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Examining Community Stakeholder Relationships
From a Communication Perspective

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**Examining Community Stakeholder Relationships
From a Communication Perspective**

by

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Examining Community Stakeholder Relationships
From a Communication Perspective

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This dissertation focuses on stakeholder relationships and an organization's commitment to communities, and ultimately, corporate social responsibility. The relationship between corporations and the community stakeholder is being investigated for a number of reasons. First, the concept of corporate social responsibility suggests an organization has responsibilities beyond increasing operating profit and satisfying stockholders to addressing issues of society as a whole. Are organizations responsible to communities and society? If so, how and with whom do organizations attempt to address societal needs and issues? Second, stakeholder theorists suggest an organization's social responsibility is achieved, in part, by paying attention to all stakeholders of the organization, stakeholders including the community.

Using a narrative approach as a guide, this study addresses the question of whether organizations consider the community a stakeholder. In most cases, as the

reader will see, the answer is yes. Yet, knowing organizations do consider the community a stakeholder is not quite enough to assume an organization's social responsibility is alive and well. The results for this study will also address the narrative notion of actors and voice, questioning how community is defined and represented in a relationship with an organization and the implications this has for the concept of social responsibility and stakeholder theory. The study also explores the significance element of narrative, or the means by which to evaluate the appropriateness of the community stakeholder narrative. The reasons why an organization would want to establish a relationship with the community are presented. This aspect of the study highlights whose interests are being served in the relationship and why they are being served. Finally, this study ends with an examination of how an organization is involved with the community and the particular ways communication processes constitute the relationships between organizations and communities. The communication processes have been formulated into a model called "The Nature of The Organization-Community Stakeholder Relationship." Ultimately, through investigating the relationships that occur between communities and organizations, we now have better insight into an organization's commitment to communities, and thus, one aspect of social responsibility.

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CHAPTER I

The Context of Corporate Social Responsibility, Communities and Communication

Modern theories of the organization seem to be constricted by a view separating business from the community, the culture, or the natural environment in which it operates. A growing number of scholars make note of this (Buchholz, 1982; Deetz, 1995; Gladwin, Kennelly, & Krause, 1995; Korten, 1995; Orr, 1994; Stead & Stead, 1992). While theories of organizations maintain a constricted view of their relationships, so too, have organizations. The private sector's relative unconcern with poor and dangerous products and environmental disasters leads people to question the social autonomy of business (Hopkins, 1997). The question is do organizations consider the impact of their operations on communities? Are communities a 'stakeholder' in the realm of business operations and strategies? These questions are key as organizations have had great influence over and have come to control many of the decisions and processes directing communities. Thankfully, however, some corporations, as well as researchers, are beginning to address the gap in the relationship between an organization and its community (see Altman, 1998, 1999; Deetz, 1995; Hawken, 1993; Jones, 1996; Korten, 1995).

Within the field of corporate social responsibility research, there is now a focus on corporate involvement with communities. Practitioners in the corporate world are also beginning to focus on these relationships, as can be witnessed by the many organizations that have recently introduced corporate-community relations

departments, missions, and programs. Altman (1998) suggests management history is now in a period when corporate managers and executives evaluate who the “community” is and what responsibility the organization has toward it. While these relationships are being established, and in some cases maintained, not much is known about the form in which these relationships exist. The current theories of corporate community relationships do not readily account for the actual relationship between an organization and its community (Altman, 1998; Frooman, 1999). Yet these relationships can help determine an organization’s commitment to social responsibility. To that end, the purpose of this study is to gain insight into the relationships organizations have with their communities. My hope is this research will ultimately assist organizations with the successful initiation, development, and maintenance of socially responsible relationships with their communities. My goal is to help organizations develop effective relationships with their communities, where all parties benefit from and contribute to the relationship.

The next section details how organizations and communities are connected and the reasons it is necessary to better understand and improve corporate-community relationships.

Communities and Corporations

For the most part, the free-market society of today gives corporations the freedom to act solely on the basis of profitability without much regard to national or local consequences. Being guided almost entirely by their relationship with the

market, corporations are not required to have much in the way of loyalties to communities (Korten, 1995). Yet an organization's involvement in the community, what some call corporate social responsibility, is a legitimate demand of the communities in which organizations reside and operate –involvement in the communities in which people live, work, and play. This demand stems from an organization's ability to operate under a sort of franchise bestowed by public opinion. In this sense, business operations are considered a form of social privilege (Amaewhule, 1997). Because of this, business organizations are expected to behave more as a community member than just a corporate entity (Brown, 1992). Yet many organizations pay little attention to the communities that provide them with their greatest assets – resources like employees, customers, and materials (Ingram, 1997). Indeed, corporate leaders appear to have little allegiance to communities (Deetz, 1996).

Typically, organizations do not focus on the importance of a healthy functioning community and rarely consider the impact of organizational structures and policies on a community's formation or depletion (Korten, 1995). Few communities are asked for anything close to a community impact statement before making major corporate decisions that impact the community (Deetz, 1995). However, if we look at today's communities, few have gone without a detrimental impact from the operation of an organization. For example, air and water pollution, toxic emissions, chemical spills, and industrial accidents have created environmental

and public health crises for thousands of communities around the world (Brown, Kane, & Roodman, 1994; Shrivastava, 1987). Bullis (1997) argues that business practices are the leading cause of environmental problems. As Estes (1996) states, “corporations cost communities – small businesses, families, neighborhoods, and other taxpayers” (p. 226).

In addition to the problems created from organizational operations, many communities have other needs requiring attention -- poor infrastructures, dilapidation, chronic poverty, unemployment, substance abuse, and increasing crime rates. Indeed, the needs of communities throughout the U.S. and global community are immense (Somaya, 1997). In the face of cut-backs in federal funding and decreases in the spending of non-profit organizations, communities are in need of investments to help meet their financial, physical, and human capital needs.

Who can help with such issues? The corporate sector is uniquely positioned to help communities through its business strategies and activities. Hawken (1993) sees corporations as major contributors to the problem, but also as the solution to the problem. The organization’s role of solution provider is key because organizations are the primary players in economic development and they have the financial resources, technological knowledge, and institutional capacity to implement community support (Hawken, 1993; Shrivastava, 1995). Several organizations, to varying degrees, have taken steps toward getting involved with their communities.

Some companies no longer accept the adage that the business of business is business; instead, they feel they must address the social and environmental problems afflicting society because they are the dominant institution on the planet (Hawken, 1993). Organizations such as the Business for Social Responsibility, SustainAbility, and the Social Venture Network are developing a framework for business that integrates social, ethical and environmental principles. These organizations focus on the ideas and practices of corporate social responsibility. As an example, the Dayton Hudson Corporation, parent company for retailers such as Target, Mervyns, and Marshall Fields, seeks a direct link between the community and its business operation. This organization has trained 9,000 child care providers, generated over \$1 million a year for AIDS and cancer research, and has developed programs of community support such as Target the Family, Good Neighbor, and a link to Habitat for Humanity, in addition to its support for hundreds of United way campaigns across the country (Hartnett, 1994). Even though some organizations are beginning to address community issues, the question still remains – what is it that allows any corporation to act with limited regard for its community? A brief discussion of the history and attributes of the free market system explain this phenomenon to a great extent.

Free Market System

Ideas of the free market system can be traced in time back to Aristotle, who philosophized on the fundamentals of economics, making the distinction between

oikonomia and *chremastistics*. *Oikonomia*, the Latin root from which economics is derived, is defined as the managing of a household with the goal of increasing its useful value to all members of the household over the long run. Daly and Cobb (1994) propose this as an ‘economics for community.’ They expand the idea of a household to include land, shared values, resources, institutions, language, and history. *Chremastistics*, on the other hand, is the manipulation of resources in order to maximize short-term monetary gain.

Free-market ideology appears to be geared toward the premise of *chremastistics* over that of *oikonomia*. In the quest for economic growth, this ideology seems to be institutionalized. Its practices, however, are advancing policies that are deepening social and environmental disintegration everywhere (Korten, 1995). The root-cause of this stems from the fact that the free-market system has a single measure of value – money. The free market system maintains that nothing should be allowed to hinder the making of money, nor the practice of commerce (Hawken, 1993). The system, however, contains a problem deeply embedded in the structure and rules by which it is compelled to operate – the delusion that business is an open, linear system and through resource extraction and technology, growth is always possible (Korten, 1995). In other words, there are no inherent limits to further expansion (Hawken, 1993). The corporation has a charter, a legal document, and it has as an entity one goal: to reproduce money to rejuvenate itself. Its only true allegiance is to financial success.

The belief that economic welfare is associated with total welfare is strongly maintained. These two variables, economic welfare and total welfare, are assumed to always move in the same direction (Abramovitz, 1979; Friedman, 1962). The underlying assumptions embedded in the free market system include the belief that activities which yield the greatest financial returns are those that are also most beneficial to society, competitive behavior is more rational than cooperative behavior, and progress is best measured by increases in the value of what is consumed (Korten, 1995). As a result, the externalization of any cost is a priority. The outcomes of the externalization of costs, however, do not necessarily result in an increase in both economic and total welfare. For example, production costs are externalized when corporations dump wastes without adequate treatments. The resultant economic costs to the organization are decreased, thus increasing the financial returns of the organization. However, the waste is passed on to the environment and the community. The resulting cost to society is air, water, and soil pollution, which result in potential health conditions and clean-up catastrophes. Clearly, this is not an increase to the total welfare of society.

The process of externalizing costs also perpetuates itself as the organization generates greater profits for itself, which means it can pass the benefit on to the customer in the form of lower prices. This then encourages increased levels of consumption. This process ignores the social and environmental costs while highlighting cost savings for consumers. What the free market ideology seems to

ignore is the fact that the continuation of the process, what some would define as continuous growth, only makes sense in the context of an unlimited environment and a voiceless community (Daly & Cobb, 1994).

A real-world example of externalizing costs comes from Japan, which has reduced its domestic aluminum smelting capacity from 1.2 million tons to 140,000 tons and now imports 90 percent of its aluminum. This was enabled by the existence of companies like the Philippine Association of Smelting and Refining Corporation (PASAR), which is a Japanese owned plant located in the Philippines. The plant occupies 400 acres of land where gas and wastewater emissions from the plant contain high concentrations of boron, arsenic, heavy metals, and sulfur compounds, resulting in contaminated local water supplies, reduced fishing and rice yields, damaged forests, and an increased occurrence of upper-respiratory diseases among local residents. The Japanese people now have a supply of aluminum at no environmental costs to themselves, while the local Philippine residents have lost their means of livelihood and suffered impaired health (Korten, 1995).

The phenomenon of economic globalization has greatly expanded opportunities for organizations to continue to pass their environmental burdens on to the environment and communities. Sometimes this is done discreetly, with business exporting wastes and locating polluting factories in less powerful communities. Corporations have the economic and political power these communities do not have and are able to insure that pollutants and wastes are dumped somewhere other than

their own back yard. This is not an act of environmental awareness and concern on the part of the organization; rather, it is a consequence of the inequality of power between the corporation and the community receiving the waste. Amplifying this condition is the widening gap between the rapid rate at which society and the environment are decaying and the agonizingly slow rate at which business is effecting any truly fundamental change (Hawken, 1993).

As corporations continue to gain in institutional power and become more detached from communities and the environment, the human interest and the corporate interest increasingly diverge. This can only be corrected by equalizing power between the corporation, communities, and the environment (Korten, 1995). Businesses need to understand that environments and communities support economies, not vice versa. Daly and Cobb (1994) urge coherence between free-market ideology and a sense of sustainability to alleviate the imbalance in power that exists. In order to do so, recognition of the notion that optimization does not necessarily equate to efficiency is required. Just as the economic principal of optimal allocation is based on the ethical criteria of justice, the notion of efficiency can and should be based on the idea of ‘community economics,’ or, social responsibility.

While the free market system helps explain an organization’s disregard of the environment and its community, social responsibility, with an emphasis on communication, helps explain how an organization can assume responsibility for all

of its actions. A focus on social responsibility fosters community relationships, which offer a legitimate and much needed voice to the community.

Corporate Social Responsibility

The concept of social responsibility is one of those, no matter how ill defined, is easily embraced, at first glance, by any organization (Browne & Haas, 1971). Certainly, organizations are the main focus of discussions surrounding social responsibility because of how they are created, managed, and the extent to which they impact society (Hawken, 1993). All sorts of social issues are caused by corporate activity and therefore, corporations should play some role in solving social problems. However, corporate social responsibility has different implications depending on the nature of the issue being addressed, the problem-solving role the organization assumes, and the organization's motivation for doing so.

The next section discusses the multiple aspects of the corporate social responsibility framework including the development of the social responsibility construct and models, measurement and approaches to social responsibility, operationalizing the theory, and finally, why a communication perspective is necessary to enhance the current theoretical framework.

Development of the Corporate Social Responsibility Construct

Social responsibility has been and continues to be a prominent feature of the business and society literature, addressing topics of business ethics, corporate social performance, global corporate citizenship, and stakeholder management. The idea of

corporate social responsibility developed as a furthering of the field of philanthropy. The concept of philanthropy is limited by a minimal definition that only involves donations to society from wealthy individuals and organizations. It is often based on a relationship of inequality between businesses and society. Corporate social responsibility moves beyond the simplicity of charity to address complex and critical issues, such as human rights, environmental protection, equal opportunities for all, fair competition, and the interdependencies that occur between organizations and society.

Research in the area of corporate social responsibility has focused on understanding why, how and to what ends corporations interact with the societies in which they exist. Beginning in the 1950s and 1960s, research into the social issues in management arena arose as a legitimate area of academic study (Carroll, 1999; Preston, 1986). Although there was agreement with the assumption that businesses were responsible for the economic activities that impact society, there was little agreement to the ways in which businesses should be involved in addressing social issues, especially those not directly related to their bottom line. Carroll (1979) attempted a fully-encompassing definition, later supported by Wartick and Cochran (1985), explaining “the social responsibility of business encompasses the economic (the obligation to produce goods and services, sell them at fair prices and make a profit), legal (obligation to obey the law), ethical (involves issues not embodied in law but expected by society), and discretionary (voluntary, or philanthropic, where

there are no laws or codified expectations) expectations that society has of organizations at a given point in time” (p. 498). Wood (1991), expanding Carroll’s (1979) principles, argued for a need to distinguish principles of social responsibility at three levels (a) institutional, to understand what is expected of any and every business; (b) organizational, to understand the responsibilities of particular firms; and (c) individual, to understand the responsibilities of managers and other corporate actors.

Reformulating Carroll’s (1979) and Wartick and Cochran’s (1985) work, Wood (1991) developed the Corporate Social Performance Model, which includes principles of social responsibility (legitimacy, public responsibility, and managerial discretion), processes of corporate social responsiveness (stakeholder management, environmental assessment, and issues management), and outcomes of corporate behavior (social impacts, social programs, and social policies). While many other perspectives on social responsibility have been offered, the Corporate Social Performance Model, and its supporting definitions, has provided the most complete structure for research in the business and society field and continues to be used as a guiding model today. Carroll (1994), in a study conducted with experts in the social issues in management field, found Wood’s model to be regarded as one which would have a significant impact on the future of business and society research.

The Corporate Social Performance Model, offering a multi-faceted perspective including the motivating principles, responsive processes, and observable

outcomes, provides a framework from which social responsibility can be organized and understood. L'Etang (1995), addressing the framework, urges scholars to also consider social responsibility as an ongoing process of organizations constantly monitoring the environment and their relationships, compared to a fixed definition or strategy with a pre-determined priority. Certainly, social responsibility is an ongoing process, and organizations choose different ways to engage in the process. The next section discusses the different approaches a socially responsible organization can employ.

Approaches to Social Responsibility

Because businesses function under conditions of uncertainty and complexity, addressing issues of social responsibility can be quite perplexing. As such, there are many ways and degrees to which an organization will try to be socially responsible. Numerous researchers have developed frameworks to account for these differences. Wartick and Cochran (1985) and Carroll (1979) use the terms reactive (deny responsibility; do less than what is required), defensive (admit responsibility but fight it; doing the least required), accommodative (accept responsibility, doing all that is required), and proactive (anticipate responsibility and do more than is required) to characterize an organization's approach to social responsibility. L'Etang (1995) outlines three approaches to social responsibility: (a) direct, those which arise from an organization's existence and operation; (b) indirect, where responsibility arises from the position of power in society, either collectively or individually, enabling

power to influence government, etc.; and (c) corporate philanthropy, based on the desire of an organization to do good, not necessarily a responsibility or obligation. Logsdon and Yuthas (1997) suggest organizations have levels of moral development, which prompts different approach to corporate social performance. These authors suggest three approaches, starting with (a) self interest, continuing to (b) market-based concerns with stakeholders, such as owners, customers, and employees, and finally, (c) a combination of market-based and non-market based responsibilities, including those to neighbors, communities, and the environment.

Greening and Gray (1994) claim an organization's socially responsible posture is both an institutional response and a strategic adaptation to external pressures, where firms respond to some institutional pressures and exercise discretion in the face of other pressures. Somaya (1997) explains the difference in approaches to social responsibility with two categories: a) philanthropic motivations, based on the desire of organizations to do good and b) strategic motivations, based on the desire to reach some business objective like raising their [the organization's] profile in the community or increasing brand awareness. The presence of the various levels and approaches to social responsibility may indicate that some organizations have difficulty carrying out social responsibility or fully committing to the ideal.

The following discussion highlights the ways in which organizations work to incorporate social responsibility into the operations of their business.

Operationalizing Social Responsibility

The factors involved in performing as a socially responsible organization are many and varied. For example, Kinder, Lydenberg, Domini and Co., a research firm that assesses corporate social performance, looks at many components, such as an organization's community relations, diversity, employee relations, environmental performance, products and the firm's involvement in the tobacco, gambling, and alcohol industries, in order to assess social responsibility. With so many factors, it is highly likely there are times when one or more of these factors will result in a conflict between interests and priorities, making it difficult to obtain a unified stance on social responsibility. Deetz (1996) suggests the presence of multiple communities, multiple standards, and questionable links between cause and effects place a strain on any organization's attempt to address responsibility. Indeed, many organizations have difficulties developing corporate social responsibility programs due to conflicts and pressures from both internal and external constituencies (L'Etang, 1995). In addition to conflicting interests and priorities, organizations must also consider the unintended and unforeseen side effects associated with responsible behaviors. Not all stakeholders consider socially responsible activities responsible (Deetz, 1996).

L'Etang (1995) suggests the difficulties in operationalizing social responsibility may be based on a form of ignorance in the organization because many of the frameworks typically used by organizations to address social responsibility are not extensive enough. Instead of leading firms to operate in ways that are true to the spirit of social responsibility, they are, instead, often utilized to boost image or

increase bottom-line profits. In other cases, an organization's actions to establish a socially responsible manner stem from a less-than sincere motivation for the social good of all. The next two sections address the two most common ways organizations implement socially responsible practices, superficially and strategically.

Superficial Practices. Many efforts at corporate responsibility seem superficial. For example, some firms claim their product or services are environmentally sound without taking the appropriate actions to insure their 'greenness' (Lave & Matthews, 1996). In a study of ethical codes, which relate to social responsibility, Stevens (1994) found that while 76% of the firms in a survey of 300 international executives have ethical codes they are not particularly referenced or utilized. Hawken (1993) gives the examples of Louisiana Pacific, a forest products company. In a Fortune magazine environmental ad, Louisiana Pacific Chairman Harry Merlo said "respect for the environment is nothing new to me. From the time I was a small boy in a poor family of Italian immigrants, I've understood how precious our God-given resources are, and how important it is never to waste them" (p. 130). Louisiana-Pacific, however, was one of the companies fined over 5.6 million dollars for discharging over 40 million gallons per day of toxin-containing effluents into the Pacific Ocean near Eureka, California.

Other companies have exaggerated or fabricated the responsible qualities of their products or services, thus exploiting consumers' increased interest in environmental concerns (Garfield, 1991; Mendleson & Polonsky, 1995). Korten

(1995) talks about organizations that create their own “citizen” organizations in order to mask their corporate sponsorship and their true purpose. For example, “The National Wetlands Coalition, which features a logo of a duck flying blissfully over a swamp, was sponsored by oil and gas companies and real estate developers to fight for the easing of restrictions on the conversion of wetlands into drilling sites and shopping malls” (Korten, 1995; p. 143). Intense competitive pressures have created contexts in which many companies display a propensity to develop misleading communications surrounding their stance on social responsibility (Kangun, Carlson, & Grove, 1991). Often, the goal is to convince the public that corporate interest *is* the public interest (Korten, 1995).

Strategic Practices. Berenbeim (1996) argues that corporate investments in communities have been largely motivated by strategic considerations. With the pressure from advocacy groups, investors, and consumers, organizations are paying attention to and working to seek a profit from socially responsible practices. Most organizations are now fully aware of the strategic importance of social issues. Waddock and Boyle (1995) and Altman (1996; 1998) consider the trend in community relations moving to strategic focus. Companies are working to communicate their socially responsible credentials to constituents, such as consumers, advocacy groups, legislators, and retailers. Currently, the objective of corporate public affairs is to make social responsibility a major theme and establish a firm reputation in this arena (Hood, 1996).

Yet it is difficult to determine how responsible the actions taken by a corporation are. As long as a corporation is viewed to be taking its social responsibilities seriously it is essentially viewed as being socially responsible, regardless of its activities (Jones, 1996). However, issues that are not ‘politically correct,’ although just as important to a community, tend to be ignored by organizations because of their lack of marketing appeal or the possibility of aligning the organization with a negative public image (Bloom, Hussein, & Szykman, 1995). Deetz (1996) suggests the strategic form of social responsibility is a weak form of representation in an arena where the interaction between a community and the corporation is systematically distorted and the construction of the relationship is not open to negotiation. He further contends that organizations co-opt the discussions of social responsibility into less responsible factions, such as ‘green’ or ‘social’ marketing. Jones (1996) suggests that some corporations work to improve their social profiles just long enough to gain legitimacy, which, once established (or re-established) allows them the freedom to then re-focus on bottom-line issues (instead of social responsibility). As long as a corporation is viewed as taking its social responsibilities seriously, it can essentially maintain control over its operations, regardless of the measurable effects of its actions.

The problems associated with the superficial and strategic practices of organizations necessitate a discussion of the measurement of social responsibility.

The next section addresses how measurement addresses the inherent problems of determining socially responsible practices.

Measuring Social Responsibility

Measuring any aspect of corporate social responsibility is difficult (Carroll, 1991; Graves & Waddock, 1994; Wokutch & McKinney, 1991). A serious problem with any corporate social performance research has been the problem of measuring it (Waddock & Graves, 1997a). It is a multidimensional construct, with behaviors ranging across a wide variety of inputs, internal behaviors, processes, and outputs. These behaviors also involve a wide range of industries with significantly different characteristics, histories, and performance in the social responsibility arena. Further, numerous issues, managerial decisions, and corporate behaviors are encompassed by the term social responsibility (Waddock & Graves, 1997a). In addition, there is the idea of consistency of socially responsible actions. Reder (1995) cautions that in today's changing business environment, companies change or eliminate social responsibility practices often, based on the environment and the market. Reder (1995) reminds us that some of America's best employers are also major polluters, and some of the country's most philanthropic or community-minded companies also run sweatshop-like work environments. A socially responsible practice does not make a socially responsible company. As such, measurements for community responsibility

need to combine a comprehensive review of activities with an investigation into the organization's commitment to these actions over time.

Improving Social Responsibility by Incorporating a Communication Perspective

The previous discussion indicates a challenge in understanding and applying the concepts of corporate social responsibility. Clarkson (1995) suggests the terms social responsibility, social responsiveness and social performance carry no clear meaning, remaining elusive constructs lacking in both logic and rigor. Wolfe and Auperle (1991) suggest understanding corporate social responsibility is one of the greatest challenges facing organizational researchers. Major reasons for the confusion are a lack of consensus of the definition of social responsibility and difficulty in operationalizing the construct. Many models appear to do a good job of helping organizations identify key relationships for social responsibility, but they do not provide guidance in prioritizing relationships, determining the organization's socially responsible duties, and the corresponding consequences of action (L'Etang, 1995). Wood's (1991) model of corporate social responsibility, which continues to provide the framework for much of the social responsibility research, attempts to account for the processes of social responsibility, suggesting stakeholder management as a process to guide organizations to be socially responsible. Stakeholder management involves organizations working to understand and assess their stakeholder environments, manage their stakeholder relations, deal with stakeholder demands and expectations, and improve their own positions of power and influence

within stakeholder networks in order to be socially responsible. However, Wood's model does not address the relationship or communicative processes occurring between the firm and the stakeholders. Consequently, the ultimate question for the field of corporate social responsibility has become one of determining the types of behavior that serve as reliable indicators and guides for responsibility.

The difficulty in defining social responsibility, as well as any processes or principles to guide socially responsive behaviors, lies in the attempt to define it as a moral or utilitarian concept. Neither framework allows for a fully encompassing set of behaviors that define social responsibility. The moral view asks for the incorporation of values, but is not able to delineate the values to be considered or how to deal with any conflicts resulting from differing stakeholder values. Hawken (1993) warns that social responsibility should not be carried out based on values of charity or altruism alone; if those are the driving forces, social responsibility will remain a subordinate to finance, growth and technology. The utilitarian view focuses on the financial and performance-based outcomes of socially responsible behaviors. Again, this stance is incomplete because it does not allow for stakeholder relations that do not have a direct impact on the bottom line. Wicks (1996) criticizes the stakeholder, ethics, and social performance literature, suggesting it is not clear how a model could be integrated, if it is possible at all.

This study proposes a communication perspective to address the gaps in the current social responsibility perspectives. Deetz (1996) suggests that social

responsibility lies in communication rather than in standards based on morals, values, or ethics. He states “Morality is based in communication practices rather than being a basis for them” (p. 2). Deetz (1996) agrees there is a difficulty associated with instilling values and morals into a process because it is hard to develop universal standards for such concepts. What is easy to develop and leads to responsible behavior, however, are communicative practices that are socially responsible (Deetz, 1996). Socially responsible communication processes give all stakeholders a voice, balance asymmetrical relationships through improved dialogue, and fostering mutual understandings and meanings surrounding social issues. The Center for Corporate Community Relations recognizes the importance of communication practices and includes a reference to communication in their standards of excellence for social responsibility. They emphasize corporate community programs need to reflect community concerns and suggest the structures and practices, which support these programs, are in a form that enables effective community dialogues.

The field of corporate social responsibility would benefit by incorporating a communication perspective and using it to define processes for social responsibility instead of values and financial outcomes. As such, this study suggests an adequate definition of corporate social responsibility is contingent on an understanding of how the relationships between organizations and communities are constituted and maintained through communication. This study intends to find out if the communicative relationships are enabling a closed relationship, or an open

relationship, in which the construction of meanings are shared and the process of dialogue occurs on a regular basis. As such, a questioning of the type of relationships corporations engage in with their community stakeholder is needed. The challenge is to develop a better framework with which to guide socially responsible behavior.

The following chapter explains the theoretical backgrounds used to inform this study. Stakeholder theory provides the primary guide for this study. Narrative theory informs stakeholder theory and enables an expansion of the stakeholder framework to include a focus on communication. The next chapter presents each theory and develops the research questions focusing this study.

CHAPTER II

Review of the Literature/Theoretical Perspectives/Research Questions

There are a number of theories relevant to the ideas of corporate social responsibility outlined in Chapter One. This study focuses on stakeholder theory to further investigate the relationships organizations have with society, specifically, communities. Chapter Two presents a synthesis of stakeholder theory and the gaps needing to be addressed from a communication perspective. The definition of stakeholder, as well as the ways organizations identify and manage stakeholder is presented. This chapter also introduces Narrative theory as a way to expand and improve stakeholder theory. The research questions, based on a narrative approach, are proposed in the final section of this chapter.

Stakeholder Theory

Stakeholder theory is the theory most often associated with corporate social responsibility, as stakeholders are central to the very concept of corporate social performance (Wood, 1991). Clarkson (1995) proposes corporate social responsibility and corporate social performance can be analyzed and evaluated most effectively by using a framework based on the management of an organization's stakeholders. Carroll (1991) suggests there is a natural fit between the ideas of corporate social responsibility and an organization's stakeholders, as the stakeholder concept personalizes social responsibilities by delineating the specific groups or persons

business should consider in its corporate social responsibility orientations and activities.

The stakeholder perspective “puts ‘names and faces’ on the societal members or groups who are most important to business and to whom it must be responsive (Carroll, 1991, p. 43).” It is especially relevant to the field of corporate social responsibility in that it provides the linkage to an organization’s approach to social responsibility behaviors (Logsdon & Yuthas, 1997). Socially responsible organizations partake in a process of constantly monitoring relationships, including those with stakeholders (L’Etang, 1995). Wood (1991) submits that organizations adopting a broad stakeholder perspective, where strategies are aimed at a range of different stakeholder types, are more effective at enhancing corporate social performance compared to those with a narrow strategy that targets a very specific stakeholder type, such as stockholders. Wood (1991), as well as other stakeholder theorists, suggest different types of stakeholder exist. The following section addresses how organizations define and identify stakeholders.

Defining and Identifying Stakeholders

Stakeholder theory is a theory that attempts to articulate a systematic answer to the questions of who are the stakeholders of an organization, which stakeholders require the organization’s attention, which do not, and what form the attention takes? It is a device intended to help researchers and practitioners explain and understand an organization’s roles and responsibilities beyond profit maximization to include the

interests and claims of non-stockholding groups. Definitions of the concept of stakeholder are varied, but they are all directed toward what Freeman (1984) calls the principle of who and/or what really counts. There can be primary and secondary stakeholders, owners and non-owners of the organization, actors or those acted upon, those in voluntary or involuntary relationships, resource providers, moral claimants, contractors, or legal principles (Mitchell, Agle & Wood, 1997).

While there are many aberrations in the many definitions of stakeholder, they all have some commonality. Each has two referent points: First, the stakeholder and the corresponding organizations have some connection; second, each organization has a list of many relevant stakeholders (Clarkson, Starik, Cochran & Jones, 1994). The definition of stakeholder offered by Freeman (1984) in his seminal work was “any group or individual who can affect or is affected by the achievement of an organization’s purpose” (p. 52). Carroll (1993) defines stakeholders as “individuals or groups with which business interacts who have a ‘stake’ or vested interest in the firm” (p. 22). These definitions differ in character. One focuses on the notion of ‘stake’ equating it to a claim, interest or right and the other focuses on the ‘affect,’ which would indicate that even if a stakeholder does not have a claim, interest or right, there still might be some stakeholding going on between two entities (Clarkson et al, 1994).

Clarkson et. al. (1994) suggest there may be numerous levels of specificity as to what the term stakeholder means. Different levels of stakeholders exist in terms of

visibility, perception of importance, and the level of the organization-stakeholder linkage. Price (1997) distinguishes between passive stakeholders, those who conduct routine business with an organization, and active stakeholders, those who visit information centers, attend public meetings, make phone calls, write letters, speak with news media and otherwise participate in the affairs of the organization that were once considered off-limits to the public at large. Kreiner & Bhambri (1991) suggest stakeholders can be arrayed according to the extent to which they are part of the technical or institutional environment (Meyer and Scott, 1983) of the organization in question. They found organizations managed stakeholders by placing an emphasis and priority on stakeholders to whom more power was attributed. Expanding on this view, Mitchell, Agle, & Wood (1997) propose a theory of stakeholder salience, where classes of stakeholders exist based on their possession of one, two, or three of the following attributes: (1) the stakeholder's power to influence the firm; (2) the legitimacy of the stakeholder's relationship with the firm; and (3) the urgency of the stakeholder's claim on the firm. This approach entails a comprehensive typology of stakeholders based on the normative assumptions that define the field of stakeholders organizations should pay attention to.

Rehbein & Schuler (1995) address the issue of stakeholder importance by declaring that organization's analyze their dependence on stakeholders based on their ability to help the firm remain competitive. Typically, these stakeholder groups are limited to legislators, competitors, consumers, and employees. Criteria for selection

of stakeholders includes cooperation, competition, power, legitimacy, geographic location, temporal relationship, strategic utility, and management preferences (Carroll, 1993; Clarkson et al, 1994; Freeman, 1984). Mitchell et al (1997) propose organizations pay certain kinds of attention to certain kinds of stakeholders, depending upon the need for the achievement of certain ends or because of perceptual factors.

While the above discussion highlights stakeholder theory's premise that organizations have many stakeholders and organizations should be stewards to the larger society, the approaches to stakeholder management have yet to be presented. The following discussion introduces the approaches offered to guide stakeholder management.

Approaches to Stakeholder Management

Stakeholder theory has distinct yet complimentary approaches. Donaldson and Preston (1995) define these as descriptive, instrumental, and normative. The descriptive approach involves the simple observation that organizations have stakeholders beyond the shareholders of the corporation. The instrumental approach suggests stakeholder management contributes positively to performance outcomes. The normative approach involves the acceptance of the ideas that stakeholders are persons or groups with legitimate interests in corporate activity whether the corporation has any corresponding functional interest in them or not. In this view, the interests of all stakeholders are of intrinsic value. This view borrows from accepted

philosophical principles such as utilitarianism and the notion that a social contract exists between the organization and its stakeholders (Harrison & St. John, 1996).

Donaldson and Preston (1995) suggest the central core to stakeholder theory is the normative approach, which implies that organizations should acknowledge the validity of diverse stakeholder interests and should attempt to respond to them within a mutually supportive framework because it is a moral requirement. It also identifies that organizations have economic, legal, and ethical responsibilities relative to each stakeholder. From the normative perspective, stakeholder theory not only describes existing situations or predicts cause-effect relationships, it also recommends attitudes, structures, and practices.

Logsdon and Yuthas (1997) expand on the normative approach, suggesting that how an organization views its relationships with various stakeholders is an important indicator of its moral development, indicated by whether and how they take ‘others’ into account. The levels of moral development are: (1) pre-conventional, where the orientation is an emphasis on the self—others are only a means to one’s own benefit or pleasure; (2) conventional, where there is an emphasis on the negative duties to others accepted as legitimate and desirable from external forces in the organization’s environment; (market-based relationships, such as owners, customers, and employees); and (3) post-conventional, where the emphasis is on positive duties, internalizing respect for others and duty to promote their welfare (market or non-market based relationships, such as to neighbors and communities).

Thompson, Wartick and Smith (1991) point out that while addressing the normative responsibilities organizations have to stakeholders, hierarchies of stakeholder importance occur, based on the potential impacts a group holds, the organization's resources, and market pressures. To date, the normative aspects (what corporations should or should not do) and the descriptive (what corporations do or can do) have not been satisfactorily blended into one theoretical perspective (Swanson, 1999). The normative core of stakeholder theory is seen to be moral in nature, but the source of that morality is not settled and the debate over its sources will probably continue into the foreseeable future (Jones & Wicks, 1999). There is little agreement on what the moral processes and outcomes should be. Gioia (1999) compares the litany of invocations that managers should do the right thing on moral grounds to the "Just Say No" campaigns directed at teenagers – both of which he views as laughable. He suggests managers do not find them credible because they do not adequately represent the complex social, economic, and organizational realities managers face.

Jones and Wicks (1999) argue the reductionism involved in employing the taxonomy of moral and utilitarian stakeholder approaches is both inappropriate and unproductive. They see no need to create forced agreement, close off discourse, or an established privilege for a certain approach to stakeholder theory. The challenge, then, to stakeholder theory is not to develop a single theory, but to develop and

evaluate a broad array of accounts regarding the nature and purpose of the firm and the activities of people who work for it (Jones & Wicks, 1999).

While stakeholder theory provides the framework for an organization to be socially responsible, the theory does not adequately account for the workings of these stakeholder relationships. There are gaps in stakeholder theory, which do not account for the interactions between organizations and their stakeholders. To date, stakeholder relationships have received only piecemeal attention in the literature and scholars have not made any systematic attempt to study the communicative relationships between organizations and their stakeholders, especially the community stakeholder. Jones and Wicks (1999) suggests stakeholder concepts are indeed relatively vague, not providing much direction either to the study or practice of management.

Stakeholder theory typically focuses on the attributes of the actors in the relationships – the firm and the stakeholder. Frooman (1999) suggests there is another component to gain insight from, that of the relationship between the two actors. Just as actors have attributes, so too, do their relationships, which may tell us as much or more about how actors will interact as individual attributes do (Frooman, 1999). The purpose of this study is to address the gaps in stakeholder theory by focusing on the relationships between organizations and stakeholders, specifically community stakeholders. To do so, a communication perspective will be used to guide an investigation of community/organization stakeholder relationships. A

communication perspective addresses the forms of relationships and dialogue between an organization and its various stakeholders –the key aspect not addressed by stakeholder theory. To guide the communication perspective of this study, a narrative approach is proposed. Narrative theory is suggested as a theory to allow for the union of the differing, and even conflicting, viewpoints and complexities that may occur with stakeholder relationships. The following section presents narrative theory and develops the research questions for this study.

Narrative Theory

Narrative theory is no longer limited to the literary and rhetorical fields. It is now a source of insight for all branches of human science (Mitchell, 1980), including organizational research. Jameson (2000) suggests that while narrative theory was developed in anthropology, history, philosophy and literary studies, it legitimately applies to organizational research. The narrative approach is particularly relevant to the stakeholder model of organizations because it is the preferred “sensemaking currency” for both internal and external stakeholders (Boje, 1991, p. 106).

An understanding of the interaction between businesses and communities has a great deal to offer a study of stakeholder relationships. Narrative theory focuses on the actions and events that affect stakeholders, configuring into wholes the roles these actions and events play in bringing about a conclusion on the everyday activities in and around organizations (Polkinghorne, 1988). Narrative theory provides a foundation for an emphasis on meaning, interpretation, and understanding (Weick &

Browning, 1986). “It tells not only about past actions but how individuals understand those actions, that is meaning” (Riessman, 1993; p. 19).

Pentland (1999) observes that a narrative approach ‘encodes all kinds of data that are relevant to a wide range of organizational phenomena’ and “it can be a particularly valuable source of insight about organizations” (p. 713). Why? Stakeholders make sense of their world in narrative terms (Weick, 1995) and they also enact narratives that are consistent with their expectations and values (Czarniawska, 1997). While narrative theory is relevant to the organizations, concepts of narrative have yet to be applied to the stakeholder model.

The complexity of considering the community a stakeholder of an organization adds a bewildering amount of detailed complexity with which business institutions may be unable to cope. This is a primary reason the narrative approach is relevant. A narrative approach emphasizes the simultaneous presence of multiple, complex realities and is thus well positioned for capturing the diversity and intricacies present in stakeholder relationships. Explaining the parts-to-whole relationship, “the narrative scheme serves as a lens through which the apparently independent and disconnected elements of existence are seen as related parts of a whole” (Polkinghorne, 1988, p. 36).

More than other approaches, narrative theory offers heterogeneous interpretations of texts, or different readings which vary based on histories, values, or “even which side of the bed they [participants in narrative] rise from” (Barry &

Elmes, 1997, p. 432). This multi-faceted approach aligns well with the multi-faceted dimension of various stakeholders, subsuming the idea of independent and seemingly disconnected elements needing to come together. It is especially relevant to the stakeholder relationship between organizations and their communities, which is often disconnected. The way narrative theory can do this is through the inquiry and understanding of the community-organization relationship.

A narrative view focuses on how meaning and relationships are constructed and interrogates ways in which stakeholders and organizations create a discourse about becoming, being, or having been involved in a stakeholder relationship. The discourse comes from symbolic action, which then creates social reality (Weick & Browning, 1986). In order to pursue the understanding of the stakeholder relationship, narrative must be understood in more detail.

What is a Narrative?

Riessman (1993) points out that there is considerable disagreement on the precise definition of narrative. That being said, however, there are several features of narratives that are typically discussed. Rimon-Kenan (1983) suggest that at a bare minimum, a narrative text must describe a progression or sequence of events.

Gotham and Staples (1996) suggest narrative has to take into account the order of events and the position of an event in the story. However, Pentland (1999) suggests that narrative includes a great deal more than just sequence. Narrative is an everyday mode of thought and discourse. Bruner (1990) argues that “one of the most

ubiquitous and powerful discourse forms in human communication is narrative” (p. 77).

Fisher (1984) expands the definition of narrative referring to narrative as a “theory of symbolic actions – words and/or deeds – that have sequence and meaning for those who live, create, or interpret them (p. 2). Labov (1972; 1982) takes a structural approach, arguing that narratives have formal properties, each with a function, which include the elements of an abstract (summary of the substance of the narrative), orientation (time, place, situation, and participants), complicating action (sequence of events), evaluation (significance and meaning of the action), resolution (what finally happened), and coda (returns perspective to the present). Burke (1945) offers another account of the structure of narratives, suggesting they each answer the questions of: what was done (act), when or where it was done (scene), who did it (agent), how he or she did it (agency), and why (purpose). Following Bruner (1990) and Barthes (1977), Pentland (1999) identifies the typical features of a narrative to be: a) Sequence in time; b) Focal actor or actors; c) Identifiable narrative voice; d) Evaluative frame of reference; and e) Other indicators of content and context. This study will use characteristics of narrative to understand the stakeholder relationship between organizations and the community, if the relationship exists at all. The characteristics of narrative to be used will include: Abstract, Evaluation, Focal Actor or Actors, Voice and Perspective, and Action. The following discussion highlights

how each of these characteristics informs the study of the community as stakeholder of the organization and help formulate research questions to guide this study.

Abstract – Is the Community a Stakeholder?

Lubov (1972; 1982) suggests one of the common elements of narrative is the abstract, or the substance of the narrative. For the narrative of this study, the substance is quite simply the question – do organizations consider the community a stakeholder? This basic question is important to ask as the traditional stakeholder discussions tend to ignore the multiplicity and diversity of stakeholder identities by employing the plain, safe narrative of generic ‘stakeholder.’ White (1980) would refer to this story as one where no one speaks – the events tell the story themselves. The presumption this depersonalized narrative leads to is that the story of stakeholders is broad and all encompassing. Yet, as was discussed earlier, this enables most organizations to have a limited narrative for the concept of stakeholder – one that does not typically include communities. Deetz (1995) warns that this results in a type of representation that is contrived, thus reducing actual value representation as well as resulting in a lack of opportunity for the voice of the community stakeholder.

Narrative theory can help explain why some stakeholders are valued over others. Narratives include various standpoints, but they also leave others out, sometimes neglecting certain perspectives (Lyotard, 1984). What narratives revolve around, how they are constructed, and the way they are shared all determine their

value (Barry & Elmes, 1997). This value evolves from the discursive, social nature of relationships, which are linked to cultural and historical contexts (Smircich & Stubbart, 1985). As such, inquiry into a narrative can be used to show why some stakeholder perspectives are more or less popular and how popularity might be linked to other narrative forms circulating with an organization (Barry & Elmes, 1997). Because organizations are becoming increasingly interdependent, their stakeholder relationships may be shifting away from a focus on agency, an orientation toward self, and moving toward a focus on community, relationships with others (Barry & Elmes, 1997). This study looks to see if the organization stakeholder narrative allows for a social responsibility and the inclusion of the community as a stakeholder. As such the first research question of this study is:

Research Question 1: Do Organizations consider the community a stakeholder?

Focal Actor/Actors

Once the substance of the narrative being investigated is acknowledged, in this case, the community as a stakeholder of organizations, the focal actor or actors of the narrative need to be identified. Narratives are always about someone or something (Pentland, 1999), in this case, the narrative focuses on the community stakeholder. This study needs to identify the community actor in two ways; first, how are organizations identifying the community, and next, who is representing this community in the relationship with the organization. First, however, the definition of a ‘community’ must be considered.

Throughout the stakeholder literature “community” is often mentioned as one of the constituent group to which organizations are responsible, yet the concept of community as a stakeholder lacks full definition (Altman, 1998). Burton and Dunn (1996) view the concept of community in the stakeholder literature as ‘amorphous’ arguing there is no way to give money to the ‘community,’ and suggesting it is impossible to have a real contact with the community. Altman (1998) contends the literature on the community as a stakeholder assumes a homogeneity that does not exist.

Waddock and Boyle (1995) suggest community is now communities, made up of multiple sites and groups in those locales in which a corporation has significant activities. Boston College’s Center for Corporate Community Relations suggests community is the place in which an organization has a presence or impact. With the onslaught of globalization, the increase in dispersed operations within an organization, and the continuing diversity of community members, how are organizations defining community? The next research question will attempt to clarify this question with:

Research Question 2: How do organizations define community?

Voice/Perspective

After understanding how an organization defines the community, the next step is understanding who represents the community in the stakeholder relationship with the organization. Every story is told from a particular point of view or from a

particular voice. Pentland (1999) calls this narrative voice; that which represents a specific point of view from particular actors in a narrative. Brown (1998) suggests each narrative privileges some voices and silences others. Investigating narratives, then, make the political aspects of stakeholder relationships more visible, highlighting who gets to write and read stakeholder stories? How are reading and writing linked to power? Who is marginalized in the writing/reading process? (Boje, 1995).

Korten (1995) finds it is apparent that organizations are dominant over communities. Certainly, surrounding the language and creation of meaning in stakeholder relationships, organizations are in power (Jones, 1996). Most organizations have greater financial, political, and institutional power to offer than the receiving communities within which they operate. The result of this domination has been the corporation's ability to construct a meaning of social responsibility and stakeholder identification based on instrumental and economic reasoning and impact (Jones, 1996). For a stakeholder narrative to be socially responsible, the voice of the community must be included and valued, evening the balance of power within the community/organization relationship. Typically, author and 'authority' coexist (Browning, 1992). The question for this study involves an understanding of authority within the narrative and how the community voice is represented in the community stakeholder relationship. Thus, the next research question is:

Research Question 3: How is the voice of the community represented in the stakeholder relationship with the organization?

Evaluation

Another element of narrative is evaluation (Lubov 1972; 1982), which, in this study, addresses the significance of the community stakeholder relationship. The evaluative aspect of a narrative provides the means by which to judge this relationship (Pentland, 1999; White, 1980). Even without any explicit moral, a narrative embodies “a sense of what is right and wrong, appropriate and inappropriate, and so on” (Pentland, 1999, p. 713). The evaluative context can provide a window into the values of a group, as in the case of this study, why an organization judges it appropriate for the community to be considered a stakeholder.

Logsdon (1991) suggests certain components must be in place before an organization evaluates social issues and makes a commitment to addressing them: a) the interests or stake the organization has in resolving the social problem; and b) the degree of interdependence the organization perceives it has with other stakeholders in dealing with the problem. Logsdon (1991) argues that interests alone do not account for the complete rationale for an organization’s involvement in collective social problem solving. Instead, determining an organization’s perceived interdependence with the stakeholders and the potential stakes for the participant drive involvement. If the perceived interests and interdependence is low, Logsdon (1991) proposes that the social issue will be neglected; alternatively, if the perceptions of both stakes and interdependence are high, there is collaborative potential. Altman (1998) found that motivations for organizations to enter a corporate/community relationship resulted

from three driving forces, or evaluations: 1) an economic rationale; 2) a morale rationale; and 3) a combination of 1 and 2, which she calls a values/strategic rationale. Altman (1998) suggests more research is needed to further understand why organizations decide to enter a corporate/community relationship. To understand the evaluative aspect of the community stakeholder relationship, the following research question is posed:

Research Question 4: What are the reasons an organization enters into a stakeholder relationship with the community?

Action

The final element of narrative to be discussed in this study is action. Lubov (1972; 1982) refers to this as the sequence of events in a narrative. Burke (1945) accounts for action with 'act' suggesting it will offer some kind of answer to the question of what was done? In the narrative of the community as a stakeholder of the organization, action pertains to the relationship established between the two sides. Tichy, McGill, & St. Clair (1997) view community involvement and community partnerships as the price of admission to the 21st century. Yet as Altman (1998) found, the existing stakeholder and corporate social responsibility literature lacks managerial frameworks for corporate community action.

In her study to look at the how corporations manage the community relationship, Altman (1998) suggests community action sorts into two categories: relationship and programmatic. The relationship actions included: volunteerism,

service on non-profit boards, proactive meetings with city and regulatory officials, and proactive communication with grass roots organizations; the programmatic actions included: contributions, volunteerism, mentoring, support of local community functions, and crisis outreach.

Alperson (1995) suggests the term philanthropy no longer describes what many organizations do in the community involvement arena. Rather than outright donations, organizations have converted their programs to social investments in which many new and different types of support are affecting the practice of community involvement. Pellizzari (2000) suggests community responsibilities deals with two broad categories of policy and practice: charitable giving and community engagement; engagement referring to the ways that companies engage communities and deal with the effects of their operations on local residents and businesses, in addition to charitable organizations. Nitkin (2000) outlines donations, educational support programs, matching gift programs, and non-traditional giving (equipment donations, employee time donations, gifts in kind, and loan or shared use of company facilities) as the components of the new era of community responsibilities.

While these actions expand the traditional and historical concepts from altruism or the field of philanthropy, what they do not do is address the communicative relationship that exists between the organization and its community stakeholder. Fortunately, stakeholder relationships can be examined as a narrative process, one in which stories of the relationship between an organization and its

stakeholders develop, whether appropriated and championed or discounted and defended (Barry & Elmes, 1997).

Community stakeholder relationships may be differentiated by the approaches organizations take, whether they are partnerships, sponsorships, or donations (Nitkin, 2000). Peterson and Sundblad (1994) suggest three models of involvement. The first model is direct corporate involvement, where the company is willing to commit substantial resources to a collaboration with a community organization. Next is a community partnership surrounding a specific business core, where an organization offers its business strengths and relies on the community organization to take responsibility for the comprehensive development of the problem solution. Lastly, there is a tie between a corporation and a community organization through a third organization, called an intermediary. Working together to address community issues, the intermediary assembles financial and technical support from a number of different companies, who take on the primary responsibility for contact with the community organizations.

Peterson and Sundblad (1994) start to address the communicative process required to set up the relationships required for any of the options of community involvement, but they fall short in their suggestions. In outlining that companies should “work closely with the community,” they suggest corporations “should enter partnerships ready to roll up their sleeves” (p. 14). They begin to deal with some aspects of communication when they suggest engagement in a ‘frank discussion of

what each partner is willing to contribute, what responsibilities each is willing to assume, and what goals and expectation each has (p. 14).” Altman’s 1998 study of community stakeholder management addresses theoretical gaps concerning the community stakeholder relationship, yet she contends more research is needed. To investigate the narrative element of action, how the relationships between organizations and the community stakeholder are developed and maintained will focus the final research question of this study is, which is:

Research Question 5: How is the relationship between an organization and the community stakeholder developed and maintained?

The next chapter lays out the methodology for answering the five research questions presented in this chapter. In the methods chapter, I will cover the research plan, definition of the research problem, data collection, sampling, and data analysis.

CHAPTER III

METHODOLOGY

The qualitative researcher is an explorer, not a tourist
Pauly (1991, p. 7)

This chapter presents the workings and rationale for the research methods used in this study. The research is a qualitative, field-based study combining elements of grounded theory building and the constant comparative approach. In-depth interviews and executive accounts constitute the interactions with the study participants. The methodological steps of defining the problem, collecting data, determining the sample, and analyzing the data are addressed in the following sections.

Methodology

A methodology is a set of guiding principles describing ways to gain an understanding of a phenomenon (Polkinghorne, 1983). The research conducted in this study utilizes a qualitative methodology. This is appropriate, as the field of corporate social performance does not have a single, rigid methodology, and a rising acceptance of both interpretive and multiple methods is welcomed (Carroll, 1994). A qualitative approach is also particularly relevant to this study because of its focus on the practices of communication (Lindlof, 1995). Qualitative studies entail the investigation of meaning-making, which is *the* fundamental question of communication (Pauly, 1991). Qualitative methods seek to preserve the form and

content of human behavior by analyzing its qualities, rather than subjecting them to statistical or other formal transformations (Lindlof, 1995). A qualitative approach is distinguished from the methods used in quantitative studies in that it does not rely on evidence in “the logic of mathematics, the principle of numbers, or the methods of statistical analysis” (Anderson & Meyer, 1988, p. 247). Instead, an interpretive, naturalistic approach is applied to a study, where the research uses different strategies, methods and empirical materials. Indeed, it is a field of inquiry unto its own, crosscutting disciplines, fields, and topics (Denzin & Lincoln, 1994). The goal is to understand and make sense of the phenomena being studied. Yet it is also a arena where variables can be uncovered, hypotheses formed, and theories can be built (Glaser & Strauss, 1967). A qualitative approach is also appropriate because data related to social responsibility is likely to include aspects of social desirability which can sometimes be too convoluted or too complex to allow for adequate characterization through quantitative data (Useem, 1995). Consideration must be given to data sources that possess mechanisms to conceal, rather than reveal, their secrets, or in this case, not-so-socially responsible behaviors (Lindlof, 1995).

Inherently, qualitative research employs a multitude of methods (Brewer & Hunter, 1989). As such, a qualitative methodology implies that there is not one best way to conduct an inquiry and no single methodology is privileged over another. Borrowing from a composite of views and approaches, there is also no distinct set of methods that belong entirely to qualitative research (Denzin & Lincoln, 1994). The

use of multiple methods reflects an attempt to achieve an in-depth understanding of this topic. For each question considered, a construction of meaning, using whatever methods and empirical materials are available and appropriate, emerges. The blend of strategies used depends upon the questions being investigated, as well as the context of the research situation, and the researcher himself. Denzin and Lincoln (1994) refer to this relationship stating, “the multiple methodologies of qualitative research may be view as a bricolage, and the researcher as bricoleur” (p. 2). So, what of the bricoleur? To participate in any qualitative research, the researcher must accept the fact that knowledge has an inevitably incomplete nature; he or she must also abandon the position of “knower.” (Pauly, 1991). Yet in abandoning the position of knower, the researcher still has his or her own understandings, images, and interpretations of the world, which will have an impact on his or her findings.

Defining the problem

The qualitative researcher usually embarks on a study out of both a personal and a scholarly fascination with a topic (Lindlof, 1995). The rule of thumb for choosing this topic is that it must be fun and something for which one has a passion (Thomas, 1993). For me, this passion lies in the relationships between businesses and society. Impassioned by the writings of Paul Hawken (1993) and David Korten (1995), I came to graduate school hoping to gain new insights into the social responsibility of business by focusing on organizational communication processes. Any research problem I investigate is guided by the belief that communication is the

primary process involved in the signifying of meaning, purpose, and ultimately, behavior. Indeed, other researchers have discussed the importance of communication and point out how particular concepts and views can fundamentally shape and direct a researcher's inquiry (Gilligan, 1982; Morgan, 1986; Rorty, 1989; Solomon, 1992). The 'problem' for my research, as mentioned earlier, is developing an understanding of the relationships existing between corporations and their communities. L'Etang (1995) suggests an approach to understanding this relationship lies in looking for ongoing processes of social responsibility, where the organization is constantly monitoring the environment and its relationships, instead of a fixed mission with a predetermined priority that only addresses specific groups.

I work to understand the relationships through the data that is uncovered in my study, trying not to refer to any preconceived notions or anticipated results. Potter (1996) suggests that a researcher must have some initial formulation of a problem in general terms, but should not begin with any formal a priori expectations. The general problem formulation guides the direction of the investigation. Potter (1996) further refers to the process as one that combines induction and deduction in an iterative loop, where the researcher's ideas, foci, and tools interact with data and theories. A sense of flexibility will be needed in both defining the research problem as well as in the pursuit of understanding (Thomas, 1993).

Yet a call for flexibility does not equate to a lack of operationalization. Without some form of definition, any empirical research is impossible (Potter, 1996).

The process of operationalization allows the researcher to clarify what will constitute examples of the phenomena being investigated. In addition, it offers theoretical concepts that are typically general and abstract with a link to the real world. Pauly (1991) points out that matters of definition are not necessarily the object of qualitative research, but rather, aspects of the research that must be understood in order to decipher symbolic meanings. I work to translate terms and any data uncovered during the research into a system of signs and symbols available for interpretation. Proceeding with a sense of flexibility, a general sense of definition, yet no a priori expectations, this discussion now moves on to address data collection.

Data Collection

Data are a critical element of any research inquiry. Yet methods for collecting data are as varied as the topics that can be investigated. “There is no best practice here, only alternative practices whose selection depends upon the investigator’s research agenda and pocket depth” (Useem, 1995, p. 37). Unfortunately, there is not a specific framework that provides definitions of corporate-community relations to be used in the systematic collection, organization, and analysis of data (Clarkson, 1995). As such, to highlight the creative latitude a qualitative researcher may use, the approaches guiding data collection in this study use a combination of inductive and orientating methods – interviews and accounts.

The idea of sources for data collection will be considered first. From whom and from where a researcher collects data has a profound impact on the meanings

developed in any study. The challenge is to identify the best sources that can provide the most insightful information on the topic. Often, obtaining data from extremes, i.e., very satisfied employees vs. very dissatisfied employees or top executives and line-workers, in the organization can add discerning information. For information regarding the organization and its relationships to other groups within and outside the organization Useem (1995) recommends there are no better placed nor better informed participants than the company executives. Yet he further warns that executive perceptions can largely be forms of social constructions based on the circles in which these participants are engaged. As an example, Useem (1995) tells of executives espousing stakeholder values without any contact with the stakeholders or any direct responsibility for stakeholder relationships.

Using a single type or level of participant, however, should be avoided. Instead, several types of informants from diverse experiences should be chosen to enhance the breadth and quality of data. This study follows Pauly's (1991) suggestion that qualitative researchers treat sampling as a narrative dilemma, focusing on the symbolically significant people for which the researcher can tell the story. For this study, significant people are represented by two groups: The first group includes people from a variety of organizations that are in some way responsible for community relations; the second group of informants includes a sample of senior executives, also from a variety of organizations. Hambrick and Mason (1984) have found organizational outcomes and relationships to be influenced

to a large degree by the role and preferences of the top leaders. As such, this study includes the perspective of senior leaders. Together both groups, individuals involved in community relations' efforts and senior managers, account for the people making strategic decisions about the community stakeholder.

Interviews. Organizations have conflicting values and stakeholders vying for their attention and resources, making the relationships between organizations and their communities very complex and multidimensional. As such, unstructured interviews are an appropriate approach for such a phenomenon and are used in this study. Locating narratives of experience for analysis can be accomplished through the research interview (Riessman, 1993). Compared to structured interviews, which aim at capturing precise data in order to explain behavior based on pre-established categories, unstructured interviews aim to understand the complex behavior of members in an organization without limiting the field of inquiry (Fontana & Frey, 1994). Thomas (1993) finds “the danger of being in an interview with a list of questions “written in stone” is that the list becomes a crutch that hobbles the researcher in pursuing data” (p. 40). Ad-libbing, follow-up, and probing questions are particularly critical for digging below surface appearances to search for impression-management or socially desirable responding designed for a public audience (Thomas, 1993).

When discussing sensitive organizational issues, respondents may feel the need, based on the vulnerability to consequences of honest answers, to offer

explanations that model the official company rhetoric or it is so bland and benign it is virtually worthless. Babbie (1995) warns that socially desirable responding may be particularly relevant in face-to-face situations. Researchers should conduct interviews with the goal of obtaining accounts of the individual's actual experiences, without the filter of impression management. Ways to accomplish this include: paying attention to the particular wording of questions, offering hypothetical situations for an individual to respond to (instead of revealing personal accounts), or changing or re-framing the topics in question. Spradley (1979) suggests grand tour questions, which are ambiguous questions asked in the early stages of research that offer the respondent the opportunity to answer in ways that are comfortable and with content that is relevant to him or her, not the researcher. Probing can occur at a later date, to follow up on contradictory information or to obtain specifics. Whyte (1984) encourages questions about specific events and the expansion on experiences with specific examples.

Keeping the above points in mind, the interviews are semi-structured, in that all respondents are asked a series of common questions (see Attachment A for the Interview guide), but they are also open-ended. This approach insures some commonality across interviews while encouraging participants to expand on points they view as important.

Accounts. Executive accounts are collected in writing from the participants in the Leadership at the Peak (LAP) program held at the Center

for Creative Leadership. The Center for Creative Leadership (CCL[®]) is an international, nonprofit, education institution whose mission is to advance the understanding, practice, and development of leadership for the benefit of society worldwide. Founded in Greensboro, North Carolina, in 1970 by the Smith Richardson Foundation, Inc., CCL conducts research, produces publications, and provides a variety of educational programs and products to leaders and organizations in the public, corporate, educational and nonprofit sectors. Each year through its programs, it reaches some 20,000 leaders and several thousand organizations worldwide. In Business Week's annual survey of executive education, CCL ranks as the top-scoring program for leadership development in 2001 (Schneider & Hindo, 2001)

The LAP program is limited to senior-level executives. The attendees are screened through an application process to ensure they are at a senior level within their organization (For example: Chief Executive Officer, Chief Operations Officer, Senior Vice-President, or General Manager). I attended the LAP programs to collect the executive accounts, introduced myself as a researcher, and explained the process of collecting executive accounts, basically, filling out a questionnaire with open-ended questions. The participants were informed there is no right or wrong answer for the topic of interest. They were also informed that their participation is completely voluntary and their responses are completely anonymous – no identification of them or their organization. The participants were given 15-25

minutes to respond to the referenced questions, or accounts. The content of the form is limited to two or three questions to accommodate the time allotted for filling the form out during the program. (See Attachment B for the executive account response form).

Samples

Sample One. The first sample, the senior management informants, consists of 142 participants from 15 Leadership at the Peak programs held at the Center for Creative Leadership in Colorado Springs, Colorado. This sample filled out the executive accounts. The 15 programs in which the executive accounts were collected consist of 142 participants, resulting in a 100% participation rate for this sample. Because of the 100% participation, the country of residence and the gender of the participants is able to be identified as follows:

Country of Residence:

Norway – 2	Switzerland - 2
South Africa – 1	England - 5
Netherlands – 1	Canada - 5
India – 3	Australia – 2
New Zealand – 1	Germany - 3
Colombia – 1	Chile - 1
Russia – 1	United States – 114
<i>n = 142</i>	

Gender:

20 women
122 men
n = 142

Sample Two. The second sample, informants involved with the community relations' efforts within their organization, consists of 30 representatives from 30 different organizations. This sample of informants was interviewed. I obtained a list of organizations located in the Colorado Springs area from the local chamber of commerce; the list was not dependent upon the organization's membership with the chamber. From this list, which is loosely organized by industry, I randomly selected 1-2 organizations from the major industry classifications. When making the selections, if available, I chose a large organization (greater than 500 employees) and a small organization (less than 500 employees). In all, 48 organizations were contacted. I contacted each organization by telephoning the main number and asking for the person responsible for community relations. In 8 organizations, I left voicemail messages which were never returned; in 3 organizations, I was not able to find a time to interview the responsible person; in 1 organization, the person I scheduled an interview with was laid off between the time we scheduled our interview and the time of the actual interview; he was not replaced in his organization and the company is no longer involved in 'community relations.' The remaining non-participating organizations had responses that are interesting to note:

- (From the HR manager) "The president is very involved with the manufacturing sector of chamber; other involvement would be me as the HR manager and the Controller -- we are in professional associations, like the CPA association. I don't know what else there would be; our customers are international so the focus is more international for us."

- (From the Operations Manager) "Walk for Diabetes, sponsor hockey teams – outside of that, not much."

- (Receptionist) “I have no idea of what that would be or who would do that.”
- (HR manager) “Our PR department has been phased out – our headquarters is now in Houston so we no longer do anything.”
- (HR manager) “No, the time to interview (approximately 45 minutes to one hour) is not worth the outcome for me.” (The outcome offered is an executive summary of the study findings as well as participation in a “learning day” where all of the respondents will be invited to a presentation and discussion of the results.
- (Community Relations Manager at another location) “No, I don’t have much time for something like this (an interview); I have a busy schedule and besides we don’t have much involvement in Colorado Springs because we went from 2500 employees to 100 in the past year.”

Out of 48 organizations contacted, 30 representatives voluntarily agreed to be interviewed, resulting in a participation rate of 63%. Attachment C shows the following characteristics of the sample: Industry of Organization, title of interviewee, length of time organization has been in Colorado Springs, number of employees.

The length of the interviews ranged from 40 – 90 minutes. Interviews were tape-recorded and transcribed by the author.

Analysis

The analysis of data is a defamiliarization process where the researcher revises what he or she has seen and translates it into something new (Thomas, 1993). It is the point in the research process when the activity surrounds the making sense of, interpreting, and theorizing of data (Schwandt, 1997). Although as Lindlof (1995) reminds us, analysis is “best thought of as a process that is continuous throughout an

entire study” (p. 215). He considers the process cyclical, with fieldwork, data translation, coding, and conceptualizing interacting together throughout the research act.

But to generalize the process of analysis, it involves the researcher’s use of a variety of strategies to sort, organize and reduce the collected data into something manageable, then investigating the ways in which to interpret them. The sorting and organizing of data requires comparing, contrasting, and the labeling of data. A procedure that readily lends itself to this process is grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1990). The grounded theory process consists of the building of general statements from the individual observations made while gathering data. It is an explanatory system resulting from an inductive process, following rather than preceding data gathering (Lincoln & Guba, 1985). Its practice of induction aligns with the qualitative assumption, which as Potter (1996) states “abhors a priori conceptions” (p. 126).

However, grounded theory does employ the concept of deduction, along with those of induction and verification, in order to build theory; the difference is these processes occur simultaneously. More precisely, grounded theory analysis requires the establishment of mutually exclusive categories, which, in turn, drive the method of constant comparison. This facilitates the management of large data sets. Specifically, data are broken up into units of analysis (phrases, sentences, etc.) are examined for similarities and differences. From this, the researcher produces a set of

categories or concepts to describe the data. These categories are then constantly compared with each other to uncover any underlying uniformities and to sharpen the definition of the concept, eventually defining it. Comparisons go on continuously until saturation, which occurs when additional analysis no longer contributes anything new to the concept. Theories are then developed to explain the plausible relationships among the categories. Of course, the soundness of any theory resulting from this process is largely related to the data, as the theory emerges from the relationship between the data and the process.

The application of grounded theory is especially appropriate in this study. Considering there are no a priori hypotheses guiding this research it is an inductively driven study. Also, not having a ‘theory’ of corporate-community relations leaves the data uncovered in this study without a framework for interpretation. Grounded theory provides this framework and is used to analyze the data obtained from interviews and accounts in this study.

The author transcribed the content of the 30 interviews. The executive accounts were handwritten by the LAP participants and, in turn, typed by the author. The author and two other research colleagues then read the data from each sample group independently. For each data set, each reader was asked to come up with themes to describe the data. As Dunford and Jones (2000) suggest, narratives take on many forms, while some may conform to a classic story form, others will take the form of a pattern of themes that recur in management discourse. We then met as a

group to discuss our themes and to decide upon themes to use for coding the data.

Once themes were determined, each researcher took the data sets and coded most of the data to the selected categories (see Results section for categories). However, the team also met a number of times during this process to discuss any discrepancies in coding. The process of theme identification and classification was largely interdependent and relied heavily on the understanding gleaned through active discussions with the team of researchers.

The decision to conduct the data analysis without the use of a computerized program was a conscious one by the author. While programs such as NUDIST or ETHNOGRAPH can greatly enhance the ease of data analysis, the author preferred to conduct analysis the old-fashioned way, manually. As Riessman (1993) suggests, it is not always clear at the beginning of a study what features of a narrative will prove to be essential and there is a danger in reading a narrative simply for content. The author felt the use of computerized analysis would increase the chance of coding the data simply for content, which Reissman (1993) warns against, and further decided the insights gained from repeated listenings and manual reviews would shape the way the data was chosen to represent the text in a way that is not accessible when computerized programs are used.

CHAPTER IV

RESULTS and IMPLICATIONS

This chapter presents the results of this study and begins to account for the ways business organization's relate to the community stakeholder. This relationship is being investigated for a number of reasons. First, the concept of corporate social responsibility suggests an organization has responsibilities beyond increasing operating profit and satisfying stockholders to addressing issues of society as a whole. Are organizations responsible to communities and society? If so, how and with whom do organizations attempt to address societal needs and issues? Second, stakeholder theorists suggest an organization's social responsibility is achieved, in part, by paying attention to all stakeholders of the organization, stakeholders including the community. Do organizations consider the community a stakeholder? Whether the answer is yes or no, this is not the only question to ask in order to fully understand an organization's stance on stakeholder management, and ultimately, social responsibility. Social responsibility must be determined beyond the simple declaration of stakeholders by delving into the ways organizations view the community, encourage and allow representation for the community stakeholder, and interact with the community stakeholder.

This study invites the reader to journey along on an exploration with the data and results in which the first step is understanding if organizations do indeed consider the community a stakeholder. Using the narrative approach as a guide, the question

of whether organizations consider the community a stakeholder constitutes the foundation of this study. In most cases, as the reader will see, the answer is yes. Yet knowing organizations do consider the community a stakeholder is not quite enough to assume an organization's social responsibility is alive and well. Each successive research question gets deeper and closer to the heart of the organization's stakeholder management activities and therefore, a better understanding of social responsibility. Using the metaphor of 'peeling an onion,' the narrative approach enables the study to uncover the many layers of the organization's relationship with the community stakeholder. The narrative notions of actors, voice, evaluation, and substance constitute these layers.

The study continues uncovering layers of the community stakeholder relationship by answering the questions of who are the actors in the community stakeholder relationship and what is their access to voice? The results then explore the evaluative element of narrative, presenting the reasons why an organization wants to establish a relationship with the community. This aspect of the study highlights whose interests are being served in the relationship and why they are being served. Finally, the results end with an examination of action, or how an organization interacts with the community and the particular ways communication processes constitute the relationships between organizations and communities. Ultimately, through investigating the relationships that occur between communities and

organizations, we will have better insight into an organization's commitment to communities, and thus, one aspect of social responsibility.

Specifically, this chapter presents the results for research questions one through four. The data collected for this study includes field interviews and executive accounts. Using grounded theory and a constant comparative method for analysis of the data results in a number of themes and categories to answer the first four research questions. The manual tallies of the categories for each research question are presented in table form. In addition, each category and theme is explained and accompanied by text examples. Both samples, the executive accounts and the Colorado Springs interviews are accounted for in the tables and the accompanying discussions. The presentation of results for each research question also includes a discussion of the implications of the data. While the methods of data collection were different for each sample, the results, as outlined in Chapter four and five, are complimentary and presented in concert. The next section presents the results for research question one.

Layer One: Is the Community Considered a Stakeholder?

The first question answered by this study addresses the issue of organizations considering the community a stakeholder. Why is this important? Communities have been shown to be an integral part of any organization's operation cycles in that communities provide raw materials, work force candidates, and the goodwill required for a company to thrive. More importantly, organizations have had significant

impacts on communities. Environmental issues, growth, pollution, taxes, legislation and employment are just a few of the areas intertwining an organization and a community. Any organization situated in any locale is in some way affiliated with a community – but do organizations recognize this connection? Using the tenets of stakeholder theory, going beyond the obvious and sometimes taken for granted relationship an organization has with its community, this study investigates the extent to which organizations consider the community a stakeholder. A stakeholder is defined as “any group or individual who can affect or is affected by the achievement of an organization’s purpose” (Freeman, 1984, p. 52). The results indicate for the most part organizations do feel a sense of connection to their community. But just how strong is the connection between the organizations and their communities? This part of the relationship is addressed later in this discussion. The following results discuss the first layer of the organization’s possible relationship with the community and address the question:

Research Question 1: Do organizations consider the community a stakeholder?

Table 1:
Research Question 1 Results

Research Question #1:	Sample One	Sample Two
Responses:	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Yes	79%	83%
No, or Yes and No or Yes, But	21%	17%
Total # respondents	<i>n=142</i>	<i>n = 30</i>

Table 1 summarizes the results for research question one, highlighting the occurrence of yes and no responses. The ‘no’ category also includes responses of ‘yes and no’ and ‘yes, but’ because the accompanying explanations negated the yes portion of the response, indicating the respondent’s organization did not really consider the community a stakeholder. For example, one executive clarifies “yes, but it is not a significant priority.” Another claims “yes, but we do not value and reach out to the community as we should.”

The following discussion addresses the ‘yes’ and ‘no’ categories of responses. Implications of the results are presented at the end of this section.

“Yes” Responses

When asked if their organizations consider the community a stakeholder, 79% of the executives answered yes and 83% of the interviewees answered yes. One of the interviewees was taken aback at this question of considering the community a stakeholder, stating “ I don’t really understand the question....some things have to be true of every business and this (the community as a stakeholder) certainly has to be.” Altman (1998) supports the findings in research question one with “corporate executives and managers are placing a higher priority on community issues” (p. 3). Certainly organizations benefit from involvement with the community. Corporate reputation (Fombrum, 1996; Smith, 1994, Tichy et al., 1997), employee morale and loyalty (Tichy et al., 1997) and the ability to continue and preserve operations (Burke, 1995) have all been cited as reasons for organizations to consider the community a

stakeholder. Tichy et al. (1999) suggest corporate citizenship is good for both individuals and companies, making people feel good about themselves, their company, and their world. Recently, more emphasis has been placed on the need for business to play a role in serving the needs of society. The results from question one support this movement. However, the data in research question one cannot be trusted entirely if it is to be used to assess an organization's commitment to the community stakeholder. It is not enough to know if the organization considers the community stakeholder; the investigation must go beyond the simple yes or no answer to determine the ways organization's 'consider' the community stakeholder. The remaining research questions offer a look into the complete consideration organizations give the community. Even so, enough respondents in both samples replied "no," to research question one, necessitating a brief examination of this phenomenon.

"No" Responses

The significant number of 'no' responses in both the face-to-face interviews, as well as the executive accounts, suggest not all organizations recognize the community as a viable stakeholder. Taking the idea of stakeholder theory and corporate social responsibility further, the 'no' responses infer some organizations do not fully acknowledge their impacts, good or bad, on communities, and therefore do not completely embrace the idea of being a socially responsible organization. The methods section of this study suggested a degree of social desirability response may

occur in this study because social desirability responses typically accompany questions of social responsibility or community involvement. A socially desirable response occurs when respondents feel a vulnerability to honest answers and instead choose responses that are based on some sort of impression management. The strategies used in this study to alleviate social desirability responding included controlling for anonymity in the executive accounts, fostering a non-threatening environment by asking open-ended questions, and building rapport with the interviewees, suggesting there are no right or wrong answers to any of the questions put forth. However, the amount of respondents answering no to research question one (21% in sample one and 17% in sample two) most likely indicates social desirability responding was minimal in this study. If social desirability was not playing a role in the responses to research question one, one must ask why an organization would not consider the community a stakeholder?

The negative answers to research question one sorted into four categories: a) the location and size of the organization is either too small or too large to justify any relationship with the community; b) the type of business does not have a need or allow for community stakeholder relationships; c) the breadth/depth of the relationship the organizations currently have with the community is not enough to classify the community as a stakeholder; and d) the financial or start-up status of the organization does not allow for community stakeholder relationships. The answers to research question four, which address the reasons an organization does not consider

the community a stakeholder, outlines these responses and the corresponding explanations in more depth.

The next section presents the implications of both the yes and no responses to research question one. The implication of the ‘no’ responses are addressed first, focusing on how the ‘no’ responses indicate a lack of commitment to social responsibility on the part of these organizations. Next, the implications of the ‘yes’ responses are discussed, spotlighting the confirmation of stakeholder theory’s assumption that the community is a stakeholder of organizations.

Implications of “No” Responses

The existence of so many ‘no’ responses to the question of “does your organization consider the community as a stakeholder” implies a lack of commitment to the ideals of corporate social responsibility, in which organizations take responsibility for the impact they have on communities. It may be that the organizations in this study, at some level, still follow Milton Friedman’s (1962) basic proposition that corporations have no social obligations beyond their fiduciary duties to shareholders. If this is the case, then these organizations are missing out on the financial benefits that accompany commitment to a broader set of stakeholders. Deetz (1996) claims that to create corporations that are economically and socially sound, a commitment to the whole, to the entire set of stakeholders, including the community and even nature, is necessary. Tichy et al. (1999) advise success in the 21st century requires global corporate citizenship, that of enhancing the quality of

community life through active, participative, organized involvement with the community stakeholder. Burke (1999) warns organizations operate only with the permission of the community and need to work to become conscious of this. “Companies unable to understand this shift repeatedly run into trouble, frequently with painful and costly consequences” (p. 13). If organizations continue along the path of disconnect with the community stakeholder, they will ultimately jeopardize their ability to preserve their own long-term viability and profitability. Obviously, as the results for question one exhibit, some organizations do not see the need for or the benefit of expanding stakeholder relationships and increasing their viability and sense of social responsibility. Helping organizations realize the importance of the community in our day-to-day lives, as well as in the lives of business, will continue to represent a challenge for practitioners as well as stakeholder theorists. The challenge, as Tichy et al. (1999) contend, is that

“Too many businesspeople no longer accept the responsibility of stewardship, that is, at the very least to leave their communities no worse off than they found them. They no longer see it as their duty to reach beyond furthering self-interest or corporate advancement to serve as trustees of a social undertaking (p. 47).”

Luckily, many organizations seem to accept the responsibility of stewardship and do consider the community a stakeholder. The next section addresses the ‘yes’ responses to research question one. However, as the discussion highlights, saying ‘yes’ to the community stakeholder must be backed up by activities and behaviors that are socially responsible.

Implications of “Yes” Responses

The resounding number of ‘yes’ responses to the question of ‘does your organization consider the community a stakeholder’ may allow both practitioners and researchers alike to think organizations are well on the way to achieving a better emphasis on the social responsibility of organizations. If this were the case, however, why would Hawken (1993) suggest “there is a widening gap between the rapid rate at which society is decaying and the agonizingly slow rate in which business is effecting any truly fundamental change?” (p. 2).

Based on the ‘yes’ results from research question one, can we assume that corporations acknowledge that even trivial decisions can affect, for good or ill, the functioning of society and communities? It would be ignorant for us to assume this is so. Why? Because to fully understand an organization’s commitment to social responsibility, the behaviors and activities, in this case the community stakeholder relationships, must be examined. As an example, one interviewee states her organization considers the community a stakeholder “as long as we do well as a business; if we don’t do well, this (any type of community involvement) is the first thing cut.” Obviously, this respondent’s organization has a contingent commitment to the community stakeholder. Instead, this response indicates a shallow commitment to social responsibility, in which symbolism wins out over substance. Tichy et al. (1997) suggest organizations must move beyond symbol to substance and begin engaging in partnerships with the community in order to make corporate global

citizenship a reality. As the reader will see, the results for research questions two through five indicate that simply asking organizations if they consider the community a stakeholder is not enough to determine any level of social responsibility. Apart from needing to investigate the actions that comprise a stakeholder relationship with the community, the results for research question one do accomplish a furthering of stakeholder theory.

This study asks if the community is a stakeholder of an organization for a specific reason -- to confirm stakeholder theorists' idea that the community fits into the stakeholder category and is viewed as a viable stakeholder. This was accomplished. For the most part, organizations recognize the community as a stakeholder. However, if we are to use stakeholder theory to assess an aspect of corporate social responsibility, acknowledging a relationship exists does not necessarily imply any sense of dedication or effectiveness in the relationship with the community. Deetz (1996) suggests social responsibility begins when an organization considers all stakeholders as legitimate parts of the company. Once the consideration has occurred, however, organizations must then work to coordinate the various stakeholder needs and objectives (Deetz, 1996). So, with research question one, an organization's consideration of the community stakeholder is established. Next, the ways in which organizations work to understand and address the community's needs and aspirations must be uncovered. The following research question begins to

uncover how organizations carry out relationships with the community stakeholder by portraying the ways organizations define community.

Layer Two: Definition of Community

“A global economy compels a broader conception of community and business leadership.”

Rosabeth Moss Kanter (1995, p. 197).

Stakeholder theory holds that shareholders are not the only constituents that organizations are accountable to – beyond shareholders; there are employees, suppliers, and communities. Yet the decision to include the community as a stakeholder is a complicated one. Who and what represent community? As was pointed out in chapter two, concepts of community can be quite varied and lack full definition. There is difficulty establishing a clear-cut definition of community when community can be made up of temporary, casual, and permanent members who have very different expectations (Berenbeim, 1996). Just as the idea of the traditional family has expanded from the nuclear family to many types of families, the idea of the traditional ‘community’ has expanded to a diverse, complex, and often intimidating idea of communities (Aleprson, 1996). Sociologist Amitai Etzioni (1993) describes this as a transition from a close-knit, old- fashioned pattern of community to a more open and freer existence called ‘society.’

So why is the definition of community important for this study? How an organization defines community will define the ways the organization goes about establishing a relationship with the community. Burke (1999) suggests how an

organization conceptualizes its relationship to the community will influence the areas in which the organization is active as a corporate citizen. If the organization's definition of community is limited and narrow, the relationship will be restricted. If, on the other hand, the definition is broad and inclusive, the relationship with the community will have a foundation enabling complete representation between both parties, thus allowing for a relationship of mutuality, representation and consideration between both parties. A socially responsible relationship certainly links to opportunities for representation and consideration.

Are the definitions of community driving organizational stakeholder relationships broad enough to sufficiently represent the inputs, values, and needs of the community? Research question two will help answer this by asking the following:

Research Question 2: How do organizations define Community?

The results for research question two confirm the organizational definition of community is complex, varying from expansive and inclusive perspectives to narrow and specific classifications. Responses for research question two sorted into four categories: a) a combination of local, national and global aspects; b) business community; c) location of office/plant and local town/region; and d) employees. The variety of responses indicates the homogeneity typically assigned to the community stakeholder is problematic and no longer applicable. A generic definition ignores not only the diversity of individuals and groups within a community, but also the larger

scope of local, national, and global arenas in which organizations operate and impact. Numerous organizations now operate in the national and global arena, including those in this study, demanding an expanded definition of community to adequately consider the community stakeholder.

The following section outlines each of the categories the respondent’s use to define community. Table two exhibits how responses from both samples sorted into the various categories. A discussion of the implications of the reported definitions of community will follow the presentation and discussion of categories.

Table 2:
Research Question 2 Results

Research Question #2	Sample One	Sample Two
Responses:	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Local/National/Global	33%	12%
Business Community (Customers/Vendors/ Suppliers)	24%	24%
Location of Office/Plant and Local Town/Region	25%	60%
Employees	19%	12%
Total # Respondents	21*	25 **

Note. * The questions asked in the executive accounts did not specifically address the respondent’s definition of community; however, some of the responses (n = 21) did provide a specific account of how they defined community and therefore are appropriate to consider with this research question.

Note. ** The above percentages will not add up to 100%; in some cases, the respondents mentioned more than one category in their definition of community. Sample two responses only include the “yes” respondents (n=25) to research question one.

Community, is, however, much more complex than the designation of differing locations or countries. Communities involve interactions among a number of different individuals and groups, some of which are formal and have authority and responsibility, whereas others are informal and only have the ability to persuade others to agree with them (Burke, 1999). The complexities involved with the concept of community give stakeholder management an entirely new challenge – that of dealing with multiple constituencies within one stakeholder relationship previously viewed as a standardized population.

Local/National/Global. In sample one, the category most frequently mentioned to define community was the combination of the local, national, and global community. For example, one respondent explains, “the community is both at the national/international levels as well as local/regional.” Another respondent claims “the relationship (with the community) exists at the local level and in broader arenas like cities, countries, and globally.” The local/national/global category represents the broadest definition of community mentioned by respondents in either sample. This result indicates a move toward community involvement at multiple levels and suggests an opportunity for inclusive and diverse representation. Waddock and Boyle (1995) find there has been a decided shift away from defining community simply as the local community due to the widely dispersed and global locations many organizations operate in. The results for question two, in part, support this finding.

There are two implications for this finding. First, the expanded definition of community opens the door for inclusive relationships in which the community stakeholder is sufficiently represented. Increased representation is likely to increase an organization's social responsibility as it allows for more alternative voices to inform organizational decisions and operations. This implication is discussed in more detail in the last part of this section.

The second implication suggests the broader concept of community complicates the stakeholder relationship and requires the organization to deal with many different locales, ideas, and notions of what is needed for the relationship. Many organizations may not have the resources, knowledge or wherewithal to deal with the increased diversity and demands. The complexities involved with the expanded definition of community give stakeholder management practitioners and theorists an entirely new challenge – that of dealing with multiple constituencies within one stakeholder category, previously viewed as a generic group.

Business Community. Both samples define community by referring to business functions and those corresponding relationships. These organizations limit the community stakeholder to groups like customers and suppliers. Statements like “we consider the community to be the business community and the related professional associations,” “the community represents customers for our products and service providers to our company,” “the hi-tech community” and “obviously the business community and business” indicate the possible mix-up. These responses

indicate some organizations do not recognize the relationship between an organization and its larger environment, the community. The business definition of community is limited in scope, and therefore, does not open up opportunities for representation by the community. The implications of a limited definition of community will be discussed at the end of this section.

Location of Office/Plant & Local Town/Region. Many respondents limit the community to the location of their operations or the local town and region the organization is located or has an operating facility. For example, one respondent explains, “the community is where each of our plants is located.” Another respondent, highlighting not only the location of operations, but the emphasis on the location of headquarters says, “every community in which the company operates in the western U. S. – this is especially true in our corporate headquarters city in California.”

The highest number of responses for sample two sorted into the category of plant location or local town/region. This response is typified with comments like “all of Colorado Springs” or “the Pikes Peak Region.” One respondent explains the local community as being “the greater El Paso County populous and all the things that are part of that fiber – soup to nuts.” These responses were very similar to those in the category of “location of plant/operations,” as obviously each location of the business plant or operation is part of a local town or region.

The high response rate in this category supports the research by the Conference Board (Peterson & Sundblad, 1994), which claims it is easier to identify

the interests and needs of the community where an organization is physically located. However, limiting the definition of the community to the locality of either a manufacturing plant, a headquarters location or a local town may be problematic. Burke (1999) declares it is inadequate to define the community as a place where a company is located or headquartered because there are also communities in which the company is not located but might be important to the company. For example, the supply chain of an organization, both material resources and material disposition, often functions in locations different from the plant operation -- different cities, states, and even countries. Organizations that do not consider this in their community definition will not be as likely to take responsibility for their impact beyond the local vicinity. Once again, the results present a limited definition of community in place for the organizations.

Employees. Both samples have a number of responses linking the definition of community to the employees of the organization. Statements like “the community is seen as the family of employees,” and “we define community as the area where our employees live and work.” Again, this definition indicates confusion between the community stakeholder and the employee stakeholder. Certainly, the boundaries between these two groups are not distinct; however, each has unique qualities and can be impacted by the organization in different enough ways that a separate definition is necessary to appropriately consider each. Again, the employee-based definition of

community is limited and does not account for the full scope of impact an organization has on communities.

Implications of Definitions

Research question one indicates the majority of respondents in this study do consider the community a stakeholder of their organizations. Research question two probes below the surface of the 'yes' responses in research question one and investigates how organizations define community. The findings for research question two uncover further insight into organizations' relationship with the community stakeholder and, indeed, these findings have implications for practitioners as well as theorists. The following discussion outlines the two major implications of the results for research question two: a) limited definition; and b) expanded definition.

Limited Definition. The majority of respondents in both samples offered a definition of community that is limited in some way. Certainly the definition of community is varied and complicated and will differ from organization to organization. However, few communities have *not* been impacted by the operation of a business. If organizations, in trying to develop relationships with communities, are basing their actions on a limited definition, then many communities may not receive the attention they deserve or the opportunity to be represented in a relationship with organizations. Certainly, if the idea of community is viewed within the narrow context of a single or limited community, organizations greatly restrict their capacity for social responsibility (Tichy et al. 1997). Hawken (1993) agrees

that businesses must judge their goals and behavior, not from definitions originating in the corporate culture, but from the perspective of the world and society beyond self-referential borders.

If organizations do not work with an expanded idea of a connected community (local, national, international), organizational goals, as well any decisions, will not represent the values of the collectivity but instead, the values and ethical concerns of powerful organizations (MacIntyre, 1984). In this scenario, operational decisions and actions will not consider the community. Further, decisions made to benefit one community could end up being detrimental to other communities. Consider the case of an organization using toxic chemicals in its manufacturing processes that has a need to dispose of the toxic waste – the local community demonstrates and threatens to boycott the organization if the waste is deposited within the local vicinity. In order to keep the local community happy, the organization finds an offshore country to deposit the toxic waste in. Do all ‘communities’ benefit from this decision? Certainly not.

The call for greater social responsibility requires organizations to allow for more decisional voices thus demanding a broader definition of community (Deetz, 1996). However, an unbalanced relationship currently exists between corporations and communities, limiting the community’s opportunities for voice, influence or participation (Hawken, 1993). To enable balance in the relationship between organizations and communities, the first step is for organizational practitioners and

theorists to reconsider the definition of “community” in a more expansive and inclusive way, accounting for multiple levels, locations, and perspectives.

Expanded Definition. Thankfully, many of the respondents in this study refer to an expanded definition of community that drives their relationship with the community stakeholder. The expanded definition involves multiple communities, including perspectives from local, national, and global constituents. This definition contributes to stakeholder theory, which lacks a full definition of the concept of the community stakeholder, by offering a definition that includes multiple, expanded perspectives. The idea of multiple communities enhances stakeholder theory, as it highlights the possibility that different constituents of the community stakeholder may have different needs and different reasons to be involved with an organization and all of these must be considered for an organization to be completely responsible for the impact of its operations.

Edmund Burke (1999) supports the movement to an expanded definition of community in stakeholder relationships and recently suggested the types of communities to which companies must respond: the site community, where an organization is located, the impact community, where the operations of the organization have an impact on the community, the cyber community, the employee community, and finally, the common interest community, involving people or groups who share some common interest or function with the organization.

The expanded definition of community uncovered in this study, as well as Burke's (1999) typology of communities, offers a definition of community to enhance the current stakeholder management framework. The expanded, multiple level definition of community offers organizations a template to guide them when navigating the difficult terrain of identifying the community stakeholder. While the expanded definition will most likely take more time and resources to work with, the interactions resulting from the expanded definition will increase the organization's capacity for socially responsible actions.

The next section continues to reveal various aspects of the organization's relationship with the community. The narrative concept of voice guides the study in a look into the ways the community is represented in the stakeholder relationship with organizations.

Layer Three: The Voice of the Community

This study focuses on the relationship between organizations and the community stakeholder. The concept of community stakeholder relationships is a new and loosely defined one and as such, it is important to understand who participates in these relationships. We are quite familiar with the people that typically participate on the behalf of businesses – CEO's, senior managers, public relations representatives, and community affairs personnel. This study, using a narrative approach as a guide, investigates the idea of voice and asks who represents the community in the stakeholder relationship? Certainly, every relationship

functions from a particular perspective or viewpoint. Sometimes the opportunities for representation privilege some voices while perhaps silencing others. Investigating the opportunities for expression of voice in organization-community relationship begins to uncover how the relationship is constructed and if this construction leads to communication that is distorted and limited or balanced and inclusive. The results from research questions one and two already provide some indication that the voice of the community is limited, simply by the definition of community utilized by organizations.

What does an investigation into the concept of voice offer the community stakeholder relationship? Freeman (1984) suggests the ethical and responsible conduct and maintenance of an organization's relationships with the community are accomplished through conversations. As such, the question to ask is, conversations with whom? Understanding the voices represented in this relationship will uncover the community's capacity for representation. Investigating representation, through the metaphor of voice, helps determine the practices and structures that affect who can speak, when, and in what way, in the course of a relationship (Putnam, Phillips, & Chapman, 1996). A focus on voice will showcase the ability of the community to make itself heard and understood, as well as the availability of occasions to speak, and finally, on the willingness of others to listen. Understanding these aspects of voice offers additional insight into the organization's commitment to social

responsibility. To work toward the understanding of the community voice, the following research question is investigated:

Research Question 3: How is the voice of the community represented in stakeholder relationships with organizations?

To answer the question of how the community voice is represented, data from both samples were analyzed for references of whom the organization deals with in any community interaction. For sample one, the data comes from the executive accounts when one of the respondents specifically mentioned who was included in the stakeholder relationship or who was dealt with in any of the community involvement activities. In the interviews, the specific question of “who, in the community, is involved in this relationship?” was asked. Table 3 presents the results for research questions three. The following section will discuss each of the categories.

Table 3:
Research Question 3 Results

Research Question #3	Sample One	Sample Two
Responses:	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Non-Profits/Charities	63%	100%
Chamber of Commerce	12%	44%
Business/Government Organizations	26%	40%
Schools/Universities	32%	52%
Customers	---	36%
Employees	36%	60%
Individuals		10%
Total # respondents	n = 68	n = 25**

Note. Each sample had a number of responses with references to more than one category.

** Sample two responses only include the “yes” respondents (n=25) to research question one.

Non-profit organizations. By far, the largest representative of the community voice is the non-profit organization. The United Way is one of the non-profit organizations most frequently mentioned by the respondents. The other types of non-profit organizations include many of what one respondent calls “disease clubs,” which include organizations like the American Heart Association, American Cancer Society or the Cystic Fibrosis organization. Other respondents mentioned non-profits focusing on the arts and culture, like the local symphony, museums, or the zoo. Many organizations are under growing pressure to justify their community involvement activities and they often forge close links with nonprofit groups in their communities to implement their community strategies (Alperson, 1995). The results

for research question three seem to support this notion. Nonprofit organizations enable organizations to focus community activities, helping them develop a ‘theme’ for their corporate activities. The following are examples of ‘themes’ used by the organizations in this study: math and science education, youth, environment, health, and the arts. The question, when investigating the link between community involvement and social responsibility, is whether or not the ‘themes’ the organization choose to develop are serving the needs of the community. The implication of ‘themes’ will be addressed at the end of this section.

Schools & Universities. The schools and universities category includes everything from pre-schools to universities. Aside from relationships with non-profits, Alperson (1996) found education-based partnerships to be the most popular when businesses sought to address community issues. This study supports Alperson’s finding, as the school and university category had the second highest mention in both samples. Hemmings (1996) explains the business sector’s interest in education stems from the need to ensure employees who join their companies have a solid education. As such, organizations are willing to build relationships with the education sector. This rationale would suggest the organization turns to this segment of the community for self-serving reasons in addition to any sense of responsibility. Selecting the education sector to represent the community may result in a lack of total representation for the community. The idea of limiting the community voice is

addressed at the end of this section, when the implications of research question three are presented.

Chamber of Commerce/Business/Government. The Chamber of Commerce and the business and government category represent another category driven by limited or self-serving interests of the organization. For example, one respondent refers to community involvement as participation in the local Certified Public Accounting organization, which they work with to keep their accounting department up-to-date. The Chamber of Commerce is often referenced because of its ability to add to the organization's customer base. The other organizations in this category include the local newspaper, employment agencies, city council, economic development organizations, or simply, local government. Choosing the types of organizations in this category to represent the community voice indicate business organizations are interacting with the community in an effort to further their business operations and strategies. This is acceptable, as long as other avenues for community representation are open. Unfortunately, in this study, some of the respondents only use organizations in this category to represent the voice of the community. Again, the implications of this limitation are addressed at the end of this section.

Customers. A final category of community representative was not mentioned in sample one but was added to represent the data from sample two. This category is the business organization's customers. Again, the presence of this category may indicate that some organizations are very limited in their definition of community

relationships, thinking they only involve direct aspects of the business operation. Waddock and Boyle (1995) suggest the idea that the customer be included in the definition of community points to a change that pushes community relationships closer to the core business of the firm. While this may be necessary in times of limited time and resources, using the customer as the sole voice of the community will again limit the opportunity for the community to be fully represented in the relationship with the community. The next section discusses the implications of who represents the community in the stakeholder relationship with organizations and how these representatives impact stakeholder theory and social responsibility.

Individuals. Two interviewees in sample two discuss their organization's process for accessing the inputs of individuals to represent the voice of the community. One organization surveys random members of the community and the other organization accesses random members of the community through focus groups. The occurrences of individuals representing the voice of the community are very limited. The implication of the limited use of individuals and the prominence of organizations representing the community voice is addressed in the next section.

Implications of Community Voice

This study continues to uncover aspects of the community stakeholder relationship impacting the ability of the community to participate fully in relationships with organizations. Even if an organization considers the community a stakeholder and utilizes an expanded definition of community to guide its strategies

for stakeholder interaction, the people and organizations representing the community also need to represent a diverse population and voice. Given limited resources, companies must now make choices about where they will concentrate their energies and ultimately, whom they will establish the community relationship with (Tichy et al., 1997). The results for research question three suggest organizations do concentrate their energies but do so in ways that limit the opportunities for the community to participate in a stakeholder relationship. This next section addresses this with a discussion about distorted and limited voice. In addition, the idea that organizations, such as nonprofits and the chamber of commerce, rather than individuals represent the community voice has implications for stakeholder theory; the next section begins with a discussion of the need to add the concept of interorganizational relationships to the stakeholder framework.

Lack of individuals – Need for Interorganizational Relationships

The results for research question three exhibit a lack of ‘individuals’ in the categories developed from the data. Only sample two mentions individuals as the voice of the community and this response was minimal. Certainly, organizations are made up of individuals, however, the results for research question three suggest it is not individuals that have stakeholder relationships with companies, but organizations. Each category in research question three reflects some form of organization, either a non-profit, a school, or another business organization. This has a major implication for stakeholder theory – the need to investigate stakeholder relationships as a form of

interorganizational relationships. Interorganizational relationships are the relatively enduring transactions and linkages that occur between multiple organizations (Miller, 1995; Oliver, 1990). Rowley (1997) supports this proposition, finding that stakeholder theory has focused on dyadic relationships between individual stakeholders and the organization, not addressing relationships with stakeholders that are organizations themselves (Rowley, 1997). However, Logsdon (1991) suggests cross-sectoral collaboration, involving business organizations and non-profit groups, is no longer rare in addressing social issues. Westley (1991) suggests the global nature of many of the current problems facing both businesses and society calls for interorganizational collaborations. Unless stakeholder theory is expanded to include an interorganizational aspect, it will not readily account for the forms of corporate-community relations outlined in this study.

Distorted and Limited Voice

Organizations exist in a state that places them in an influential position over communities (Korten, 1995). Certainly, when determining the basis for interaction in stakeholder relationships, organizations are usually in control (Jones, 1996). An imbalance in power and authority in a relationship often results in the occurrence of ‘distorted voices,’ where members of the relationship are able to speak but not always in ways that represent their interests (Alvesson, 1993; Deetz, 1992). The results for research question three suggest some distortion of voice is occurring in community and organizational relationships. The distortion occurs in the following ways:

limited opportunities for individuals to participate, focus areas, and requirements for 501cs status. Each of these is discussed below.

Organizations vs. Individuals. Most categories of representatives of the community reflect formal affiliations – non-profits organizations, customers, schools, etc. Community membership, however, is dispersed among a number of individuals and groups, some formally constituted, others informal. In order to get a complete assessment of the communities needs and opinions, organizations must also communicate with a sampling of community residents from a variety of informal organizations and groups.

Focus Areas. Another way organizations distort the ability of the community to represent itself is through a mechanism called “focus areas.” Many of the business organizations have requirements guiding efforts to address community needs. Typically, these requirements identify the areas in which the organization can get involved with the community. The focus areas cited most often are math and science education, youth, health, quality of life, social services, and the environment. Tichy et al. (1997) found education, the environment and health are areas of activity for many organizations because “these problems are most easily identified as having to do with the public good and are easily justified in terms of payoff to the company” (p. 374). The arts were mentioned by some organizations, but not as frequently as the other topics. One respondent from a high-tech organization explains the focus areas with “we focus our donations on education, especially math, science and technology,

safety, diversity and the environment. “ Another respondent explained “It needs to be a non-profit (that we will work with) whose activities are in line with our focus areas, which are: math and science education, environment, and then the human service aspects, as pretty much defined by United Way membership. For smaller organizations, the idea of focus areas is not as formal, but is still in practice and is typically decided based by the CEO or President’s personal preferences.

The focus areas work as a screening mechanism for the organization’s interactions with the community. For example, one organization asks the question, “Does this request (for involvement) affect one of our five targeted areas?” prior to getting involved with the community. Another interviewee states, “obviously we can’t accommodate everything, so we try and immediately funnel any requests (for interaction) through our four areas and see if it matches up with something we want to get involved with.”

The focus areas are most often chosen for self-serving purposes, like enhancing the future employee pool or increasing the visibility of the organization. In some cases, the clients or mission of the organization determines the focus area. For example, the health organizations interviewed in this study choose health-related areas as those in which they will become involved. Another respondent explains, “One of our primary focus areas are organizations that reflect our customer base.”

The concept of focus areas makes sense from the management perspective of the organization – they provide guidelines, convergence and a template from which to

operate. But do focus areas make sense for the community? The conclusion of this discussion examines why an organization's focus areas may not be in the best interest of the community.

501(c)(3) Classification. Yet another way organizations force the voice of the community to reflect a certain perspective is through the demand for a 501(c)(3) status. In order for organizations to have a tax write-off for their community work, they must do so through organizations with a 501(c)(3) status (see Attachment D for a partial outline of the 501(c)(3) guidelines). For example one interview explains how this is a must in any community relationship when the interviewee explains, "We support exclusively non-profit entities, 501(c)(3)s." Another respondent references the organization's corporate community guidelines with "I have specific things I need to know in my guidelines, your 501(c)(3), it better be current."

Limited voice. Organizations are in the power position when it comes to relationships with the community (Korten, 1995). Indeed, the results for research question three suggest an organization's power position plays out in the relationship with the community. Organizations establish and maintain authority over the community by forming and working from standards for who is allowed to represent the community stakeholder. These standards, typified by focus areas and 501(c)(3) requirements, result in a suppression of voice for the community stakeholder. In addition, these standards place the community in a fixed role without opportunity for negotiation. Deetz (1996) suggests when a role for either parties of a relationship is

fixed, suppression or limiting of voice occurs. Certainly, organizations have a ‘fixed role’ into which the community must fit in order to enter the relationship with them.

The constraints organizations use to guide relationships with the community prevent what Habermas (1984) calls the ideal speech situation. The ideal speech situation occurs when the structure of communication produces no constraints for all participants and there is a symmetrical distribution of chances to communicate. Forrester (1989) suggests relationships can be understood as structures of systematically distorted communications and need to be assessed as to whether they approximate closed communication or dialogue, which is based on open communication. The knowledge and insight into an organization’s processes of distorted communication, or exclusion of voice, offered by research question three is valuable for understanding the ways organizations can and are using communication to control the community stakeholder. This understanding of opportunities, or lack thereof, of voice for the community stakeholder enables practitioners and theorists to question and begin to influence the structures and practices constituting community relationship with organizations.

As the results for each research question are unveiled, the community relationship becomes increasingly complex. Starting with the idea that the community could be a stakeholder of an organization, moving to the multiple definitions of community, and, most recently, dealing with the diversity in which the community voice is represented, this study begins to make a case for a

communicative aspect to enhance the current stakeholder framework. The results for the next research question continue to build an understanding of the complexity of the community relationship, addressing why an organization gets involved with its community or communities.

Why would an organization be involved with the community?

This study focuses on the relationships organizations have or do not have with their community, including the quality of the relationship. Part of what impacts the quality of any relationship is the reasons each party enters the relationship. Other studies have looked into the reasons why organizations are motivated to enter into relationships with their community (Altman, 1998; Burke, 1999; Logsdon, 1991, Tichy et al., 1997), so the motivational aspect of an organization's relationship with the community has a history in the area of corporate social responsibility and stakeholder theory. An organization's motivation for involvement with the community has been explained with the enhancement of the business image or reputation, building employee loyalty and commitment, and improved customer ties (Alperson, 1995). From a theoretical perspective, it has been explained by normative (Burton & Dunn, 1996), legal, economic, ethical, (Carroll, 1991) and power (Mitchell et al., 1997) motivations. Altman (1998), in a recent study of corporate-community relations, found that the moral bases for involvement with a community are still at work, but more recently, involvement is attributed to economic and strategic drivers.

This study investigates the motivations of organizations in entering a relationship with the community not so much to outline or further develop a typology of motivational rationales, but rather, to use motivating factors as an additional insight into the balance of interests being served in the relationship between an organization and the community. The primary reason this question is asked is uncover whose interests are driving the relationships between the organization and the community? In order to do this, research question four is put forth as:

Research Question 4: What are the reasons an organization enters (or does not enter) into a stakeholder relationship with the community?

In sample one, when respondents answered yes or no to the question of “does your organization consider the community a stakeholder?” they were asked to explain their answers in order to reveal their reasons for involvement with the community. These responses sorted into six categories. In sample two, the interviewees were specifically asked what were the reasons for participating in the community stakeholder relationship. The responses sorted into the same categories, with the addition of the CEO preference category, uncovered in the data from sample two. Table 4 represents the results for research question four. The following addresses the categories from Table 4 in more depth. The final discussion in this section addresses the implications of the various motivations guiding an organization’s involvement in the community.

Table 4:
Results for Research Question Four

Research Question #4	Sample One	Sample Two
<i>Responses:</i>	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Part of Doing Business/Impact on Business	32%	40%
Employees	13%	44%
Image/Reputation/Investment for Future	9%	36%
Values	24%	28%
Impact on Community/Giving Back to Community	19%	8%
Commitment of CEO	--	16%
<i>Total # respondents</i>	<i>N = 112</i>	<i>n = 25**</i>

Note. Each sample had a number of responses with references to more than one category.

** Sample two responses only include the “yes” respondents (n=25) to research question one.

Impact on Business. The category of impact on the business is the one most frequently cited in both samples. Examples of accounts in this category include statements such as “communities impact our business through resources and regulations so the relationship is important,” “an organization which takes community development as part of its business activity will enhance shareholder value,” “even in the most pragmatic/cynical terms, the community is also our actual

customer base, so how well we serve the community is actually how we serve our customers as well,” “the vitality of this community and the opportunities that it presents to all of its citizens ultimately is the determinant of the success of our business,” and “activity in the community can affect the success of our enterprise.” As these examples note, the success of the community is often linked with the ultimate success of the business. One interviewee claims it may be partly selfish, but that “we know its important to build that relationship (with the community) and keep it strong, because when you wash all the muck away --- without the customers and without the community, there is no XX (organization name).”

The frequency of responses sorting into this category certainly suggest much of an organization’s community involvement efforts are pursued to improve or achieve business results. Alpers (1995) suggests an organization’s goal of ‘doing good’ for communities is merging, by necessity, with the organization’s need to ‘do well’ (Alpers, 1995). Alpers (1995) finds that a more businesslike approach to corporate community relationships enables organizations to justify their programs at a time when there are fewer resources.

Undoubtedly, it is often a critical that an organization’s efforts to do good exhibit a connection to the organization’s business needs. This finding suggests the community now plays a role as an integrator for organizations, allowing organizations to essentially ‘kill two birds with one stone’ – serving the needs of the

community while also helping the organization develop a better image or stronger customer base, or simply increasing the organization's license to operate.

The idea of doing well and doing good can certainly go hand-in-hand and in fact, it is important to point out that organizations cannot fund community investments without some aspect of business success. However, this integration may become problematic when the needs of the community do not match those of the organization. For example, if a major need of a community involves improved health care, but an organization has not established this as a need it can benefit from or want to work toward, the community may not receive the 'good' it most needs.

The possibility of incongruence between the community needs and an organization's goals highlights the importance of the community stakeholder's needs being represented in their entirety. Once again, the importance of opportunities for voice, or representation, of the community stakeholder is highlighted.

Values. Some organizations consider the community a stakeholder based on the espoused values of the organization. Examples of values cited as contributing to the motivation to participate in the community stakeholder relationship include "giving back to the communities in which we do business is paramount to our values," "it is one of our company's core values (caring)," and "our corporation's value statement refers to community involvement as one of our values." Other responses include, "Our values state that we should be an asset to the community – we have a 'values card' that outlines this for everybody," and "Philosophically we

believe it is important to be part of the fiber in the community in which you do business and which you are a part of.” Many of the respondents state that some form of community involvement is either part of their organization’s stated values, mission or corporate vision. This result presents an interesting conundrum – what happens when the values of an organization compete with each other or there is a difference between espoused values and enacted values?

It is encouraging that so many organizations consider service to the community an organizational value. However, the research on values in organizations indicates there is not always a lot of action to back-up the rhetoric put forth around values. Deetz (1996) suggests organizational processes do not usually include a sufficiently representative set of values to make responsible decisions for the community. In some cases, organizations generate meaningful changes to address the community and social responsibility a result of their value declarations; these changes are integrated into the day-to-day operations of the organization. In other cases, however, pressures for responsibly incorporating values tend to be ‘window dressing’ that can be easily decoupled from normal, ongoing organizational activities (Meyer & Rowan, 1977). Frank (1988) suggests if an organization’s commitment to values is strategic rather than intrinsic, it will be difficult for the organization to maintain the commitment to the values. Berman, Wicks, Kotha and Jones (1999) suggest certain values are difficult to fake and organizations must be committed to their values regardless of their expected benefits.

Certainly, incorporating values into the functions of business, including community involvement, can be a complicated process. There is a challenge for organizations when motivations stem from values – what do you do when you have competing values? For example, what if one value of an organization, shareholder return on investment, is being jeopardized because of another value, that of investing in the community? Action on the part of the organization may be effective, but ineffective from the community stakeholder point of view. The relationship between the organization and the stakeholder is now incongruent and unstable. In this case, stakeholders may seek to constrain or direct the organization through legislation, regulation, or other pressure tactics (Waddock & Mahon, 1991). Unfortunately, it is common for an economic value to win out over an altruistic value any time an organization is experiencing financial hardships.

The idea that organizations operate with values that can end up competing against each other can have profound implications on the community stakeholder relationship. If this occurs, the community stakeholder must engage influence strategies and dialogue to enable joint agreement on values and goals. Waddock and Mahon (1991) suggest community stakeholders must insure some degree of unanimity exists on what values constitute social responsibility; the challenge is in making sure these values are clear to corporations.

Employees. Many respondents claim their organizations participate in relationships with the community because of their employees. When respondents

suggest the employee as the reason for the organization's involvement in the community, reasons include instilling a sense of pride and satisfaction in the organization, addressing the personal interests of employees, and employee development. The following examples illustrate the role of the employee in influencing an organization's participation with the community: "Our employees really appreciate our involvement (in the community), and their families appreciate it – it gives them a sense of pride in working for the company," "we want to keep our employees proud, part of the community," and "a lot (of our reason for involvement with the community) has to do with the interest of people who work with the company." Some respondents consider development opportunities for employees as a major incentive for involvement with the community. One interviewee explains with, "The value of volunteering among a staff, volunteering together...is a tremendous teambuilding and learning experience."

In a survey conducted by The Conference Board, Alperson (1995) found that employee loyalty was furthered by the participation in community involvement programs. Miller (1997), in discussing a study conducted by the Points of Light Foundation and The Conference Board, found organizations consider the pay-off for community involvement to be improving morale, cutting employee turnover, attracting better employees and building teamwork skills. Caudron (1994) suggests that employee community involvement programs, particularly volunteerism, provide employers with a fresh, inexpensive way of training employees. Using community

involvement as a training option enables employees to develop skills they may not be able to develop in their current position. Wild (1993), in another study conducted by the Conference Board, reports community involvement promotes self-awareness, builds relational skills, and enhances understanding of social issues and cultural differences. Certainly, an organization can acquire tangible (skill development) as well as intangible (loyalty, pride, improved morale) advantages as a result of their community involvement. The results for research question four suggest some organizations recognize both the tangible and intangible benefits community involvement offers their employees.

Giving Back/Impact on Community. The giving back and impact on the community category are represented with statements such as “we must put back into the community that we operate in some of the benefits that we generate,” “our activities impact the community,” and “we are the largest employer in most of our plant locations and accordingly have a large economic impact.” These responses indicate a ‘pure’ or altruistic approach to community involvement, where an organization is simply contributing to the community because it has impacted the community or it wants to improve the quality of life within the community. Stakeholder theorists consider this the normative approach to stakeholder management, where relationships are based on moral commitments rather than maximization of profits (Berman, Wicks, Kotha & Jones, 1999). From this view, an organization must pay attention to stakeholder claims even if they do not serve the

organization's strategic interests. Altman's (1998) study on community stakeholder management found that community involvement is increasing among organizations, but it is because of economic drivers, not normative imperatives. The results in this study somewhat contradict those results, suggesting that normative factors may still be at play equally in some organizations.

Image/Reputation/Investment for Future. Examples from the category of image/reputation and investment for the future support Altman's (1998) findings that community involvement most often stems from strategic drivers linked to the operation of the business. Responses to support this include "the community represents a source of future employees and product ideas," and "our reputation within the community has an impact on our ability to recruit employees, expand our facilities, effectively deal with environmental issues, etc." Responses in this category emphasize the view that the community stakeholder can impact the operation of the organization and therefore justifies some form of attention. The presence of both normative and economic motivators suggests corporate community action is driven by a complex interplay between the organization's strategy and values (Altman, 1998). Stakeholder theory needs to account for the way the interplay between normative and economic motivators takes place, especially when these motivators pull the organization in different directions.

Commitment of the CEO. The last category presented, commitment of the CEO, was added after the analysis of the interview transcripts. Four organizations

mentioned the reason their organization was involved in a community stakeholder relationship was, in part, because of the CEO. One interviewee explains, “One of the major reasons (for community involvement) is our CEO.” Another interviewee, who was the CEO, when asked why involved, states “mostly because of me and my interests over the years – I was kind of born that way and have been at this (community involvement) for so long.”

Corporate social activities, including community involvement, often reflect the commitments of key managers (Greening & Gray, 1994; Miles, 1987). Certainly, top executives of any organization can substantially impact the direction of an organization (Finkelstein & Hambrick 1996). In terms of community involvement, Weaver, Trevino and Cochran (1999) found that more integrated practices in corporate social performance occur when top management commitment is involved. Himmelstein (1997) argues the movement of organizations to ‘do good’ has, in part, been due to the role corporate leaders have played in influencing the direction and rationale for giving to communities.

Corporate leaders are formative to community commitment by providing legitimacy for the idea and creating an organizational framework to facilitate change. Himmelstein (1997) suggests any corporate citizenship programs have to negotiate a complex relationship with top management – one the one hand, any form of community involvement needs the support and involvement of top management; on the other hand, the organization’s efforts at giving back to the community need to

maintain a degree of distance from top management to avoid being reduced to a mere vehicle through which top managers support their favorite nonprofit organizations. If managerial impact remains an important factor in shaping organizational performance, it is likely to be even more important in determining any social action the organization takes, as it is often less linked to the strategy and therefore less disciplined (Useem, 1991).

The important role senior leadership plays in the community relationship with the organizations suggests a need for better understanding of the senior leader's personal values and attitudes toward community involvement, the network from which the leader receives information about community involvement, as well as the implications for community involvement when there is turnover within the senior ranks of the organization.

The next section addresses the implications of the motivations prompting organizations to get involved with the community. The implications entail two themes: a) confirmation of a variety of motivators; b) focus on strategic motivations, which are addressed below.

Implications of Motivations

Variety of Motivating Factors. The motivations driving an organization's involvement in the community are varied and multifaceted. Swanson (1995) suggests two dominant motivations direct an organization's willingness to participate with communities, and ultimately, corporate social responsibility: a) economic, allowing

for the attention to many social and ethical issues, but never losing sight of the firm's responsibility to efficiently and profitably produce goods and services, and b) duty-aligned, never losing sight of its primary interest in formulating rules for corporate moral behavior. Altman (1998) expands on Swanson's (1995) categories, suggesting motivations sort into three categories: a) economic, where relationships with the community are necessitated by strategic goals; b) moral, where corporate values determine support of certain community activities; and c) a combination economic/moral approach, where preexisting corporate values are integrated with the organization's strategies. Much like Altman's study, the organizations in this study pursue relationships with the community to achieve economic and strategic objectives, moral and normative stances, as well as a combination of both. This finding confirms a variety of motivations are at play in the community stakeholder relationship.

At first glance, a combination approach seems to provide the best scenario for community involvement because two very different drivers urging organizations to get involved – one of them should always be in play and the community will always be served. Stakeholder theory, however, has yet to determine if an organization's deals with the community differently based on the organization's motivations for being involved in the relationship. It could very well be that consideration of the community changes based on the type of motivator driving the organization to partake in the relationship.

In addition, stakeholder theorists and practitioners need to understand what happens when the different motivations for involvement conflict or compete. Swanson (1995) confirms a trade-off problem exists when profits and duty collide. Most often, motivations for a desire to ‘do good’ are overshadowed by strategic priorities of the organization. Tichy et al. (1997) explain this happens because moral principles constitute a relatively fragile defense for encouraging involvement with the community and social responsibility. Himmelstein (1997) suggests the struggle for organizations comes down to a trade-off between looking good and doing well. The possibility of conflict between the two main approaches, strategic and normative, suggests stakeholder theorists need to investigate this phenomenon further, determining how these conflicts impact community relationships, and ultimately, social responsibility.

Focus on Strategic Motivations. Research question four is asked to help discover who is driving the community-organization relationship and why. From the perspective of the organizations in this study, the primary motivations guiding organizations to get involved with the community are strategic, focusing on the community’s ability to directly impact the organization’s ability to operate. Integrating responsibility to the community with the strategic imperatives of the organization may, at first, seem like an ideal situation. A strategic integration of community relations often means the organization addresses community needs as it does the financial needs of the company – on a day-to-day basis, fully integrated into

organizational decisions and operations. If community involvement activities are strategic and allows the community to have opportunities for 'voice' as discussed earlier, then corporate social responsibility can flourish. However, the strategic drivers the respondents in this study refer to, such as improvements to image and reputation and development of the labor pool, suggest motivations based on self-interest rather than service. Deetz (1995) suggests the pursuit of self-interest, driven by strategic imperatives, works against any genuine attempt at representative communication with stakeholders. As the results for question four indicate, the strategic drivers for organizations in this study limit the community's opportunity for voice and representation through focus areas. Once again, organizations are driving the ways the relationships with the community are enacted and the enactment does not always allow for the 'complete' voice of the community.

The next sections continues to present the results for research question four and focuses on the reasons an organization does *not* consider the community a stakeholder.

Why wouldn't an organization consider the community a stakeholder?

"Commitment to corporate citizenship comes from the courage to stick to these values in good times and bad; it requires the faith that doing the right things will pay off in the long run, not only in good feelings but in good business"

Tichy, McGill, & St.Clair (1997, p. 360)

There are respondents in this study who claim their organizations do not consider the community a stakeholder. Just as it is important to understand why an organization is willing to develop a relationship with an organization, it is equally

important, perhaps even more so, to understand why an organization does not consider the community a stakeholder. As such, when collecting data for this study, when respondents answered “no” to research question one, the following question was posed:

Research Question 4 (continued): What are the reasons your organization does not consider the community a stakeholder?

Although many of the respondents in this study do consider the community a stakeholder of their organization, there were those that do not. It is important to understand this perspective and look at why these respondents do not feel the community is a stakeholder of the organization. Tichy et al. (1997) suggest one of the biggest challenges to community relationships is motivational and the sheer magnitude of the undertaking is likely to overwhelm any organization. The results for research question four support the idea that taking on a community relationship can be too much to handle for some organizations. Table 5 exhibits the categories of reasons organizations do not consider the community a stakeholder.

Table 5:
Additional Results for Research Question Four

Research Question #4	Sample One	Sample Two
<i>Responses:</i>	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Location/Size of the organization	53%	1 interviewee
Type of Business	17%	--
Depth of Relationship	13%	2 interviewees
Status of organization	10%	3 interviewees
Other	7%	
<i>Total Respondents</i>	<i>n = 30</i>	<i>n = 5</i>

Note. Each sample had a number of responses with references to more than one category.

The “no” responses to research question four sorted into four categories. The first category, location and size of the organization, is the most common reason given from the executive accounts. The explanations provide more insight into these answers. Examples include “my organization is located in the commercial center of the capital of the country. There really is no ‘community’ around our location,” “It is really difficult to identify multiple communities when you are a global company with 200,000 employees all over the world,” “It depends on the location and is mainly dependent on how large we are compared to the community we operate in,” and “As the business, we have little to do with the community because we are in major metropolitan areas where our employee base is extremely small relative to the population in general.” The responses in this category clearly link to the difficulty and diversity involved with defining who and what ‘community’ means. When a

respondent says there is no ‘community’ around their operation yet they are located in the capital of the country, this is a strong indication that community is an unclear concept for this person and their organization. The difficulty these organizations have in identifying community or in feeling that they are too small to make a difference indicates there may be an element of social loafing taking place – letting other organizations with strong community relations efforts carry the load for social responsibility.

Examples representing the other categories are worth noting to emphasize their distinction:

Type of Business: “we focus on the ‘medical’ community, not the general community,” “we can get away with it (not having considering the community a stakeholder) because we are a consumer goods company and our customers are geographically dispersed.

Again, this reason for not being involved with the community is directly tied to the organization’s definition of community. The definitions are either limited (e.g., medical community) or the definition of community is so broad the organization does not see how it can have an impact. Savage, Nix, Whitehead, and Blair (1991) support this difficulty suggesting it is “a wicked problem” to be socially responsible, paying attention to numerous stakeholders, within a turbulent global economy with no clear solutions (p. 63).

Breadth of Relationship: “we do not value and reach out to the community as we should; they are a stakeholder only in the sense that we should not anger or upset them,” “not in the same sense as shareholders, customers, and employees”

This response indicates some organizations take a reactive stance when dealing with the community as a potential stakeholder (Marsden, 2000). This category suggests organizations sometimes view the community stakeholder as a benign entity, one that only requires action when they are upset or angry. Savage et al. (1991) suggest this is treating the community as a marginal stakeholder. This type of stakeholder, because their interests are either narrow or pertain to a specific issue that is not very visible, enable the organization to minimize the organization's expenditure of resources towards them. The idea that some organizations assign a marginal status to community stakeholder suggests community representatives need to increase their visibility, power, and claims against an organization in order to receive increased attention.

Status of Organization: “the company's poor financial performance over the last three years caused the company to eliminate funds for community involvement,” “the corporation has been entirely focused on rebirth/survival and now high growth that we haven't addressed the stakeholders, just the shareholders,” and “my organization is new and does not consider the community a very important stakeholder; we have recently been spun from a much larger corporation and undoubtedly enjoy a halo effect at this time.”

These responses suggest that acknowledgement of the community as a stakeholder is viewed as some sort of luxury an organization participates in when it is financially sound. Given that many of today's organizations are experiencing financial challenges, this perspective does not bode well for the community stakeholder. Dooley and Lerner (1994) suggest the aim of improving stakeholder relationships may be assigned a lower priority in the organization's hierarchy of goals

when the organization is faced with financial difficulties, either from a start-up or problems with operations. The irony of organizations steering away from community involvement because of the financial strains these activities may place on the organization is that they are most likely missing out on the financial benefits that accompany practices in the social responsibility arena. Waddock and Graves (1997b) found it necessary to acknowledge the needs of the community stakeholder, at least to some degree, in order to develop an organization's reputation for high quality of management, which is typically indicative of financial success. McGuire, Sundgren, and Schneeweis (1988) found that firms with no link to social responsibility, either through corporate donations or stakeholder relationship, face greater financial risks than do socially responsible firms. Dooley and Lerner (1994) suggest the adoption of a stakeholder perspective over a stockholder perspective does not diminish financial performance and may actually enhance it. It may be a long-term pay off, but those organizations that consider the community a stakeholder will typically fair better in the long run, in the financial as well as the social arena.

When organizations rationalize the decision to ignore the community stakeholder based on financial criteria, they are ignoring the fact that many successful community-organization relationships do not require financial investments. Employee volunteering and donations of retired assets make up many of the no-cost efforts organizations can engage in. Organizations need to move beyond the

economic justification for community involvement and consider alternative options available for interaction.

The fact that so many respondents in this study are willing to say they do not consider the community a stakeholder is most likely an indicator of a bigger issue – the lack of adoption of the principles of corporate social responsibility. Waddock and Smith (2000) suggest that too much of the time, organizations think about corporate responsibility as a discretionary matter, outside of the context of daily business operations and undertaken only after the more basic economic, legal, and ethical responsibilities have been met. The organizations in this study that do not consider the community a stakeholder seem to have divorced their operations and status from their social responsibilities.

The idea of corporate social performance has certainly become mainstream, but it has yet to become as embedded in organizational operations as other mainstream movements such as total quality management. Because of the varied approaches, multiple motivations, difficulty in defining, and lack of immediate financial return that often accompanies work with communities, further justification is necessary if a widespread acceptance of the idea of the community as a stakeholder of the organization is to be fully realized.

This chapter represented the results for research questions one through four. The next chapter continues with the presentation of results addressing research question five. The focus will be on the interactions between businesses and the

community stakeholder. A model to address the nature of the organization-
community stakeholder relationships is developed and discussed.

Chapter V: The Nature of the Organization and Community Stakeholder

Relationship

This study is an initial attempt at understanding an organization's relationship with the community stakeholder. Narrative theory guides this investigation and so far, the narrative concepts of substance, actors, voice, and evaluation have been addressed in research questions one through four. The remaining concept to address in order to fully account for the narrative perspective is that of action. Narrative action accounts for what goes on within a stakeholder relationship, answering the question of what was done? In this study, action pertains to the ways in which the relationship between communities and organizations are developed and maintained. Stakeholder and corporate social responsibility theorists have not examined the ways in which communication plays out between organizations and communities or how the relationships are fostered and sustained over time. Why is this important?

Theories of corporate social responsibility argue that organizations carry out their responsibility, in part, by the relationships they have with their stakeholders. These theories, however, do not account for the ways in which organizations should relate to the community. Deetz (1996) suggests the stakeholder model can enable responsible practices when complemented by adequate conceptions of communication. Certainly, for an organization to be truly responsible to its community stakeholders, it must engage in communicative processes that enable complete and open representation for both parties. This is often difficult for

organizations, as stakeholders differ in their interests as well as their value to the organization. Determining the appropriate course of action to involve the community can be confusing. Deetz (1996) suggests most corporations use forums for interaction that suppress or diffuse inputs from stakeholder groups rather than fostering genuine dialogue with them. Certainly, forums for dialogue and representation must be considered in assessing any form of responsibility. In order to determine if communication with the community stakeholder is responsible, or adequate, we must look at the 'action' that takes place in the stakeholder relationship between the community and the organization. To understand how the relationship with the community is constructed and supported or limited, this study asks the question:

Research Question 5: How is the relationship between an organization and the community stakeholder developed and maintained?

The results for research question five offer a sense of depth and variation that has yet to be uncovered in this study. The ways in which stakeholder relationships are established and maintained with their community uncover a final aspect of this study that will enable conclusions about the importance of investigating communication in tandem with concepts of social responsibility. Before delving into the results for this research question, the ways the data for research question five was obtained is discussed.

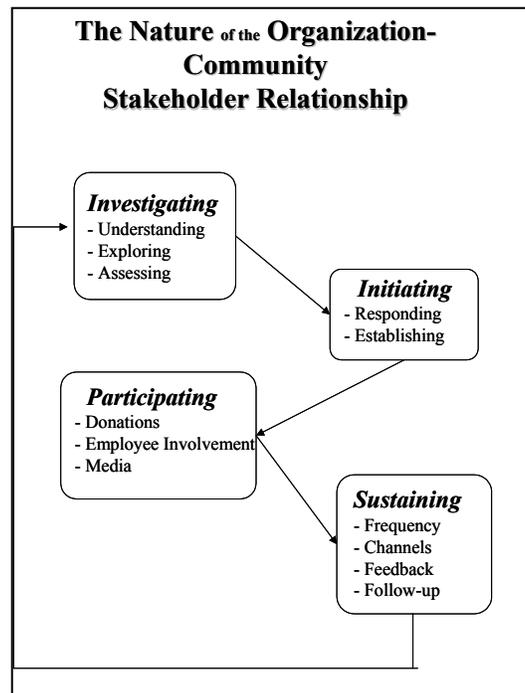
For sample one, the data comes from the questions of "how does your organization manage its relationship with the community?" and "describe the communication between your organization and the community?" The executive

accounts do not elaborate on how the relationship with the community is initiated or how an organization prepares, if at all, to be in a relationship with the community. Instead, the data from the executive accounts focuses on the ways organizations interact with the community and how organization members communicate with the community. Sample two, the Colorado Springs interviews, enables a more in-depth look into the organization-community relationship, with questions and follow-up probing that examined the relationship more specifically. Questions such as, “How was the relationship (with the community) started?” “How is it maintained?” and “How does the organization communicate with the community?” were posed to the interviewees. These questions provided data for all phases of the model. However, the results from both samples were analyzed and placed into categories of interaction. Most of the data came from sample two, but the data from the executive accounts were included any time a reference to interaction and participation with the community were mentioned. However, to depict the bigger picture of the communication between organizations and the community, more than simple categorization was required to best represent the results for this research question.

Development of a Model of Stakeholder Interaction

In the previous discussions of the results, tables were used to exhibit the frequency of examples occurring in a variety of categories. Franzosi (1998) argues that this type of analysis has significance when used with the narrative perspective. He suggests even simple frequency-counts of words have their value when used in

analysis. Research question five differs from questions one through four as it deals with a much more complicated question – the nature of the community stakeholder relationship. To represent the results in a way that makes sense as well as explains the larger picture of the community stakeholder relationship, a model called “The Nature of the Organization-Community Stakeholder Relationship” is developed. This model explains the occurrence and linkages between the types of communication that take place in the organization-community stakeholder relationship.



The next section answers research question five using the model to address the components of the organization-community relationship detected in this investigation. The model is built on the communicative actions that take place between an organization and the community. The model consists of four major phases of communication: a) *investigating*, involves the ways in which an organization gets ready to enter a stakeholder relationship with the community and the organization's efforts at sensemaking; b) *initiating*, captures the interactions that occur between the organization and the community when establishing a relationship; the initiating component highlights how directionality of communication between the organization and the community plays a significant role in the relationship; c) *participating*, describes the ways in which an organization engages in the community stakeholder relationship and enacts the relationship; and finally, d) *sustaining*, which showcases the ongoing communication within the relationship. The sustaining component focuses on channels of communication, frequency of communication, feedback, and depth of commitment to the relationship.

Notice that the model represents the aspects of communication uncovered from the organization's perspective – not that of the community. In order to make this model interactive, , the community perspective will need to be investigated and added. Each component of the model will be discussed in the following sections.

Phase One: Investigating

A finding from research question five is that many organizations conduct research to understand various aspects of the community prior to initiating a relationship with the community. This research enables the organizations' to make sense of the environment for the community relationship. Uncertainty about the organization's perception in the community as well as the ambiguity that exists in who and what makes up the community constitute what Weick (1995) declares as common occasions for sensemaking. Three types of information are sought in this 'sensemaking' phase: a) an understanding of the community, including demographics; b) exploring options for participation with the community, with a focus on non-profit organizations; and c) assessing how the 'community' views the organization.

This research typically occurs when the business organization is either new to the local community or when the organization changes the personnel who are responsible for community activities and involvement. The members of the business organization responsible for this type of data collection typically find information by attending local community events, such as fundraisers, symphony concerts in honor of a non-profit, or an athletic event, like the Race-for-the-Cure. The investigating phase and influence how the business organizations gather their information and form the opinions that ultimately impact their actions. The following discussion will detail the type of information the business organization pursues in the investigating phase,

the people involved in the investigation, and the impacts of the investigating phase on the community-organization relationship.

Understanding the Community

The first area of research in phase one occurs when organizations seek out information about the nature and make-up of the community. Of course, this investigation is dependent on the ways in which the organization has defined community. Interviewees suggest their organizations focuses on getting to know the community and give statements like “We spent time trying to understand the pulse of the community,” “We try to figure out the community needs,” “We wanted to get a feel for the community of the Colorado Springs,” “We were trying to figure out the biggest issues (in the community)” and “We want to understand the eyes and ears of the community.” These organizations also spend time examining the demographics of the community, like average age, income, race and ethnicity, and educational levels of the community.

Exploring Options for Participation.

In addition to understanding the community, business organizations spend time exploring the opportunities for involvement within the community. This research falls into two areas of inquiry: a) searching for organizations that fit with and further the goals of the business organization, and b) searching for information about the viability of community organizations. As was highlighted in research question three, when business organizations consider the community they usually

refer to non-profit organizations. The following discusses the types of information organizations uncover in their research. This section concludes with the implications the investigating phase has on the relationship with the community stakeholder.

Mission/Goals/Objectives. The interviewees, as well as many of the executive accounts, mention research to understand how a community organization's mission aligns with the goals and objectives of their own organization. For example, one organization has specific objectives around charitable giving and developing visibility in the local community. This respondent explains, "We did research identifying the organizations here in town that meet our mission in terms of charitable giving and the organizations that would give us good visibility as a company." Another respondent acknowledges a need to understand the community organizations goals and also a need for publicity with this question "What organizations can we work with that fit our goals and give us a little bang for the buck when we believe we can provide help to?" One interviewee researches organizations that help his organization "develop more of a presence with the community." These examples highlight the organization's interest in involvement with the community as long as it moves their organization forward. This result showcases a fairly high level of self-interest on the part of the business organization. This negates the socially responsible aspect of stakeholder management, as stakeholder interaction is not intended solely for the accomplishment of a corporation's goals or mission. Deetz (1996) suggests pursuits in the name of self-interest deter socially responsible relationships. This idea

will be addressed in more detail when the implications of the model are discussed at the end of this section.

Employee Interests. Business organizations also conduct research to identify a link between the community and employee interests. For example, one respondent mentions “understanding when it looks like there is an opportunity that presents itself that one of our folks might be interested in,” and another states “I did research to find out what employees wanted and where they wanted to give of their time, and non-profit organizations to fit that.” Yet another interviewee suggests his organization does research to find organizations that address both employee’s interests and the organizations business strategy; he states “ We’ll look at it from the business perspective, those things that make sense for our business and where we can somewhat find a blend between personal interest and good for business.”

Viability. Business organizations spend time investigating the financial viability, reputation, and impact of the non-profit’s operations. Business organizations define viability with the following factors: effective financial management, the need or service being addressed is a ‘good thing,’ and the extent of reach and impact in the community. Interviewees discuss the need to “understand who to donate to and belong to,” “identifying who (non-profits) is doing good work and squeezing their pennies,” “efficient with their dollars,” and “figuring out what organizations are prominent.” One interviewee went to the Better Business Bureau’s corporate advisory committee to investigate different non-profit organizations,

including their financial and operational histories. Another interviewee sums it up with “I look at a lot of things...one of the big things for me is, is it (the non-profit organization) really impactful in the community; are they really reaching out, are they really making an impact on our employees and our customers and our community.” This finding points to a potential for contention between the business organization and the community organization. The business organizations are assessing effectiveness with their own standards of measurement. It is likely that non-profit organizations, due to the types of clients and services they offer, work under differing standards of effectiveness (Post, 2000). While there is a tendency to suggest that non-profits should be more like business, this idea needs to be explored further. The idea and impact of standards in a relationship will be discussed in the implication section of this chapter and in further detail in Chapter six.

Assessing Community Perceptions

A final area of research organizations conduct is an investigation into the community’s perception of the business organization. Business organizations want to know what perceptions the community has about them, their operations, and their impact on the community. One organization recently went through a merger and as a result, had a new name. It conducted a survey a year after the merge to determine its brand and name recognition within the local community. Another organization, when relocating a major division to the Colorado Springs area, conducted a baseline survey of local residents to ‘see how the community viewed us.’ The intent of the

organization's research into community perceptions is to determine the degree of community involvement required to foster a sense of goodwill and corporate citizenship for the organization. The next section discusses the various parties involved in the investigating phase.

Who Conducts Research?

Employees. A variety of people conduct the research in the 'investigating' phase. Many of the business organizations conduct research through the community or public affairs employees of the organization. Some organizations rely on their employees to provide information about the community or community organizations. A number of organizations develop 'community committees' or 'community teams,' made up of employees. The employees are either formally assigned to the team or they volunteer. These teams also identify opportunities for various forms of community involvement, dependent on the involvement strategy of the organization. Of course, as was indicated earlier, the organization's community focus areas often limit the community organizations the employees can investigate.

Intermediaries/Networks. Many of the interviewees suggest the information they receive about the community stems from their interactions with a third party organization. Examples of intermediary organizations are public relations firms, volunteer centers, the chamber of commerce, community leadership organizations and trade/industry organizations. One organization hires a public relations firm that goes out into the community and comes back and makes suggestions to the

organization for what and how they should be involved in the community, including different avenues for participation as well as information on different non-profit organizations. Many of the Colorado Springs interviewees refer to a local volunteer center, which they work with to figure out how to structure and focus employee volunteer efforts or contributions. Another organization the Colorado Springs interviewees frequently mention is the Funder's Forum, a community relations industry organization that addresses how to make donations to the community. Through these types of intermediary organizations, many of the interviewees connect with other community relations' colleagues who have a depth of knowledge about the community, community organizations and community relations. One interviewee offers this explanation of the third-party relationship "We participate in a bunch of umbrella organizations like the Funder's Forum, and there are numerous other companies that are involved in these types of groups, so it allows us to coordinate our funding with other organizations in Colorado Springs." In addition to intermediary organizations, the respondents often utilize their networks of colleagues, friends, and family to help them understand the community.

Most of the interviewees suggest their personal networks, involving both professional colleagues as well as personal acquaintances, provide the initial information they look for when investigating the community. One interviewee explains, "I try to seek out opportunities and build those types of relationships and establish those kinds of networks so we are kind of woven in the fiber of some of the

things that go on from a community perspective.” The network of community relations professionals in Colorado Springs is very dense, meaning that there are numerous ties in the network that link the community relations professionals together (Rowley, 1999). For instance, a number of the interviewees refer to seeing their colleagues as often as they see some of the employees in their own organizations. One interviewee explains this with “We all share resources with each other and it is great to have people who do my equivalent job – that we are in such good communications with each other.”

Implications of Investigating

When an organization makes the decision to consider the community a stakeholder, it is stepping into an unknown because it typically does not have a good understanding of the community environment. In fact, it is an environment riddled with complexity and ambiguity, made up of multiple constituencies, organizations, needs and resources. Any organization wishing to enter a relationship with the community must put forth effort to understand the community and its environment it is embedded in. However, as the following discussion highlights, organizations are very self-serving when making sense of this environment. They are mostly interested in aspects of the community that have the potential to impact their operations, rather than an understanding of all aspects of the community.

Focus on the organization. The data for research question five shows that organizations take time make sense of their relationship with the community. To a

great extent, the information they seek involves how the community can fit within the organization's operations and strategies rather than a complete understanding of the community and its needs. The bulk of the business organization's investigation focuses on identifying avenues for community involvement that increase the organization's visibility or further its mission and goals. In addition, the organization works to understand how they are viewed in the community. This information is used to determine the extent of involvement needed in the community to foster goodwill and develop a 'license to operate' for the business organizations. These results reaffirm the results found earlier in this study that highlight the organization's limited scope of involvement when addressing the community stakeholder. Even when investigating the community and trying to make sense of the larger community picture, organizations limit their scope of understanding to their own interests. These results also indicate the community can be a stakeholder as long as it 'fits' with the criteria of the organization – criteria that either demands a certain alignment with the business organization's strategy or criteria that requires the non-profits sense of viability. Another result highlighting organization's limited consideration of the community is the insufficiency with which the organization works to identify the community's needs. Only two interviewees mentioned investigation into community needs from the community's point of view. For the most part, interviewees keep the focus of their investigation on areas they want to be involved in, whether that is a need of the community or not. Once again, the processes organizations use to

construct the stakeholder relationship with the community are limited and biased to the organization. This is consistent with Burke's (1999) claim that community issues are frequently overlooked by organizations. The idea that the community needs are not fully addressed or understood suggests an area of potential weakness in the organization-community stakeholder relationship. This idea is addressed with the implications of investigating phase of the model.

Reliance on networks/intermediaries. Another result from research question five is the organization's heavy reliance on established networks and relationships with intermediary organizations when investigating the community. The network and interorganizational relationship members may not be directly involved in a stakeholder relationship with the community, yet they certainly have a significant impact on the relationship organizations form with the community. Rowley (1997) suggests that relational systems such as networks and interorganizational relationships are fundamental aspects of interaction and often help explain social science models – in this case, the model of the stakeholder relationship. The results from this study indicate that stakeholder theorists need to investigate the impact the social network of the organization plays in influencing stakeholder relationships. Questions about the inclusivity, representation, and diversity of the organization's social network need to be addressed to see what kind of impact and influence these networks have on the stakeholder relationship. The next section addresses what

occurs in the stakeholder relationship with the community once the investigative phase has occurred.

Phase Two: Initiating

Once the organization spends time investigating various aspects of the community, the relationship with the community is then initiated. The demarcation between the investigating and initiating phases is difficult to define. However, there is a distinct difference in the ways these two phases occur. Initiating occurs in two ways. The organization reaches out to the community or the community reaches out to the organization. As this discussion reveals, the balance between these two approaches is asymmetrical. Much more activity stems from the community contacting the organization to establish any sort of relationship. In addition, organizations are often frustrated with the ways community approaches them.

Some of the organizations in example two have been in the community of Colorado Springs many years so recounting the initiation of their original relationship was difficult. However, because the parties involved in these community relationships change and fluctuate over the years, most of the interviewees were able to account for the ways the current relationships with the community commenced. The next section deals with the organization's approach in two scenarios: a) taking the reactive stance and responding to the community attempts to enter a relationship with the organization and b) taking the proactive stance and working to establish the relationship.

Responding to the Community

Once organizations begin to investigate and promote their name in the community, the community typically takes action to initiate the relationship with business organizations. All of the interviewees that consider the community a stakeholder claim an organization from the community contacted them directly to establish a relationship. As one interviewee puts it, “Once the ball gets rolling and people in the non-profit community hear there is a company that is interested in doing things and being part of the community, they start coming our way.” When an organization is recognized as part of the community, one interviewee explains, “We are bombarded with requests.” After being profiled in the local newspaper for their recent plant opening and community interests, one organization received so many calls about community involvement the day after the article printed that their phone system crashed. Another interviewee states, “Once the word gets out that you have a contributions program, believe me, they will beat your door down,” and yet another, “if you have money to give away, believe me, they find you.” Specifically referring to the non-profit organizations, one interviewee states, “You don’t have to worry about the non-profits, you’ll hear from them -- they come to you in droves once your name gets out there or once you do get involved.” Communication channels that are easy to access, like the web and e-mail, have increased the number of requests organizations receive to an even greater extent. One interviewee explains, “Now with the Internet I get at least 3 more requests a day – our name is really out there.”

The dense network of non-profits within the Colorado Springs community increased the likelihood of a business organization being approached. An interviewee clarifies, “The non-profits talk to each other and they are very aware of what companies do and what they want to be involved with and who the contact people are so they are always kind of out there looking for those contacts.”

Frustration With Requests.

The ways in which the community approaches the business organizations was a source of frustration for the interviewees. Interviewees suggest that many of the community organizations are not strategic when contacting an organization for support or involvement. A strategic approach includes planning and appropriate timing of interactions, establishing clear objectives, and considering the bigger picture of the interaction between the business and the community. The lack of strategic focus on the part of the community organizations is addressed below.

Timing. Timing of the requests to business organizations contribute to the interviewee’s frustration with the community. Some community organizations do not allow the organizations an appropriate amount of time to respond to their requests. For instance, one interviewee explains he often gets requests from community agencies with very little lead-time. He gives an example that occurred on the day of the interview “I got a call today, actually this morning, for something next week. I get calls very often on Thursday or Friday for something (that is needed) that weekend. I tell them to give me two or three months notice ahead of time so we can

include in your organization in our planning.” Another timing frustration stems from the community organizations only contacting the businesses once a year, around a specific event. The interviewees propose they prefer regular contact with the community organizations.

Lack of Clear Objectives. The community agencies are often unclear about their needs and wants or what the objectives of their organizations are and how the business organization can help. One interviewee says, “They (community organizations) need to have a good idea in their own mind about what they want. We’ll have non-profits say, ‘we’ll just take anything,’ and we don’t know what that means or where to start; anything might be \$200 or nothing. Whereas if they ask for \$1000 to do such and such a program because they know we are behind that kind of program, their chances are much better – so they need to understand what they want.” Other interviewees explains, “I think they need to know exactly what their mission is and be able to articulate that very clearly and to specifically identify what kind of assistance is needed.” And “be clear in what you are looking for from us; be as clear and concise as you can.” One interviewee sums it up with “They (community organizations) need to somehow be able to speak the language (of businesses).”

Asking for More Than Money. Another frustration from the interviewees occurs when community organizations fail to recognize there is much more to a possible relationship than money or donations. One interviewee suggests “It is a good thing to remember what else would be helpful to your organization other than

money; for example, volunteers to be tutors, photocopies, things like that...loan of a projector—things that are no big deal for a corporation and don't cost much.”

Another interviewee states, “It's more than money; we can help organizations take a broader look at what can help them be a more vital operation organization and new ways of marketing their products or services and more effective and innovative ways of managing their resources and so on.”

The next section focuses on the ways the business organizations establish relationships with the community stakeholder. After this section, implications of the Initiating phase of the model are addressed.

Establishing the Relationship with the Community

Few interviewees discuss the ways they work to initiate relationships with the community. Again, initiation of the relationship typically comes from community organizations. One interviewee clarifies, “When all is said and done, are we involved with the community? Yes. Is it because they came to us or we go to them? Probably more them coming to us.” However, some organizations are the initiators of the relationships. The ways the organizations pursue the community varies. One interviewee captures this with “I don't know that there is any kind of canned formula that I can share for this is how it works (establishing the relationship).” As will be presented below, the organization's employees often start the relationship with the community through volunteer efforts. In addition, many organizations have a mandate from their corporate offices jumpstarting the relationship with the

community. There is also a degree of formality used by a number of organizations when initiating the relationship with the community. Each of these factors are addressed in the following discussion.

Employees. The most common avenue used by business organizations to establish relationships with the community is employees who do volunteer work with community agencies. Quite often, the relationships employees foster with community agencies represent organization's point of entry for the relationship. One interviewee explains, "our employees volunteer – that starts the relationship (with the community)." Again, it is important to point out the relationship initiated by an employee's volunteer efforts is often dependent on the community organization meeting the focus area requirements of the business organization. If the organization and focus areas do not align, the relationship is not pursued, regardless of the employee's involvement.

Corporate Influence. Some organizations establish their relationships with the community through their corporate community relations efforts. These organizations have corporate community affairs departments that have already established relationships with national non-profit organizations, like the United Way and Junior Achievement. When these organizations open a new office or relocate to a new community, the relationship with certain community organizations is automatic. For example, one interviewee suggests his corporate office established a long-term relationship with the United Way, so when his office was opened in the Colorado

Springs area, the relationship with the United Way was easy to establish. He explains, “As soon as you open the office that relationship is there.” Another example of corporate community relations driving the actions of a local division comes from an interviewee whose corporate office declares work with schools a corporate wide community initiative. While the relationship with any school was not automatic, the interviewee’s division automatically contacted local schools to fulfill the corporate-wide objectives.

Formal Processes. Only a few interviewees discuss formal processes for reaching out to the community beyond investigating issues. One interviewee details, “We have a process where we will announce to all nonprofits (that we are aware of) that we will be offering funding for different types of programs that they may be involved with or running; they then will submit applications to us.” Another interviewee conducts workshops for the local non-profit center on how to build corporate-nonprofit alliances. This interviewee suggests this is a good way to get the word out and connect with community organizations seeking connection with them.

Some organizations have formalities driving the establishment of the relationship with the community. For example, many organizations have forms or applications that must be filled out before they will work with any community organizations. These forms typically include a description of the program or event, how many people will be impacted, audiences being served, etc. Some organizations do not have forms but require a letter of commitment from the community

organization to solidify the relationship. In addition, some organizations require an audited financial statement, a copy of the annual report, or a tax identification number to enter the relationship. However, most of the interviewees say require the bare minimum from the community. One interviewee said, “I don’t need for you to come in and give us a stand up presentation; just get me a presentation packet so I can look at it; provide me with visuals or video or whatever you want me to see.” The formality in documents and requirements varied with the size of the organization; the larger the organization, the more formality required to establish the relationship.

Implications of Initiating

Once again, the ways in which the organization and the community interact has an implication in assessing the social responsibility of the organization. The following discussion shows organizations do not actively pursue the direct relationship with the community. Instead, the community is the party that works to initiate and solidify the relationship with the community. This may indicate the organization has not bestowed a high level of importance or value to the community stakeholder. As a result, the business organizations are not necessarily motivated to pursue communication practices of equality and participation. In addition, the organizations’ reliance on a strategic perspective and approach derive standards to which the community stakeholder must conform to enter the relationship. Each of these ideas will be addressed in the following discussion.

Directionality. The clearest finding is the directionality of the communication between business organizations and community organizations when the relationship is in the beginning stage. The results indicate the community contacts the business organizations more frequently than the business organizations contacting the community to initiate the relationship. This result may indicate that business organizations do not consider the community stakeholder a primary stakeholder, one with enough power and legitimacy to garner constant and acute attention by the organization. If organizations did view the community as a primary stakeholder, the balance of who initiates the relationship between the two parties in the organization-community would be more equitable. Certainly, stakeholders who are considered to have more power and legitimacy receive more attention from organizations (Caroll, 1993; Kreiner & Brambi, 1991). Starik (1994) finds as a stakeholder's ability to impact the organization increases the stakeholder relationship necessitates more attention and interaction. The lack of initiating behaviors towards the community on the part of the business organizations may indicate they consider the community a marginal stakeholder. Savage et al. (1996) suggest marginal stakeholders require minimal attention and only need to be monitored, not necessarily included in the activities of the organization. If the community is actually perceived as a marginal stakeholder of the organization socially responsible interactions will not be fostered.

The results for this study raise an interesting question. What would organizations do if they were not approached as aggressively from the community?

Would they treat the community as a marginal stakeholder, monitoring the community, or, would they consider the community a primary stakeholder, seeking out opportunities for direct and interdependent involvement? One interviewee sums up the situation with, “We just don’t, this might be bad to say, but we don’t do a lot of going out there saying hey we want to be part of the community. We’re involved with the Chamber and Better Business Bureau as far as that goes, but we don’t really go out there actively seeking stuff.” From the results in this study, one might suppose that organizations would still consider the community a marginal stakeholder, even if communities did not work so diligently to initiate the relationship with them.

Lack of Strategic Approach. A major concern for the interviewees is the lack of a strategic approach and focus on the part of the community organizations. Young (2002) suggests non-profit organizations are challenged in meeting the same standards of communication as their business counterparts because they do not have the same clear criteria for accountability of the business and government sectors. Processes for appropriate behavior and performance are not as delineated in the non-profit arena, as the non-profit organizations are typically established for a wider spectrum of purposes and deal with many different types of people and organizations – a mix of clients, volunteers, professionals, board-members, etc. Young (2002) also points out that non-profits are typically serving a clientele that are often quite distinct from those who fund or support the organizations, like business organizations. One interviewee confirms this with “It’s very easy to work with organizations that are

very structured and generally organized in the way they do things; however, it gets a little trickier with some organizations, especially the smaller ones.” The difference in perspectives between business and non-profits puts an additional burden on the non-profit organizations to communicate in ways that may be foreign to their day-to-day operations. Indeed, the formalities required to enter a relationship with the organizations exhibited in this study may provide a challenge for the non-profit organizations. One interviewee gives a vivid example of how this disconnect plays out. He explains how he had money to offer to the local high school for a scholarship but that the money needed to be distributed by a certain date or it would go away. He tried to contact the local school district, his calls were not returned, and when he finally did get in touch with a few people, they were unsure how to make the relevant decisions or who should fill out the business organization’s forms for the donation. As a result, the deadline for the donation passed and the school lost out on a \$10,000 donation. Young (2002) suggests the essential problem with organizations and nonprofit synching their interactions is that “nonprofits, under tremendous financial and social pressures and eager to make their institutions economically successful, may, perhaps inadvertently, compromise their mission (p. 8).” The results in this study suggest community organizations may be missing out on opportunities to garner support, and ultimately, may be compromising their mission.

The next section moves on to phase three of the communication between an organization and the community stakeholder, focusing on the ways the organizations participate with the community.

Phase Three: Participating

Once the relationship with the community is established, how does the relationship get enacted? As Burke (1993) suggests “A company cannot only identify and recognize concerns and issues (of the community). It also has to acknowledge and respond to them quickly and in a reasonable way (p. 26).” The following discussion outlines the different ways organizations participate in their relationships with the community. However, the communication used to coordinate these activities is discussed with the last component of the model, sustaining the relationship. Table six shows an account of the various ways organizations in this study enact involvement with the community. Responses come from both the interviews and the executive accounts. The discussion points out the different approaches have differing requirements and commitments for the business organizations as well as the community. An interesting finding for this research question comes from the ways both samples answer the question “How do you communicate with the community?” The typical response does not refer to communication but rather, to the ways in which the business organizations participate with the community, like making donations or volunteering. When pushed to answer specifically about communication processes, the interviewees began to account for

the ways communication transpires between them and the community. This information is presented in the next section, which discusses the sustaining component of the model. Table 6 presents the responses for participating activities engaged in by the respondents' organizations. The presentation of the 'participating' results is followed by a discussion of how these various avenues for involvement contribute to an organizations stance of social responsibility.

Table 6:
Results for Research Question Five

Research Question #5	Sample One	Sample Two
<i>Responses:</i>	<i>Executive Accounts</i>	<i>Colorado Springs Interviews</i>
Donations (Financial/In-kind)	60%	100%
Employee Involvement	48%	72%
Media	13%	20%
Other	16%	28%
Total # Respondents	<i>n = 112</i>	<i>n = 25**</i>

Note. Each sample had a number of responses with references to more than one category.

** Sample two responses only include the "yes" respondents (n=25) to research question one.

Donations

Burke (1999) suggests prior to the 1980s, an organization's community involvement relied heavily on charitable donations. He further suggests there are still remnants of this 'checkbook philanthropy' in a few organizations. Alternatively, Tschirhart (1997) claims corporate gift programs are the most frequently used vehicle for corporate responses to the community. The results for this study suggest that

charitable contributions are still alive and well in most relationships with the community. In both samples, the most common interaction between the organization and the community comes in the form of donations (which included financial, in-kind, services, property, etc.). Sixty percent of sample one and 100% of sample two “yes” respondents mention donating as a way their organizations participate with the community. In most cases, donations include financial contributions and sponsorships. For some organizations, donations extend beyond monetary contributions to donations of the organization’s goods and services, especially obsolete materials and discontinued equipment. A few organizations (5% in sample one and 12% in sample two) refer to employee matching, above and beyond simple contributions or donations, as a way they are connect with the community. Matching programs typically involve an employee making a donation of time or money to a non-profit organization and the business organization matching the employee’s donation, in total or as a percentage of the donation. One interviewee explains, “We will give a charitable organization a \$500 donation for every 40 hours our employees donate in volunteer service.” Again, matching is often dependent on the non-profit organization’s mission fitting into the criteria of focus areas for the organizations.

Employee Involvement

The category with the next highest participation rate is employee involvement (48% in sample one; 72% in sample two). Employee involvement includes three main categories: volunteerism, board membership, and involvement with business

and government organizations. The following discussion explains each of these categories.

Volunteerism. Volunteerism is most often mentioned in concert with a non-profit organization or a school. For example, one interviewee states “We want our employees to volunteer with the community – Race for the Cure, March of Dimes, or Global Volunteer Day – things like that—it is very important to have volunteers.” There is a significant variance in the formality and organization surrounding the volunteer involvement of businesses. Some organizations simply have employees who volunteer based on their personal interests. Other organizations have programs that track volunteer hours, allow company time for volunteering, and formally recognize employees for volunteering. A few organizations use a team approach for coordinating their volunteer efforts. For example, one organization encourages employees to volunteer for “Team XX (Company name)” and the team picks a monthly project to participate in. The organizations from sample two with volunteer efforts are split in their approaches to volunteer programs; approximately 50% have formal volunteer programs and the other 50% simply have employees who volunteer. Again, with the larger organizations came the more formal volunteer programs.

Many of the interviewees discuss the benefits occurring as a result of employee volunteering. Teambuilding, employee development and increasing morale are mentioned as positive outcomes resulting from volunteer efforts. For example, one interviewee states, “Volunteering is a tremendous teambuilding experience.”

Other interviewees discuss how volunteering motivates employees and makes them feel good about their workplace. For some organizations, volunteering requires more coordination and organizational resources, yet these investments are viewed as yielding an adequate return for the organizations.

Board/Committee Membership. Another form of employee involvement frequently mentioned is board membership (23% sample one and 72% sample two). Board membership typically involves the senior executives of the organization. Many of the respondents' organizations have employees, especially senior executives or top managers, involved as board members. Most often the board membership is with a non-profit organization. One CEO suggests, "I serve on various community boards to provide visibility and access to our organization (for the community)." In addition to visibility, organizations also mention providing strategic leadership guidance through board membership. For example, one interviewee explains "We put the expertise of our management team on these boards or committees in order to help these people move forward." Other organizations mention board membership as a way for senior leaders to 'walk the talk' of community involvement.

Involvement with Business/Government Organizations. A number of respondents in both samples describe their participation in the community as membership in business or government agencies. The organization mentioned most often is the Chamber of Commerce. Some of the organizations with multiple locations throughout the United States, each general manager or the person with the

most senior position is required to join the local chamber of commerce. In addition, respondents discuss membership in trade or industry organizations that reflect their organization's business operations. For example, one of the executives from an Information Technology firm discusses his organizations funding of a statewide IT forum, which works to increase the awareness of high-tech business within the state.

A few respondents consider their interactions with governmental agencies as a form of community involvement. For example, one executive states "I try to keep in touch with the mayor of the cities where we are a major employer." Another executive explains, "We maintain direct communications with all levels of government entities that regulate our business." And finally, another executive maintains, "We have a close, responsive relationship with Congress."

Media. Some of the respondents (13% in sample one and 20% in sample two) reference some type of media as a way to interact with the community. The responses in this category include: advertising community events with the organization's logo, exhibits at tradeshow, press releases, website information and access, television and radio commercials about the organization's community involvement, articles in local newspapers (about the organization), and public speeches and presentations by organizational members. One executive, when referencing the ways in which his organization communicated with the community, said, "We strive to make maximum positive use of the media -- and I accept frequent speaking engagements in the city." Another executive offers, "We encourage media

to report on our projects.” Some organizations consider the use of media to address any of their operation as a way of interacting with the community. These organizations consider advertisements or products or services to be communication with the community. For other organizations, media was used to specifically communicate about the organization’s involvement in the community. For example, one of the organizations in sample one publishes a quarterly newsletter to showcase their community service initiatives.

Other. In both samples, a variety of miscellaneous participating activities are mentioned, including paying taxes and buying supplies or raw materials from local vendors (as part of doing business). Other activities, less frequently mentioned, include hiring disadvantaged or disabled employees.

Implications of Participation

Even when there is agreement that corporations do have responsibilities to the communities in which they operate, there is often disagreement about how those responsibilities should be met (Tichy et al., 1997). As we saw in the presentation of results for participation, organizations choose to get involved with the community in a variety of ways. The following discussion draws attention to the possible implications these avenues of participation may have for social responsibility and the community stakeholder relationship. As we will see, the ways organizations choose to involve themselves in the community is very traditional and therefore limited. In their community relationships, organizations are able to exploit the luxury of

choosing areas to get involved in, ultimately choosing the version of the social contract that drives the relationship with the community (Tichy et al., 1997). Burke (1999) confirms that organizations still rely on community involvement strategies that are out of date and often counterproductive.

However, some organizations are expanding their ideas of involvement and reaching out in a different manner. A final implication to be discussed is an avenue for participation *not* found in the results, but suggested for corporate citizenship – partnerships with the community. Not one respondent mentions their organization having a partnership with the community or a community organization.

Traditional Involvement. Most organizations, either directly or through corporate foundations, contribute to nonprofit organizations and often receive tax benefits in exchange. Indeed, contributions are the most common avenue the organizations in this study use to participate with the community. The emphasis on donations suggests organizations are not fully embracing the idea of social responsibility. Fombrun (1997) argues donations only account for a small part of an organization's responsibilities to communities because they do not encourage full participation in the social and cultural life of communities. Tichy et al. (1997) suggest corporate citizenship still requires money but the days of leading with the checkbook are over because much more is required from the organization, like commitment, time, and energy. Tschirhart (1997) suggests donations enable organization to maintain a distance from the communities and individuals being

helped. Organizations, through focusing on donations, can avoid dealing with the gigantic scale and scope of most social problems and can be involved without any mechanisms of accountability to the people who are, or are not, helped by their actions (Tichy et al., 1997). Ultimately, the distance created via donations has implications for the stakeholder relationship with the community – it allows the organization to keep the community at a distance, keeping the community in the status of a marginal stakeholder.

Limited Involvement. Many of the organizations, when discussing their participation with the community, only refer to activities that directly benefit or affect their organization. For example, respondents refer to involvement with the community via the membership in an industry or trade association. Once again, the limited view of the community as that which explicitly relates to a company's operations does not enable full representation for the community. Instead of working to address the most significant social or cultural issues within the community, organizations are working at efforts that are primarily self-serving. As such, the stakeholder relationship with the community will not be a vehicle for any type of social integration or social responsibility. As Fombrun (1997) suggests, no concept of social responsibility only involves the business and its operations. Kadushin & St. Clair (1997) find it surprising that so many business organizations do not recognize how dependent they are on the communities in which they operate and suggest far too

few organizations engage in the types of sustained efforts that take into account the vitality of the communities in which they operate.

Combination of Approaches. A number of the organizations in this study are beginning to shift to what Tschirhart (1997) calls an ‘acceptance of greater corporate responsibility for the welfare of communities’ (p. 64). They are doing this through community participation beyond donations and sponsorships. Many of the respondents in both samples explain their organizations address the community through multiple avenues. Forty-three percent of the respondents in sample one and 72% of the interviewees in sample two declared their organizations were simultaneously involved with at least two forms of community involvement, mainly donations and employee involvement. One interviewee explains, “We generally don’t like to just hand out money or materials. We like to coordinate our volunteer effort with it also.” Fombrun (1997) suggests employee involvement is far more important than corporate giving, as it intensifies the bond between individuals, organizations and communities.

Utilizing a variety of opportunities for participation enables the organization to increase the pay-offs they often seek for community involvement, like visibility, increased moral, and a better sense of goodwill from the community, while at the same time, enables the community needs to be served in a more comprehensive manner. Of course, this is dependent on how much and how often organizations participate in these varying avenues for participation. For some of the organizations,

the various ways to respond to the community enables them to maintain community involvement when the organization is experiencing financial difficulties and can not donate money or equipment. The idea of ‘depth’ of the commitment to the community stakeholder is discussed further with the sustaining phase of the model.

Lack of Partnerships. A final point from the results in this section is the lack of reference to any partnerships between the business organization and the community. Not one executive in sample one and only two interviewees from sample two specifically mention having partnerships with the community or any community organizations. Partnerships are interdependent relationships with a relatively equal balance of power between all parties; the emphasis is on cooperation interaction rather than control (Block, 1996). Tschirhart (1997) suggests partnerships between corporations and nonprofit organizations are less common than other types of community involvement. Yet partnerships exhibit a higher level of commitment compared to donations and employee involvement. Burke suggests partnerships enhance the effectiveness of an organization’s community involvement (Burke, 1999). Kanter (2000) suggests the idea of partnerships are needed to reinvent the way resources are mobilized to address community issues. Kanter (2000) also suggests that unfortunately, the partnerships between businesses and communities often invite skepticism and cynicism where people find it difficult to fully embrace the idea of making money and doing good. Many businesses have discovered the value of partnerships with their suppliers and customers. From the results of this

study, it is evident that this learning has not yet transferred to the relationship with the community. For organizations to engage in stakeholder relationships that are both strategic and effective, they will need to start looking at the option of partnerships with the community stakeholder. Sagawa and Segal (2000) suggest a strong philanthropic tradition and employees that are willing to volunteer are some of the assets that provide the foundation for successful partnerships. Fortunately, most of the organizations in this study have the capacity to pursue partnerships with the community. However, they will need to utilize this capacity and form partnerships with the community stakeholder if they want to exhibit the true spirit of corporate social responsibility.

The next section of this chapter addresses phase four of the model, or the communication that occurs to sustain the organization's relationship with the community stakeholder.

Phase Four: Sustaining

Once an organization establishes a relationship with the community and determines the appropriate activities for involvement, organizations work in different ways to sustain the relationship. Once again, the ways the organizations in this study maintain their relationship with the community highlights their commitment, or lack thereof, to the community stakeholder. The following section discusses the sustaining section of the model, which focuses on the frequency of communication between the organizations and the community, the channels of communication used

to carry out the relationship, and finally, the feedback and follow-up that occurs between the community and the organization. This section ends with a discussion of the implications of these sustaining actions. These actions provide further insight into an organization's sense of commitment to the community stakeholder.

Frequency

The frequency of the communication with the community varies from daily to annually. The interviewees with a more senior position, such as CEO/President or Director of Community affairs, say they communicate with the community daily. One telecommunications interviewee explains communication with the community is "24X7." The respondents claiming they communicate with the community on a daily basis consider interactions with customers, employees, neighbors, the media or non-profit organizations communication with the community. For other interviewees, the frequency of communication depends on the form of involvement with the community. For example, requests for donations occur daily. Alternatively, in communication around employee involvement, the frequency is based on how often volunteer efforts or events are scheduled and coordinated. Typically, this occurs monthly, quarterly, or annually. For example, if the organization supports the United Way, the communication with United Way intensifies around the time of the annual fundraising campaign. If the relationship consists of a board membership, the communication typically occurs monthly, at the board meeting. For some

organizations, frequency of communication is random and determined by community need rather than a specific event or scheduled interactions.

Most of the organizations in sample two suggest they like to have long-term relationships with the community. Statements like “we try not to have one-shot Charlie’s; we try to sustain everything we do over time.” or “Our relationships tend to be ongoing” illustrate a long-term approach. One company owner suggests she is “very loyal once she starts a relationship.” Another interviewee has personally served on the board of the American Heart association for over ten years; in this capacity, she has given “a lot of our money as well as a lot of my time.” Some organizations have a combination of short-term and long-term relationships with the community. For example, one interviewee explains, “We have both long-term and ad-hoc relationships; the things that are event driven—we’ll move those kinds of dollars around; we really don’t feel there is a lot of value in a continuous relationship over time—we try to spread it around a little bit, but then there are other things where the longer term relationship, the continuity is more important – that would probably look like a board representation or our relationship with Junior Achievement; those kinds of things require a longer term relationship to be really value-added, getting the benefit to go both ways.”

Channels of Communication

As the interviewees and executives address the relationships with the community, they often mention channels of communication. The data show there are

a variety of channels used and preferred by the organizations. Channel selection is unique to each relationship, although personal channels are more readily accepted. Channels of communication with the community include letters, direct mail, phone calls, e-mails, meetings, face-to-face conversations, and presentations. Channel selection is frequently determined by the business organization representative's personal preference. Some interviewees preferred e-mail, as it gives them the opportunity to review the communication from the community on their own time. Alternatively, others dislike e-mail because of its lack of personal interface. One interviewee says, "The worst way to communicate is e-mail." Another interviewee says he has very little communication via e-mail due to the constraints of the non-profit organizations. He voices his concern with "A lot of non profits just don't communicate that way; I think the nature of where they've been and what they are doing may be a little harder that way –hard to get e-mail addresses they need, etc. and for some of them there are costs associated with setting something like e-mail up." The least preferred method of communication is the cold call. By far, the most preferred method of communication is a face-to-face conversation. One interviewee offers advice for community representatives by suggesting, "Each organization is different, find out how they want to be communicated with. And by the way, wining and dining is not necessary. Instead, ask and find out 'How would you like me to communicate?'" Yet another channel of communication is the organization's attendance at events. One interviewee explains "I attend events, even it if may be

totally outside of our focus areas; the more you attend these functions the more your name is known and the more you are associated with the community.”

Feedback

The results for research question five indicate that a few organizations sustain their relationship with communication beyond the give and take of involvement activities. Two of the organizations from sample two seek continuous feedback from the community. One organization surveys the community agencies they are working with to assess what kind of partner they are to that organization. The interviewee explains with “Quarterly, we survey a significant number of agencies themselves for feedback in how and if they see us as a valuable partner in helping to get their work done.” This same respondent also discusses another form of continuous research with the community. On a monthly basis, the organization surveys the community at large (a random sample) to gain an understanding of the perception of the organization’s involvement with the community. The survey asks, “What do you think about (organization’s name) as a partner in our community?” The most rigorous example of obtaining continuous community feedback is an interviewee organization’s community focus group, which offers the organization feedback on its relationship with the community. The group consists of 22-25 people from all walks of the community, chosen with the aim of a diverse representation. The group meets on a quarterly basis; someone external to the organization facilitates the meetings to alleviate any company bias in the topics or feedback.

Follow-up

Many organizations suggest the factor sustaining their relationship with the community is follow-up communication from the community organizations. The community organizations that keep in touch beyond the specific transactional events are more likely to motivate the business organization to stay in the relationship. For example, several interviewees state “The smart ones (community organizations) are making some kind of attempt to keep us apprised of their interactions and where they are going (as an organization) – the ones that respond to us with our organization in mind are much more successful the next time they come back and request support,” “They do such a great job of keeping us in the loop of what is going on, showing us the impact that they are making and I think that’s why they are one of the organizations we just keep coming back to because we fell like it’s a nurtured relationship both direction,” and “If we know them and know what they are about and there has been some kind of an understanding and ongoing association with their message, clearly they are in better stead than somebody that just drops something on me.” Another interviewee offers an alternative example that exhibits a lack of follow-up. She states, “The ones we have short term relationships with – you never hear from them again; you do something for them and you don’t really hear from them again. They don’t send you a thank-you, they don’t follow-up, so then that’s kind of the end of the relationship.”

Implications of Sustaining

Waddock and Smith (2000) suggest social responsibility is fundamentally about the relationships a company develops with its stakeholders. These relationships occur through practices that in some way sustain the interactions between both parties. These sustaining practices, as will be shown in the subsequent discussion, can either be fair, open, engaging and respectful, or not. The implications of the sustaining phase of this study's model focus on the following: the type of relationship determines the frequency of communication; the communication channels are largely determined by the business organizations; not many organizations seek feedback from the community; and the role of the community's responsibility in the stakeholder relationship with business.

Frequency of Communication Determined by Relationship. One finding in the sustaining phase of the model is that the ways organizations choose to get involved with the community largely determines how frequent the communication is between the organization and the community. This finding further suggests business's objective in communicating with the community is not necessarily that of building relationships with the community, but more to accomplish logistical transactions or completion of a task. For example, many organizations only communicate with the community once a year, when it is time for an annual donation. As was discussed in the interacting phase of the model, the involvement of businesses with communities is limited. If the frequency of communication is based on transactions rather than relationships, this does not allow companies and stakeholders

to regularly share common meanings and purpose. Social responsibility dictates that companies always, or at least frequently, take into consideration the needs of the community stakeholder when making decisions about their operations. Certainly, companies' operations affect the community stakeholders on an ongoing basis. As such, the frequency of communication needs to be determined by the objectives of building dialogue and common understanding and not those that are driven by a limited scope of involvement.

Channels of Communication. Once again, this study shows how business organizations develop the standards of communication driving the relationship with the community. Most often, the channels of communication used for communication within the community are based on the business's preference. These standards may very well account for the preferences of the community representatives, but the respondents often offer the explanation of choosing the channels based on their preferences and needs, not those of the community. The impact of the business organizations choosing the channels of communication will need to be investigated further.

Seeking Feedback on the Relationship. While there are a few organizations in this study that actively seek regular feedback from the community stakeholder, most business organization do not. It is common for business organizations to seek regular and ongoing feedback from relationships they value extensively, such as those with customers and suppliers. By not working to actively seek inputs from the

community stakeholder on the perceptions of quality and satisfaction with the relationship, the organization is once again limiting the community's access to for representation. Business organizations need to view feedback from the community with the same urgency and necessity they view that of input from key accounts and vendors. Such a focus begins to place businesses in an appropriate context of relationships, rather than allowing them to be the center of the relationship, driving the way the relationship will function.

Idea of Community Responsibility. An implication of the sustaining model of this study relates to the idea of the community stakeholder have a sense of responsibility. The study highlights that many times community organizations fall short of any sense of responsibility to their relationships with organizations. Many community organizations do not acknowledge the receipt of support from business organizations. To now, we have discussed the ways communication can limit the representation of the community stakeholder. In this, the proposition is that a socially responsible organization will open up opportunities for dialogue and representation. What has not been addressed and it highlighted in the sustaining phase of the model is that communities also have a sense of responsibility for communicating appropriately. This finding has implications for stakeholder theory; if we say that organizations have responsibilities to stakeholders, what responsibilities do stakeholders have to the organizations, especially surrounding ideas of

communication. The idea of community responsibility is a new one that will need further development.

This chapter completes the presentation of results for this study. The following chapter continues with a discussion of the overall conclusions of this study as well as addressing the limitations of the study and areas for future research.

CHAPTER VI: DISCUSSION

The Community Stakeholder: Conclusions and Implications

The intent of this study is twofold; first, to confirm stakeholder theory's assumption that organizations consider the community a stakeholder, and second, to enhance the field of corporate social responsibility and stakeholder management by investigating the contribution of communication in assessing stakeholder relationships, and ultimately, corporate social responsibility. This study goes beyond an investigation into an organization's designation of the community stakeholder and uncovers how relationships between organizations and community stakeholders are fostered and maintained. Indeed, the community stakeholder relationships are complicated, with many actors, varied actions, and diverse motivations weaving throughout the interactions. This study shows there is a link between the ways an organization communicates with the community stakeholder and the organization's level of social responsibility. This finding has implications for practitioners and well as theorists and suggests the addition of a communicative perspective as a way to improve the current frameworks for stakeholder and corporate social responsibility theories.

This chapter discusses the theoretical and practical implications of the finding from this study. Setting the foundation with research question one, research questions two through five build upon this foundation and expanded the inquiry to address aspects of the community stakeholder relationship that have yet to be

investigated in the field of stakeholder theory or corporate social responsibility. The results offer an in-depth look at the community stakeholder concept and uncover a number of issues that relate to an organization's stance on social responsibility, especially the important role communication plays in developing stakeholder processes that are socially responsible. Chapters four and five address the findings and implications of each research question. This chapter is split into two sections. The first section will discuss the overall findings and implications of the study. There are two major findings in this study. The first finding confirms a supposition of stakeholder theory – that of an organization considering the community a stakeholder. As will be discussed later in this chapter, most firms do consider the community a stakeholder of their organizations. However, the problems of using such a surface measure to assess an organization's social responsibility are also addressed.

The second finding of this study focuses on the important role communication plays in determining the quality of stakeholder relationships and an organization's commitment to corporate social responsibility. This study highlights the ways communication between organizations and the community stakeholder can contribute to or take away from an organization's capacity for effective stakeholder relationships and socially responsible practices. This finding is supported by two themes: a) limited voice of the community stakeholder; and b) bias in the standards of communication used in the relationship.

The discussion of the major findings in this study begins with the implications from the first finding, the confirmation of the community as a stakeholder of organizations and the difficulties in using this confirmation as an indicator of social responsibility. This section of the chapter continues with a discussion of why stakeholder and corporate social responsibility theories need a communication perspective to address the gaps in the current frameworks. The themes of limited representation for the community stakeholder and development of communication standards will be addressed. Finally, the argument for adding a communication perspective, specifically a dialogic one, to the fields of stakeholder management and corporate social responsibility will be made. The second section of this chapter addresses the limitations of this study, practical implications, and suggestions for future research.

Confirmation of the Community Stakeholder

Stakeholder theory often posits that there are many types of stakeholders – employees, customers, suppliers, and even nature. Stakeholder literature, informed by the field of corporate social responsibility, also suggests the community as a possible group to which organizations are responsible. Yet no research has actually verified that organizations consider the community a stakeholder. The first question asked in this study, “Do organizations consider the community a stakeholder?” was asked to confirm assumptions of stakeholder theory and corporate social responsibility. This study reveals that most organizations do consider the

community a stakeholder, as the majority of respondents replied “yes” to research question one. This simple question has provided data to help confirm one tenet of stakeholder theory – the idea that organizations often do consider the community a stakeholder.

But it is also clear from the details reported in Chapter four that a ‘yes’ response has a particular and qualified meaning for organizations. In fact, some of the “yes” responses to the question of community as stakeholder are accompanied by explanations indicating stakeholder relationships with the community are more ‘lip service’ than sincere efforts at corporate responsibility. The tilt in the relationship is toward the firm finding out what the community has to offer them. For example, some organizations only consider the community a stakeholder if the community stakeholder community can further the firm’s position or strategy. In some cases, consideration of the community only occurs if the financial status of the organization was healthy. Wokutch and Spencer (1987) confirm that some organizations do not fully embrace the spirit of social responsibility. In a study of social responsible activities, they identified organizations that make significant contributions to communities but also engage in criminal activities. Their finding suggests certain firms make investments in stakeholder relationships solely as a public relations attempt to negate the effects of their criminal behavior. While this study did not investigate the occurrence of criminal behavior, the responses do indicate that some organizations use relationships with the community stakeholder solely as a form of

impression management. For this reason, any claim for social responsibility deserves further inquiry. Luckily, some of the organizations in this study approached the community stakeholder with a different perspective.

Some of the responses in this study indicate a true sense of commitment to the idea that the community is indeed a stakeholder of the organization. These organizations understand that the community can be impacted by the operations of the organization. These organizations, through their work at developing effective relationships with the community stakeholder, seem to be working toward what Tichy et al. (1997) claim are the aims of corporate citizenship – “enhancing the quality of community life through active, participative, organized involvement with the community” (p. 3).

While this study validates the idea that the community is often considered a stakeholder of organizations, the results indicate stakeholder theory needs to consider elements beyond the organization’s designation of the community as a stakeholder if it is to ascertain an organization’s stance on social responsibility. An understanding of how organizations define community is one of the first steps toward making an informed judgment about an organization’s commitment to the community and ideals of social responsibility. This understanding is highlighted by the results of research question two.

Research question two investigates how representatives of business organizations define the concept of community. This question is relevant, as the

stakeholder literature has not defined what community means. Addressing stakeholder needs, a basic tenet of stakeholder theory, may be difficult if the stakeholder group is not readily identifiable. Vidaver-Cohen and Altman (2000) suggest today's corporations will encounter difficulty in community stakeholder relationships as firms are now members of multiple communities, both conceptual and concrete communities. Conceptual communities include professional associations, national industries, and global markets; concrete communities include local geo-political entities in which the firm maintains an operating presence. In addition, the development of the 'virtual' community created from evolving corporate linkages may make the current challenges in the traditional geographic notions of community stakeholder pale in comparison to those faced in the virtual business community of the future. The results in this study show that organizations do not have a common definition of community to guide their actions. Some organizations were very limited in their definition of community – defining it simply as the companies they do business with, the employees of the organization, or the town in which their headquarters is located. These definitions are problematic because, as was outlined in Chapter One, organizations are having impacts on communities that expand beyond these simple definitions. Do the waste products from a manufacturing organization end up in places aside from the local town? Quite often they do. Are suppliers of an organization always located in the headquarter city? Probably not.

Thankfully, some organizations are starting to adopt a systems view of the community stakeholder that enables them to see how they are connected to communities beyond their immediate scope of operation. Organizations in this study that have an expanded view of community, defined community as the local, national, and global community in which their business operations have an impact are acknowledging and utilizing the idea of multiple communities. These organizations are following Burke's (1999) suggestion that it is inadequate to limit the definition of community to a place where a company is located. Vidaver-Cohen and Altman (2000) suggest good corporate citizenship, or social responsibility, requires organizations to consider how company actions influence all communities. Certainly, for an organization to responsibly deal with the community stakeholder, consideration of multiple communities in multiple locations is a must.

The fact that more than four different versions of community definitions surfaced in this study indicates that stakeholder theorists have some work to do in helping practitioners address the concerns of the community stakeholder. Some of the definitions uncovered in this study are expansive and include the communities impacted by the multiple operations of the organizations. Unfortunately, most definitions of community are very limited and if used to guide community involvement, would fail to foster a true sense of social responsibility. For example, using the business community, those organizations that are networked with the operations of the business, ignores the fact that the firm has impacts beyond the

supply and demand functions of the organization. One of the main goals of stakeholder theory is to guide the management of stakeholder relationships in a socially responsible manner. If this is the case, then theorists, as well as practitioners, will need to address the diversity and limitation of definitions within stakeholder groups and investigate how to work with these limited and varying perspectives.

The definition of the community stakeholder uncovered in this study was frequently limited to a scope that does not readily allow for social responsibility. The communication occurring between organizations and the community stakeholder reveal another aspect of diminished capacity for social responsibility. The next section will address the second major finding of this study, how communication structures and practices compromise an organization's ability to be socially responsible. The first way an organization does this is by limiting the opportunities for representation for the community stakeholder. This discussion will begin with an account of how organization's limit, or distort, the voice of the community.

Limited Voice; Limited Social Responsibility

A narrative framework guided the research questions in this study and enabled a focus on the communication that occurs between organizations and their community stakeholders. Instead of simply asking if organizations have a relationship with the community stakeholder, the narrative approach opened up questions such as who communicates in the stakeholder relationship, why the communication takes place, and finally, how it takes place. This approach enabled a more clear and concise

picture of the organization's relationship with the community stakeholder, and more importantly, offered insight into the organization's commitment to socially responsible interactions. As each research question peeled away the layers and uncovered the many aspects of the community stakeholder relationship, a major finding was exposed. The ways organizations think of, participate in, and enact the community relationship do not allow adequate representation for the community stakeholder. Habermas (1984, 1987) would suggest a distortion of communication processes is taking place in these relationships, limiting access to communication channels and forums. Deetz (1996) suggests limits in the communication process lead to actions based on arbitrary authority relations. The limited representation of the community begins with the ways in which organizations define community and culminates in the ways the organization interacts with the community. The following will discuss how organizations limit the voice of the community stakeholder and therefore compromise the organization's capacity for social responsibility.

The first limit to the communication process has already been addressed. If the organization is reaching out to the community, but the definition of community is restricted, as are many of the definitions uncovered in this study, then the relationship is automatically built on a limited and 'distorted' foundation. Even before the relationship starts, the voice of the community is crimped. However, the follow-on research questions in this study highlight additional ways the organizations limit the voice of the community. Deetz (1996) suggests many organizations have developed

forums for stakeholder representation, but that most of these are contrived in ways that reduce actual representation. The presence of reduced representation for the community stakeholder is exhibited in the results of this study. The following will discuss how reduced representation occurs by addressing who gets to participate in the community stakeholder relationship, why they get to participate, and how they participate – each of these components will underscore the organizational processes that produce and privilege certain interests, especially that of the organization.

Who. In this study, the donating organizations typically determine who speaks for the community. This is mainly accomplished by the organization first deciding how the community is defined and then determining what issues in the community the organization would like to address. The investigative phase of this study's model highlights how organizations work to uncover aspects of the community to get involved in; those that best address the needs of the firm, not necessarily the community. Once the organization determines what community issues it favors, the organization(s) that will represent the community stakeholder voice, typically a non-profit organization, are defined by default. For example, many organizations want to improve science and technology education so a logical choice to represent the community voice is a local school.

Another major component in determining which nonprofit organization will represent the community is the concept of 'focus areas' that many organizations use to guide their community involvement activities. These areas, such as math and

science education, health, and the arts, are designated to link community efforts to the strategic issues of the organization. In the earlier example, where an organization wants to improve science and technological education, the strategic issue being addressed for the organization is that of having an appropriately educated workforce. The focus areas were in no way determined as a result of community needs, but rather by the needs and desires of the organization, like improving reputation and increasing brand recognition. If the community has a need that does not fit into an organization's established focus areas, most likely it will not be addressed. The organizational issues and focus area guidelines that drive a company's involvement in the community once again limit the community stakeholder's opportunity to be represented and considered.

Yet another way the community stakeholder's opportunity for representation is limited is through the motivations that drive an organization to get involved in the community stakeholder relationship. The motivations will be addressed next.

Why. Most of the organizations in this study pursue community involvement in order to address certain needs of the organizations. For example, establishing a 'license to operate' or 'the goodwill of the community toward our organization' are often cited as reasons for community involvement. Some of the organizations in this study enter relationships with the community for altruistic reasons, viewing the relationship with the community as symbiotic – the community impacts the organization and the organization impacts the community. Most organizations,

however, do not use the altruistic or morals-based justification for getting involved with the community. Instead, they view the stakeholder relationship as an opportunity to increase brand awareness, corporate reputation, or develop goodwill within the community. Even when organizations have a combined motivation, that of furthering strategic needs and altruistic values, the strategic aspects are the reasons given the most credence. These motivations for involvement once again limit the voice of the community, as the organization will not pursue relationships with organizations that do not align with their strategies or overarching goals. This pursuit of self-interest works against any genuine attempt at communication, and thus social responsibility (Deetz, 1996). Again, if the community stakeholders had a need that did not fit with the organization's strategies, it would not be able to enter a relationship with the organization and become an equal partner in the relationship.

The organization has now distilled the opportunities for representation in the ways it defines community, determines who represents the community, and justifies involvement with the community. Each of these actions detracts from an organization's ability to carry out socially responsible interactions with the community stakeholder. The final way the organizations limit the voice of the community stems from the actual interaction that takes place between organizations and the community stakeholder. This phenomenon will be addressed in the following section.

How. The community voice is limited by the ways the communication transpires between the organization and the community stakeholder. This study has highlighted the lack of sufficient opportunities for the community stakeholder to be represented and will now focus on the systematic distortion of the interactions themselves. When the organizations in this study were asked how they communicate with the community, for the most part, they answered with contributions and employee involvement as their communication. When prompted for further information about communication, the organizations suggested it focused on issues of logistics for events, donations, and volunteer efforts. The “Participating” and “Sustaining” phases of the model presented in Chapter five examined this phenomenon in detail. The organization’s accounts of communication activities were very informative in that they do not indicate the presence of dialogue between the organizations. Waddock (2001) suggests dialogue is the communicative stance that best allows an organization to show on-going respect for the community stakeholder. There was not one organization that mentioned aspects of dialogue, where mutually interactive and interdependent consideration for both parties occurs (Senge, 1990). Avenues for sharing and learning, fostering deeper inquiry, or articulating values and assumptions were not referenced by many of the study’s respondents. Instead, the organizations in this study often treat donations and employee involvement as the dominant fixed structures for communication. Deetz (1996) suggest voice is always limited when discussion occurs within fixed structures rather than being about them.

He further suggests, “compliance, consent, and loss of voice are characteristics of all fixed social relations” (p. 16). The fixed structures used by organizations when communicating with the community stakeholder do not allow inclusion of tensions and contradictions that may occur with the community stakeholder, particularly around inequality and values. Recognizing this will help organizations evolve new structures and forums that will help generate mutual understanding, an integral component of dialogue. Offering avenues to build shared meaning for what is good for the firm as well as the community stakeholder, such as participatory decision making, would be one step in this direction.

Using narrative theory to uncover the communicative aspects of the community stakeholder relationship has highlighted the ways in which organizations constrict the ability of the community stakeholder to make its needs heard and understood. This study shows the ways in which an organization’s structures and practices suppress the voice of the community stakeholder and thus reduce the organizations ability to be socially responsible. The next section will continue with a discussion of how communication practices can lessen an organization’s corporate social responsibility. Specifically, how organizations define the standards for communication within the community stakeholder will be discussed.

Organizations Define Standards for Communication

The previous discussion uncovers how an organization’s mindset and strategy of interacting with the community stakeholder can hinder the opportunities for either

party to engage in socially responsible practices. The next section of this discussion addresses an additional aspect of the stakeholder relationship with the community that is problematic for establishing socially responsibility organizations – understanding the ways communication is enacted between organizations and the community stakeholder. Organizations define the standards for communication with the community stakeholder and these standards promote self- interest over social responsibility and are accomplished through: a) an organization’s focus on positive communication; b) the organization’s requirement for strategic communication; and c) the organization’s lack of dialogic processes. Each of these is addressed in the following section.

Focus on the Positive. In the results for this study, not one organizational representative mentions interacting with the community with regard to a negative impact their firm has had on the community. However, we know from Hawken (1993) and Korten (1995) and many others, that organizations often have a detrimental impact on the community such as layoffs, plant closings, and pollution. Indeed, there is no shortage of examples of corporate irresponsibility (Goldsmith, 1997). In fact, as this study is being written up, one of the organizations from sample two has just been in the local news due to a lawsuit against them for the ongoing dumping of toxic waste into a local water supply. The organization’s representative made no mention any of this when he was discussing his organization’s interaction with the community, even though this ‘situation’ has been an issue for more than ten

years and his department is mentioned as the contact for this issue. Of course, no company wants to be identified as a negative influence on the community in which it operates (Goldsmith, 1997). But how does this happen? The focus on positive impact with little regard for negative impacts on the community.

Alvesson and Deetz (1996) suggest contemporary corporate practices, such as stakeholder management, allow the organization to define the interests of the community and the ways these interests will be served. This is accomplished through the dominating role organizations are attributed in any stakeholder relationship, especially relationships with the community. The problem this creates for the community stakeholder is the corporation's unwillingness to address all community issues, or more specifically, all of the ways the organization can impact the community. Instead, organizations focus only on their positive impact on the community. The model discussed in chapter five does not account for any communication in which organizations address their negative impacts on the community because no such references were offered in the interviews or executive accounts. Referring back to chapter five's discussion of the phases of communication, each of these focused on the topic of how the organization is helping the community, not hindering it.

It is not surprising, considering most organization's self-interest in pursuing community involvement that organizations work to emphasize the positive aspects of their community impact. Research has shown that positive communication has a

much stronger influence on determining socially responsibility reputations. Wokutch and Spencer (1987) found that organizations that are involved in community activities as well as criminal activities are considered more socially responsible than those organizations that are neither involved with the community nor have committed any crimes. In this study, crimes included activities such as monopolistic practices, conspiracy, illegal mergers, etc. The findings from this study suggest some organizations employ a manipulative response to social responsibility, in which the firm attempts to create a favorable image with respect to community issues while this image, at the same time, can be at odds with the firm's actual activities (Kilpatrick, 1985). Whether an organization is embarking upon community involvement to cover up wrongdoings in other areas of the organization or to actually help the community, it still needs to expand discussions with the community to include all of the ways the organization impacts the community.

Waddock (2001) argues that for an organization to be socially responsible, it must pay attention not only to the traditional 'do good' stuff, but all of the organizations operating policies and procedures. This would mean that organizations, in addition to communicating about donations and volunteerism, would have to address operating practices and their impact on the community. Waddock and Mahon (1991) suggest this is addressed by organizations focusing on issues of efficacy, or asking the question of "are we addressing the right questions or issues?" The results in this study indicate organizations are not addressing the right issues, or stated

differently, organizations are only addressing the positive issues. For organizations to be completely responsible, communication regarding an organization's positive as well as negative impacts on the community must be addressed. Certainly, a broader inclusion of issues would enhance the organization's capability for social responsibility. Expressions of corporate social responsibility must go beyond simple gestures of philanthropy and pervade all aspects of the business (Badaracco, 1998). Again, this would require an organization to establish avenues for dialogue with the community stakeholder. This need will be discussed further at the end of this section. The next section will address another way organizations set the standards for communication by looking at the organization's requirement for strategic communication.

Strategic Communication. Organizations in this study rely on a certain standard of communication to carry out their interactions with the community. Parker (1996) suggests expectations have increased for non-profit organizations to be more business-like. Non-profit organizations are urged to adopt standards mirroring those used in business all the while blurring the distinction between human needs and business practices. These standards, while part of the culture of business organizations, are often foreign and awkward for the non-profit organizations that represent the community.

Many organizations in this study complained that the nonprofit organizations are not organized in their approach to the relationship, they are not clear in stating

their mission or desired objectives, nor are they explicit on how the organization's contributions have a direct link to addressing the needs of the community.

Organizations want the community representatives to speak the language of business. However, this expectation may not enable the community to represent itself in a way that is best for the community's agenda. There is a problem when businesses want the social sector to become more like business. Aside from setting the standard for communication in an asymmetrical way, the over-reliance on business standards of communication can undermine the very rationale for having distinct sectors – business and community.

Waddell (2000) suggests once community representatives become more like businesses, the reasons for them to collaborate disappears – there is nothing to exchange between organizations that are the same. In order for communities to enter the stakeholder relationship with organizations in a way that addresses their unique status, a deeper understanding of the community standards for communication is required. To support the coordination of activities and exchange of resources between the organization and the community stakeholder, new standards of communication, which address the needs of each party, are necessary. Once again, this highlights the need for dialogue in the organization's relationship with the community stakeholder. The need for and lack of dialogic processes has been put forth in each of the discussions in this section. The following section will further address the lack of dialogic processes uncovered in this study.

Lack of Dialogic Processes. Waddock and Mahon (1991) suggest social responsibility can be a function of the outcome achieved, but more importantly, is a function of the process of collaboration itself. The process of collaboration can be understood best by investigating the practice of dialogue within a relationship. The process of dialogue, attributed to Bakhtin (1981) and Buber (1985), is one that strives to incorporate diverse voices while developing synergy, empathy and authentic deliberation with a relationship. Deetz (1995) extends this definition and refers to dialogic communication as that in which meaning is always incomplete and partial, and the reason to communicate is to better understand all parties of the relationship and ultimately find new and satisfying ways of interacting.

This study reveals a lack of dialogic processes between the organization and the community stakeholder. Organizations did not allow for meanings that were incomplete and partial, but rather, worked off of an assumption that they already understood the needs of the community by they, themselves defining focus areas. In addition, the organizations, instead of finding mutually beneficial ways of communicating, utilized their own standards of communication as the driver for interaction with the community. Again, the model developed in chapter five did not include processes that provide for complete understanding of the community stakeholder, mutuality of interaction, or a fair basis for ‘voice.’ The organizational representatives did not offer any instances where these types of processes were part of the relationships with the community stakeholder.

The corporate practices unveiled in this study are not based on principles of fairness, openness, and engagement but rather, stem from closed and bounded processes that mostly serve the needs and interests of the organization. This is highlighted in the investigating phase of the model in which the organizations do not work to fully uncover the needs of the community. This phenomenon continues and culminates in the sustaining phase of the model. Most often, the relationships are sustained by communication that focuses on the organization's status in the community or the planning of an event, not by establishing common meaning and purpose with the community. Unfortunately, Liedtka (1998) suggests dialogic processes, while important to stakeholder relationships and social responsibility, are generally not fully implemented by organizations. And certainly, this study shows that the community is not in a powerful enough status to push for dialogic processes. This study supports Liedtka's (1998) findings.

The previous discussion highlights ways in which organizations define the standards of communication, and more importantly, how these standards compromise an organization's ability to engage in socially responsible practices. The next section will present the need for a communication perspective to enable stakeholder and corporate social responsibilities theories to address the lack of effective

A Communication Perspective to Enhance Stakeholder and Corporate Social Responsibility Theories

The corporate social responsibility framework is particularly worthwhile when integrated with stakeholder management as each stakeholder relationship with an organization contains an element of social responsibility (Thompson, Wartick, & Smith (1991). However, the structure and climate of the stakeholder relationships that constitute social responsibility are minimally considered. Traditional relationships for community involvement, like giving and volunteer programs, have produced little substantive social change because they fail to fully engage the community stakeholder. In order for stakeholder theory to help practitioners promote the types of the types of involvement that are needed to fully address the needs of communities, it will need to incorporate a communication perspective and focus on the relationships between the organization and the community stakeholder. This will require a shift away from the traditional analysis aimed and the ethics and values involved in stakeholder relationships to a focus on processes, specifically, communication processes. The following section will provide the rationale for adding a communication perspective to the field of stakeholder management and corporate social responsibility. The discussion will begin by addressing the current weaknesses in the perceptual and behavioral measures of stakeholder management and corporate social responsibility.

Theories to address corporate social responsibility are often criticized for using perceptual measures to assess any form of responsibility. Perceptual measures, such as reputation indexes and annual report analysis, have been judged as weak and

subjective (Wokutch & McKinney, 1991). To deal with the inherent weaknesses in the perceptual measures, the idea of stakeholder management was suggested for the field of social responsibility. Stakeholder management offered a behavioral approach to assess corporate responsibility. Waddock and Mahon (1991) agree, suggesting processes of stakeholder management are more important than the outcomes achieved in relationships with stakeholders.

The addition of stakeholder management certainly expands the corporate social responsibility framework to include both perceptual and behavioral aspects. The problem, however, is there are little, if any, references to what socially responsible stakeholder engagement entails. Wokutch and McKinney (1991) suggest the problem with a behavior approach is there are no guidelines regarding what a relationship with the community entails. The lack of reference to behavioral guidelines has recently begun to be addressed by researchers (see Tichy et al, 1997; Vidaver-Cohen & Altman, 2000; Waddell, 2000; & Waddock & Smith, 2000). Waddock (2001) argues for organizations to engage with stakeholders on an interactive basis and to employ a dialogue-based approach. She further contends that this is not easy for organizations, nor do many organizations yet engage with organizations interactively. Googins and Rochlin (2000) suggest community stakeholder relationships demand dialogue to insure that any conflicting objectives and issues within the relationship can be understood and resolved. The move to introduce dialogue as a way of guiding the behavioral aspect of stakeholder

management suggests a more fundamental need for a communication perspective. However, before moving to discuss the communication perspective further, an additional gap in stakeholder theory will be presented.

The principal components that define stakeholder management, economic and moral factors, also present difficulties. Clarkson (1991) and others suggest stakeholder theory is driven by profits or ethics, or some combination of the two. The fundamental issue in this definition, however, is the debate over which component should take precedence or how these two components should balance out. The idea of balance creates a challenge, as there is an inherent conflict between monetary criteria and moral rules. This challenge basically comes down to a value debate for organizations. However, Waddock and Mahon (1991) suggest the value debate is an intractable one. It is virtually impossible to juggle what values should be used and how. Deetz (1996) suggests the field of social responsibility should move away from value debates to encouraging responsible communication practices. To follow with Deetz's (1996) suggestion, the next section will outline the aspects of communication that will enhance stakeholder theory.

This study highlights the ways communication can detract or enhance an organization's relationship with the community stakeholder. The results and corresponding implications suggest the communication perspectives of voice and dialogue offer a needed framework for assessing an organization's social responsibility.

The idea of voice involves an interest in the practices and structures that affect who can speak, when, and in what way within a stakeholder relationship (Putnam, Phillips, & Chapman, 1996). Using voice as a way to understand stakeholder relationships and their link to social responsibility entails a focus on communication as the expression or suppression of the voices of the community stakeholder. If this study had not investigated the role of communication on the stakeholder relationship, the results would have indicated that organizations are very socially responsible, because they typically consider the community a stakeholder. Instead, what was found is that the community stakeholder communicates in a distorted voice, where they are able to speak, but not in ways that represent their interests. Stakeholder theorists need to incorporate concepts of voice when assessing the social responsibility of organizations. The idea of 'voice' highlights the orientations of the organization and how it is speaking with, hearing, and understanding the community stakeholder. Further, 'voice' will shine a light on issues on limited forums for representation by the community stakeholder, which ultimately reduces the opportunities for social responsibility.

Similar to the communication idea of voice, dialogue offers another genre of communication to enhance stakeholder theory. Whereas voice focuses more on the community stakeholder's opportunities for representation, dialogue focuses more on the interactions within the relationship. As we saw in the above discussions, the typical community stakeholder relationship does not employ the tenets of dialogue.

A dialogic perspective entails communicative processes that encourage honest engagement in which values, assumptions, and the needs of others are openly discussed and debated. Instead of avoiding conflict, dialogue encourages argument and debate in order to begin to incorporate a deeper understanding and opportunity for alternative ideas and perspectives, in this case the alternative perspectives coming from the community stakeholder. Waddock (2001) suggest valuing and respecting ‘other’ in the stakeholder relationship, as well as valuing the relationship itself is at the heart of dialogue. Dialogue offers a way to communicate that respects all parties, does not presume domination, and involves mutually interactive and interdependent relationship building. Dialogue entails a long-term evolving process that requires commitment, energy and a willingness to admit mistakes, as well as attention to the subjective aspects of relationship building (Waddock, 2001). Deetz (1996) suggests the dialogic model offers out best hope for creating socially responsible organizations, a hope guides by a model of communicative action.

The above discussion highlighted the major findings for this study as well as the importance of adding a communication perspective to stakeholder theory. The remainder of this chapter will address the limitations of this study as well as areas for future research.

Limitations of the Study

As with all studies, there are several limitations in this study that warrant discussion. The most obvious limitation is the lack of the community voice in the

sample. This study is certainly biased toward the views and perspectives of the business organization. Waddock and Mahon (1991) suggest key stakeholders should ultimately make judgments about social responsibility because internal representatives, such as those used in this study, are most likely too close to the firm and its behaviors to be credible in making judgments about the stakeholder relationships. It is quite possible, and even probable, that the community organizations referenced in this study may have a very different view of the stakeholder relationship they have with organizations. To address this limitation, future research must access the community viewpoint of the stakeholder relationship. In addition, the community perspective would highlight any discrepancies in the model developed to account for the communication between the organization and the community stakeholder.

The method of data collection used with sample one is a second limitation, as well as strength of this study. It is difficult to gain access to a sample such as the sample of senior executives in this study (Thomas, 1995); they are from a variety of industries, countries and all at a senior level within their organization. Because of this level, however, and the method with which the data was collected, the time this sample was able to spend filling out the executive accounts was limited. It may be that with more time, richer data would have been obtained. In addition, if these respondents could have been interviewed, probing questions could have clarified some of the 'mysterious' answers.

The third limitation of this study involves sample two. This sample is local and consisted of 30 employees from 30 organizations in the Colorado Springs area. It could be that the town of Colorado Springs has a unique community element. For example, Colorado Springs is often referred to as the non-profit capital of America because of the high number of non-profit organizations. It is possible that in the town of Colorado Springs, non-profit organizations are so plentiful they have to compete for resources more than in other cities, resulting in a higher than usual level of requests for support to businesses. Or, it is possible that the community of Colorado Springs has a culture unlike many other cities in the United States. For example, the community of Colorado Springs has an extensive population of military personnel and religious leaders and these types of demographics may impact the culture and resulting relationships that the respondents use as a reference for their responses. For example, the Colorado Springs community has many religious leaders that do not support the gay community; business organizations may not want to jeopardize their reputation with these community leaders by working with an organization that represents the gay population. Again, it could be that the results would be different if the sample had been expanded by interviews with 4-5 people from each of the organizations, getting a more representative answer to the questions. This would also help to further alleviate any social desirability in the responses.

Practical Implications

This study has practical implications for both business and community organizations. Business organizations that want to work toward being socially responsible need to recognize the ways in which their processes and interactions limit the voice of the community. Business organizations will need to open up avenues for representation of the community voice by offering alternative and varied forms of interaction and input. In addition, business organizations will need to recognize that the community is made up of multiple communities with multiple representatives. This will require businesses to pursue a wider set of community representatives when addressing community stakeholder needs and issues. While this introduces a complexity to the relationship with the community stakeholder, it is necessary to acknowledge this complexity in order to have an equitable relationship with the community(ies).

Community organizations also have a role to play in improving relationships with business organizations. Community organizations must remember to treat business organizations as strategic partners. This will require community organizations to recognize the different time schedules, budget constraints, and processes that may come in to play when interacting with the business organizations. In addition, community organizations can become better strategic partners by planning ahead and including business organizations earlier, rather than later, in any joint projects.

Future Research

This study offers a major contribution to the stakeholder and corporate social responsibility literature. It presents how a communication perspective is necessary to fully address an organization's commitment to social responsibility and stakeholder relationships. In addition, it offers a model of the interactions that occur between an organization and the community stakeholder. While this research has filled a number of gaps identified earlier in this study, much work remains to be done. Several areas for future research became clear while conducting the analysis of the results. Three areas for future research will be discussed below: a) interorganizational relationships and the community stakeholder; b) impact of e-commerce on the community stakeholder relationship; and c) communication with community stakeholder in negative circumstances.

Interorganizational Relationships. Stakeholder theory typically classifies stakeholders as individuals. It has focused on dyadic relationships between individual stakeholders and the organization, not addressing relationships with stakeholders that may be organizations themselves (Rowley, 1997). Excluding employees and customers, who are ultimately tied to an organization, each of the community 'voices' in this story belong to organizations. Logsdon (1991) suggests collaborations involving business organizations and non-profit groups are no longer rare for addressing social issues. For stakeholder theory to account for the way in which the community voice is represented, it will have to incorporate some of the

tenets from the theory of inter-organizational relationships (IORs). IOR's are the relatively enduring transactions and linkages that occur between multiple organizations (Miller, 1995; Oliver, 1990). They are forms of hybrid organizational arrangements in which two or more organizations combine to pursue common interests (Borys & Jemison, 1989), in this case, the health of the community. By acknowledging that most of the new and upcoming forms of community stakeholder relationships will surpass the traditional philanthropic approach of donations and volunteerism, stakeholder theory needs to expand its tenets to include inter-organizational collaborations.

Impact of e-commerce. The emergence of today's organizations into the global arena has occurred alongside a movement to new technologies that are revolutionizing communications. One of the newest forms of commerce, the internet or e-commerce, is raising complex competitive, social, and ethical issues. Post (2000) suggests the challenges inherent in traditional notions of corporate social responsibility may pale in comparison to those faced when the virtual business community is added to the picture. Companies such as America On Line (AOL), Cisco Systems, EMC, Lucent, and a host of Internet service providers (ISPs) are already grappling with issues involving employees, customer privacy, and restrictions on who can purchase products and services on the Internet (Post, 2000). In addition, these organizations produce challenges for other organizations because of their transforming effects on all business activities. Businesses are now able to link with

customers and suppliers around the world. As such, the idea of community may become even harder to distill. The stakeholder framework will need to investigate how the virtual operations of the organization impact the community stakeholder. It may be that the amount and quality of information about an organization is more available because of the Internet, therefore improving avenues for community influence. Or, it may be that virtual communities allow business organizations to have even less regard for their communities, as the connection between the two is less distinct.

Communication with Community When Circumstance are Negative. As the respondents in this study focus only on positive communication with the community stakeholder, it would be revealing to consider how the communication between the organization and the community stakeholder takes place when it surrounds a negative issue. Of particular interest in such a study would be who is involved in the communication, how the communication is initiated, and the options for participation in the conversation. It is likely that the openness and dialogic processes encouraged in this study will not be accessed in cases where serious negative issues are at play. It would also be important to investigate how and if the community stakeholder's approach to the relationship with the business organization changes when the relationship involves detrimental impacts on the community.

A Final Word

One of the primary objectives of the current research was the investigation into the business organization's consideration of the community stakeholder. This consideration is confirmed, yet this study also exhibits the importance of investigating stakeholder relationships beyond the simple acknowledgement that certain types of stakeholders do exist and are relevant. This study also sheds lights on a flourishing, yet understudied aspect of the community stakeholder relationship – communication. Communication within stakeholder relationships is a phenomenon that has not received much attention from practitioners or researchers. This study recognizes the importance of communication in the stakeholder relationship, and more importantly, in the assessment of an organization's commitment to social responsibility. Although hundreds of organizations pledge a commitment to the community stakeholder, more effective communication is needed to improve the representation of the community stakeholder within the relationship. The current research suggests the avenues of participation available to the community stakeholder are restricted, resulting in asymmetrical relationships with business organizations. Notably, this type of relationship does not encourage dialogue to create mutual understanding and a stance of social responsibility. However, this study argues that efforts at expanding the channels for representation and building dialogic interactions will improve the stakeholder relationship, and ultimately result in more socially responsible practices. Perhaps continued work in this area could help promote the

awareness of the benefits that can come to both the business organization and the community stakeholder through improved communication practices. Recognizing this and working toward a model of dialogic communication and action offers our best hope for creating socially responsible organizations. The end.

ATTACHMENT A

Interview Guide

Does your organization consider the community a stakeholder? (If the interviewee did not understand the concept of stakeholder, the definition from Freeman, 1984, was used – the same definition used for the executive accounts).

What does the relationship look like? (with extensive probing)

What are the reasons/motivations for this relationship?

Who is involved in this relationship?

How was the relationship started? Maintained?

How do you communicate with the ‘community?’

ATTACHMENT B

Executive Accounts

Critical Incident

Stakeholder Management

Definition of Stakeholder – *“any group or individual who can affect or is affected by the achievement of an organization’s purpose”* (Freeman, 1984; p. 52).

Does your organization consider the community a stakeholder? Why/Why not?
(please explain)

If yes, how does your organization manage its relationship with the community?
Describe the communication between your organization and the community?

ATTACHMENT C

Sample Two Characteristics

	Industry	Title	Time in Community	# of Employees
1	Advertising	CEO	15 years	26
2	Retail, Home Building	Store Manager	6 years	700
3	Manufacturing	President	1 year	35
4	Electronic Sub-Contractor	HR Manager	15 years	250
5	Electronic Sub-Contractor	HR Manager	21 years	300
6	Electronic Manufacturing	Director of Administration/Owner	17 years	45
7	Electronic Manufacturing	HR Manager	20 years	200
8	Direct Mail	Communications Coordinator	51 years	1800
9	Electronic Manufacturing	HR Manager	13 years	145
10	Employment	President	16 years	19
11	Hotel/Hospitality	Public Relations Director	83 years	1700
12	Semi-Conductor	Community Relations Manager	2 years	1200
13	Hotel/Hospitality	General Manager	2 years	250
14	Health	Director of Community Relations	97 years	3000
15	Consulting	Associate	18 years	100
16	Food/Drink	Southern Division Sales Manager	120 years	175
17	Hi-Tech	HR Manager	8 years	220
18	Insurance/Diversified Financial Services	Corporate Communications Director	27 years	1200
19	Financial Services	Paralegal	4 years	450
20	Hi-Tech	Communications/Public Affairs Manager	2 years (or 62)	1900
21	Health	CEO	117 years	2600
22	Manufacturing	HR Manager	26 years	1100
23	Manufacturing	CEO	72 years	325

24	Utility	Chief Planning and Financial Officer	75 years	1800
25	General Contracting	Co-owner; Secretary/treasurer	29 years	130
26	Telecommunications	Director of Public Affairs and Media	3 years	750
27	Computer Hardware/Storage	Regional Communications Manager	4 years	900
28	Banking	Vice President	20 years	45
29	Health Care	Public Affairs Director	5 years	30
30	Information Technology	Manager of Community Affairs	10 years	900

Time in Community: Range: 1 – 120 years; average = 30 years
of employees: Range: 19 – 3000; average = 745

ATTACHMENT D

501(c)(3) Guidelines*

An organization may qualify for exemption – 501(c)(3) – from federal income tax if it is organized and operated exclusively for one or more of the following purposes:

- Charitable
- Religious
- Educational
- Scientific
- Literary
- Testing for Public Safety

If the organization is applying for recognition of exemption as a charitable organization, it must show that it is organized and operated for purposes that are beneficial to the public interest. Some examples of this type of organization are those organized for:

- Relief of the poor, the distressed, or the underprivileged,
- Advancement of religion,
- Advancement of education or science,
- Erection or maintenance of public buildings, monuments, or works,
- Lessening the burdens of government,
- Lessening of neighborhood tensions,
- Elimination of prejudice and discrimination,
- Defense of human and civil rights secured by law, and
- Combating community deterioration and juvenile delinquency.

* Reprinted from *Tax-Exempt Status for Your Organization* (Internal Revenue Service, 2001)

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VITA

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