicts. A cooperative mindset between stakeholders and the firm needs to emerge that highlights common interests as a reason to cooperate (Civera et al., 2019). But although there is agreement on these priorities in theory, the CEO of the firm with bad stakeholder relationships does not yet have concrete strategies that are ready to be implemented on repairing relationships with the stakeholders. Developing a workable, sustainable, and co-created relationship remains aspirational for this firm; the concrete steps to operationalising such processes seem unclear:

"There is more that we need to do and again it is not them, it is us. I am keen on us forming a strong relationship. They are not as recognized as they should be and that is what we want to do (. . .) We are committed to economic development to achieve shared and equitable value creation and I think there must be a way on how to do that, unfortunately it is not a silver bullet, none of those are a silver bullet but being genuine in our approach, careful in our consideration on how we are to do that is what would make it sustainable". (CEO respondent)

Nevertheless, this CEO believes relationships are improving:

"I would think average, I do not think we are very bad anymore. I think we are definitely not good, so I would say between bad and average". (CEO respondent)

This view is qualitative and subjective, and stakeholders express a different view, underlining the need for an objective measure for rating the firm/stakeholder relationship.

The CEO of the firm with mixed relationship with stakeholders supports the need to co-create solutions with stakeholders but cautions that the sustainability of stakeholder relationships must be predicated on shared responsibility where both the firm and the stakeholders jointly achieve their stated objectives and interests. This CEO believes that an outcome or outcomes where only one-party wins and the other loses, or where one-party wins at the expense of the other stakeholders is a weak foundation for building relationships.

“We could coexist in a far more creative and constructive way with communities where we genuinely share value with what we create with them. Similarly, but that requires us to change our paradigms by the way, including employees and communities”. (CEO respondent)

The CEO of the firm with good relationships with stakeholders believes these are a result of the firm's tireless efforts to improve them. This CEO acknowledges that previous successes do not guarantee future successes: there is a need to continuously evaluate and improve the temperature and the status of its relationships.

As detailed in Chapter Three, Dawkins (2015) advocates moderating the dominant power of the firm, and for a culture of engagement with stakeholders that is normative and assertive and addresses the full range of firm power that can potentially generate conflict.

The views of general managers – who have first-hand experience of and interactions with stakeholders, provide robust support for the conviction of firms that relationships with stakeholders are relevant and strategic for the business, and that they are taken seriously. Engagements undertaken at the level of the general manager are conducted by people with decision-making authority within the firm who are empowered to mitigate risks. They have first-hand understanding of stakeholder issues and are able to identify and respond to those issues critical to business success or failure.

For these respondents, the relationship with the youth appears to be the most difficult and trying one, across all firms. Young people do not always speak with one voice, are impatient, often do not follow protocols and more prone to resorting to mass force when their needs are not met, or their interests not fulfilled. Further, they may be reluctant to work closely or collaboratively with traditional leaders. Traditional leaders and the youth in traditional communities often clash due to many challenges such as the leaders' lack of proper consultation, lack of urgency in implementing community programs and lack of transparency and accountability. However, this is a separate area of study that does not form part of this thesis.

Dawkins (2019) asserts the necessity for a countervailing voice representing the interests of marginalised and vulnerable stakeholders, while Kumar & Pansari (2016) propose that stakeholders must be committed to achieving alignment between their values and those of the firm. The youth are certainly a countervailing voice, but interview responses suggest that working for alignment is not their priority.

The data demonstrates that the firm with good relationships with its stakeholders has been able to listen to local business operators and co-develop engagement mechanisms and structures that promote cooperation towards the joint realisation of the interests of the firm and the stakeholders. This firm demonstrates honest accountability to all its stakeholders including young people on a regular basis, also meeting regularly with traditional leaders and municipal ward councillors and soliciting their advice and counsel on key decisions about stakeholders' interests. This firm sets aside days where members of the board of directors engage with all cohorts of stakeholders firsthand, listening to their issues and grievances. They take note of such complaints and address them with management. At their follow-up visit, the board of directors investigates if management has addressed the issues aired previously.

By contrast, the firm with bad relationships has not cultivated good relationships with the youth. No climate of listening to the youth has been created and young people remain uninformed about the processes of the firm, its constraints, and its decision-making protocols.

The firm with mixed relationships with its stakeholders can show mixed achievements in its engagements with both youth and local business operators. It has boldly and bravely stepped-up its engagements with these stakeholder cohorts to cultivate relationships, despite threats of violence, due to its deep-seated commitment to co-creating mutually beneficial solutions. It has targeted specific areas and opportunities where the firm can empower its stakeholders to advance and promote their interests, and it acknowledge its own failures, particularly failure to fulfil promises. This has gone a long way in cultivating the improved state of relationships the firm is currently experiencing.

"Twenty and thirty-odd years later we still have our own OEMs (Original Equipment Manufacturers) that are based in major service centres, and we do not have serious partnerships with the OEMs and local communities, we have not done that. And it could be a pricing issue or whatever it is, but I think we are bad”. (CEO respondent)

However, the firm suggests that stakeholders also need to do their share of making the relationship work, by being coherent in their engagements, and respecting the firm’s protocols and the rule of law.

Both Foucault (1970) and later Gaski (1984) broadened the conceptualisation of power to the capacity of one stakeholder to change another’s behaviour regardless of resistance. In this context, the data shows that the employee cohorts in all firms recognise their own power and are prepared to leverage that power where appropriate to force the firms to meet their needs and promote their interests. However, it is interesting that the employees of the firm generally rated as having bad relationships with stakeholders, actually rated this relationship as average. By this rating they give recognition to the efforts of the firm, conceding that it has done good work in promoting and advancing their interests as employee-stakeholders. Brown and Dillard (2015) suggest it is important to acknowledge that power asymmetry may distort any genuine exercise of reciprocity between the firm and stakeholders. A form of social dialogue seeking to promote the interests of all stakeholders is needed. In the firm rated as having mixed relationships with its stakeholders, employees expressed a belief that the firm management is not visible or approachable and does not make effort to listen to them. Managers often shut themselves in their offices.

"Another thing is that the employer could be more approachable to the workers. They could make that stance of let me go down to the ground and talk to the people, because it is the fact that you are sitting in your own office that people don’t know that you can actually be spoken to”. (Employee respondent)

This underlines the need for managers to make themselves accessible to their employee stakeholders. As noted previously, communication and public relations platforms alone are inadequate for this purpose (Freeman et al., 2007) and cannot replace inclusion in participatory processes (Derry, 2012), even for stakeholder voices that are not rated as legitimate or powerful. Both the firm with mixed relationships and the one with good relationships have shown in how they treat traditional leaders how important this is. The firms have invested much time, energy, and resources in nurturing their relationships with the relevant traditional leaders, restoring to them the dignity that previous dispossession tore away.

However, the firm with bad relationships with its stakeholders demonstrates distressing disregard for the interests of traditional leaders and is perceived to marginalise their inputs:

"All the stakeholders come and complain to their tribal authorities, there is no good working relationship between the mines. They come and complain all the time. The reason is the mine does not comply at all on the social and labour plans and consultation." (Traditional leader respondent)

The literature suggests (Celerier & Botey, 2015) that the power advantage of firms over their stakeholders may not be sustainable to the extent that it undermines and puts at risk the prospects of social change which could have generated positive benefits for all stakeholders. It is important to acknowledge this distorting effect of power asymmetry on any genuine exercise of reciprocity between the firm and stakeholders. Again, social dialogue aimed at mutual benefit is required (Brown & Dillard, 2015).

Data from both the firm with mixed relationships and the one with good relationships provides evidence of this in the positive relationships established with local business operators. However, these firms acknowledge the continuing need for work and effort on their part to cultivate these relationships. Despite their good relationship rating on this aspect to date, this remains a work in progress. Their positive relationship rating has not made them complacent. Both firms recognise that local business operators are not a homogeneous unit and have diverse interests and expectations: engagements and listening need to be sustained. The business operators agree:

"I would expect to have a place where I would go and engage with them in a platform where we could suggest on what needs to be changed". (Local business operator respondent)

The firm that has bad relationships with its stakeholders, conversely, has challenging and dysfunctional engagements with local business operators. These businesspeople describe their relationship with the firm as strained, and believe the firm employs manipulative tactics to turn members of the community against them:

“The relationship is very sour because they have a tendency of using power of money to fight you. It’s they will promise you work if you are not ready to work with them, then they will find ways to manipulate you, find ways to turn the community against you”. (Local business operator respondent)

Trust levels between this firm and local business operators are low: no positive cooperation has been fostered between them:

"I am just having a big plea to say, this report should go as far as shareholders, so that they know that we are not about fighting them just to fight them. We are blocking the roads we are doing whatever to seek their attention, to say let’s sit down at the table and whatever we say, we might be ridiculous in our demands but somehow to show us and say: 'Guys we listen to you, we hear you'." (Local business operator respondent)

This chapter concludes, however, with a synthesis of views about firm/stakeholder relationships that does not focus on dysfunction. The chapter further demonstrated how the 7 themes demonstrate the challenges in relation to power asymmetry across all the above themes, however in each of the themes there is an opportunity for recalibrating power asymmetry resulting in improvement of stakeholder relationships. Figure 2 brings together the positive learnings from this discussion of data, to depict what – even under conditions of power asymmetry – a very good relationship looks like, employing the stakeholder engagement framework.

6.10 Hierarchy in the stakeholder engagement framework flowchart

In Figure 2, the elements of the stakeholder engagement framework rank the same, with the exception of Power to Promote Interests. There is a flow, interconnectivity and sequencing of these elements, as follows:

(i) The starting point is to identify who are the stakeholders and which stakeholders really count. Mitchell et al.’s (1997) principles serve as an instructive guide in formulating and determining who constitutes a stakeholder.

(ii) After successfully identifying who is a stakeholder, the second step is to arrange a meeting to engage on matters of common interest.

(iii) In the context of managing power asymmetry, the agenda-setting process is the logical step. It must be through a consultative process with the intention and objective of setting the right tone for power balancing in the engagement process.

(iv) How the agenda is set, who sets it, and what matters receive priority are crucial components of this second step.

(v) The third step is the stakeholder engagement framework. This engagement process must not only be guided by the co-creation process but must also have representation from both the firm and stakeholders who have the requisite level of seniority, commitment and willingness to promote the interests of all the stakeholders, that is, not only the firm or the mine community stakeholders.

(vi) The fourth step after the engagement process is how each of the engagement parties addresses the matters to arrive at a decision. In many instances, it is the mining firm that has to make such decisions on matters related to the stakeholders. However, what is important is how the decisions are taken. The framework suggests that the decision-making process must consider the inputs, views, interests and co-creative process so that there is broad ownership of the decisions, and all parties feel that they have been involved and that the firm will seriously consider their interests as stakeholders.

(vii) The fifth step in the process must be the pursuit of consultations, discussions, deliberations, co-creation and consensus building to promote the interests of all stakeholders and the firm. This is the opportunity or platform that needs to be used to articulate the end state of what the relationship should look like, and both the firm and the community stakeholders must articulate their ambitions, aspirations and what they want to get out of the relationship to make it sustainable and enduring.

(viii) The sixth step is that of conflict management. It is inevitable that conflicts may arise wherever there is power asymmetry. The firm and the community stakeholders must invest time to co-create a conflict resolution mechanism that is independent and enjoys all stakeholders' support and endorsement. The focus and attention must be both on the process and delivering outcomes that promote the joint interests of all stakeholders

(ix) The seventh step is that of rating the relationship. It is all very well for each of the parties in the relationship to think and believe that the relationship is going well. The last part of the process is for the parties to decide and agree on a mechanism of rating the relationships independently. Both the firm and the stakeholders must reflect together on the status of the relationship and agree on the process of improving those areas where the relationship is not working well or optimally.

(x) An independent party appointed by the firm in consultation and agreement with all the stakeholders must determine what is a good relationship. The rating outcomes will reflect what is working and what is not working in the relationship.

(xi) At the heart of the engagement process is the need to promote the interests of both the mining firms and the stakeholders.

The above process is iterative and never-ending. Once the first round of the process has been started, it must be calibrated and form an integral part of the engagement. Each party must be able to make recommendations on how to refine the engagement framework to make it relevant and future fit.

Figure 2

Stakeholder engagement framework for "very good" relationships between the firm and stakeholders where there is power asymmetry

CHAPTER SEVEN: CONCLUSIONS

7.1 Introduction

This chapter discusses and recommends strategies, responses, and mechanisms that firms and stakeholders can implement to promote their joint interests and support their engagements in conditions of power asymmetry. Chapter One lays out the context for this research and Chapter Two adds rich context, demonstrating that historically, too, poor relationships and conflicts that have caused harm to both parties have resulted from asymmetric, ineffectively conducted engagements. The detailed review of literature in Chapter Three, the data in Chapter Five and the discussion in Chapter Six all indicate absences in the theory and discrepancies in the practice of such engagements and the negative consequences of these.

While acknowledging that the relationship between firms and stakeholders is complex and nuanced, with no easy or universal solutions, the data provide compelling evidence that if relationships are not managed through built in checks and balances, they can be value-destructive for both the firm and stakeholders: reduced to a zero-sum game.

In answering the research question, I have analysed, observed, and sought to understand how stakeholder relationships between firms and their stakeholders work in the context of power asymmetry. I have further analysed the critical factors that drive and influence the relationships between mining firms and their stakeholders to work either optimally or sub-optimally. On the basis of this understanding, I have gone on to analyse ways of increasing the agency of less powerful stakeholders in their relationship with the firm where there is power asymmetry and built on these factors to propose mechanisms stakeholders can apply to promote their interests and create optimal relationships between mining firms and stakeholders under conditions of power asymmetry. The Chapter Six discussion presents two tools – a Stakeholder Engagement Barometer and an Engagement Framework – deeply grounded in the data that represent a novel contribution to both knowledge and practice.

This chapter summarises the findings, considers the limitations of this research, and proposes avenues for future study that can strengthen both theoretical understanding and practical implementation.

7.2 Research questions

The overall question addressed by this work is: How do stakeholder relationships work where there is a relationship between the firm and its stakeholders operating in the context of power asymmetry in the case of the South African mining industry? This overarching question was dealt with through interrogating four closely interrelated aspects: how stakeholder relationships work in the context of power asymmetry, what the critical factors driving those relationships are, how the agency of less powerful stakeholders can be increased, and whether it is possible to propose a viable framework for building optimal relationships. These are discussed in below.

7.2.1 The basis of, and critical factors driving, engagement and relationships

Stakeholders engage with the firm to promote what they feel are their legitimate interests, which the mining firm has the responsibility to address through a positive response. The firm engages with stakeholders for diverse combinations of three main motivators: as part of their corporate citizenship responsibility; in compliance with legislative and regulatory requirements; and/or because they simply perceive the necessity for building optimal relationships. My analysis of the data adds detail and nuance to this broad framework.

Both structured and unstructured approaches to engagements are evident, deriving from issues that were urgent or pressing at any point in time. Urgent issues might include, for example, water supply shortage or the search for employment and business opportunities. Pressing issues might include, for example, follow-up on long unresolved disputes, or promises made by the firm but remaining unfulfilled. The firm and its stakeholders may also engage to fulfil their obligations in terms of required Social and Labour Plans.

Engagements consisted of both scheduled and unscheduled meetings.

Engagements might come on the back of mass action from stakeholders (such as closing mine gates or disrupting production) to force the hand of firm representatives for an urgent meeting to hear their concerns.

Engagements take place at different levels: the firm may engage with stakeholders at any of the following management levels: from CEO and Group Executive, Corporate Affairs to General Manager, Operations and Stakeholder Manager.

These representatives also engage with stakeholders at diverse stakeholder levels, both through properly established and recognised community stakeholder structures and/or through unrecognised structures demanding to be heard. The cohorts of stakeholders concerned are those previously identified in the research: youth; local business; traditional leaders; ward councillors; employees; and ordinary community members. Structures, whether formal or informal, may represent only one such cohort, or be a coalition with shared concerns.

Importantly, not all engagements between firm and stakeholders resolve issues to the satisfaction of all parties. Sometimes, the consequences are further disputes and splits, leading in some instances to violence, intimidation and intensified disharmony between stakeholders and firm. Although both parties express a preference for dialogue, meetings, and other constructive engagements, across all stakeholders and across the three cases, these forms do not always produce positive results. Four main reasons were suggested for this: that the firm made promises and did not fulfil them; that stakeholder demands were unaffordable; that the firm lacked political will to promote stakeholder interests; and/or that the stakeholders refused to follow the firm's protocols.

The critical factors whose absence drove sub-optimal outcomes were clearly characterised by respondents. Problematic engagements between firm and stakeholders are burdened by disputes and conflicts and marred by unfulfilled promises and a perception that the firm uses its power to promote its own interests without addressing broader stakeholder interests. Conflict often ensues, with stakeholders believing the firm only considers their interests once they have resorted to mass action. Splinter stakeholder groups emerge that disregard engagement protocols to force direct audiences with firm representatives, and this is exacerbated where engagements between firm and stakeholders are infrequent and seen as deficient in transparency and honesty.

These are stakeholder communities that lack both employment and business opportunities, responsibility for which the regulatory framework allocates to the firm. However, stakeholders also do not have sufficient understanding of the business of the firm to appreciate either its opportunities or its constraints and perceive the firm's response to them as an afterthought, rather than as the product of a carefully designed engagement strategy with the objective of meeting their interests.

7.2.2 Increasing the agency of less powerful stakeholders: the sources of a positive engagement framework

Table 7

Themes characterising and defining the nature of the relationship between the firm and the stakeholders (source: researcher's analysis)

Agenda setting	Conflict management	Decision-making	Promotion of interests	Stakeholder identification	Stakeholder engagement	State of relationship

The themes in Table 7 above guided the research and formed the framework for discussing the implications of the findings. The study observed and analysed the processes by which power-asymmetric relationships between three firms (a coal miner, a platinum miner, and an iron ore miner) and their stakeholders functioned across three South African provinces. Chapter Two has already detailed the history of power asymmetry in the mining industry and its impact on stakeholders. The Chapter Three literature review further detailed how, although power asymmetry plays a crucial role in shaping engagement processes and outcomes (either positively or negatively) this important aspect has been given insufficient attention in the literature and is poorly understood (Gray, 2004; Hardy & Phillips, 1998; Purdy, 2012; Torfing et al., 2012). Chapter Four detailed the methods employed, and processes undertaken by the researcher and research assistants.

This study thus presents a perspective gleaned from wide-ranging interviews augmented by both study of the literature and further data analysis. One overarching conclusion emerges: Stakeholder power can only be leveraged where stakeholders gain access to roles and processes that empower them to influence – and even jointly make – decisions from which they were previously excluded (Fung, 2020).

The study acknowledges that stakeholders have their own challenges and experience power asymmetry issues among themselves; these internal stakeholder conflicts may impact on their mutual relationships and co-operation. This recognition underlies my decisions about scope of the study and its exclusions: it does not investigate intra- and inter-relationships amongst stakeholders and the attendant stakeholder dynamics. The study further assumes that power asymmetry is prevalent and pervasive in stakeholder relationships but that it is beyond the scope of this study to examine the manifestation or elimination of this aspect. Its focus is solely on the relationship between community stakeholders and the firm. The framework it proposes is aimed directly at firm and stakeholders to optimise their engagements and relationships by supporting stakeholders in asserting and leveraging their power to promote their interests.

7.3 How the results help build the framework

In this section I summarise the findings from the data to make detailed recommendations in relation to the critical engagement themes set out in Table 7.

7.3.1 Conflict management

7.3.1.1 What mining firms need to do

The firm must develop and establish engagement processes and mechanisms to resolve conflicts by reaching consensus with the stakeholders on dealing with grievances, disputes, and conflicts. These processes need to be characterised by openness on how conflicts are to be resolved; establishing mutually agreed principles and a long-term, shared vision to underlie conflict resolution. These principles need to be enshrined in the values of the firm and in the purpose of the company. This entails the firm undertaking deep introspection about the commitments it has made to its stakeholders, providing reasons for any failure to honour commitments, and demonstrating humility in accounting openly and transparently to its stakeholders. Where this has not happened in the past, efforts are required to regain stakeholder confidence and reduce power asymmetry. Among these should be committing to and honouring dates and timelines for meeting so far unfulfilled promises. Where outside experts are involved in these processes, there needs to be mutual agreement on the selection of the experts.

Firms must additionally invest in building the capacity for and skills of leadership, negotiation, and collaboration, alongside a shared sense of community, joint destiny, and shared value for all stakeholders. Any winner-takes-all approach violates the core community value of shared humanity on which traditional communities are founded.

7.3.1.2 What firm and stakeholders can jointly do

Both parties need to focus on finding common ground and co-creating solutions that work for all parties. When the interests of stakeholders and firm diverge, agreement is of course more difficult to reach. What matters is that such engagements are premised and predicated on the principles of openness, honesty, and transparency and a bigger goal remains shared: improving the lives of the marginalised and vulnerable communities where the mining firm operates.

Traditional communities consist of people who either occupy mining land or have close proximity to it. They represent all demographics of society—children, youth, people with disabilities, women, men, traditional healers, traditional leaders and municipal ward councillors irrespective of gender, race, colour or creed. Due to the effects of the apartheid system, which was dismantled in 1994, the majority of the population that lives in traditional communities where the mines are located is black. The youth encompass men and women above the age of 18 years and below the age of 35 years. Some are working, some are studying at university, and some operate their own businesses. Many have a tertiary education and need a job. However, due to high levels of unemployment, the majority of the youth is unemployed The firm and mine host community stakeholders must sit together and agree on the long- term growth strategy for the mine host community and detail plans and priorities to achieve targets. The plan must entail building leadership capabilities within and across all communities, empowering them with negotiation, technical and governance skills as well as helping them to build other skills they can draw on when mineral resources are exhausted or no longer in demand. This requires both parties to sit down, thrash out issues and establish rules and processes for dealing with disputes that are explicitly agreed by both parties. The ultimate aim of resolving grievances must be to create a two-way dialogue with the primary focus of joint solution creation, by aiming for mutually beneficial medium and long-term outcomes for both parties. Taking the long view rather than grasping short-term solutions emerged as important.

Mining firms and stakeholders both need to confront the ills in communities, such as greed, a winner-takes-all mentality, crime, and corruption. They need to speak with a collective moral voice, rather than condoning or looking away from these ills. Such ills destroy the moral fabric of communities and erode the collaborative power of community stakeholders, exacerbating poverty and disempowerment and making them less able to promote their interests under conditions of power asymmetry with the mining firms. Stakeholders and mining firms therefore need to work together in nurturing, training, and grooming a new cadre of leaders who stand for more effective and positive values. Education can play a key role here, but it will require hard collaborative work with schools and faith-based institutions, grounded in strong ethical and moral foundations.

7.3.1.3 *What community stakeholders can do*

The stakeholders, as counterparts to the firm in resolving conflicts on matters of common interests, have not been empowered through access or training with the capacity to negotiate, collaborate and exercise leadership skills. This makes them less able to seek and co-create solutions that work for both stakeholders and the firm based on a shared set of ground rules and values. Hence the priority noted above for firms to proactively endow communities with these skills.

Acknowledging that no relationship can be power free, Torfing et al. (2012) argued that the effect of rampant power asymmetry between the firm and stakeholders demands that a framework be developed to moderate the power of the firm by putting mechanisms in place for discussing and reaching agreement on matters that promote stakeholder interests. To be able to use these most effectively, stakeholders need to organise themselves in a more structured way with a governance framework, and to build the capacity to lead and build common ground on their own issues. This will permit them to engage with the mining firms as a coherent voice, albeit stakeholders are not always a homogeneous unit.

Even if the firm owns the mining licence, it is hosted by the mining community and is there serving and mining with the consent and approval of the community and its stakeholders. Therefore, community leaders need to engage proactively with the firm to understand its plan for promoting stakeholder interests and its long-term growth strategies to create shared value beyond what the regulations stipulate.

7.4 Decision-making

7.4.1 What mining firms can do

As noted above, many responsibilities – capacity-building, developing appropriate governance frameworks, and eliminating a winner-takes-all approach – are shared. However, a primary obligation rests on the firm during decision-making: to engage with all stakeholders and seek to iron out areas of difference; listen to all voices and inform all interested parties about the projects that are being embarked upon, so that stakeholders are genuinely made part of the decision-making processes of the firm. Firms must engage with their stakeholders on matters of interests to them with openness, honesty, and transparency. This requires intentionally moderating and adjusting their power dominance by co-creating a decision-making framework with stakeholders that supports the adequate representation and active participation of affected stakeholders wherever decisions on matters of interests to them are being made. To do this, the firm must adopt a values-driven leadership approach to creating shared value with stakeholders. Involve stakeholders in the decision-making processes of the firm will create value that will outlive and outlast the resources being mined and leave behind a positive and beneficial legacy for the firm for future generations.

The data pinpointed decision-making with local business operators as facing specific challenges. Many in this stakeholder cohort lack a relevant standard of education, leading to limited business acumen and negotiation skills, and poor value choices such as short termism. Such challenges require a targeted, long-term investment in skills and capacity by the firm. Such investments need the underpinning of a formal commitment to a strong and robust governance framework for engagements and relationships, to rebuild not only the capacity of communities but their ethical fibre, thus fostering a conducive climate for addressing the interests of all stakeholders and the firm.

Firm power rests not only on physical and monetary resources but institutional knowledge and research capacity. The firm needs to employ these systematically and holistically to gain a 360-degree perspective on stakeholder issues and their potential for harm or disruption to the firm in the short, medium, and long term. This understanding should inform steadfast collaborative work with stakeholders to co-create a long-term shared value proposition for all.

7.5 Power to promote interests

7.5.1 What mining firms can do

As noted, engagements between the firm and stakeholders do not happen as engagements between equal parties. The reasons for this, as well as power asymmetry, include stakeholders' lack of leadership capacity, good governance frameworks, relevant education, skills in negotiation and appropriate business acumen. Positive efforts to correct all of these to create a conducive environment where both the firm and stakeholders treat and see each other as equal counterparts. The firm needs to develop capacity-building plans for mine host community leaders. When all of that happens, the resulting engagements and relationships will yield positive and mutually beneficial outcomes for all parties.

Firms must show the way in mine host communities with clearly mapped out and explicitly agreed growth strategies to create long term sustainability for both firm and stakeholders. It is not only to conform to legislative requirements that firms must develop long term investment plans that create and unlock long term socioeconomic value for stakeholders. A long-term purpose predicated on common humanity and shared destiny creates value and promotes the interests of all parties.

There is thus an obligation to avoid situations where stakeholders feel compelled to resort to mass force, violence, intimidation, and disruption in a desperate move to have their voices heard by the firm. To do this, engagement processes need to be defined by established rules, procedures, and protocols. There should be formally agreed procedures and systems for managing and resolving conflicts. These procedures should specify the frequency and content of engagements, including, for example, a regular financial presentation on the performance of the firm.

The firm needs to lay out transparently its social value creation plan for the stakeholders in the short, medium, and long terms for each community and for each stakeholder cohort in that community. The firm should also present an honest register of promises it has made, how these have been implemented and any evidence of success to date.

7.6 Stakeholder identification

7.6.1 What mining firms can do

The firms must develop and adopt clear process to identify stakeholders, adequately, to define their interests and needs and engage with them in a systematic and structured manner to promote joint interests accurately and collaboratively. In addition, firms must strategize and co-create the long-term vision with community stakeholders and empower stakeholders such as traditional leaders with leadership capacity, negotiation skills, business knowledge, project management capability and awareness of good governance frameworks so that they can both effectively lead their communities and feel that they are part and parcel of the mini9ng firm's decision-making structures and processes.

7.7 Stakeholder engagements

7.7.1 What mining firms can do

The style firms adopt for engaging with, for example, local business operators need to be proactive and not reactive. This will help eliminate the possibility of and obviate the necessity for stakeholders resorting to the use of mass force simply to get the attention of the firm about their concerns.

Engagements between the firm and traditional leaders are fundamental to cultivating successful relationships between the firm and mine host community stakeholders, and Langtry (1994, p. 433) posited that “the firm is significantly responsible for stakeholder’s well-being, or the stakeholder holds a moral or legal claim on the firm.” It is therefore important and fundamental that these engagements are nurtured and harnessed. The data suggested that sometimes a short-termism and instrumental approach to traditional leaders was employed, where the leaders were simply viewed as agents of the firm for conveying messages. To be positive and productive, relationships with traditional leaders must not be exclusionary and must have built in checks and balances to avoid abuse of power or the marginalisation or exclusion of other stakeholders whose legitimacy also matters to the firm and stakeholders.

Part of bridging the knowledge power divide must be for the firms to arrange educational tours for all its stakeholders, so they can better understand how the mine works, how it generates value and how value is created and shared. The mine host community stakeholders need an intimate view of what the firm does if they are to become ambassadors for the firm. This starts with their understanding how the firm operates. A new dialogue of this kind between the firm and stakeholders can build a new sense of vision, purpose, collective identity, and shared ownership of current and future value.

But even where the approach that mining firms adopt to stakeholder interests is reactive, it must still serve to reduce power asymmetry and cultivate engagements and relationships that work optimally for both firm and stakeholders. A proactive agenda setting process is required to develop a long-term strategy for shared value creation. Short term strategies and a winner-takes all approach is not working, as respondents indicated repeatedly; they are fraught with the potential for conflicts.

A firm and its stakeholders need a well-developed and co-created strategic social value creation plan that promotes the interests of both. It cannot only be about the stakeholders or the firm: both must be able to create and accrue value from the process. However, to reach this goal, the mining firm must customise its approaches to build on the leadership strengths and attitudes of each stakeholder community and cohort. Where strong pillars exist that can help build a solid foundation for sustainable stakeholder engagements, investments of time and resources are required to shape such relationships towards sustainability.

The firm must address and promote the interests of their stakeholders by acknowledging stakeholder power and creating programmes and projects that support stakeholders in promoting their own interests and those of the firm. Key principles must underpin the momentum and sustain the commitment from both firm and stakeholders as they collaborate in removing any obstacles impeding the construction of mutually beneficial engagement models.

These start with a clear vision of what is to be achieved by the firm and stakeholders and honesty, reliability, and integrity from both firm and mine host community leaders. Firms must demonstrate empathy and compassion for ordinary community members living in poverty without skills, jobs, or education, and develop long term programmes to build new personal growth paths for this cohort. Empowerment programs and strategic initiatives must be co-created between the firm and the community to address and promote their interests. Where decisions need to be taken, the decision-making processes must be inclusive of representatives of both the firms and the stakeholders. Such decisions must be made in a timely manner. Stakeholders need to see the big picture of the future envisaged for themselves and for the firm, to understand what role they can play. In this process, communication is key. The firms must actively listen to the verbal and non-verbal voices of their stakeholders and communicate regularly with openness, honesty, and transparency.

7.7.2 Shared responsibilities

The firms and mine host community stakeholder leaders must both take responsibility for their actions. They must hold themselves accountable and must be accountable to their stakeholders for achieving their goals. Additionally, the leaders of both groups must accept the need for flexibility. The plans and strategies for shared social value creation must be adaptable, to adjust to changes, and versatile enough to respond to new situations as they emerge.

7.7.3 What community stakeholders can do

These processes risk being overturned when engagements become confrontational. Therefore, the use of mass force by community stakeholders must be avoided at all costs. New ways of engagement are required to replace the use of force by either party, whether firm or stakeholder. It is frustration that triggers the use of mass force, so the aim is to utilise peaceful engagements and conflict resolution mechanisms such as arbitration.

The leaders of stakeholder cohorts have a responsibility to encourage these non-confrontational approaches and are better equipped to do so if they have been empowered with leadership and negotiation skills, relevant information, access to professional advice (paid for by the mining firms) and business knowledge. They can work most effectively in the context of open and transparent engagement structures that create a sense of hope, and when they are equipped with truthful information about the firm's short-, medium- and long-term plans, including the constraints and the challenges the firm faces.

However, our interviewees pointed out how difficult this is when the mining firm does not keep the promises made to mine host communities and when there is not a long-range plan co-created with the firm that can demonstrably create socioeconomic value for both parties.

7.8 State of relationships

The research explored firm/stakeholder relationships across the spectrum, from good to bad. Respondents' inputs indicated that how they characterised the state of the relationship related to how much effort the firms were perceived to have put in to building it and cited various instances of this.

As one example, the firm must invest time, effort, and resources in building and nurturing relationships with traditional leaders, to accord them the appropriate dignity, recognize, and respect their authority, and seek their counsel on matters affecting community stakeholders. As another, the firm's management must be visible and accessible to, listen to and engage with employee stakeholders.

An objective measure is required that can be implemented by both the firm and stakeholders for measuring the quality of engagements and relationships to serve as the basis for improvement by identifying deficiencies requiring redress. My research proposes a relationship barometer (Chapter Six) as a first contribution to developing such an instrument, and an engagement framework as a context for mitigating power asymmetry and improving relationships.

7.9 Contributions to theory and practice

7.9.1 Contributions to theory

Overall, this work has advanced theoretical understanding by stepping outside the limited frameworks of extant research on firm/stakeholder relationships in conditions of power asymmetry. Where previous research had been undertaken predominantly from the exclusive perspective of the firm and (far less frequently) of stakeholders, this research investigated and set beside one another the perspectives of both parties. Where previous research focused on the analysis of successful or failed relationships, this research examined a spectrum of relationships from very bad to good. This 360-degree approach lays the foundations for multiple directions of future research, as well as providing broadly grounded evidence. The themes defining seven pillars of engagement emerging from the research are relevant to both firm and stakeholders and form a knowledge base for both proposing diagnostic and remedial tools in this work, and as elements of future scholarly inquiry. The stakeholder relationship barometer is useful for this purpose.

The Stakeholder Relationship Barometer

What Is the Barometer?

In gathering data from the respondents, we asked them to gauge, rate and express an opinion on their relationship experience using a 'good', 'average' or 'bad' classification. Each respondent (firm executives and community stakeholders) provided reasons for their choice of rating.

The barometer has been developed as part of the recommended suite of tools and instruments that can be applied to optimise the working of stakeholder relationships. It is necessary to establish a baseline for each stakeholder's view to provide the input necessary to reset the stakeholder relationship and to ensure that both the firm and stakeholders do not get caught up in a vicious cycle of not being able to define and understand the problem they are trying to solve.

How were the ratings determined?

The 'good' rating is the highest rating; 'average' is a combination of both good and bad based on qualitative considerations and factors. The ratings are based on value judgements and are not scientific. However, what they depict or denote is not questionable or subject to any objection.

Firm Respondent: “Alright, maybe we can start with the employees. I am torn between average because recently there was an audit, one of the international audits taking place. And the employees, remember that in the mine there are permanent employees and contracted employees. So, there is that distinction. There were issues raised by contracted employees that they are treated differently. So, I would give it an average. For the doorstep community, I would give it a good. We do have a good relationship with our doorstep community. I do not want to say that there are no challenges, but I can safely say that we are able to have constructive engagements with them. I can say our relationship with our host communities is average. There are some challenges here and there. There is some lack of trust in terms of some of the issues and sometimes you cannot blame people because obviously we live in an area of high unemployment. But yes, we do have that average relationship with them. Regarding traditional authorities or traditional leaders, I can say we have a good relationship with them. We are able to have constructive engagements with them. We understand where they are coming from, they understand where we are coming from. I cannot say there are no challenges, however, we can safely have constructive engagement with our traditional leaders. Government stakeholders have a good relationship with the local municipality, a good relationship with the district municipality and a good relationship with the regulator, the DMRE. We have a good relationship with other sector departments like your department of education on our education program.”

Firm Respondent: “Yeah, I think . . . so the employee is good. I think with youth it is average; I think with business forums it is good, unions it is good, municipality it is good. Traditional leaders it is good, municipal ward councillors it is good.”

Firm Respondent: “I would say average, three bad. Well, average because of the work that we have done so far. So, we are in a position where we have community members writing us letters and saying thank you for this, thank you for that. We have community members that are on the other side, even businesspeople, who complain and close roads. There is a group that actually says, ‘You know that we know what is happening and we do not agree with what people are doing because we believe in you. And we know the progress that you have made.’ So, we are now . . . I could say average. We have communities that, even though we think we are doing something, they do not acknowledge it at all. Or that you agree with to say, okay, we will give you 30%. We will refer opportunities for you, and we will help you, we will develop you.

They will say, no we do not want 30%, we want 51%, or actually we want 100%. So, we understand that we will never satisfy everyone, but we know that from where we are we have made quite some headway. There is a bit of positive shoots that we can see now. That is why I am so tired."

Community Respondent: "It is average."

Moderator: "Average, please explain why you rate it average"

Community Respondent: "Because sometimes they can call and they don't have good news, or they tell us they can't do that, but if we say they are in the middle, they can do some things and there are things they can't do."

Moderator: "Okay, councillor. Alright, and then just in closing, seeing that we are at the end, are there any other comments that you want to add within everything that we have discussed today, is there something else?"

Moderator: "They should also visit the community like that. This is now my last question that I want you to answer and then we will close this interview. I want you to rate your level of satisfaction in relation to the relationship that the stakeholders have with the mining firm. You will have to rate your satisfaction with the relationship with the mine, or the relationship of the mine with the stakeholders. How would you rate the mine's relationship with the youth using a rating of very good, good, average, bad, or very bad?"

Community Respondent: "It is very good."

Moderator: "Very good, what makes you say that?"

Community Respondent: "Because we can engage with them. Whatever expressions we have, we engage with them. They listen, and they implement wherever they can, and if they can't, then we seek a way of how we can get it."

Moderator: "That is with the youth?"

Community Respondent: "Yes."

Moderator: "And what about other stakeholders?"

Community Respondent: "They do the same."

Moderator: "So, generally the relationship is very good?"

Moderator: "Now my last question is really about how you see your relationship with stakeholders. Whether there are ordinary community stakeholders or ward councillors. I mean, if I were to ask you to rate them or classify the relationship as, let us say, number one being good, number two being average, number three being bad. What rating would you give?"

Firm Respondent: “I think it is difficult to give one overall rating because you have got different stakeholder groupings.”
Moderator: “Yeah, you can give them by stakeholder ratings. That is fine, actually that is more appropriate.”
Moderator: “I am coming to the end of our discussion. My last question is really about the relationship of the firm with stakeholders using the scale that I have got here which is from very good, average, bad and very bad. How would you rate your relationship with the mining firm? How satisfied are you the relationship using this scale? So, if you look at the relationship between the youth and mine, where would you place it and then tell me why?”
Community Respondent: “I would say very good for the reason that the mine would like to see 90% of the youth working versus sitting at home because they are the future.”
Moderator: “What exactly do they do to show that they want the youth to work and for you to be satisfied?”
Community Respondent: “They make sure that the information is given to the youth about the learnership and skills development programmes so that they can have skills of that particular work in the event that there is an opening. That’s why I say it’s a good relationship. The mine is trying on this aspect.”
Moderator: “What about with municipality ward councillors, where do you place the relationship?”
Community Respondent: “Still with the mine, right?”
Moderator: “Yes, with the mine.”
Community Respondent: “I would say it’s very good because they don’t want to take out a lot of money and give it to a group of people to say go and help out this community. Rather, they give plenty of money to the municipality because the municipality is government for the people that brings services to the people, so they believe if the money is given to municipality, then municipality will use it accordingly for the community that needs it. The municipality will make sure that because we have gone to ask for the help, they will help that community with the assistance that would have come from the mine. Even though we are aware that there is corruption, the work would have been done for the community.”
Moderator: “What about with the community members, how would you rate the relationship with them?”

Community Respondent: “I would say it’s average.”
Moderator: “Why?”
Community Respondent: “You know our mine, I love it, right, but there is certain information that when it’s time to deliver to them – and it would be important information – they are unable to attend, or they send relevant people in management to find out about the community needs. I feel like if they bring people that have the information like people in HR, for example, or let me say for each department that the mine has so that if there are questions, then a relevant person from the department will be able to give answers versus nobody is present to give the information. That takes time to obtain feedback or questions, or feedback never comes back.”
Moderator: “Let us look back – remember we did talk about all the stakeholders. If you were to rate the satisfaction with the relationship on a scale of very good, good, average, bad and very bad – if you look at the relationship between the mine and the youth, how would you rate it and why? What would you say the relationship is like between the mine and the youth?”
Community Respondent: “It is very bad because the youth is not interested. I don’t know – shouldn’t the effort come from Kolomela to the youth? Can’t they get the youth together and speak to them?”
Moderator: “Besides the drugs and maybe alcohol, why do you think the youth are not interested?”
Moderator: “They are not interested in mining? The mine is not interested. What is the problem?”
Community Respondent: “It seems the mine doesn’t put more effort in.”
Moderator: “What do you think they should do? What kind of things can they do to get the youth interested in off the streets and off drugs? What can they do?”
Community Respondent: “As I said in the beginning, come together with the youth. Decide we are going to the schools and – I don’t know. Our youth has a very big problem here in Postmasburg.”
Moderator: “What about the relationship between the mine and the councillors? Where would you put it? Is it very good, good, average, bad or very bad? Do you know anything?”
Community Respondent: “So far, good because so far they haven’t given me problems.”

Moderator: “Why is it not very good?”

Community Respondent: “Because the needs that I asked for the community haven’t been met yet, so I want to see if I come here to drink tea or water or am I coming here for real things. So, at the moment we are still just talking.”

Moderator: “How would the Chief rank his relationship between, good, very good, bad, and very bad?”

Community Respondent: “I would rate it as good.”

Moderator: “Either answer is fine, but I am still going to ask you to give reasons for your ratings. Are things happening the way you want now?”

Community Respondent: “Good.”

Moderator: “Why do you choose good?”

Community Respondent: “It is because they have listened to the ‘long contracts proposal’ and we are working towards it. We haven’t implemented anything. If things were in motion, I was going to say, “very good.”

Moderator: “We are now coming to the end of our discussion. The last question aims to rate your satisfaction with the relationship between the mine and the stakeholders. I would now like you to rate the relationship that the mine has with stakeholders using the following scale: Is it very good, good, average, bad or very bad?”

Community Respondent: “I would say its average for now.”

Moderator: “Why?”

Community Respondent: “The mine has tried with the things I mentioned before like the tenders they give local people, the scholarships and learnerships they offer. In recruitment also, they are trying as a mine. Most of the people working in the mine are locals.”

Community Respondent: “The relationship, I can say it is average.”

Moderator: “Average.”

Respondent: “Yes.”

Moderator: “Why do you say that?”

Community Respondent: “Like I said, if we could have a good relationship, if we promise each other something, we must fulfil it. If you don’t, the relationship might not be good, but it might not be bad, we are going to meet in the community, like I work in the mine, it is not bad or good, that is why I rate it average. More action is needed from the mine’s side to meet the community’s needs and other requirements.”

Moderator: “We are coming to the end of our discussion. The last question is really trying to check your satisfaction with the relationships of the different stakeholders with the mine. If you were to rate your satisfaction with relationship with the mine as a stakeholder, how would you rate it?”

Community Respondent: “I am giving them the benefit of the doubt.”

Moderator: “Which is?”

Community Respondent: “Fair.”

Moderator: “Why do you say that? I am assuming fair is average.”

Community Respondent: “Yes, it’s average. Remember, I have changed the tone, I can engage with them. I can request a meeting and get a meeting like personally I can do that. But then, for instance I couldn’t share this invitation to anyone from the community because I know they have different views. I would say I know this is good or excellent if I had that opportunity to say in the community group that guys, I have been invited to do this but now I have to be sceptical about whom I share this, but we are from one community. I recently got an invitation to an environmental assessment. I phoned or asked those that I know who are active in the community. They didn’t get the invitation. You see, now the mine is giving different relationships. I wrote to the company, I am not sure of the name of the company that was going to do the environmental assessment to say, extend your invitation to these people because I believe they are relevant. It’s only then that they also received an invite. So, for the other community stakeholders, I would think that the relationship is not good. I actually think that it might be bad considering how I see other community stakeholders dealing with the mine. Maybe with the municipality, it could also be average. From the traditional leaders, it can also be average, I think.”

How the barometer functions in the context of this study

In the context of the study, at the end of each of the interviews with all respondents, the respondents were invited to express their opinion on the state of the relationship from their viewpoint. It is important to note that in the case of the mining firm executives, some expressed their opinion on the relationship per stakeholder. For example, they attributed a rating of ‘good’ to the traditional leader but ‘average’ to local business operators and ‘bad’ to the youth. All these forms of classification provide a useful mechanism that serves as a baseline for resetting the relationship. That is why the relationship barometer forms an integral part of the suggested mechanisms of how to recalibrate the relationships.

Detailed explanation of the conceptual foundation

The barometer sets the scope of the work that needs attention and begins to shape the discourse of the engagement process because not all stakeholders have experienced the relationship in the same way. For example, the youth's rating of the relationship differs from that of traditional leaders and therefore necessitates the firm's customized and targeted response approach to address the underlying issues that have resulted in power asymmetry. The barometer also serves as an early warning system of the problems that exist in the relationship between the firm and the stakeholders. Empirical evidence and a point of reference are necessary to formulate coordinated and a co-created response measures to the underlying issues that assail the stakeholder relationship.

Detailed methodology for its application

The methodology involved interviewing the respondents to gauge their opinions on the state of the relationship. It is important to observe that all respondents from the mine host communities, including those where the relationships are bad; still see value in the firm's continued existence in the mining community. This suggests that, despite the conflicts, the mine host communities believe and hope that the relationships can be recalibrated to promote the interests of all stakeholders. This reflection serves as an important point of leverage for the firm to reset the relationships with stakeholders, who remain hopeful and positive that, despite the challenges, the issues that are causing problems in the stakeholder relationship can be mutually resolved if the firm has the requisite will and strategic intent. It is for this reason that the end state principles must underpin the resetting and recalibration of the stakeholder relationship.

Empirical evidence demonstrating the barometer's effectiveness

Most of the research work and evidence in previous studies focused on rating the relationship from either the firm's perspective or the mine community stakeholders' perspective. This study provides unique insights and perspectives because it looks at the relationship from both sides. The empirical evidence, as supported by data, clearly demonstrated the respondents' various opinions about how they view, perceive and have experienced the relationship.

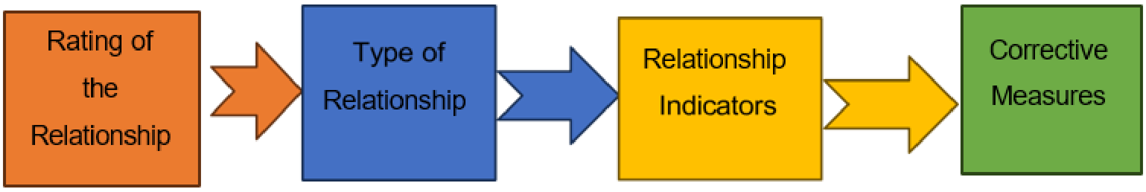


Figure 3

The stakeholder relationship barometer

The empirical work confirmed the categorisation of the relationships between mining firms and communities and provided additional details. In Table 8, I outline a scale that mining firms can use to self-assess the nature of their relationships, and corrective measures where needed.

Table 8

Elements of the stakeholder relationship barometer, its features, and characteristics

Scale Rating of the Relationship	Type of Relationship	Relationship Performance Indicators	Corrective Measures
Very bad	Very bad relationship	Conflicts; fissures; unfulfilled promises; criminality; violence; mine gate and road closures; no promotion of stakeholder interests	Firm proactively reduces power asymmetry Firm employs stakeholder relationship barometer Firm & stakeholders successfully implement engagement framework
Bad	Bad relationship	Conflicts; fissures; unfulfilled promises; criminality; violence; mine gate and road closures; no promotion of stakeholder interests	Firm proactively reduces power asymmetry Firm employs stakeholder relationship barometer Firm & stakeholders successfully implement engagement framework
Average	Mixed relationship	Partial promotion of interests; participation in agenda setting; partial resolution of conflicts; constructive stakeholder engagement; unfulfilled promises; mine gate and road closures; incorporation of stakeholder issues in firm decision-making	Firm proactively reduces power asymmetry Firm employs stakeholder relationship barometer to gauge areas of substandard performance Firm & stakeholders

			implement missing elements of engagement framework
Good	Good relationship	Positive promotion of interests of the firm and stakeholders; co-creation in agenda setting; constructive resolution of conflicts; positive stakeholder engagement; promises fulfilled	Firm continues to proactively reduce power asymmetry Firm employs stakeholder relationship barometer to monitor consistent long-term performance Firm & stakeholders continue to implement and improve engagement framework

7.9.2 The stakeholder engagement framework: definitions of pillars of engagement

Like the barometer, the engagement framework has two aspects: for theory, it broadens and deepens understanding – and in this aspect opens multiple avenues for additional scholarship. In implementation, it also forms a contribution to practice, discussed further below.

A. Agenda setting

Here, agenda-setting extends beyond the agenda of a single engagement event to the vision of an end-state beneficial to both parties: the "big-picture" agenda. The firm and stakeholders must co-create and articulate this to ground stakeholders in the shared vision of concretely improved future conditions predicated on the long-term investment plans of the mining firm and mobilise them around this, and around the common set of values and shared sense of destiny necessary to achieve it. That is, the firm must assist stakeholders to build leadership capacity, negotiation skills, business, and technical knowledge so that they can become formidable and equal counterparts. A poor education system continues to undermine their ability and erode their potential to leverage their collective power effectively in promoting their interests and those of the firm.

The mine host community stakeholders must set the example of good governance practices and must uphold rules and protocols within mine host communities. If they fail to do so, this constrains and undermines the collective collaboration efforts of all stakeholders to raise and promote their issues with the mining firm.

B. Conflict management

Mining firms must change the way they engage with host community stakeholders and adjust their ways of working with them to reimagine a new process of listening that puts them in touch with what stakeholders are really saying. This requires honest, transparent, and open communication with stakeholders about activities and plans. It demands from the firms both commitment and the political will to empower the vulnerable and marginalised members of the community, more specifically the youth.

Engagement processes that can support this should embody established rules, procedures and protocols for engagements, decision-making and the promotion of interests of all parties. These should cover the procedures and mechanisms for resolving disputes; an agreed frequency for engagements; and regular agenda items detailing the financial performance of the firm, its plans for capacity-building among community leaders and stakeholders and a register of the firm's performance against promises made to the stakeholders and targets set, with fully evidenced feedback. The firm must avoid situations where stakeholders have to resort to the use of mass force, violence, intimidation, and disruption in a desperate attempt to have their voices heard. Effective conflict management and resolution requires jointly agreed procedures directed toward building two-way dialogue that can achieve mutually beneficial medium to long-term outcomes for both the firm and its stakeholders.

C. Decision-making

Only a values-driven leadership approach can create shared value with stakeholders. As part of this, mining firms must involve stakeholders in the decision-making processes of the firm. This approach has the power to create lasting value that will outlive the resources being mined and leave behind a positive legacy for the firm into future generations.

Firms and stakeholders need to collectively confront the ills that beset communities _ including greed, a winner-takes-all mentality, crime, and corruption – with a collective moral voice and not condone or ignore them. Such ills destroy the moral fabric of communities, erode the collaborative power of stakeholders, and weaken their ability to promote their interests.

Acknowledging and confronting these problems needs to form an element in decision-making and be supported by joint work (also including schools and faith-based institutions) to educate and groom a next generation of leaders who embrace hard work and strong moral values.

D. Power to promote interests

This has multiple dimensions, related both to stakeholders collectively and to the various stakeholder cohorts. With all stakeholders, the firm must engage regularly and seek to identify and iron out areas of differences, explore divergent views, listen to all voices, and provide all cohorts with information about its planned projects, to make them feel that they are part of the decision-making processes of the firm. Doing this requires access. The decision makes of the firm must make themselves available to meet, address the interests of stakeholders and take the time to address and respond to these. Community stakeholders must be afforded opportunities to visit the mine on mine tours supported by relevant information to understand the functioning of the operation.

Regular, scheduled engagements between the firm and mine host community stakeholders must occur, as forums to discuss and agree on explicit, detailed steps and priorities to achieve the long-term socioeconomic growth strategy for the community. Firms must make this long-term vision explicit and explain how they plan to promote the interests of the community over the long term, including capacity-building in technical, governance and negotiation skills, as well as any other skills that stakeholders can utilise when mineral resources have been fully mined out.

As one important example of a specific cohort interest, local business operators require engagement and discussion on the business opportunities that are available in relation to the mining firm and guidance on where, when, and how they can take advantage of these in a structured and informed way.

E. Stakeholder identification

The mining firms cannot afford a one-size-fits-all approach to engaging with host community stakeholders. The approach to engagements must be customised to capitalise on the leadership strengths, capabilities, and attitudes of each of the stakeholder community and each cohort within that community. To this end, firms must develop and adopt clear and well-defined processes of stakeholder identification, adequately and accurately defining interests and needs together, and engaging with stakeholders in a systematic, collaborative, and structured manner to promote joint interests.

F. Stakeholder engagement

The firm must invest time, effort, and resources in building and nurturing relationships with stakeholders. They must respect their authority, elicit their views, and seek their counsel on matters affecting the mining community. The structures and platforms for building such relationships must create a sense of hope and be characterised by openness, transparency, and honesty about the firm's short-, medium- and long-term plans, including honest discussions about the constraints and challenges that the firm faces or anticipates.

One excellent way to do this would be by the Board of Directors setting aside a space of, for example, two days annually for dialogue with all the various cohorts of stakeholders. This dialogue needs to be carefully planned and conducted so that the voices of all stakeholders are listened to, valued and accommodated by the firm; those voices are permitted to express unfiltered input and feedback; and stakeholders feel that they have been respected and heard, had their power and standing in the community acknowledged, and their interests recognised and acted upon by the most senior decision-makers of the mining firm.

G. State of relationships

Stakeholders must do their fair share of wanting and making the relationships with the firm work, they must be proactive, constructive, coherent in their engagements, be accountable to their constituencies and must respect the protocols of the firm and the rule of law.

An objective measure that can be introduced and implemented by both the firm and stakeholders to measure the quality of engagements and relationships, such as the proposed relationship barometer, is required. This will serve as the basis for improvement by highlighting and identifying deficiencies that require redress. An engagement relationship barometer is proposed as the initial model for such an instrument.

H. End state relationship principles

For the firm and stakeholders to effectively manage stakeholder relationships in the context of power asymmetry, one of the key levers is the co-development and co-creation of end state relationships principles. Table 9 depicts the principles that must be applied to calibrate power asymmetry for the end state stakeholder relationships:

Table 9

Principles to be applied to calibrate power asymmetry for the end state stakeholder relationships

Firm	Stakeholders
1. Joint Promotion of interests	1. Joint Promotion of interests
2. Skills, leadership, capacity building and governance for stakeholders.	3. Stakeholders to engage with openness, transparency, and transparency with their constituencies.
4. Capital Investments by the Firm in long term mitigation of socio economic risks.	5. Stakeholders to hold the Firm accountable for the promises and undertakings that they have made.
6. Firm to incur costs of giving access to professional advice to stakeholders.	7. Stakeholders to pursue macro interests of all stakeholders and not focus on their narrow self-interests.

8. Firm to engage with openness, transparency, and transparency with their stakeholders.	9. Stakeholders and mining firms must work together to groom a new generation of ethical leaders.
10. The firm must commit itself to understanding the various cultures of the area where it conducts its business.	11. The firm must honour undertakings it has made to stakeholders, provide reasons for defaults and be willing to account to stakeholders humbly and honestly.

7.9.3 Commentary on the underpinning for managing stakeholder relationships in a power asymmetrical context

Managing power asymmetry in stakeholder relationship is complex, there is no one size fits all, it is iterative and has many moving parts which must be considered together and yet tailored to better respond to unique dynamics that play out in each stakeholder context.

The contribution model (Figure 4) consists of the following underpinnings identified which must be fully integrated, the interconnectivity, the interdependence require that these factors flow together as they feed on each other and must be viewed in an integrated manner in the application of the model to achieve maximum results in managing stakeholder relationships in a power asymmetrical context.

a. The stakeholder engagement framework

b. Applicable end state principles

c. Stakeholder relationship barometer

7.9.3.1 Stakeholder engagement framework

The stakeholder engagement framework as enunciated in Figure 2 above highlights, illustrates, and recommend the approach to be adopted simultaneously by both the firm and stakeholders in building and calibrating good relationships that will yield optimal results for all parties. The first step in the implementation is the correct identification of stakeholders, this process must be thorough, robust, consultative between the firm and stakeholders. To make the process constructive and relevant, it must be iterative, inclusive, and periodically reviewed and calibrated so that there is no stakeholder that counts that is not included in the stakeholder identification process.

Once a stakeholder has been identified by the firm there must be a shared commitment to engage from both the side of the firm and the stakeholder to engage with serious intent to promote interests of both parties and to build a long-term relationship. Appropriate platforms of engagement and communication must be established, be acceptable and the representatives in each of the engagements must be made up of people with requisite levels of seniority, relevance, clout and mandate that gives credibility and seriousness to the engagements.

Setting the agenda must be a dual and co-created process where proper consultation and engagement between the firm and stakeholders is undertaken.

There must be a dual commitment by the firm and by the stakeholders to promote the interests of all parties, this must be the basis for establishing long-term stakeholder relationships.

A culture of accountability must be implemented and embedded between the firm and stakeholders for achieving results and for explaining reasons for not achieving the results.

Decision-making processes in Table 6 illustrate the importance of decisions are made by the firm where key principles of openness, transparency, and honesty are encouraged and embraced.

Conflicts must be constructively managed where appropriate measures are devised with mutually acceptable mechanisms adopted by the firm and stakeholders with the central purpose of sustaining the momentum of promoting interests of all parties.

The constant monitoring and assessment of stakeholder relationships is useful and must form an integral part of evaluating stakeholder relationship effectiveness. It is important that all parties are involved and actively participate simultaneously in the assessment process.

All parties involved in the stakeholder relationships must be intentional, deliberate about the inclusion of all the stakeholder engagement themes as per Figure 2 and create an inclusive culture undergirded by a commitment to calibrate positive stakeholder relationships. The intention must be that of promoting the interests of all parties with openness, transparency, and honesty.

7.9.3.2 Applicable principles

The principles as enunciated in Table 6 must be consistently and holistically applied by both the firm and stakeholders simultaneously to define, frame, and settle the relationship underpinnings that will regulate the power dynamics between them to secure mutually beneficial relationships for all parties.

7.9.3.3 Stakeholder relationship barometer

Each of the parties must agree on the timing, the standards of measurement for taking a temperature check on the status of their relationship. Stakeholder barometer is a great tool for the firm and stakeholders to use to determine what is working and what is not working in their relationship, what is to be stopped, and what needs to be continued and improved on going forward.

The firm may have its own view of what they believe is working or not working in their relationship with the stakeholders and the stakeholders on the other hand may have a different and even an opposite view to that of the firm. Understanding the results of the Stakeholder Barometer, interpreting them and by agreement between the parties reconcile the differences and implement measures that seeks to correct matters that have created conflict will contribute positively towards the recalibration of power asymmetrical relationship between the firm and stakeholders.

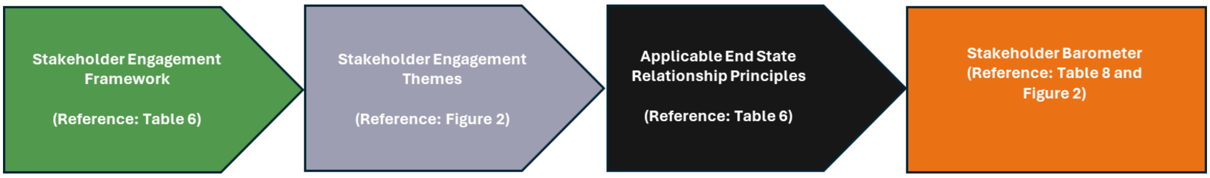
There must be an independent third party to conduct the stakeholder barometer and must be appointed after due consultation between the firm and stakeholders. The third party must be independent and must make use of the same measurement tools, guides, standards by the firm and stakeholders to build confidence and trust and in the evaluation, measurement, and assessment of the stakeholder relationship.

Tracking the stakeholder barometer results from year to year will help to paint a picture of the journey that has been travelled, this must be accompanied by a concerted effort and commitment by both parties to address weaknesses and discrepancies. The stakeholder barometer results can be used as a basis for predicting areas of growth and areas that require further improvement and redress.

The stakeholder barometer results must form the basis of developing a fit for purpose stakeholder engagement framework which seeks to correct and address areas of weakness identified by the barometer. There must be a process that is open and transparent where stakeholder barometer results are presented and discussed and co- created corrective measures are proposed, devised, and implemented by both the firm and stakeholders.

Figure 4

Contribution model



7.9.4 Contributions to practice

Both the barometer and the engagement framework form a contribution to practice as well as theory. They exist in implementable form (I have already employed elements from them in my own professional practice and found them robust) and are amenable to adjustment to the specific context of a firm. However, they also form a series of concrete recommendations that may be beneficial to stakeholders and the firm, and to place government's role in this landscape. These are detailed in a more summarised form below.

A. Mine host community stakeholders

Stakeholders must have the right to appoint their own expert, with cost born by the firm, and within a climate of joint willingness to find common ground and mutual acceptance of arbitration.

Both parties must co-operate to establish explicitly agreed rules and processes for this, predicated on two-way dialogue and joint solution creation. Mine host community stakeholders must develop their leadership capacity, and put the interests of the community first, beyond narrow personal or cohort self-interest. The mining firms must commit resources to assist in this respect. Stakeholders need to equip themselves with knowledge and understanding of how the mining operation and its business work. The mining firm must facilitate this by enabling access and engagement.

B. Mining firms

Firms must adopt a value driven leadership approach aimed at creating shared value with stakeholders to achieve shared destiny. This entails all the steps outlined above, taken with honesty and transparency and in a context where stakeholders have access to raise issues, promote interests, and co-create solutions, are respected, and are heard. Firms must articulate to stakeholders their long-term vision for how they want to see mine host communities develop, and their interests promoted. Firms must take deliberate steps to moderate and adjust their power dominance by co-creating with stakeholders a decision-making platform for the representation and active participation of all affected stakeholders. The firm must commit to dates and show urgency in honouring unfulfilled commitments. It must earnestly work towards better collaboration and reduction of power asymmetry.

The firm must recognise stakeholders' moral claim on, and legitimate relationship with it. The firm must therefore proactively honestly and openly communicate with stakeholders. Mining firms and stakeholders must jointly articulate and confront the moral and social problems of their communities, make these part of agenda-setting and conflict resolution, and work together and with other relevant parties to resolve them.

The firm must develop and embed forms of coordination between itself and stakeholders that are oriented towards nurturing mutual understanding. This entails the co-creation of coordination platforms, where employees have ambitions to become local business operators, mining firms must encourage and support them. The firm must make a concerted effort to engage meaningfully with the youth as a specific constituency.

The firm must develop parallel economies and build multiple skills bases in mine host communities that can stimulate local economic activities. It must work purposefully to reduce the economic dependence of mine stakeholders on the mining firms. The firm and mine host community stakeholders must jointly discuss and agree on the long-term socioeconomic growth strategy for the mine host community and detail plans and priorities to achieve the plan, including building leadership, ethical and other relevant capacities in a new generation of leaders. The plan must entail capacity-building strategies to ensure stakeholders can continue to work and prosper when the area's mineral resources are mined-out. It must also include financial plans and commitments for delivering socioeconomic value that uplifts host communities as part of strategic planning whenever mine investment projects are conceived, developed, and approved.

C. Government and other external societal actors

Government and external actors were not the focus of this research. However, it became apparent during the research and is noted in Chapter Six that it is sometimes not possible for the firm and its stakeholders alone to resolve conflicts involving splinter groups without external intervention. Other societal organs, such as civic community structures, faith groups and government may need to be co-opted to resolve such conflicts.

Measures including a social compact between the mining firm, its host community stakeholders and external societal organisations will need to be developed to deal with issues of conflict, greed, self-interests, criminality, and violence in host communities.

7.10 Study limitations and directions for future research

The research study has sought to address various gaps in the literature, including a dominance of mining firm perspectives and a focus on either success stories or instances of failure, by applying a 360-degree perspective embracing both sides of the relationship and the full spectrum of relationship quality. However, I acknowledge that further work remains to understand the linkages more fully between stakeholder empowerment and engagement, and the achievement of optimal stakeholder relationship outcomes (Lankoski et al., 2016).

In addition to this broader framework of theoretical understanding, however, certain issues specific to this research (and all closely interrelated) merit foregrounding in this concluding discussion of limitations and future research directions.

7.10.1 Research timeframe

One methodological limitation is that the research sought to interrogate long-term processes of interaction between mining firms and mine community stakeholders through interviews taking place at a specific point in time. While I am confident in the truthfulness of interviewees' accounts of experiences and expectations, both these could be more fully captured through longitudinal process research: something not practical within the timeframe of a GIBS Doctoral programme. A longitudinal study could also capture the impact of both the barometer and the engagement framework in practice.

7.10.2 The mining industry as the focus of the research

Mining is a location-bound industry: firms have no option but to operate in certain mineral-rich areas even if those areas are prone to violence or other forms of instability. It is, as noted above, also an enterprise demanding long-term residency in an area for purposes of mineral extraction. Both of these characteristics make mining an extreme case, which may create an exacerbating history of tensions between the mining firm and its mine host community stakeholders. What this research did not set out to examine was how much of a tension- exacerbating factor these characteristics of mining are (Shapiro et al. 2018). Studies of this type, interrogating both firm and stakeholder perceptions and experiences across a range of cases and the spectrum of relationships, undertaken in other industrial settings could determine whether similar themes of engagement – even if not as pronounced – are present elsewhere and whether similar mechanisms and frameworks might therefore be appropriate as part of mitigation strategies.

7.10.3 Selection of cases

The selection of cases relied to a large extent on my knowledge of the industry, of role-players and of ongoing issues. The cases offered a good geographical, linguistic, and cultural spread, covered the extraction of different minerals, and looked at bad, mixed, and good relationships between firms and community stakeholders. However, further case studies of additional firms/communities – including (see 7.9.1 above) longitudinal studies – could provide valuable reinforcement for these findings.

7.10.4 Research focus and exclusions

The focus and exclusions of this research are deliberate, to permit a concentrated "deep dive" into specific and thus far under-studied aspects. These exclusions are discussed fully in Chapter One. However, this tight focus means that other important power relationships – for example, those related to shareholder pressures or trade union activities – are not interrogated. This may inadvertently create the impression that certain powerful role-players and agents of engagement have been discounted by the study. This is by no means so. A robust case can be made for the need for focused studies of the relationships between the firm and its shareholders; the firm and the various trade unions active in the mining operation; the firm and various NGOs and other groups active in the community; and more. Such studies could pinpoint whether similar or very different themes of engagement come in to play when these additional role-players are studied, and whether similar frameworks of engagement can be proposed as relevant.

7.10.5 Available metrics

It became clear from the interviews that firms with bad stakeholder relationships were not always aware of this, or of the reasons for it, and that all firms were less knowledgeable than they wished, and intensely curious, about what host community stakeholders thought of them. Additionally, stakeholder interviewees spoke of a lack of, or deficiencies in, process. Yet the metrics to evaluate processes and relationships remain largely a blank spot in extant research. One of the novel and innovative contributions of this study is to propose a relationship barometer that can help place firm/stakeholder relationships along a spectrum from very bad to good. This is an important first step, but further studies to nuance the instrument and detail what successful engagements look like could certainly add to the instrument's power and utility.

7.11 Study conclusions

Power relationships are not only shaped by factors internal to the mining firm/ community stakeholder relationship, and nor is power asymmetry wholly determined by it, as Section 7.9 has indicated. There is little doubt that solutions seeking to address contradictions and divergent formulations of value are likely to be ignored and discredited (or be given only half-hearted embrace) by some actors, and that they will entail costs to some parties. Shareholders, in particular, will be called upon to exercise considerable patience, tolerance, and financial commitment to allow socioeconomic risks to be reduced and mine host community stakeholders thereby empowered.

However, the consequences of a disempowered mine host community create crises that destroy economic value for the firm and generate conflicts that are not only difficult to resolve and contain but can impact on all of society, as the Chapter Two account of Marikana indicated. Firm and stakeholders must work together to generate, preserve, and extract long term value by cultivating relationships that work well and promote the interests of all parties. The stakeholder engagement framework and the stakeholder relationship barometer, implemented in the context of a shared, long-term vision of the desired end-state, provide tools whose application offers not only abstract hope but both scholarly knowledge and practical guidance for achieving optimal working relationships between the firm and its stakeholders.

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Appendix A: Invitation to Participate in the Study

Gordon Institute
of Business Science
University of Pretoria

FOR FIRM EXECUTIVES

Doctoral study: Request for participation in an interview for research purposes

Dear

I am in the process of conducting doctoral research under the auspices of the Gordon Institute of Business Science (GIBS). The purpose of the research is to examine relationships between Mining Firm and stakeholders. I would like to invite you to participate in this research. The interview is expected to last an hour and half, and it will be recorded and thereafter transcribed. Please note that your participation is voluntary, and you can withdraw at any time without penalty. All data provided will be stored securely. Furthermore, data that is reported will be anonymized. Your identity and position will also not be disclosed as information will be aggregated before reported.

Should there be any concerns, kindly contact me or my supervisor - details as provided below.

Thanking you in advance for supporting my research.

Appendix B: Mining Firm's Permission to Conduct the Study

COMPANY LETTERHEAD

11 April 2022

Mr Andile Sangqu PhD Student:
University of Pretoria - GIBS Pretoria
Per email: sangqua@gibs.co.za

Re: Permission to conduct a research study

Dear Andile,

We refer to your request to conduct a study in our organisation.

This letter serves to confirm that the company has granted you permission to conduct research interviews for your PhD which focuses on exploring the role of 'How relationships work where there is a resource relationship between the firm and stakeholders operating in the context of power asymmetry: The case of the South African Mining Industry.

We will assist to make the relevant business leaders and employees available for the requested interviews. With regards to other stakeholders our stakeholder manager will introduce you or your research assistant to the relevant stakeholders that you can approach to conduct the interviews. We will make all relevant information available however, to preserve the confidentiality of company information we will require you to sign a Non-Disclosure Agreement not be disclosed to a third party.

Yours faithfully

Chief Executive Officer

Appendix C: Informed Consent

C1. Community Participants, Mining Firm Executives and Directors

Dear Participant,

I am in the process of conducting doctoral research under the auspices of the Gordon Institute of Business Science (GIBS). The purpose of the research is to examine relationships between the Mining Firm and stakeholders. I would like to invite you to participate in this research. The interview is expected to last an hour and half, and it will be recorded and thereafter transcribed. Please note that your participation is voluntary, and you can withdraw at any time without penalty. All data provided will be stored securely. Furthermore, data that is reported will be anonymised. Your identity and position will also not be disclosed as information will be aggregated before reported.

Should there be any concerns, kindly contact my supervisors – details as provided below. Thanking you in advance for supporting my research.

	Supervisor	Supervisor	Participant
Name	Prof Cedric Dawkins	Prof Helena Barnard	
Email address	cdawkins@luc.edu	hbarnard@gibs.co.za	
Contact number			
Organisation	GIBS	GIBS	
Date			
Signature			

Appendix D: Research Instrument

D1. Interview Guide and Questions: Community Stakeholders

Section A: Introduction

Section B: Exercise of Power

Objective: This section is intended to establish the stakeholder's understanding of their power and how to exercise it, as well as establishing if stakeholders use or are able to use their power productively to advance and promote their interests.

i) Talk to me about how you express your interests (Interests- needs, requirements, concerns, grievances, demands, expectations, reciprocal obligations of the firm, promises and/or undertakings that the firm has made or have made towards the firm).

ii) Do you feel you have the power to promote your interests when engaging/dealing with the mining firm? Why do you say so?

iii) If yes, in what way have you exercised your power? Please explain some of the examples where you exercised your power including some difficulties and challenges in exercising your power as a stakeholder?

Section C: Engagement, Participation and Awareness of Stakeholder Power

Objective: This section is intended to establish if the stakeholders are included in participating in the decision-making of the firm as well as establish if the firm recognises the importance of stakeholder's interests.

1. Take me through your understanding of how the engagement between the Firm with all the various categories of the stakeholders operates? How does it work? PROBE all stakeholders listed. Can you provide examples of types or nature of issues that normally feature or gets discussed during the course of engagements between the firm and stakeholders? [The objective is to assess

the weighting of the agenda issues, the dominance of the issues that promote interests of the Firm versus those that affect and/or promote the interests of stakeholders, for example the issue of budget or funding limitation or regulatory compliance may determine what issues get prioritised or are given higher weighting by the Firm)

2. Do stakeholders feel included and participatory in the engagement and promotion of matters that are of interests to them as stakeholders?

Awareness of Power to promote interests.

Objective: This section is intended to establish the awareness stakeholders have in the power to promote their interests.

1. Are you aware of any means of power you have as a stakeholder to protect and promote your interests when engaging with the firm? If yes, what are these means?
2. If yes, have you previously used these means of power to protect and promote your interests when engaging with the firm?

Section D: Decision-Making

Now let us talk more about decision-making at the mining firm and your inclusion as a stakeholder in this process.

1. Do you feel that the mining firm promote and regard your interests as stakeholder highly when making its decisions? Please elaborate on your response and give examples.
2. What is the degree of involvement and participation of all stakeholders when the Mining Firm consider making decisions on matters that affect the interests of its stakeholders?

Section E: Conflict Resolution

Objective: This section is intended to establish an understanding of the processes that are in place to resolve conflicts.

Thank you for the enlightening responses so far. I would like to talk now about conflict with the mining firm and how you go about resolving these.

iv) Please explain the nature and types of conflicts, disputes or disagreements experienced now and in the past. Please give examples.

v) Have the conflicts been resolved to the satisfaction of both the Firm and stakeholders? If not, can you elaborate on why it was not possible to achieve a mutually beneficial outcome? EXPLORE the role that Power played in the resolution or non-resolution of conflict. balance. (The objective is to ascertain whether the Firm has a winner takes all mind set and approach).

vi) In your opinion, what can stakeholders do to collaborate with the Firm and develop mechanisms and processes that can result in their interests being accommodated and promoted? MODERATOR NOTE: How open minded, willing, and keen is the Firm from the lens of the Stakeholder for exploring with stakeholders, measures that can bring stakeholders into the mainstream of decision-making on matters that impact and relate to their interests.

Section F: Ideal Expectations from stakeholders

Objective: This section is intended to establish the stakeholders' ideal expectations from their engagement with the firm.

1. What would you consider to be an ideal way of engaging for stakeholders like you with the mining firm? Please elaborate on your response and provide an example.
2. May you please rate the relationship of the Firm with the stakeholders using the following:

a. Relationship is good, average, bad

b. Explain the reasons for your rating?

Section G: Final thoughts and closing

We have now come to the end of our discussion.

a) Are there any other comments you want to add to what we have discussed today?
b) Is there anything you feel you have not been asked and yet it is relevant to what we have discussed today?
c) Is there anything that you feel uncomfortable about being included in the interview record?
d) Do you have any questions?

Closing comments:

"I just want to confirm with you that we will keep your identity confidential, and the interview report will be stored securely so that nobody, but the researchers can read it." "Allow me to express my gratitude and appreciation for the opportunity to conduct the interview."

D2. Interview Guide and Questions: Mining Firm Executives and Directors

Purpose of the Study

How do stakeholders' relationship between Firms and stakeholders work when there is power imbalance?

Section A: Introduction

Section B: Understanding the Stakeholders

Objective: To understand the process and the criteria the Firm follows in determining the stakeholders. Part of asking the question is to understand the complexities (e.g. origins of land ownership; historic origins of community stakeholders and how they landed in that community, historic relationship with the mining firm) of any of selection and identification of stakeholders. This also includes understanding who does not qualify and why?

I would like us to start our conversation and talk about your stakeholders

(Stakeholders are those who have an interest in the mining firm and/or affected by the mining firm. An example of a stakeholder will be an employee; or a traditional leader, a youth member in a mine host community, a local business operator in a host community, an ordinary host community member, a Ward Councillor in a host community) All of these stakeholders are affected by the mining firm activities and/or affect the activities of the mining firm.

i) Take me through the process that the Firm undertakes in determining who the stakeholders? Who is involved and what are the key considerations for the Firm in determining who constitutes a stakeholder?
ii) Can a stakeholder be permanent, or does it all depend on time, context, and space?
iii) When would you typically engage with the stakeholders i.e., are the engagements issue specific, reactive, or initiative-taking and relational in nature?

Section D: Engagement, Participation and Decision-making process

Objective is to understand the level of inclusiveness and participation in decision-making processes by stakeholders on matters relating to their interests. The second objective is to get a clear sense if all stakeholders are included decision-making processes where their interests are affected and if not, to understand who gets included and who gets excluded and why?

Engagement and participation

1. Take me through your understanding of how the engagement between the Firm with all the various categories of the stakeholders operates? How does it work? PROBE all stakeholders listed.
2. Take me through how the stakeholders participate in the setting of the agenda for stakeholder meetings and who decides on what stakeholder matters and issues feature or do not feature onto the agenda? PROBE AND understand who sets the agenda for the engagements, how consultative and inclusive is the agenda setting process.

Decision-Making

1. What is the degree of involvement and participation by all stakeholders when the Firm consider making decisions on matters that affect the interests of its stakeholders?
2. How does the Firm build consensus in the making of decision that impact stakeholders?
3. How does the Firm deal with dissenting voices or community members who do not recognise or do not participate in the traditional leadership structures in mine host communities in its decision-making processes relating to matters affecting stakeholders?

Section E: Conflict Resolution

Objective: This section is intended to establish an understanding of what processes are in place to resolve conflicts between the Firm and stakeholders and how they work.

1. What are the key drivers of conflict between the firm and stakeholders?
2. What mechanisms have been employed to resolve the conflicts?
3. Have the conflicts been resolved to the satisfaction of both the Firm and stakeholders? If not, can you elaborate on why it was not possible to achieve a mutually beneficial outcome?
4. What can the firm do better to reduce the levels of conflict with its stakeholders? EXPLORE the perspective of Firm with regards to the level of awareness of its power dominance in relation to stakeholders. The objective is to ascertain the extent and the level of commitment and resolve the Firm has adopted towards the correction of its power dominance in its relationship with stakeholders, this includes its willingness and openness to introducing correction measures to reduce power imbalance.
5. Does the firm believe that it has done all that is in its power to accommodate, promote and not disregard the interests of stakeholders?

a. MODERATOR NOTE: To understand if the attitude and commitment of the Firm to address its power dominance is box ticking, expedient, compliance focused, relational or transformative.

Section F: Final thoughts and closing

i) Are you happy and satisfied with how the relationships between the Firm and stakeholders are working?

ii) How will you classify the relationship with stakeholders, i) good, ii) average, iii) bad and please give reason for your choice? EXPLORE the classification per each stakeholder category.

We have now come to the end of our discussion.

a) Are there any other comments you want to add to what we have discussed today?

b) Is there anything you feel I have not asked or should have been asked because it is relevant to what we have discussed today?

c) Is there anything that you feel uncomfortable about having included in the interview record?

d) Do you have any questions?

Closing comments:

"I just want to confirm with you that we will keep your identity as an individual and as a Firm confidential, and the interview report will be stored securely so that nobody, but the researchers can read it." "Allow me to express my gratitude and appreciation for the opportunity to conduct the interview."

Appendix E: Ethics Approval

Gordon Institute of Business Science
University of Pretoria

26 May 2022

Andile Sangqu

Dear Andile

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.
Kind Regards

GIBS Doctoral Research Ethical Clearance Committee

Doctoral Chair Signature

Confidentially and Non-disclosure Agreement

It is a condition of engagement that students will assist in preserving all confidential information, ideas and plans; any confidential information or any information in respect of any data gathered, captured or analysed in respect of the research work they undertake in fulfilment of GIBS masters or doctoral degree programmes, in this case the research project titled [insert title of research] conducted by {inset name of researcher]. The parties under this agreement agree to the following:

1. To apply their best efforts to keep any information confidential which has been acquired or may acquire pursuant to the research work. For the purposes of this clause, confidential information excludes information which:

1.1 is publicly available or becomes publicly available through no act or default of any Party.

1.2 was in the possession of a Party prior to its disclosure otherwise than as a result of a breach by any party of any obligation of confidentiality to which it is subject.

1.3 is disclosed to the student by a person which did not acquire the information under an obligation of confidentiality; and

1.4 is independently acquired by a student and as a result of work carried out by a person to whom no disclosure of such information has been made.

2. No party shall use or disclose confidential information except with the prior written consent of GIBS or in accordance with an order of a court of competent jurisdiction or in order to comply with any law or governmental regulations by which any Party concerned is bound or as may be lawfully requested in writing by any governmental authority.

3. The party undertakes to permanently delete any electronic copies of confidential information received and destroy any confidential printed documentation or similar material in their possession promptly once they are no longer required, usually on completion of the service contracted by the student.

Appendix F: Research Assistant Profile

The research assistants' requirements:

1) Had extensive research experience.
2) Had capacity and experience in conducting qualitative research.
3) Spoke languages in the selected areas fluently.
4) Were able to conduct the interviews concurrently.
5) They had the skill, experience, and academic intuition to conduct follow up questions.
6) Had the propensity to gather high quality data from the interviews that proximate the lived experiences of the interview participants.
7) Had the ability to simplify high level concepts to make them relatable and understandable to the interview participants.
8) They were not biased as they did not have prior history of mining or ties with the mining industry.
9) They neither operated, practiced, nor conducted research in the mining sector.
10) The research assistants conducted with the following interview participants- who are mine host community stakeholders i.e., traditional leaders, employees, youth, local business operators and municipal ward councillors.
11) Had extensive research experience.
12) Had capacity and experience in conducting qualitative research.
13) Spoke languages in the selected areas fluently.
14) Were able to conduct the interviews concurrently.
15) They had the skill, experience, and academic intuition to conduct follow up questions.
16) Had the propensity to gather high quality data from the interviews that proximate the lived experiences of the interview participants.
17) Had the ability to simplify high level concepts to make them relatable and understandable to the interview participants.
18) They were not biased as they did not have prior history of mining or ties with the mining industry.

19) They neither operated, practiced, nor conducted research in the mining sector.

20) The research assistants conducted with the following interview participants-who are mine host community stakeholders i.e., traditional leaders, employees, youth, local business operators and municipal ward councillors.