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Towards Understanding Stakeholder Salience Transition and Relational Approach to 'Better' Corporate Social Responsibility: A Case for a Proposed Model in Practice

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Abstract Management and business literature affirm the role played by stakeholders in corporate social responsibility (CSR) practices as crucial, but what constitutes a true business–society partnership remains relatively unexplored. This paper aims to improve scholarly and management understanding beyond the usual managers' perceptions on salience attributes, to include how stakeholders can acquire missing attributes to inform a meaningful partnership. In doing this, a model is proposed which conceptualises CSR practices and outcomes within the frameworks of stakeholder salience via empowerment, sustainable corporate social performances and partnership quality. A holistic discussion leads to generation of propositions on stakeholder salience management, corporate social performance, corporate–community partnership systems and CSR practices, which have both academic and management implications.

Keywords Corporate social responsibility · Stakeholder salience · Stakeholder empowerment · Corporate social performance · Business–society partnership

JEL Classification M14 · H7 · D21

Introduction

The idea that organisations have more responsibilities than solely meeting the expectations of shareholders is very influential in the world of business today. It is an ongoing challenge for firms to acknowledge a balanced representation of interests and demands of multiple stakeholder groups in their corporate social responsibility (CSR) practices (Carroll 1979; Freeman et al. 2010; Oates and Kloot 2013). However, the emergence of concerns over the societal dimension of CSR practices, notably within the extractive industries, has only recently started to attract the interests of business ethics and management scholars (see Reimann et al. 2012; Roloff 2008a). Crane and Ruebottom (2011), for example, moved towards an enhanced model of stakeholder identification that integrates stakeholder relations within the existing economic-based framework, with a focus on social criteria for defining stakeholders and their particular interests, agendas and potential engagements in corporate activities and partnerships. Elsewhere, Steurer (2006) tried to fill a gap in the full spectrum of stakeholder research by introducing a triple-perspective typology of stakeholder theory where the corporate, stakeholder and conceptual perspectives on this theory were critically assessed. While network thinking has shifted the focus

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away from a firm-centred approach (Roloff 2008a), the new stakeholder map still remains generic in its stakeholder salience[1] transition (Frooman 1999; Steurer 2006).

Literature affirms that stakeholder theory has been widely tackled from the firm's perspective, emphasising 'things' (salience attributes) firms wish to see in a stakeholder, with less attention to the means by which a stakeholder can acquire such attributes (see Agle et al. 1999; Parent and Deephouse 2007). As pointed out by Frooman (1999), past studies have skewed research focus on 'who and what they [stakeholder] really want', however, few studies have looked at 'how to get it'. Azlan et al. (2013) indicated that the community in the vicinity of the firm's operations constitutes one of the important stakeholders that is normally ignored, and it is the least fortunate stakeholder because of its ignorance in applying pressure for recognition and resources. This illustrates that the issues of stakeholder identification, salience and prioritisation have yet to be resolved, leaving a theoretical framework that is generic in its prescriptive ability. However, viewpoints on stakeholder theory now approach more of a network-based, relational and process-oriented view of company–stakeholder partnership, rather than the corporate-centric focus in which stakeholders are viewed as subjects to be managed (Crane and Ruebottom 2011; Steurer 2006; Roloff 2008a, b; Neville and Menguc 2006).

Arguably, stakeholder management has been widely researched over the past two decades (Werhane and Freeman 1999; Freeman et al. 2010), but existing evidence shows that the weak stakeholders, for example, the poor, the indigenous groups and perhaps the environment are usually not on the firm's radar (Azlan et al. 2013; Erdiaw-Kwasie et al. 2014a). The competing interests of stakeholders make it difficult for businesses to balance their responsibilities, identifying and prioritising the demands of their most influential stakeholders (Oates and Kloot 2013; Roloff 2008b; Steurer 2006). As a result, weak stakeholders like local community groups require certain salience attributes in order to get firms to respond to their demands ranging from human right issues to resource benefit sharing. Mitchell et al. (1997), in their stakeholder typology model, proposed three necessary salience attributes of a stakeholder, namely: power, legitimacy and urgency. Subsequent literature has provided evidence that firms will react quickly to the demands of powerful and legitimate stakeholders (Currie et al. 2009; Parent and Deephouse 2007). To merit becoming a salient stakeholder, weak stakeholders need to ultimately possess identified salience attributes.

More recently, academia and practitioners have focused on conditions under which relationships between organisations and stakeholders can be healthy and mutually beneficial (Idemudia 2007). Findings from past studies indicate a positive link between stakeholder relationship quality and firm's financial performance (Waddock and Graves 1997; Svendsen et al. 2001); sustainable wealth/long-term value (Post et al. 2002) and corporate reputation (Maden et al. 2012). The general consensus is that the relationship that exists between firms and communities should shift from one-way communication to two-way interaction. A recent study affirmed that required attributes of local communities to inform a more meaningful consultation are ostensibly absent—a situation that has deteriorated significantly more recently as corporate-driven development becomes a commonplace (Erdiaw-Kwasie et al. 2014b).

Companies are therefore tasked to take the lead in bringing business and society back together. This recognition has become evidenced among sophisticated businesses, with promising elements of new models emerging. Porter and Kramer (2011), however, indicated that there is still lack of an overall framework for guiding these efforts, and most companies remain stuck in a 'social responsibility' mindset in which societal issues such as social impact assessment, social risks, community participation, benefit sharing, grievance control mechanisms and human rights are at the periphery, not the core of business. Despite these weaknesses in firm practices, stakeholder groups also lack prerequisite attributes to serve as apt checks and balances on ensuring sustainable social performances by firms (Azlan et al. 2013; Erdiaw-Kwasie et al. 2014c). Surprisingly, as popular as the term 'stakeholder salience' has become and as richly descriptive as it is, there is no agreement on what Mitchell et al. (1997) call 'the transition among salience classes' (see Frooman 1999), that is, predictions about the circumstances under which a stakeholder in one salience category might attempt to acquire a missing attribute to enhance its salience to managers. Consequently, such existing stakeholder challenges have undermined corporate–community partnership quality, which has negative resultant effects on CSR outcomes.

[1] The degree of relevance of a stakeholder at which managers of firms are more willing to prioritise the demands and claims of such a stakeholder group. Cambridge Advanced Learners Dictionary and Thesaurus defines the term 'salience' as the state or condition of a person to feel being important to or connected with what is happening or being discussed. The paper adapts the term within the vicinity of the firm, where its meaning is synonymous to the relevance of a stakeholder towards the survival of the firm. We agree that the salience of a stakeholder to managers of a firm is critical, as literature evidence shows that demands of stakeholders with higher salience are prioritised by managers of firms than those with lesser salience towards the success of the firm. It is worth noting that salience status of a stakeholder is not static. This implies, a stakeholder with lesser salience can acquire missing attributes to increase its salience status over time. "Theoretical Underpinnings of the SP-CSR Model" section of the paper presents theoretical discussions on salience theory.

This paper therefore aims at contributing to the emerging stream of business and management research by proposing a salience partnership (SP)-CSR model.[2] This is a model that conceptualises meaningful partnerships within the frameworks of stakeholder salience via empowerment and sustainable corporate social performances towards bettering CSR practices and outcomes. In framing the model of salience-partnership (SP)-CSR, first, we adopt an empowerment case as the underlying factor to positively influence the salience status of a secondary stakeholder like local resource communities. We hypothesise that the acquisition of higher salience status by such stakeholders can make them more meaningful to managers of firms. Second, we revisit the basic principles, core values and guidelines of corporate social performances, with key practices including engagement practices, social impacts assessments and human rights approaches. Third, we reposition the stakeholder salience via empowerment and the sustainable corporate social performances argument within the scope of corporate–community partnership systems, to explore their likely impacts on partnership quality. Fourth, we refocus emphasis on establishing the link that exist between partnership quality and CSR practices and outcomes.

The structure of this paper is as follows. It begins with an "Introduction" section, followed by an "Overview of Theoretical CSR Gaps" section in the literature, with considerable focus on findings from the mining industry. The "Defining Key Constructs in the SP-CSR Model" section presents the definition of key constructs adopted in the proposed model, and the "Theoretical Underpinnings of the SP-CSR Model" section captures related theoretical underpinnings of the proposed model and its significance. The "Salience-Partnership (SP)-CSR Model" section discusses the proposed conceptual model, detailing generated propositions and the added value of the model. The last section presents the conclusions and the implications of the study.

Overview of Theoretical CSR Gaps: Critical Focus on the Mining Industry

With the call for sustainability and the new role of business in society, firm managers are under increasing pressure to come into contact with key stakeholders in the area of responsible business and local needs (Blowfield and Googins 2006). While companies strive to embark on effective CSR practices with their stakeholders, the understanding of the firm–stakeholder relationship is still limited (Idemudia and Ite 2006; Neville and Menguc 2006). Williams and Walton (2013) argued that proper social performances by firms and community awareness both underpin the quality of relationships, but the pathway towards realising the ideal end still remains unclear in the business and management lexicon.

In the global mining industry, the focus of mineral resource development policy is increasingly encompassing participatory evaluation of the social, economic and environmental benefits and costs of mining activity in communities. At the same time, underlying tension has developed over the extent to which citizens are able to determine the appropriateness of mining as a land-use issue in a particular context, the conditions under which it may proceed, and the voices that should count in providing or denying consent (Bridge 2004). This has provided the sector with emerging ideas such as 'social licence' (Owen and Kemp 2013; Prno and Slocombe 2012), 'benefit sharing' (Zandvliet and Anderson 2009), shared value (Porter and Kramer 2011; Vanclay et al. 2015), and 'community participation' (ICMM 2012). Social licence to operate is now used extensively by all sections of the industry as the key driver for CSR and community relationships, as it underpins the business case for corporate involvement in social and environmental issues (ACCSR 2013).

As public trust in the global mining industry is found to have deteriorated in recent years, social movements, local communities, international media, academics, non-governmental organisations (NGOs) and other parties have placed unprecedented pressure on firms to take greater responsibility for their socio-economic and environmental impacts (IIED 2002). Following a burgeoning interest in stakeholder-related concepts in the sector and the drive to improve corporate responsiveness, especially to the social environment, the industry has witnessed the necessity for and emergence of community relation units (Buxton 2012; Esteves and Barclay 2011). Emerging evidence suggests that these units in mining companies have arisen largely as a subset of corporate commitments to sustainable development, CSR, and stakeholder participation (Kemp and Owen 2013). As community relations provide companies with a mechanism through which to manage stakeholder relationships and business interest (Humphreys 2000), the actual manifestation of such commitment is represented through the CSR policy and practices of the company (Owen and Kemp 2014; Rees et al. 2012). The re-emergence of the idea that businesses have social responsibilities that go beyond profit making has provided fertile ground for the debate that has shaped the present direction now assumed by the business–society relationship.

However, the emergence of CSR has been shrouded in controversy that has often taken the form of a polemic debate, notably in the mining sector (Idemudia and Ite

[2] "Salience-Partnership (SP)-CSR Model" section of the paper provides details on the SR-CSR model.

2006). Reflecting on broader debates within business and society literature about CSR and business contributions to local development (Slack 2011), the crux of the disagreement between critics and advocates of CSR relates to the nature and scope of these responsibilities. Critics have argued that CSR is an inefficient means of allocating scarce resources, and that business lacks the legitimacy and competency to take on any such responsibility outside its primary area of expertise (McWilliams et al. 2006; Coelho et al. 2003; Henderson 2001). Christian Aid (2004) further noted that companies undertake CSR as a form of insurance against disruption and reputational damage as well as to avoid mandatory regulation, rather than as a genuine attempt to facilitate development that benefits the poor and marginalised. At the other end of the continuum are proponents who hold the view that the colossal increase in corporate power, the widespread incidence of corporate misdemeanours, issues of ethics and the increasing inability of governments to meet their basic responsibilities to society meant that the acceptance of CSR by businesses was both inevitable and a necessity (see Carroll 1991; Moon 2001). Multilateral organisations such as the United Nations (UN) through its Global Compact (Leisinger 2007) and the World Bank affirm the potential for CSR to address global poverty (ICMM, UNCTAD, and World Bank 2006). As the debate is far from resolved, pro-business literature has for some time highlighted the 'business case' for CSR as it increasingly became a formidable cornerstone for securing business commitment to societal responsibilities. Ostensibly, the business case suggests that business acceptance of social responsibility invariably results in a 'win–win' situation for both business and its stakeholders (Idemudia and Ite 2006).

A key aspect of CSR is the way companies interact with stakeholders (Huijstee and Glasbergen 2008; Neville and Menguc 2006). Becoming a good corporate citizen involves interacting honestly in dialogues with stakeholders where core values and assumptions are clearly spelt out and mutual concerns are discussed in a non-hostile manner (Waddock and Smith 2000). Dialogue can be seen as the mediator between an organisation and its stakeholders as far as CSR messages are concerned. However, stakeholder engagement is a broader concept than stakeholder dialogue, and that the interactive and two-way communication component is always vital for the success of such processes (Erdiaw-Kwasie et al. 2014c). Greenwood (2007) defined stakeholder engagement as series of actions that an organisation adopts aiming to positively involve stakeholders in its activities. Despite the plethora of literature on stakeholder engagement, two schools of thought have emerged. Proponents of the first school argue that stakeholder engagement should not be part of a strategic plan but should instead be developed under specific communication guidelines to ensure moral legitimacy (Foster and Jonker 2005; Greenwood 2007). In contrast, the other school of thought insists that ethical engagement can only be successful if it is planned as part of a broader strategy (Friedman and Miles 2006; Noland and Phillips 2010). Conversely, more recently, emphasis has shifted from convergence between strategies and ethics to understanding proper motivation, method and manner of interacting with stakeholders, with matters of power-equity and mutual trust in the organisation–stakeholder relationship presented as a major theme (Cennamo et al. 2009; Smith 2004).

In addition, as local resource communities are becoming more connected and more aware of their rights as well as the benefits that large-scale resource development should bring to them (Buxton and Wilson 2013), practices that focus on social impacts and human rights issues have emerged within the industry (ICMM 2013; IPIECA 2012; Kemp and Vanclay 2013). In spite of the industry's awareness of the importance of integrating social impacts and human rights issues into core business practices for managing business risks and creating opportunities (Haalboom 2012; O'Riordan and Fairbrass 2008), it continues to suffer countless human right abuse charges as well as negligence in effectively handling social impacts in host communities (Esteves et al. 2012; Franks and Vanclay 2013; Hanna et al. 2014; Kemp and Vanclay 2013; McBeth 2008; Vanclay et al. 2015). For example, Kemp and Vanclay (2013) document emblematic cases of alleged human rights abuses by companies including Shell and the Ogoni people in Nigeria (Frynas 2001; Wheeler et al. 2002; Wettstein 2012), Glamis Gold and the Mayan people in south-western Guatemala (Fulmer et al. 2008; Nolin and Stephens 2010), and the case of Barrick Mining and the local residents of Porgera Valley in Papua New Guinea (Barrick Mining 2012; Human Rights Watch 2011).

The recognition of such flaws in corporate practices and the appreciation that business, government or society alone can solve today's multifaceted social and environmental problems has led to the acknowledgement of partnership formation and stakeholder management as a useful strategy for businesses towards meeting their social responsibility (Erdiaw-Kwasie et al. 2014c). To Business Partners for Development (2002), a tri-sector partnership between government, business and civil society that draws on the complementary core competences of each partner yields better results for communities and for business than any other alternative approach. Recent study findings also show that the success and sustenance of healthy relationships—creating an interface and interdependence between firms and the society rather than tensions, are premised on community awareness and skills (Azlan et al. 2013).

In the business world today, managers of firms continue to be confronted with the difficult challenge of meeting market needs and societal expectations. For example, the mining industry is distrusted by many of the people it deals with day to day, and has also failed to convince some of its constituents and stakeholders that it has a ‘social licence to operate’ (MMSD 2002, p. xiv). As a result, talk in the industry of the importance of developing healthy partnerships with stakeholders has become ubiquitous (ICMM 2011). Nevertheless, despite extensive adoption of partnerships and claims of their benefits, the reality is that true partnerships remain rare. Thus, what constitutes a true partnership is largely a matter for debate, and extant literature provides little evidence of the actual impact of partnerships on CSR practices and outcomes.

Defining Key Constructs in the SP-CSR Model

The SP-CSR model fundamentally presents how salience building via empowerment (society) and sustainable social performances (business) can inform a meaningful and mutual partnership, which can positively impact CSR practices and outcomes. Table 1 summarises the constructs, definitions, and origins of the concepts adopted in developing the SP-CSR model. Further elaborations on the major constructs used in the model are presented in the following sections, to help conceptualise all adopted variables within the SP-CSR argument.

Empowerment Case

Empowerment is also considered as the power needed by an individual or group to accomplish something, and it can be used to exert pressure on institutions and policy-makers to reform policies that affect citizens’ quality of life (Saegaert 2006). Thus, the acquisition of power by an individual or group can cause duty bearers to do what such powerful groups want regardless of their own wishes; an idea well documented in Weber (1946). To Narayan (2002), empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives. Sidorenko (2006) further shared the view that when the empowerment process is well carried out, it provides locals with opportunities to effectively interact to get their needs met to improve their quality of life. Empowerment literature indicates that empowered communities are characterised by community competence and strong local capacity (Buss et al. 2011; Laverack 2001). Community competence is described as the ability of the community to engage in effective problem solving (Anderson et al. 2002), and community capacity is viewed as the abilities, behaviours, relationships and values that enable individuals, groups and organisations at any level of society to carry out tasks or functions and to achieve their development objectives over time (Ogilvie et al. 2003). As local communities continue to battle with getting their demands met by businesses, empowerment has emerged as one ideal way towards improving their social identity status; an idea well documented in Crane and Ruebottom (2011).

As empowerment aims to expand the freedom of choice and action and to finally place decision making in the hands of the locals, certain conditions need to prevail. According to Narayan (2002), although there is no single model for empowerment, the World Bank’s past experience shows that certain factors (e.g., access to information, inclusion/participation and local capacity building) are almost always present when empowerment efforts are successful. Table 1 describes such factors as the empowerment elements, which forms the underlying idea of the empowerment case of the SP-CSR model.

Generally, in both the two extremes of the empowerment debate as a *process* or an *end*, the issue of power is critical and well shared. According to Czuba and Page (1999), the possibility of the concept of empowerment relies on the ability of power to change and expand. In other words, if power is static and inherent in positions or people, then empowerment is not possible and cannot be conceived in any meaningful way. As power does not exist in isolation and is not inherent in individuals but is created in relationships, power and power relationships can change. Contemporary research on power has opened new perspectives that reflect aspects of power that are not zero-sum, but which are characterised by collaboration, sharing and mutuality. Researchers and practitioners call this aspect of power ‘relational power’ (Lappe and Dubois 1994). It is this definition of power—as a process that occurs in relationships, that justifies the relational aspect of the ‘empowerment case’ of the SP-CSR model as outlined later in this paper.

Sustainable Corporate Social Performance

The way in which a company treats its stakeholders reflects its ethical standards (Rossouw 2005). Thus, companies for whom ethics is a priority are always sensitive to their stakeholders, and is manifested through their CSR engagement commitments, social impacts assessments and human rights practices. Some even see the corporations’ interactions with stakeholders as the essence of CSR (Holme and Watts 2000). Without relationships with the internal and external constituents, companies will find it difficult to grasp the fluctuating nature of the values, attitudes, and behaviour of their stakeholders and respond accordingly (Pedersen 2006). This moral sensitivity manifests in the identification of stakeholders as well as in the

Table 1 Key constructs in the SP-CSR model

Construct	Definition	Sources
Empowerment case		
Empowerment	Empowerment as enhancing an individual's or group's capacity to make choices and transform those choices into desired actions and outcomes	Alsop and Heinsohn (2005)
Empowerment elements	Conditions required to propel the transition of stakeholders among salience classes and positively transform relationships	Original—builds on gathered knowledge
Stakeholder salience		
Stakeholder	Any group or individual who can affect or is affected by the achievement of the organisation's objectives	Freeman (1994), Freeman et al. (2010)
Salience	The degree to which managers give priority to competing stakeholder claims	Mitchell et al. (1997), O'Higgins (2010)
Power	A relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not have otherwise done	Dahl (1957), Pfeffer (1981), Weber (1946)
Legitimacy	A generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions	Phillips (2003), Suchman (1995), Santana (2012)
Urgency	The degree to which stakeholder claims call for immediate attention	Mitchell et al. (1997)
Sustainable social performance		
Sustainable corporate social performances	These are practices of the firm that adhere to engagement principles, impacts assessment guidelines and/or FPIC principles	Original—builds on gathered knowledge
Engagement principles		
Engagement	Activities by which an organisation involve [key] stakeholders in co-operative relationships to accomplish positive outcomes	Bowen et al. (2010), Greenwood (2007), ISO (2010)
Communication	An open and effective action which involves both listening and talking that is characterised with clear, accurate, relevant information and timeliness	MCMPR (2005)
Accountability	Ability to check and balances systems that can hold duty bearers answerable for their policies, actions and use of resources	Narayan (2002)
Collaboration	Collaboration is a high intensity, high commitment relationship between two or more parties, using shared rules and norms to achieve desired ends which are hard to achieve acting unilaterally	Wood and Gray (1991), Gray and Stites (2013)
Inclusiveness	An act of recognising, understanding and involving communities and stakeholders early and throughout the project process	MCMPR (2005)
Integrity	The ability to conduct engagement in a manner that fosters mutual respect and trust	Koten (2004), MCMPR (2005)
Social impact assessment principles		
Social impact assessment (SIA)	The processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions and any social change processes invoked by those interventions	Esteves et al. (2012), Vanclay et al. (2015)
SIA principles	These are core values that guide SIA practice and the consideration of 'the social' in environmental impact assessment in general	Vanclay et al. (2015), Vanclay (2003)
FPIC pillars		
FPIC	This is a procedural mechanism developed to assist in ensuring the right of indigenous peoples to self-determination	ICMM (2013), Kemp and Vanclay (2013), UNHR (2011), Vanclay et al. (2015)
Free	Local people are not coerced or intimidated in their choices of development	Buxton and Wilson (2013), UN Permanent Forum on Indigenous Issues (UNPFII) (2005)
Prior	Indigenous people's consent must be sought and freely given prior to authorisation of development activities	UNPFII (2005)
Informed	Indigenous people have full information about the scope and impacts of the proposed development activities on their lands, resources and wellbeing	UNPFII (2005)

Table 1 continued

Construct	Definition	Sources
Consent	Indigenous people's choice to give or withhold consent over developments affecting them is respected and upheld	UNPFII (2005)
Partnership quality		
Healthy partnership	A type of partnership that is characterised by trust, respect, openness, mutual benefit and commitment	Original—builds on gathered knowledge
Trust	A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another	Berkun (2005), Beslin and Reddin (2004), Rousseau et al. (1998)
Social learning	A state where both parties learn from each other through the development of new relationships, building on existing relationships and transforming adversarial relationships	Blackstock et al. (2007)
Openness	A system where there is clear and agreed information and feedback processes	Franks (2012), MCMPR (2005)
Shared-value	Defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates	Porter and Kramer (2011), Vanclay et al. (2015)
Credibility	The quality of being reliable, trustworthy, acceptable and believed in	Erdem and Swait (2004), Hellmueller and Trilling (2012)
CSR		
CSR	It is the continuing social commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large	Commission of the European Communities (2003), World Business Council for Sustainable Development (2000)
'Better' CSR	A CSR type where firms make use of local knowledge in building development intervention programme and integrate such outcomes within core of the business	Original—builds on gathered knowledge
Localise	Actions that tap indigenous knowledge and embrace their contributions	Franks (2012)
Core business function	A 'corporate fit' system where business function is closely related to a firm's strategy expressed in key aspects of its operations like customer service, marketing, product design, etc.	Bhattacharya et al. (2009), Kemp and Owen (2013)

manner in which businesses interact with them. Stakeholder engagement, for instance, may assume a variety of forms—from discussions on information about the company's policies and practices to an open dialogue on a wide range of issues that are of significant concern to local communities. As communication increasingly forms the core of all relationships, dialogue is one stakeholder engagement technique that has gained enormous popularity among engagement practitioners. However, the sustainable social performance dimension of the model cautions the need to move beyond simple dialogue towards pursuing true stakeholder engagement practices, standardised social impacts assessments and responsive FPIC approaches, which are based on cross-sector partnerships between corporations and local community groups.

Deciphering the plethora of literature on corporate social performances in the mining industry, it is evidenced that emphasis has shifted from corporate-centric focus to understanding proper ways of interacting with stakeholders and meeting societal expectations. Although businesses have come far to recognise the inevitable role that stakeholders (communities) play in their success and survival, corporations still struggle with these concepts and their practical implementation (Kemp and Vanclay 2013; Buxton and Wilson 2013). It is further argued that companies must have the right attitude towards social performance initiatives, as local communities will not recognise consultation that is not genuine and mutually unsatisfactory (Esteves and Vanclay 2009; Roloff 2008a; UNPFII 2005). For instance, as engagement practices are described as the cornerstone for meeting public expectations, understanding community aspirations and securing acceptance for operating within the community (Williams and Walton 2013), the MCMPR (2005) argues that social performances within the resources industry must be approached as a central part of the business, not a peripheral part of its processes.

Global business has acknowledged the need to develop and implement strategies for effective social performances, ranging from stakeholder engagement to community conflict resolution. In response to building on engagement principles and positive relationships with communities and stakeholders, the MCMPR (2005) proposed five key effective engagement principles namely: communication, transparency, collaboration, inclusiveness and integrity. In the case of SIA, a 'good' SIA practice must be participatory; support affected local group, proponents and regulatory agencies; increase understanding of change and capacities to respond to such change; seek to avoid and mitigate negative impacts; and enhance the lives of vulnerable and disadvantaged people (Esteves et al. 2012). Also, regarding FPIC approaches, local people must not be coerced; must be freely given prior notice and consent sought; must be well informed of the scope of the projects impacts; and their choice must be given a priority in the development process (Buxton and Wilson 2013; Vanclay et al. 2015). All these identified elements guide FPIC practices of corporations. Generally put, outlined principles and guidelines discussed constitute the fundamental pillars of the sustainable corporate social performance case of the proposed model as described in Table 1.

Corporate–Community Partnerships

According to Linnenluecke and Griffiths (2010), CSR and environmental sustainability has evolved in recent years as a coherent way of thinking about a company's impact and interaction with society. It involves subjects that affect all companies including employment standards, equal opportunities, diversity and carbon emissions. For instance, within the media environment of business today, the business faces a great challenge of criticism and quick social judgments from civic societies as well as NGOs (Yaziji and Doh 2009). Businesses in the twenty first century are now faced with pressure for short-term returns, and pressure from the socially responsible investment community to report on corporate ethical performance. FitzGerald and Cormack (2006) indicated that the social context in which business operates at the beginning of the twenty first century is uncertain, complex and demanding.

Discussion of the role of business in society often focuses only on the activities of companies, without considering the context within which they are operating. Changes brought about by major trends in science and technology, education, lifestyle and life expectancy have disrupted many sources of social traditions and norms (FitzGerald and Cormack 2006). The legitimacy of business has been described to have fallen to levels not seen in recent history (Porter and Kramer 2011). As a sequel, there is a high level of diminishing trust in businesses that has influenced political leaders to enact legislation and regulations with painful unintended repercussions. According to Porter and Kramer (2011), business in the twenty first century is caught in a vicious circle.

Past studies have confirmed that while the creation of profit is an important result of a company's existence, it does not solely explain why companies were designed (FitzGerald and Cormack 2006). The attempts to draw the confluence between business and society in the twenty first century are worth chasing, as it enables people to pool resources, exploit opportunities, manage risks and accomplish something together and profitably, that could have been hard to achieve separately. However, even worse, the more that business has begun to embrace corporate responsibility, the more it has been blamed for society's failures. In this situation, setting out ideal multi-stakeholder networks has become inexorable (Roloff 2008a).

Theoretical Underpinnings of the SP-CSR Model

Stakeholder Identification and Salience Theory

The stakeholder identification and salience theory, proposed by Mitchell et al. (1997) was a response to the many competing definitions of 'stakeholder' and the lack of agreement on 'Who and What Really Counts' in stakeholder management. According to Mitchell et al. (1997), the principle 'Who and What Really Counts' suggested by Freeman (1994) in his earlier proposed stakeholder theory can best be discussed in two phases. The 'who' component of the question requires a normative theory which logically defines who should be considered as a stakeholder whereas the 'what' calls for a descriptive theory of stakeholder salience which explains what conditions are in place when managers do consider certain people or entities as stakeholders.

Basically, Mitchell et al.'s (1997) stakeholder identification and salience theory provides guidance to the conditions under which firms are likely to positively respond to the requests of stakeholders. According to this theory, three attributes of stakeholders determine their salience to managers. Conceptually, salience is defined as the degree to which managers give priority to competing stakeholder claims (Mitchell et al. 1997). The three attributes argued by their theory are stakeholder power, legitimacy and urgency. Power is defined as a relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not have otherwise done (Pfeffer 1981). Suchman (1995) also defined legitimacy as a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions. Urgency is the degree to which stakeholder claims call for immediate attention (Mitchell et al. 1997). The theory suggests that the more attributes (power, legitimacy and urgency) a stakeholder has, the higher the salience of the stakeholder. Put differently, managers of firms tend to give much priority to stakeholders who have power, legitimacy and urgency. According to the theoretical model of Mitchell et al. (1997), these salience attributes are interrelated and the three variables can overlap. Logically and conceptually, the model further suggests that entities with no power, legitimacy, or urgency in relation to the firm are not stakeholders and will be perceived as having no salience by managers of the firm.

Stakeholder identification and salience theory forms the fulcrum of the proposed SP-CSR model. Proponents of the above theory suggest that a stakeholder's demands are prioritised by managers of firms only if the stakeholder possesses the salience attributes: power, legitimacy and urgency. As this proposed model intends to examine how CSR practices and outcomes can be improved to reflect local needs, communities therefore need to capture the attention of managers of firms in meeting their demands. This implies that managers are more likely to partner with and respond to the views of stakeholders with salience to the firm.

Conceptualising Crane and Ruebotton's (2011) concept of social identity into the paper's argument, local community groups belong to a particular stakeholder identity group that is generally described among the weakest within the vicinity of the firm (Erdiaw-Kwasie et al. 2014a), and hence the need for their wellbeing to be monitored and propelled by a third party. Conversely, social intervention programmes initiated by firms can best reflect local development needs of communities when such community groups are empowered by government, NGOs or businesses to play a significant role in the decision making process. The proposed model argues that such empowerment initiatives can equip local community groups with salient attributes which help to improve local capacity and competence towards decisions that affect their wellbeing. For instance, a powerful mining community decides whether to approve the commencement of a mine or not, and in some cases take action towards the legitimacy of existing firms. Thus, empowered stakeholders can influence how managers of firms interact with them, which consequently makes their demands to gain some level of priority.

Institutional Theories

Institutional theories emphasise the normative contexts within which organisations exist. Touron (2005) shared the view that institutional theory provides a useful way of explaining factors that influence the adoption of systems in organisations. Again, the theory is argued to show how organisations are affected by and affects their wider environments and how these elements impact on the development and implementation of CSR strategy within corporations (Sachs et al. 2004). A critical component of the social environment influencing the structuring of organisations is institutions, defined as 'regulative, normative, cognitive structures and activities that provide stability and meaning for social behaviour' (Scott 1995, p. 33). Regulative institutions include laws, regulations, and rules; normative institutions include social and professional norms; and cognitive institutions include cultures and ethics (Scott 1995). These institutions exert three forms of pressure on organisations to conform to their expectations. Coercive pressures arise from societal expectations and inter-organisation interdependence; normative pressures arise from professionalisation; and mimetic pressures derive from uncertainty in the environment (DiMaggio and Powell 1983). Tempel and Walgenbach (2007) indicated that, at the national, regional or industry level, these pressures can be likened to the institutional environment (or external environment) in which corporations operate or as rule systems that structure social interaction. Ranging from the national system to the individual employee/organisational sub-system level, these pressures (otherwise known as stakeholder pressures within the CSR literature) impact on and influence how the corporations function and how it in turn pressures the external environment in its responses.

An organisation's ability to survive depends largely on conforming to social norms and attaining legitimacy from stakeholders (Yang and Modell 2013; Monfardini et al. 2013; Irvine 2011; Mäkelä and Näsi 2010). Stakeholders such as professional associations, outside interest groups, the state and public opinion create pressures that can cause organisations to change their control systems and structure (Dacin et al. 2002). To acquire the necessary legitimacy to operate successfully within society, corporations must respond to pressures resulting from institutions by internally incorporating elements of the institution in such things as their products, policies, programmes and language (Scott 1995). This implies that corporations adopting structures that conform to institutional requirements demonstrate their conformity to social norms and thereby earn legitimacy for their operations. Moreover, dependency on external constituents is thought to influence the action managers take in dealing with them (DiMaggio and Powell 1983; Oliver 1991).

The adoption of this theory is premised on three key embedded ideas which provide significant contributions towards the development of the proposed model. First, the idea that a firms survival is dependent on its ability to conform to social norms and attainment of legitimacy from stakeholders underscores the aim of the SP-CSR model. This implies that without effective relationships with the internal and external stakeholders, corporations will grapple with understanding the cultural context of society and acting accordingly. Thus, there is the need for a healthy corporate–community partnership, as identified in the proposed model, for win–win outcomes to be realised from firms' social intervention programmes in local communities.

Second, the identification of legitimacy and dependency as key factors that determine the survival of corporations is worth considering in this study. This implies that for a stakeholder to look like a significant entity to managers of firms, the significant role the stakeholder plays in the legitimacy of the firms is paramount. The empowerment dimension of the proposed model can make local community groups aware of their entitled roles in the resource development as well as the knowledge that the firms' survival is dependent on community resources. Consequently, managers tend to react positively towards communities, particularly respecting their effective involvement and incorporating their views in decision making that affects their development.

Third, institutions (stakeholders) exert three forms of pressure on organisations to conform to their expectations. For the purpose of the SP-CSR model, the coercive pressure that is argued to stem from societal expectations is significantly considered. There is a plethora of CSR literature evidence that show that stakeholder pressure impacts on and influences how the corporations function and how they respond to these pressures from the external environment. Putting this discussion in context, it can be argued that empowerment of local community groups by government, NGOs or business entities can aid locals to serve as checks and balances on the operations of existing corporations, particularly activities where community welfare is at the fore.

Salience-Partnership (SP)-CSR Model

The SP-CSR model is a unique model that tries to conceptualise CSR within the framework of stakeholder salience via empowerment, corporate social performances and partnership systems.

Here, the model presents an evaluation of how stakeholder salience via empowerment and sustainable social performances by firms can influence the partnership quality between corporations and society, as well as its consequent impacts on CSR practices and outcomes. Differently put, the model adopts a relational stand towards promoting cleaner production and sustainable development strategies within the business environment where the inputs of all affected parties are clearly defined. Despite the strong theoretical underpinnings such as the stakeholder identification and salience theory and institutional theories adopted to bolster the argument theorised by the model, conscious assumptions were proposed. Towards realising the underlying goal of the model, three fundamental assumptions are held: (i) stakeholder salience via empowerment can foster sustainable social performances by firms, (ii) sustainable social performances by firm and stakeholder salience via empowerment can influence partnership quality, and (iii) corporate–community partnership quality can influence CSR practices and outcomes. The model posits its argument through a tri-relational four-phased flow chart. In exploring the various components of the model and the interrelationships among them, a critical assessment of each distinct phase was done. Briefly, the assessment begins with the empowerment case of the model, the stakeholder salience discussion, corporate social performance case, partnership quality and CSR outcome evaluations.

The empowerment case forms the fundamental pillar of the SP-CSR model shown in Fig. 1. The section of the model labelled 'empowerment elements' refers to access to information, accountability, inclusion and participation and local capacity building. These empowerment elements are closely intertwined and act in synergy (Abhyankar and Iyer 2001), but each has its own unique contribution towards propelling a stakeholder's transition among salience classes. For example, Pettit (2012) indicate that 'access to information' serves as a source of power for weak stakeholders to provide information about their own priorities and to receive feedback from assigned institutions. In the case of local capacity building, this element helps to make the stakeholder a more legitimate and competent gauge for assessing the legitimacy of operations of businesses. However, these empowerment elements combine to create significant stakeholder salience impacts that can influence partnerships and promote more effective, responsive, inclusive and accountable businesses.

Drawing on Mitchell et al.'s (1997) view that stakeholder attributes evolve continuously, the conceptual model first argues that local community groups can acquire missing salience attributes through empowerment. Literature evidence indicates that salience attributes of stakeholders do influence managers' decisions as to which stakeholders' demands need an urgent response. The model assumes that these adopted empowerment elements are capable of helping to equip community groups with such salience attributes as depicted in the 'X' relational arrow section of the argument in Fig. 1. Thus, the fundamental phase of the model begins with the empowerment case.

The 'R' relational arrows of the model present an argument that empowered stakeholder is more likely to influence firms' adoption of more effective social performance approaches. This assumption proposed by the model underscores the 'Y' relational context of the model. Here, the model argues that managers consider an empowered

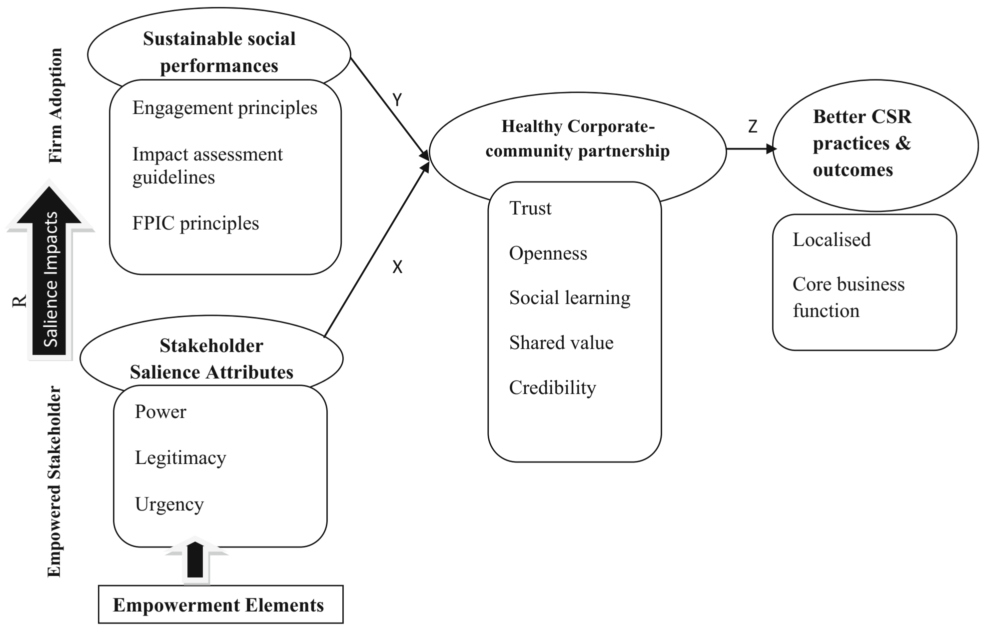

Fig. 1 Salience-partnership (SP)-CSR model

community to be more 'critical' stakeholders for their survival, and hence are more willing to embrace practices where local communities can feel part of decision making that concerns their own resource development. As a result, CSR practices of firms improve with significant adherence to standardised social performance benchmarks—standards that mark an imperative pathway for improving social practices and outcomes within the vicinity of the firm. This section of the model justifies the business dimension of the model.

The model again assumes that empowered communities with strong local capacity and high competence are in a better position to play their role within the social performance process, as firms change to adopt more effective practices. This gives rise to the third phase of the model that illustrates a firm–society partnership. Considering the likely influence of stakeholder salience via empowerment and sustainable corporate social performances on corporate–community partnerships, the model identifies five indicators that are likely to characterise such partnerships. In other words, the confluence of business and society must be characterised by partnership attributes including trust, openness, social learning, shared value and credibility, as illustrated in the SP-CSR model. The model describes such a situation as a healthy corporate–community partnership system.

It is further ascertained in the model that a healthy corporate–community partnership is a prerequisite to better CSR practices by firms in host communities. The formulated indicators therefore serve as a pathway towards the realisation of better CSR practices and outcomes. The 'Z' relational arrow argues that a healthy business–society relationship can significantly influence current CSR practices, whose quality is questioned on the basis of less local inputs, mismatches in programme objectives and actual local needs of society as well as the practice grounded in the philanthropic philosophy. The SP-CSR model argues that a healthy partnership between business and society can rectify gaps associated with current practices.

Conceptual Model Propositions

In conjunction with the analysis of the salience-partnership conundrum, and based on the assumption that a healthy business–society partnership forms a crucial variable in bettering current CSR practices and outcomes, the SP-CSR model presents five key propositions. These propositions are elaborated below:

Proposition 1 *Empowerment elements will positively influence stakeholder salience.*

This section of the model highlights how empowerment elements can help influence the salience transition of a stakeholder. The model proposition indicates that the actual salience class of the stakeholder can be altered when such a stakeholder is empowered either by NGOs, state institutions or businesses. The SP-CSR model argues that with the presence of dialogic information flow and capacity building initiatives within local settings, stakeholders who possess only one of these salience attributes (latent stakeholder as described in Mitchell et al. 1997) can graduate from such class to another class, where the stakeholder may possess two or all the salience attributes. The model affirms that each empowerment element makes unique contribution towards the transition of a stakeholder among salience classes.

Proposition 2 *Stakeholder salience via empowerment will positively influence corporate–community partnership quality.*

The model affirms and argues that the societal dimension of the partnerships that firms and communities establish is a crucial one. The SP-CSR model indicates that empowerment elements place stakeholders in better positions to contribute to actions that have direct and indirect impacts on their lives. According to the model, a stakeholder salience via empowerment justifies the relevance of societal management in the business lexicon today—where CSR issues dominate. The SP-CSR model further argues that partnership management goes beyond business management, to involve managing all things that make up the business environment. Thus, as a weak stakeholder attains salience via empowerment, new forms of 'societal management' skills are required by managers to ensure a healthy relationship between business entities and their social environments. The negligence of managers of firms in effectively handling such salient stakeholders has huge repercussions on the survival of their firm. Thus, the model asserts that stakeholder salience via empowerment has an influence on the quality of the partnerships that exist between firms and communities.

Proposition 3 *Stakeholder salience* via *empowerment will positively influence firms' adherence to sustainable social performances.*

A stakeholder acquiring salience attributes through empowerment interventions helps them to play the role of checks and balances on the actions of the firm within host communities. Drawing on the tenet of the stakeholder salience theory, managers of firms are more responsive to the demands of salient stakeholders, and usually operate within social norms that meet the expectations of such stakeholders. Despite wide range of factors that influence the success of social performances of corporations such as national factors, community factors, company factors and managerial decision-making factors (see Bowen et al. 2010), the SP-CSR model, unveiled stakeholder salience as a key factor. The model clearly argues that the salience determinant is more of a prerequisite and necessity when the firm is interacting with local communities, whose influence on the survival of the firm is minimal. In cases where stakeholders lack these salience attributes, an ineffective checks and balance system is likely to unfold, hence, many firms are less likely to adhere to basic principles that foster sustainable social performances. Conversely, a weak stakeholder lacks the required attributes to pose credible pressure on firms to abide by and embrace practices that meet the expectations of society. On the other hand, powerful stakeholders with a legitimate claim can have significant influence within the vicinity of the firm, such that they are able to effectively monitor actions of firm as per the urgency of their request.

Proposition 4 *Sustainable social performances will positively influence corporate–community partnership quality*.

The fourth proposition presents the business aspect of the partnership case posited by the model. Whereas stakeholder salience via empowerment treats the societal component of the partnership argument, the business dimension is within the social performance context. According to the SP-CSR model, joint benefits to the community and company such as shared ownership of problems and solutions can only be realised through more meaningful forms of social performance activities. Such relationships potentially evolve when platforms for balanced negotiations and co-creation of outcomes are created, where a company's actions and behaviours are aligned to community expectations and aspirations. The model further argues that core values, principles and guidelines of firm practices can help enrich social performance outcomes, which can foster a meaningful relationship to develop—one that has the depth of trust required to meet community expectations. In other words, when corporate social performances adhere to underlying principles, the partnerships that they form with society strengthen, improve and become more sustainable.

Proposition 5 *Healthy corporate–community partnership will positively influence CSR practices and outcomes.*

Considering the fundamental focus of the model, CSR practices and outcomes of firms can improve if they are approached in a more holistic manner. This means scholars within the field should understand that with an unprecedented increase in stakeholders, the basic logic on CSR in today's business sphere ceases to be a 'one-party show', but one that requires both business and societal inputs. The model shares the argument that partnerships induced through the inputs of both business (sustainable social performances) and society (salience status) can assist in developing an open and meaningful dialogue, as well as influence decision making, build trust, legitimacy and capacities, address community concerns, manage expectations, tap local knowledge and negotiate mutually beneficial futures that are more sustainable and locally relevant. All of these conditions are prerequisites for bettering current CSR practices and outcomes. Thus, the SP-CSR model proposes that a healthy partnership between the firm and host communities has the propensity to positively influence the manner in which CSRs are planned and carried out, as well as the outcomes of such social initiatives.

Added Value of the SP-CSR Model

The contributions of the proposed model are succinctly captured under three main broad groups: theory, policy and practice.

Theory

The SP-CSR model, with its introduction of the salience-partnership idea in the stakeholder management and business/society literature, can provide a more holistic and finely textured view of these concepts. In existing business and management literature, concepts like salience, social performance and partnership have been dissected at length, but there remain paucity of studies that explore the interrelationships among these concepts and where they fit best within the CSR discourse. The few studies that reconceptualise these concepts in an interrelated function have exclusively focused on employees (see Reimann et al. 2012). Unlike other studies, the SP-CSR model proposed here focuses on local communities and relates these efforts to the broader business context of policy design and management in the public interest. Moreover, the stakeholder salience via empowerment argument coined within the SP-CSR model helps to make a significant contribution towards the stakeholder identification and salience theory and model, as it addresses the 'how' aspects of the transition process of a stakeholder among different salience classes. The generation of propositions and testable hypotheses towards stakeholder transition among salience classes is significant and timely, as Mitchell et al. (1997, p. 881) described such effort to mark 'the next logical step in articulating completely—The Principle of Who or What Really Counts'. Succinctly, the developed conceptual model can serve as a pathway for future research in related fields, notably stakeholder salience management.

Policy

The proposed model has significant policy implications for the business world. Because the way in which a particular problem is defined leads to a specific policy solution, getting the definition right is the key. What constitutes a true partnership and the CSR idea has been defined narrowly. Given that CSR initiatives have been viewed through the corporate-centric lens, policies and programmes have been narrowly focused. Proposed solutions to weaknesses of CSR practices tend to begin with making sure that local communities are provided with their short-term needs, with less priority given to the roles host communities can play in such interventions. The focus on simply providing basic needs of communities has resulted in a mismatch between objectives of 'company-prepared' CSR interventions and the actual needs of local communities. Policy-makers and funders of such interventions will realise that providing self-perceived local needs does not alter existing factors that undermine proper partnerships with local communities, but is simply misspent money.

In furtherance, the SP-CSR model can serve as a guide to policy makers, decision-makers as well as planners of local resource regions on critical social concerns, which can help guide development of businesses and communities to occur in a more sustainable and mutual manner. For example, within the Australian Energy Industry, with the substantial role that the mining industry is tasked with in the Resource Communities Partnership Agreement (RCPA) of the Queensland Government, the proposed model can promote understanding of situating CSR issues within the frameworks of power-equity partnerships in the move towards realising set goals for the state's mining basins.

Practice

The relational approach adopted by the model, which focuses on sustainable social performances (business) and stakeholder salience via empowerment (society), will be among the first of its kind to be applied within social impacts sectors, in handling tensions that continue to exist within business–society relations. The model captures a hive of social discontents associated with current CSR practices and the focal industry (mining) is an important actor. A test of the model in this sector is timely and worthwhile, as results are transferable to other high social impact industries and regions. Also, the study makes a contribution towards promoting nuanced understanding of the power relations between communities and corporations, and how community salience can be built to ensure meaningful dialogues with firms. The application of the model can provide new evidence on some emerging issues that practitioners will need to incorporate into business–society future programmes.

Conclusion and Implications

As stakeholder theory has evolved from a corporate-centric perspective into a more comprehensive research field which addresses business–society relations from various points of view, this paper concurs with this transition and presents a case to the emerging stream of knowledge. The paper shares a basic logic that a healthy partnership is a prerequisite to inform better CSR practices and outcomes. Nevertheless, despite a true partnership being rare, study findings illustrate stakeholder salience via empowerment and sustainable corporate social performances as two critical factors necessary to develop such an ideal partnership system. This paper presents a cross-cutting model which dissects both the business and societal dimension of a partnership, and explores how partnership attributes do influence CSR practices and outcomes. Considering the existing literature gaps on stakeholder management and stakeholder relationship quality, the aim of this paper is to expand scholarly and management understanding beyond the usual managers' perceptions on salience attributes.

The SP-CSR model as proposed in this paper presents a critical assessment of how the salience-partnership conundrum within the vicinity of the firm today can be resolved to positively impact CSR practices in the future. It shows that the issue of stakeholder management and relational quality can be approached holistically from both corporate and stakeholder point of view. The SP-CSR model adopts an empowerment case to examine how the salience status of a secondary stakeholder can be altered to positively impact partnership quality. There is also a social performance dimension of the model arguing that a company that adheres to underlying principles and guidelines of their social practices gain a favourable reputation, easy access to resources and enhanced partnership quality with its stakeholders. Thus, a conclusive analysis is drawn on how an effectively managed partnership does influence CSR practices and outcomes.

The SP-CSR model provides a pathway for future research in the field of stakeholder management and business and society. Further research to empirically test the proposed model using qualitative and/or quantitative techniques would be worthwhile, as it will help validate the findings presented in this paper. By doing so, the accuracy of the societal and corporate dimensions of the SP-CSR model can be verified, hence leading to a well-refined and tested holistic model.

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