


# When Democratic Principles are not Enough: Tensions and Temporalities of Dialogic Stakeholder Engagement

Emilio Passetti<sup>1</sup>  · Lara Bianchi<sup>2</sup> · Massimo Battaglia<sup>3</sup> · Marco Frey<sup>3</sup>

Received: 25 July 2016 / Accepted: 6 March 2017 / Published online: 14 March 2017  
© Springer Science+Business Media Dordrecht 2017

**Abstract** Stakeholder engagement and dialogue have a central role in defining the relations between organisations and their internal and external interlocutors. Drawing upon the analysis of dialogic motifs, power–conflict dynamics and sociopolitical perspectives, and based on a set of interviews with the stakeholders of a consumer-owned cooperative, the research explores the dialogic potential of stakeholder engagement. The analysis revealed a fragmented picture where the co-design and co-implementation aspects were mainly related to the non-business areas of cooperative life, while business logic dominated the most central aspects. Stakeholder engagement was mainly related to consensus building, while dialogic engagement based on a pluralistic understanding was only partially considered and then neglected. The social capital in the local area, the growing size of the organisation and the related power structure embrace stakeholder engagement, influencing the orientation of the (un)dialogic dynamic. The analysis indicates that a dialogic exchange is a relative concept which depends on the interests involved and the topics discussed. It also reveals that the key factors in the democratisation of stakeholder engagement are a mutual understanding and long-term opportunities. Common sociopolitical aspects are also

important, but they do not necessarily guarantee the creation of dialogism paths. The research contributes to the critical dialogic literature in revealing whether and how stakeholder engagement has been implemented in a specific setting. It also shows the limitations of voluntarist stakeholder engagement initiatives.

**Keywords** Stakeholder engagement · Stakeholder dialogue · Dialogic theory · Consumer-owned cooperative · Social accounting · Critical dialogic accounting · Dialogic accounting

## Introduction

Stakeholder engagement is a corporate social responsibility policy which may be used by an organisation to engage stakeholders to (un)define and (un)share solutions and outcomes (Greenwood 2007). Stakeholder engagement can be a mechanism for achieving control (Spence and Rinaldi 2014) and for accountability and consensus building (Manetti and Bellucci 2016) but also to democratise governance aspects (Brown et al. 2015; Söderbaum and Brown 2010) and to ensure cooperation and dialogue (Kuenkel et al. 2011). Often, however, engagement reflects a business case approach (Archel et al. 2011; Georgakopoulos and Thomson 2008; Gallhofer et al. 2015) dominated by the achievement of company interests and realised through rhetorical communication (Tregidga et al. 2014). In these cases, the interests and perspectives of the stakeholders are only marginally considered (Unerman and Bennett 2004).

In contrast to the business case approach, critical studies have problematised the analysis of engagement, the participatory and governance processes drawing upon deliberative–agonistic democracy principles (Brown 2009;

✉ Emilio Passetti  
emilio.passetti@unicatt.it

<sup>1</sup> Department of Economic and Business Management Sciences, Catholic University of Milan, Largo A. Gemelli 1, 20123 Milan, Italy

<sup>2</sup> Alliance Manchester Business School, The University of Manchester, Crawford House Booth Street West, Manchester M15 6PB, UK

<sup>3</sup> Institute of Management, Scuola Superiore Sant’Anna, Piazza Martiri della Libertà 33, 56127 Pisa, Italy

Brown and Dillard 2013a, b) and the authentic engagement process (Afreen and Kumar 2016; Bebbington et al. 2007). They have revealed the importance of democratising the process of exchange and of reducing the power asymmetry among agents, stressing the importance of openly involving stakeholders in organisational decision-making (Brown and Dillard 2015b; Thomson and Bebbington 2004, 2005; Vinnari and Dillard 2016).

Drawing upon this stream of literature, this study examines the organisation–stakeholders relationship by discussing whether engagement process implementation is able to promote a dialogic exchange. The research adopts a stakeholder perspective and focuses on a cooperative enterprise. A case analysis based on 16 interviews with the stakeholder representatives of a large Italian consumer-owned cooperative operating in the Italian food retail sector was carried out to investigate the topic. The literature indicates that cooperatives should be willing to implement more democratic economic exchange and sociopolitical practices compared to the prevailing capitalistic and neoliberal view of society, favouring pluralism and a dialogic-oriented stakeholder engagement process. However, the democratic principles of cooperatives do not guarantee social responsibility and dialogic exchanges in and of themselves (Hernandez 2006; Mooney 2004). There may be tensions between their idealism and the business–pragmatic decisions they face (Ashforth and Reingen 2014) together with the difficulties in promoting participatory processes (Burke 2010), which overall indicate a loose coupling between the democratic principles and the actions taken.

The theoretical model integrates Bebbington et al.'s (2007) framework with the notions of power–conflict dynamics and sociopolitical perspectives present in the democratic–agonistic literature (Brown 2009; Brown and Dillard 2013a, 2015b). The study thus offers a refined framework of analysis to discuss the characterising of dialogic accounting and accountability. The empirical materials reveal a fragmented picture, where the implementation of a dialogic exchange (un)evolves depending on the interests involved and the topics discussed. While common sociopolitical aspects were revealed as important factors for a dialogic orientation, they were not sufficient to assure dialogism with all the stakeholders. The social capital in the local area, the growing size of the organisation and the related power structure influenced the temporalities and the dynamic of the dialogic orientation.

The present paper provides three main contributions. First, it contributes to the literature on the role of a dialogic perspective in interpreting different aspects of society and organisations, such as sustainable development (Byrch et al. 2015), public accounting reform (Harun et al. 2015), environmental planning and policy (Arunachalam et al.

2016), management control for gender equality (Wittbom 2015) and social and environmental audits (Edgley et al. 2010). Second, the focus on the stakeholder side contributes to the analysis of engagement practices by looking into the overlooked perspective of the stakeholders. The stakeholder perspective is essential for a rich and comprehensive understanding of the assemblage process which may take place among business, social, environmental and ethical as well as governance aspects (Laplume et al. 2008). Third, the indirect focus on a consumer-owned cooperative serves to raise interest in research on cooperative enterprises, which is an under-investigated setting of analysis within the social and environmental accounting and management literature (Ferguson and Larrinaga 2014; Pesci et al. 2015; O'Dwyer and Unerman 2016).

The paper is organised as follows. Section 2 introduces the theoretical framework. Section 3 presents a literature review on cooperative enterprises. The research method is explained in Sect. 4. Section 5 develops and discusses the findings, and conclusions and suggestions for future research are presented in the last section.

## The Framework of Analysis

Various theoretical frameworks and conceptual models have been proposed to discuss engagement, participatory and governance processes (Brennan et al. 2013; Contrafatto et al. 2015; Mitchell et al. 2015). The agonistic dialogic accounting literature has valorised the concepts of deliberative–agonistic democracy (Brown 2009; Brown and Dillard 2013a, b; Brown et al. 2015) and of the authentic engagement process (Bebbington et al. 2007) to reveal the agreements/disagreements, commonalities/differences and balances among actors who interact in a given sociopolitical and geographical space. Its aim is to discuss the role of dialogic perspective in discussing the engagement, participatory and governance processes carried out by organisations, highlighting the importance of breaking down the powerful and hegemonic business conducts and of realising emancipatory change (Tregidga et al. 2015).

In this regard, the framework of Bebbington et al. (2007) integrated by the democratic–agonistic literature (Brown 2009; Brown and Dillard 2013a, 2015b) set the theoretical coordinates for studying stakeholder engagement and the related quest for participation in the present research. The framework defines seven interrelated motifs to analyse whether and how the design and implementation of social and environmental processes and tools have promoted dialogic education and created related learning mechanisms. The seven motifs, which identify critical requirements for authentic engagement, stem from the ideas of Paulo Freire, who is considered one of the most influential

educationalists of the late twentieth century (Contrafatto et al. 2015; Rinaldi 2013).

The first motif is the *possibility for human agency*. This motif underscores the notion that interactions should be constructive and open to promote different visions of society where the social needs of different actors are all taken into account. It proposes the reduction in forms of power within social relationships and, as a consequence, the creation of possibilities for sustainable living (Bebbington 2001). As indicated by Brown (2009), however, social relations are not automatically oriented to human possibilities, because power dynamics are embedded in the society and hinder the creation of emancipatory alternatives able to contrast the dominant business language. The role of power dynamics is important, because it leads to a discussion of whether marginalised groups are included in participatory processes and whether their concerns and priorities are taken into consideration in the construction of possibilities (Brown 2009).

The second motif is *language and the heterogeneity of discourse*, which emphasises the importance of recognising multiple voices during the design and implementation of the engagement process. This motif aims to ascertain the shift from monologic to polyvocal voices during a certain discussion (Brown and Dillard 2013a, b) in which the different actors, with their sociopolitical perspectives, have discussions in an open manner. This means giving more marginalised groups the opportunity to fully express their ideas. The objective is to democratise stakeholder engagement to recognise and evaluate the different values, assumptions and interests of all the different actors involved (Arunachalam et al. 2016) as well as to contrast the traditionally consensus way of promoting the engagement process carried out by organisations (Greenwood 2007).

The third motif is *community and identity*, which features the importance of sharing ideas and opportunities with others to create common purposes. According to this motif, the collective identity is more important than the individual identity, and the construction of a sense of community serves as the natural glue between the individual and the collective. Establishing a sense of community based on a common identity between stakeholders may help to break down the self-celebration and self-representation typical of enterprises and in turn promote the interests of the least powerful stakeholders. Enterprises, however, have their own identity, which is often far from the needs of certain categories of stakeholders as well as from the importance of promoting social, environmental, ethical and governance practices for others (Tregidga et al. 2014). The divergent and conflicting ideological perspectives among enterprises and stakeholders and also among the stakeholders themselves indicate that the creation of a sense of community and identity is not a natural path and

that, thus, dialogic forms of engagement are not necessarily constructed. In these circumstances, identifying and recognising the conflicts and struggles among actors with different backgrounds, cultures and ideological orientations may help to build up more dialogically oriented engagement (Brown and Dillard 2013a).

The presence or absence of different perspectives and languages between enterprises and stakeholders, and also among stakeholders, may be caused by the manifestation of political capital and social capital and by the creation of a “chain of equivalence”. The political capital occurs when one or more groups of stakeholders chase their specific interests in contrast to the interests of the other stakeholders involved in the discussion. When this occurs, some stakeholders obtain a specific advantage, but this also undermines the overall democratic process (Afreen and Kumar 2016; Kourula and Delalieux 2016). Social capital instead identifies a situation in which stakeholders who share the same values and visions for the future create a network based on equal and reciprocal relations to achieve common targets and realise positive externalities (Maak 2007). A “chain of equivalence” serves to align the different positions of the less powerful actors but is different from social capital. Although characterised by a different scale of values and interests, the stakeholders can create a pragmatic “chain of equivalence” to contest and change certain enterprise practices (Brown and Dillard 2013b; Levy et al. 2016). A “chain of equivalence” thus indicates the possibility “to forge links between demands that are not always obviously connected” (Brown 2009, p. 334) but which become associated temporarily to achieve a common interest.

The fourth motif is *material context and power dynamics*, which considers the role of power structures and dynamics within a certain context and relationship. Power is defined “in terms of the political acts of inclusion and exclusion that shape social meanings and identities” (Torfing 2005, p. 23). As indicated by Bebbington et al. (2007, p. 367), power dynamics refer to the fact that certain groups are in a better position than others to influence what are considered “legitimate”, “normal” or “reasonable” ways of viewing the world and thereby impose their realities on others. As power dynamics are embedded in the society, the main challenge is how to address power relations in a way that is compatible with democratic values. Based on dialogic engagement and exchanges, the power dynamics can be reduced, and the least powerful agents can express their ideas and interact in a manner compatible with democratic values. In these cases, a space for more democratic decisions, programmes and actions is created. Power dynamics, which usually characterise the relationship between organisations and stakeholders (Georgakopoulos and Thomson 2008), may thus be substituted by democratic interaction when the actors are more

dialogically oriented (Brown and Dillard 2013a, b), permitting the sociopolitical differences to become clearer.

The promotion of a dialogic-oriented exchange may, however, cause “problems” for power elites, because it can raise stakeholder demands (Brown 2009). This is because the aim of power is to control the agenda concerning both current and potential issues (Gond et al. 2016), and thus dialogic exchanges are not an ideal option. To favour power rather than a dialogic process may be also a question of priority to make a decision more rapidly. An example is given by Arunachalam et al. (2016). The authors show that local authorities have mixed power mechanisms and dialogic process to govern environmental planning and policy making, to rapidly come to a decision concerning the environmental sustainability of an important natural resource for the local community. Accordingly, power is a key element in terms of governance, engagement and participatory processes.

The fifth motif, *institutional frameworks and democracy*, suggests that the institutional framework plays a central role in driving change or, alternatively, in confirming the status quo and the dominance of some actors and ideologies over others (Harun et al. 2015). Archel et al. (2011) reveal that institutional outcomes concerning the promotion of social responsibility initiatives represented the viewpoints of only a subset of the stakeholders involved in the consultation. Business case initiatives were promoted by the most powerful actors and legitimised as a democratic and consensual outcome of the dialogue. To avoid this kind of dominance, institutions should operate dialogically, favouring the requests of the least powerful stakeholders and concurrently promoting acts of social change (Brown and Dillard 2015a; Célérier and Cuenca Botey 2015). Promoting dialogic orientation as an outcome of the processes that have taken place at the institutional level means avoiding a consensus-oriented model of politics in favour of decentred, open and participatory policies and governance models (Brown and Dillard 2013b, 2015b).

The sixth motif is *epistemology*, which highlights the need for a debate in which the agents involved can express their differences, conflicts and divergences without the fear of being penalised. As expressed by Brown and Dillard (2013b, p. 1), “the desired outcome is not necessarily resolution of ideological differences but to imagine, develop, and support democratic processes wherein these differences can be recognized and engaged”. This motif, similarly to the *Language and the heterogeneity of discourse* motif, underscores the importance of recognising others and of installing heterogeneous discourses (Greenwood 2007). The promotion of different perspectives and languages may expand the understanding of a certain topic, prevent particular discourses and perspectives from being dominant and, in the best cases, promote social change. However, polyvocal and agonistic debate and authentic

engagement are largely hindered by the interests of enterprises (Spence and Rinaldi 2014).

The last motif is the *role of experts*. Who can play a role as an expert is an open question. An expert should help to open up issues for discussion, foster critical examination, guarantee access to information and improve the knowledge of the non-experts (Brown and Dillard 2015a). How the expert exercises this role is fundamental in steering and governing the process of (un)engagement and in (un)fostering a dialogic orientation. An expert can increase (decrease) accessibility, possibilities to interact and transparent accountability for stakeholders.

Enterprises have largely operated as non-dialogic experts (i.e. they have largely operated as monologic experts who often ignore or dismiss alternative perspectives), shutting down opportunities (Brown and Dillard 2014) by implementing a top-down approach to engagement, participatory and governance processes for their specific interests (Greenwood 2007; O’Dwyer 2005). Differently, social movements (Georgallis 2016) and non-governmental organisations (Levy et al. 2016) may be experts able to inform and educate certain categories of stakeholders on how to dialogue and negotiate with companies and vice versa. Informing and educating the stakeholders by means of “bottom-up” initiatives may facilitate the identification of common orientations and targets, increasing their possibilities to influence enterprises and facilitating the production of counter accounts (Thomson et al. 2015; Vinnari and Laine 2017). Public institutions can also play a prospective role. International, national and local government agencies can stimulate a dialogic orientation and process avoiding favouring the interests of the most powerful actors when promoting debate and rule making (Brown and Dillard 2015a). However, for what concerning corporate social responsibility issues, different and contrasting interests exist at the institutional level (Cooper and Owen 2007; Cooper and Morgan 2013), which often tend to privilege the interests of the most powerful actors (i.e. the enterprises). This last motif indicates that dialogic-oriented processes can be promoted when enterprises are willing to also be non-experts, avoiding mechanisms of power and the private and public seeking for their own advantaged positions at the expense of those of the stakeholders.

The discussion presented in this section has indicated that promoting and achieving a dialogic orientation is a complex, and even radical, issue, which depends on the interplay of different elements. The analyses of whether and how a cooperative enterprise is willing and able to install dialogic engagement fit with the topic, given the democratic nature of this kind of organisation (Battaglia et al. 2016). In the next section, a literature review on cooperatives is presented to show how engagement and participation is also problematic in this kind of enterprise.

## A Literature Analysis of the Dialogic Orientation of Cooperatives

Cooperatives are considered to be an alternative to private and public enterprises. Cooperatives are required to operate according to the values of self-help, self-responsibility, democracy, equality and interest in the community (Birchall 2010). Attention to members' rights, employees' rights, sustainable supply chain management and local development are areas where cooperatives can demonstrate their distinctiveness and where engagement aimed at social transformation can be implemented (Battaglia et al. 2015). Cooperatives may also have consolidated relational ties with stakeholders. Consumer, producer, worker-owned, multi-stakeholder and social cooperatives (Defourny 2010; Defourny and Nyssens 2013) are examples of the different governance models present in the socioinstitutional and market spaces.

Despite the ethos of democratic principles, the literature highlights contrasting elements. Hernandez (2006) reveals how the interaction between the organisational structure, participatory culture and individual behaviour enhanced both democracy and power aspects. The author indicates that, in addition to organisational aspects, social and political relations also impacted the internal democratic governance. Such interplay created a paradoxical perspective in which both democracy and power evolved together and negatively impacted the quality of internal democratic practices. Heras-Saizarbitoria (2014) provides evidence of the internal decoupling between cooperative principles and workers' needs. The author shows that the workers' need for secure membership and guaranteed employment were considered to be the most solid political ties that bind members to the organisation. A stronger integration of the cooperative's principles on a daily basis together with a more active use of democratic mechanisms were instead less stressed, because they were considered less important. Different socioinstitutional and market aspects, such as growing individualisation, precarious employment conditions, the emphasis on managerial discourse and a reduction in the social capital in the areas in which the cooperative operates, created the internal decoupling.

Ashforth and Reingen (2014) report on how the presence of two different internal groups of members, each characterised by their specific political agendas, generated a debate concerning the achievement of cooperative ideals versus running a viable business. The power shifted from one group to the other, and the duality of perspectives was kept continually in play through oscillating decisions and actions concerning the two different viewpoints. A democratic debate permitted the presence of the two different perspectives, which, although apparently dysfunctional at the group level, fostered functionality at the organisational

level. The case of AmazonCoop Fair Trade initiatives in Latin America (Burke 2010) highlights the failure of promoting participation, democratic control and increased autonomy for the local stakeholder. While the AmazonCoop–Body Shop partnership generated material improvements for the local indigenous population, this partnership also increased vulnerability and dependency in the local indigenous population. This case is interesting because it illustrates the contradictions that emerge when a key, but not powerful, stakeholder is not democratically involved in the decision-making processes that concern its interests. Finally, other studies have analysed multi-stakeholder involvement, showing the growing importance of governance aspects (Pestoff and Hulgård 2016). For example, in the case of the cooperative Erosky, stakeholder involvement in the decision-making processes was formally guaranteed by the presence of consumer members and workers in the social council and the consumer council of the cooperative, respectively (Manetti and Toccafondi 2012). The literature indicates that dialogic engagement and participatory and governance processes are also not automatic in the case of cooperative enterprises. They must be built up and maintained both with internal and external stakeholders to favour pluralist discussions and dialogic actions. The next section describes the study's methodology and the main characteristics of the cooperative examined.

## Research Method

The case was designed following an exploratory qualitative analysis (Edmondson and McManus 2007) due to the relative novelty of the analysis, especially in terms of the theoretical framework. The large cooperative enterprise examined, named Alpha for anonymity purposes, is one of the cooperatives linked to the Italian brand Coop. From a governance perspective, Alpha's members possess the full ownership of the company. The governance of Alpha followed the traditional rules of cooperatives. Through a democratic process postulated in the cooperative's charter, members vote for their representatives, who in turn elect the board of directors. The latter has control over the techno-structure, which manages the business and social responsibility aspects. Every year the members' assembly directly approves Alpha's annual budget and the annual financial statement. In 2014, the total number of members was more than 950,000. Other internal intermediate structures, such as the social council of members and the consumer council, are not present.

Over the decades, Alpha has contributed to the economic and social development of the local area. In the early

2000s, Alpha started to integrate social responsibility issues within its business model to mitigate conflicts arising from the need to operate in a competitive market. The purpose was to reinforce the connections with local communities, local actors, and members as well as secondary stakeholders through a more structured management of social responsibility and engagement. In the mid-2000s, a structured process of stakeholder engagement was implemented. From 2006 to 2011, the dialectic focused on equal opportunities, food safety, managing and valuing gender diversity, environmental protection and natural resource management.

The activities were aimed at diffusing the importance of the cooperative's principles and also at communicating the differences between the cooperative and its competitors. A series of programmes was implemented, in part thanks to the participation of the internal and external stakeholders. For example, new campaigns were set up to inform customers about product characteristics (above all regarding their safety and ethical characteristics), a photovoltaic system was installed to improve the energy management of the warehouse, and a new store layout was designed eliminating architectural barriers for disabled people (see Table 1 for the main projects implemented). For these reasons, Alpha can be considered a suitable unit of analysis for discussing the relationship between dialogic orientation and the process of engagement of different categories of stakeholders.

The possibility to interview and interact with Alpha and specifically with its related stakeholders was managed through direct contact with the social responsibility manager, who had comprehensive data on the stakeholder initiatives developed and implemented over the years. This internal way of identifying the stakeholders was necessary, because the majority of the initiatives promoted towards and with the stakeholders had insufficient public information despite the presence of a sustainability report published annually. The choice of who to interview was taken exclusively by the researchers, supported by the information provided by the social responsibility manager. The researchers also directly contacted the stakeholders, with no previous introduction by the social responsibility manager.

Different criteria were used to identify the stakeholders to interview. A balanced representativeness of each category of stakeholder, following the classification of the cooperative's Charter of Values, was the first criterion. Alpha had never conducted a comprehensive map of its stakeholders; thus, the reference was the generic classification contained in the Charter of Values rather than a more precise picture of the cooperative's stakeholders. A second criterion was a pre-existent and usually long-standing relationship between Alpha and the stakeholder. Although this criterion excluded more recent relationships,

which is a limitation of the research, it permitted the researchers to interview representatives with good knowledge of the social and cooperative scope of Alpha. Third, the selection of the stakeholders balanced the presence of representatives from national organisations with the presence of significant local organisations. In fact, although Alpha was one of the most prominent national market players, it has also maintained a close attachment to its historical territories. In total, 16 stakeholder representatives were interviewed (cf. Appendix 1 for details and acronyms used for each stakeholder group). As indicated by O'Dwyer (2005), the selection of the stakeholders is more complex than interviewing organisational constituencies, because evidence has to be collected from different groups. The relatively high number of stakeholder categories interviewed, in representation of the Charter of Values, along with the lack of an official stakeholder map as well as the discussion held with the corporate social responsibility manager led the researchers to consider the sample to be significant and representative.

The interviews were conducted between October 2013 and July 2014. Semi-structured questions were used to encourage the interviewees to take an active role in the dialogue with the interviewers but also to define the boundaries of the topics (Denzin and Lincoln 2005). The interviews ranged from 45 min to 2 h, for a total of almost 21 h. The duration depended on the number of activities developed by each stakeholder with Alpha over the years. At the beginning of each interview, it was explained that the research was designed for academic purposes; thus, it was not linked to the cooperative's interests. All interviewees were also informed that the interview would result in an aggregated and anonymous final scientific output. The native language of the interviewees was used for the interviews, and the research team decided not to digitally record the interviews to give the interviewees the maximum freedom of expression. While some details could not be recorded and mirroring was not possible, thus representing a limitation of the research, this method of data collection encouraged free and frank discussion on the topic (Myers 2013). Aware of the risk of losing some details, the idea was focused on "stakeholder freedom" also because, for most of the interviewees, this was the first time they had been asked for their opinions on the cooperative's actions.

The main themes discussed during the interviews were the engagement and dialogue activities carried out by Alpha over the last 5–10 years, the nature and the evolution of the relationship over time, the perceived benefits of the relationship and the problems related to the engagement and dialogue processes (see Appendix 2 for the structure of the questionnaire). These overlapping themes provided an in-depth perspective on the nature, characteristics and dialogic-

**Table 1** Main projects developed

Project	Motivations	Stakeholders interested	Actions developed
Civic analysis	Architectural barriers in the stores	Members Employees Customers	Planning a new format for the stores to improve their accessibility
Energy management system	Lack of data on gas and electricity consumption Gradual increase in energy costs	Environment Employees	Drafting new guidelines for the appropriate use of energy and annual planning of internal energy audits
Valuing and managing diversity programme	Lack of women in top management (given the overall majority of women in the rest of the organisation) Lack of policy for maternity leave	Employees	Training in gender issues. New practices on management of maternity leave at individual stores
Health and safety management system	Deterioration of safety performance indicators	Employees	Initial implementation of a health and safety management system
Ethical labels promotion	Low sales quotas of ethical products (e.g. fair trade labels)	Employees Members Consumers	Design and implementation of an ethical brand
Food safety	Evaluation of local supply chain quality and diversity Selection, evaluation and accreditation of local suppliers	Members Consumers Suppliers	Upgrade of the checklist on food security among local suppliers and informative campaigns for members and consumers
Waste management system	Lack of operation controls on waste cycle management	Natural environment Employees	Implementation of environmental audits in the stores and new internal procedures for waste management
Promotion of local suppliers	Willingness to promote local products and firms	Local suppliers	Creation of an ad hoc product label for products from local suppliers
Social project	Demonstration of the commitment towards communities at local and international levels	Non-governmental organisations Local community	Development of solidarity and philanthropic initiatives in African and south-east Asian developing countries
Green awareness initiatives	Awareness-raising of members regarding the importance of sustainable behaviours	Non-governmental organisations Members	Promotion of “green” daily practices among members of the cooperative in collaboration with an international environmental NGO

related implications of the engagement process implemented. The researchers took extensive notes during the interviews. On the same day as the interview, the notes were compared, and an extensive report was compiled (Myers 2013). In addition to the interview reports, the cooperative’s sustainability reports since the 2007 edition and internal documents provided by the social responsibility manager, such as the cooperative’s annual sustainability plans, were analysed, thereby permitting data triangulation.

Data classification and analysis followed an iterative process. During data classification, the seven motifs were detailed to facilitate the process of analysis (Table 2) and to limit the subjectivity of the researchers. Accordingly, the materials were linked with the theoretical framework using the above-cited literature on dialogic exchanges. Then, the analysis was carried out independently by each of the

authors. At the end of the process, a specific map was created to identify the significant concepts and the evidences concerning the relationship between the stakeholders, the cooperative and the theoretical framework. To establish the sociopolitical perspective of the stakeholders, their websites and the related available material were analysed. The sociopolitical perspective was interpreted considering the social, environmental, economic, political and cultural ideas.

## Findings

Starting with the analysis of the *possibility for human agency* motif, the interviews revealed contrasting views concerning Alpha’s openness and rationality in promoting

**Table 2** Definition of the dialogic motifs

Dialogic motif	Explanation
Possibility for human agency	Awareness of the importance of stakeholder skills and experiences Stakeholder involved in the co-design and co-implementation of initiatives and processes Critical encounters aimed at social transformation Central importance of environmental, social and participatory aspects
Language and heterogeneity of discourse	Multidimensional analysis and representations of a certain topic Encouraging critical, systematic and transdisciplinary inquiry Recognising unheard voices Active listening and reflecting processes
Community and identity	Mutual trust and common understanding Importance of cultural, historical and political aspects Geographical and territorial proximity analysis
Material context and power dynamics	Analysis of the hierarchical structures between the agents Analysis of the relational dynamics between the agents Interplay between hierarchical structures and relational dynamics Analysis of the nature, content and importance of the topic
Institutional framework and democracy	Presence and analysis of national and international dialogic institutions Dynamics of the democratic and business debates
Epistemology	Multidimensional analysis and representations of a certain topic Encouraging critical, systematic and transdisciplinary inquiry Recognising unheard voices Active listening and reflecting processes
The role of experts	Presence, content and use of accountability tools and mechanisms Investments in social, environmental and participatory processes Nature, size, history and characteristics of the organisation

a dialogic-oriented engagement. Positive claims were expressed by a non-profit organisation (S-NPO1), which revealed a true appreciation of the actions taken by Alpha, also compared to other market players. S-NPO1 reported a constructive exchange between Alpha's technical area and her organisation. This stakeholder, who shared a similar sociopolitical perspective with Alpha, underscored the willingness of the cooperative to share ideas and opportunities oriented to increase the quality of life of disabled people. The stakeholder designed a project of a commercial store without architectural barriers for the disabled which, despite the higher planning and building costs, was appreciated and built by Alpha. The project aimed to guarantee the equal treatment of disabled people during their visits to the stores, facilitating their free movement and purchase choices. S-NPO1 highlighted that such collaboration was a moment of social transformation, because it was aimed at a less powerful secondary stakeholder. It was in fact the first time that a large commercial player in the Italian food retail sector proactively considered the perspective of disabled people throughout the entire process—from design to construction—of building a new store. In the exchanges with this stakeholder, Alpha used its power in a more democratic way, being open and

collaborative towards the stakeholder's priorities and suggestions concerning the concrete improvement of disabled people's material conditions.

An appreciation of Alpha's dialogic orientation was also revealed by a second stakeholder, S-NPO2, regarding fair trade products. Over the years, a group of consumer-owned cooperatives, with the same sociopolitical perspective and with S-NPO2 as an advisor, built up a direct supply chain between local African producers and their Italian retail stores. A specific ethical label was designed and implemented, aimed at developing a global and socially responsible supply chain. At the time, it was a niche initiative, which became increasingly adopted in the market and was partially imitated by competitors. The project linked local and international aspects. Local families, in addition to relying on millet production, received the revenues from selling green beans to the cooperative and to other local customers. This enabled the local families to go beyond a subsistence economy, with a positive impact on local socio-economic conditions. At the local level, the community also became progressively more involved in decision-making concerning the project. Initially implemented for a period of almost 10 years, the project was then stopped due to supply chain problems associated with



difficulty in sustaining the continuous agricultural production of the product. In 2015, the project restarted with the involvement of around 1000 local producers organised in a local cooperative. This case revealed that, despite the partial convergence of their sociopolitical perspectives, Alpha and S-NPO2 established a common target and the desire to work collaboratively in terms of increasing the quality of life of the marginalised population in underdeveloped countries. Alpha was willing to interact with these two stakeholders to co-identify priorities and programmes as well as to co-implement them.

This stakeholder also revealed the importance of a second related large project aimed at improving the social and educational conditions of a local community in Burkina Faso, West Africa. Alpha started this international solidarity activity in 1996, and its role was fundamental in the implementation of the project, progressively shifting the donor activities to co-designing actions, related to education, food and health training, in accordance with the needs of the local population. S-NPO2 could progressively convince Alpha of the importance of project co-design, which in turn was open to collaboration on par (Skilton and Purdy 2017) over a certain project. Power was temporarily redistributed, because Alpha understood its lack of knowledge on certain aspects and, therefore, it supported the ideas of the stakeholders as well as of the local communities.

The absence of dialogic orientation was revealed by EMP1, an internal stakeholder. EMP1 underscored a lack of commitment towards increasing employees' skill base. At first, according to EMP1, Alpha gave more attention to promoting operational processes rather than investing in developing the skills of its workforce. For example, the investments in waste and energy management were substantial, balanced and supported by specific performance targets set by top management related to operational and normative aspects. However, they were focused on operational procedures and internal audits, whereas related investments in training and staff skills were insufficient and not adequately planned. According to EMP1, the president and the human resource manager were unable to understand that training activities could be an important opportunity to increase middle managerial and employee skills and, at the same time, increase the commitment of the employees to the cooperative's decisions. The training programmes carried out focused on transferring the operational procedures established at headquarters to individual stores (such as operative instructions regarding the separation of wastes). This was criticised by EMP1, because it had been set up without any evaluation of the needs of the employees and took a top-down rather than participative approach. Despite the numerous requests to improve employees' managerial skills, especially in the case of very

large stores, Alpha's top management was not willing to interact. This lack of interaction, in the stakeholder's opinion, was not just related to training and skills but also in general regarding the need to find a better synthesis between the cooperative's principles and the market requirements (an example cited was the lack of shared managerial solutions for balancing working hours where there was a work overload at the store level). EMP1 also strongly criticised the cooperative's scarce attention to job tenure and promotion. This case illustrates that contrasting visions can exist despite the presence of a common sociopolitical perspective. In this case, an internal struggle was evident and was managed following a hierarchical logic. Despite the initiatives concerning health and safety management and the diversity programme slowly implemented in the stores, this internal stakeholder revealed the need to open up the internal discussion.

Other stakeholders revealed a lack of dialogic orientation. Contrasting views concerning willingness to create a heterogeneous discourse were reported by the non-profit environmental organisations. The environmental stakeholder E-NPO1 developed three projects with Alpha concerning environmental protection. In the first project, E-NPO1 gave support for identifying and designing various eco-friendly practices in the areas of energy efficiency and waste collection and differentiation. This project was externally oriented and specifically aimed at increasing the environmental literacy of the cooperative's members. In the second project, E-NPO1 was involved in the design of new environmentally friendly products through an assessment of their environmental impacts and the consequent definition of new, specific eco-friendly characteristics. In these two examples, Alpha engaged substantially with the projects.

The third project was a collaboration in which Alpha and other consumer-owned cooperatives financially supported and sponsored a project on the massive regeneration of protected natural areas. Financial support was generated from the sale of environmentally friendly products within several stores. In this case, Alpha supported the initiative at the local level through awareness campaigns and product availability within its stores.

Despite these initiatives, E-NPO1 was sceptical about the dialogic orientation of Alpha. This stakeholder underscored a lack of genuine openness in regard to discussing the environmental impact of the cooperative's activities. In E-NPO1's view, all consumer-owned cooperatives, including Alpha, were strongly resistant to dialogue and to deconstructing their environmental behaviours as well as unwilling to question their environment-related decisions, especially when complex changes were being debated. Some years before the interview, E-NPO1 had proposed a strong environmental repositioning requiring a significant

investment in promoting environmentally friendly brands. This request involved new procedures for the sustainable management of the cooperative's supply chains to stimulate the implementation of environmental approaches in a large number of suppliers. Conflicts with Alpha emerged, because the cooperative was not willing to modify some of its suppliers' selection criteria, arguing that this could only be achieved through the simultaneous mobilisation of all consumer-owned cooperatives at the national level. In addition, E-NPO1 highlighted that dialogue and the promotion of environmental awareness with some competitors were more constructive and characterised by more openness.

For E-NPO1, the many environmental initiatives carried out over the years by Alpha, and by the cooperatives in general, were mainly driven by reputational, normative and efficiency aspects, without a genuine interest in environmental conservation. This conflictual vision was due to the fact that this environmental stakeholder and Alpha, as well as the other cooperatives, had different environmental sensitivities. E-NPO1 was a deeply green, strong, ambitious and internationally positioned stakeholder. Historically, this stakeholder had a strong interest in the cooperative's environmental decisions and performance, always requesting greater accountability. It also had much experience with business actors in raising awareness on environmental issues.

Accordingly, the relationship with this stakeholder indicates that when the environmental projects were less aligned with the cooperative's interests, the possibility of creating a heterogeneous discourse based on confrontation and participation was reduced. For example, the environment-related sponsorship initiatives did not significantly impact Alpha's internal decision-making. Although oriented at promoting a more general and public awareness regarding natural local habitat conservation, this collaboration with E-NPO1 was mainly driven by a desire to improve Alpha's reputation. The respective power and independence combined with the different visions of the two agents did not favour a dialogic exchange, obfuscating the promotion of the motifs *language and the heterogeneity of discourse* and *epistemology*.

Concerning the motif of promoting a sense of *community and identity*, the analysis highlighted that Alpha was not sufficiently willing to create dialogic orientation with all stakeholders. With public servant stakeholders (PA1 and PA2), Alpha was able to share a common identity, because their interests tended to converge. Alpha had more than 100 retail stores in four regions. From one side, the role played by local institutions in the management of such stores was crucial (e.g. building permission and viability issues). From the other side, the opening or enlarging of a retail store was an important moment in the life of a local community, because it was associated with new job

opportunities. Logically, the public stakeholders interviewed considered the cooperative a fundamental actor for their local communities' development. They underscored Alpha's key contributions in increasing the social and economic welfare of local citizens, offering job opportunities, developing social activities and offering good value for products. They argued that Alpha had been promoting the idea of local development based on local relations and mutual exchange for almost 50 years.

PA1 and PA2 also argued that Alpha was usually receptive to co-design and co-development and also open to the requests coming from other public servant stakeholders. Alpha regularly sponsored cultural, social and sports initiatives as well as offered political endorsements during elections. A mutual interest was present, because the development of several different activities in collaboration with Alpha was important in terms of acquiring political consensus in local areas for the public administrations involved. The positive effects generated by the mutual relationship were based on a countervailing form of power (i.e. a reduction in power asymmetries) and influenced by reciprocal and common interests and by the presence of a similar sociopolitical perspective, which, for many years, had been a solid value between the category of public servant stakeholders and the cooperative. Despite the fact that Alpha exercised power in terms of deciding whether it was a "win-win" relationship, it also recognised the power of this specific class of stakeholders for the improvement of its business activities and territorial reputation. However, these two stakeholders pointed out that, in recent years, the relationship had become less participatory due to a change in Alpha's position, which had become somewhat distant, less involved in the discussion concerning the development of local areas, and less willing to engage in dialogue.

As the above analysis indicates, with some stakeholders (excluding members), the development of a common identity was difficult, even impossible, due to the presence of partial and different interests. The case of the environmental stakeholder E-NPO1 was emblematic in showing cultural and practical distance. Differently, E-NPO2, a second environmental stakeholder interviewed, expressed positive argumentations towards Alpha. E-NPO2 collaborated with several local member sections of the cooperative in the design and implementation of food security and water consumption information campaigns for the local population. This stakeholder also collaborated with Alpha's central offices, co-designing and co-implementing environmental-related projects. A prominent example was when, following the request of E-NPO2, the cooperative agreed to increase the level of environmental transparency and traceability of some of its products. In this case, the openness of Alpha was due to a convergence of interests,

actions and goals with those of the stakeholder. However, E-NPO2 also recognised that the positive exchange with Alpha decreased progressively due to an increase in internal organisational complexity, which reduced the ability of the cooperative to interact actively. This case reveals a different type of interaction. While E-NPO2 was truly independent of Alpha, Alpha was dependent on the stakeholder. E-NPO2 was in fact an important national representative of consumers. Accordingly, it was important to establish a good relationship with this stakeholder to boost Alpha's reputation and give concreteness to the cooperative's principles.

The suppliers were particularly critical of the cooperative. According to the local supplier SUP2, a lack of dialogic orientation was present both at the sector and local levels. This stakeholder accused the large-scale retail market of being solely responsible for the reduction in the price of agricultural products and for the reduction in food quality. This supplier claimed that in the retail market, the contractual dominance of large enterprises, including cooperatives, over the supply chains generated a progressive price reduction, which decreased the margins of the small suppliers. The stakeholder argued that food retail enterprises were also considered to be solely responsible for a decline in the quality of products, because they did not consider product seasonality and the fluctuation in productivity levels. This led to the introduction into the market of products from foreign countries characterised by less social and environmental regulations.

SUP2 also indicated the absence of a constructive and open relationship with Alpha, which was not interested in discussing any other issues apart from product quantity and price setting. The second obstacle was that Alpha tended to create an atomistic negotiation process with each supplier instead of designing a common and organic contractual dialectic. These relationships were dominated by power dynamics without any possibility for the suppliers to influence decision-making. SUP2 indicated the absence of a common identity among suppliers as one of the main reasons for the great amount of power held by Alpha. Instead of collectively negotiating better conditions, suppliers often preferred to pursue an individual relationship with Alpha under the (mistaken) idea of being able to obtain their own specific conditions. The divergence of business interests between the cooperative and the suppliers prevented Alpha from considering the suppliers' business targets and delivery management. Dialogic orientation was absent with relationships based on the dominance of the large actor over the smaller ones.

A similar relationship was revealed by a second supplier, SUP3, who perceived a lack of willingness by Alpha to have dialogic discussions. Again, SUP3 stressed Alpha's tendency to negotiate with the local farmer confederation

and to interact with individual suppliers, which, due to their small size, were unable to influence and change the negotiation process and related conditions. SUP3 reported that the lack of a common negotiation approach was detrimental to achieving better business opportunities for the suppliers. The lack of an equalitarian exchange was counterbalanced by the ability of the cooperative to pay suppliers within a short time period. This aspect clearly indicated that economic factors dominated the governance of the supply chain. Further, SUP3 criticised the lack of a common plan with the cooperative concerning the promotion of local organic products produced by small local farmers.

The engagement of suppliers was also regulated by the implementation of a food safety accreditation system. The aim of this was to evaluate quality and food security in order to officially include different suppliers within the cooperative's roster. This system was set up in collaboration with the suppliers, taking into consideration their request to be valued as local suppliers on mass market. The idea behind the accreditation system was to offer suppliers the opportunity to sell products through Alpha's retail shops and to guarantee quality foods to the customers. This accreditation system created revenue opportunities for the suppliers, but it established a strong regime of power of Alpha over the supply chain (Spence and Rinaldi 2014).

Alpha's actions towards local stakeholders were decoupled from its principles because the engagement of local and small farmers was driven by the strategic idea to establish business relations with actors in the local area and not by the idea of promoting locally developed goods and social capital. In a contradictory manner, Alpha stated that "identifying convenience and product quality, environmental protection, fair labour policies and work ethics as criteria for selecting its suppliers, the cooperative is committed to influencing the behaviour of these stakeholders as much as possible, with positive social impacts at the local level" (from the 2007 sustainability report). Over the years, the number of suppliers accredited included almost 800 organisations, indicating a large degree of power achieved by Alpha. The case of the suppliers highlights the absence of a dialogic exchange and the impossibility of respecting and promoting the different sociopolitical perspectives involved when the topic is complex, close to the business interests of the powerful actor and largely dominated by market-related considerations.

Unlike the suppliers, the member stakeholders (MC2, MC3 and MC4) indicated a high level of trust in Alpha, highlighting its "institutional" role. Alpha had more than 950,000 members divided into 30 local divisions and consequently a central role within the local community. The local member sections are intermediate official structures through which the cooperative operates in the local

area to promote social and community issues. MC2 and MC3 recognised that Alpha had the capacity to foster local development through several projects and activities over the years. Food safety and quality, food traceability, healthier living and awareness-raising campaigns relating to responsible consumption, fair trade and energy efficiency at the individual level were topics discussed and promoted through the local sections. As revealed by the interviewees, the interaction between Alpha and the local sections was characterised by a combination of top-down and bottom-up approaches. In some cases, the cooperative identified the social projects and social actions, asking to local sections to implement them. In other cases, Alpha implemented programmes and actions in conjunction with the local sections based on their suggestions. In these cases, the exchange with the local member sections was based on strong social capital aimed at sharing and promoting cooperative principles.

Another member stakeholder, MC1, expressed a very different perspective regarding the (un)engagement process carried out. This stakeholder reported a lack of dialogue with the cooperative. In particular, MC1 was concerned about the absence of dialectic regarding the future strategic development of Alpha. MC1 revealed Alpha's difficulty in coordinating the various local member sections in the local area. Often, each local section followed their specific social and community initiatives without the collaboration or involvement of the other sections. There was an atomistic relationship between the cooperative and each local section which did not reinforce reciprocal engagement and participation among the various local sections.

The other member stakeholders—MC2, MC3 and MC4—never mentioned any involvement in the discussion concerning future strategic issues, indirectly confirming MC1's view on the point. MC1 also underscored the huge departure of the younger generations from the cooperative's principles. This theme was also stressed by the other members interviewed, who confirmed the difficulties in transmitting the cooperative's principles to future generations. Neither of these stakeholders highlighted power dynamics as an issue, also indicating that Alpha demonstrated a true commitment to improving the cultural, social and economic well-being of its members and of the related local communities for a long period of time.

Concerning the *role of experts* taken up by Alpha, supplier SUP1, in contrast to the other two suppliers, expressed a positive indication. SUP1 explained that a long-term plan aimed at increasing its dimension and sustaining its market competitiveness during an uncertain phase of its life cycle was co-developed with the cooperative. The aim was to offer SUP1 access to the mass market. SUP1 made technological and human capital investments and successfully changed its production

methods, improving the quality of its products to respond to the requests of the cooperative and of the market. The relationship maintained a dual aim for many years: sustaining SUP1's growth and offering local high-quality foods in Alpha's retail stores. According to SUP1, Alpha exploited a mix of dialogic orientation and soft power, which gradually changed into a strong form of power based on price setting. This last aspect occurred due to Alpha's dimensional and geographical expansion and an increased concentration on business aspects, showing similarities with the criticism previously expressed by the other two suppliers.

A similar regressive dynamic concerning the role of Alpha as a dialogic expert was highlighted by EMP2, an employee representative. EMP2 indicated that Alpha, unlike some other cooperatives, stood by the renewal of employees' contracts as established by national law despite the economic troubles it was going through. EMP2 recognised that Alpha always considered the perspective of the employees in terms of a good salary, especially those with a lower grade of employment. However, EMP2 also revealed a gradual reduction in dialogue and face-to-face discussions. While in the past Alpha was more willing to discuss possible adjustments and improvements related to workplace conditions (such as the issue of diversity management), the nature of the relationship was becoming progressively driven by national legislative aspects (which negatively impacted the level of participative dialogue at the local level) and by the negative economic performance of the cooperative over the previous few years (which negatively impacted internal social relationships). Unlike the case of EMP1, where power played a role in resolving the divergences, in this case the weakening of the dialogic relationship followed an orderly flow. Alpha focused on economic problems that were considered more important than other ones. A similar sociopolitical perspective between Alpha and EMP1 was not sufficient for a dialogic exchange, because seeking a common and shared interest was subordinated to economic priorities.

## Discussion and Conclusions

The current study has examined the organisation-stakeholder relationship, discussing whether an engagement process was able to promote dialogic exchange. The research revealed a fragmented picture concerning the promotion of a dialogic orientation. According to most of the stakeholders, the cooperative did not adequately promote a reciprocal understanding of the multiple interests involved but rather privileged particular discourses. Stakeholder engagement largely followed the traditional logic of stakeholder accountability (Brown and Fraser

2006), without promoting the different languages and perspectives in a dialogic manner. The cooperative thus did not set up a dialogic-oriented engagement with all stakeholders. Conversely, it often developed a consensual oriented form of engagement. Also, in those cases where the engagement of the stakeholder was democratic, it was related to the promotion of the cooperative's interests.

Concerning social issues, the stakeholders were included in the co-design and implementation of the initiatives. This occurred due to a convergence of interests and a similar sociopolitical perspective between the cooperative and the stakeholders involved. In the case of environmental issues, the dialogic orientation and exchanges were flawed and almost lacking due to the presence of separate interests and divergent sociopolitical perspectives. Environmental initiatives, based on a consensus-oriented engagement, were aimed at increasing the cooperative's internal efficiency and normative aspects as well as reputation. They were loosely associated with dialogic orientation and loosely related to the social-political perspective of the stakeholders. The requests and the perspectives of the environmental stakeholders were mainly overlooked. In the third case, characterised by a common sociopolitical perspective but divergent interests, such as internal labour relations, the requests of the stakeholders were neglected because internal organisational changes were required. These three types of engagement suggest that consensus-oriented dialogic orientation worked reasonably well for "win-win" relationships characterised by a convergence of interests between stakeholders and the cooperative, but otherwise was very challenging.

The analysis revealed that the weak and partial dialogic orientation was caused by the difficulties in promoting the heterogeneity of the discourse by neglecting possibilities for human agency and due to power dynamics. Although the discussion topics were aimed at proposing internal changes and reducing the business interests of Alpha, the language and the heterogeneity of discourse were absent and neglected. When the cooperative was asked to engage in organisational changes that were detrimental to its business objectives—but concurrently able to satisfy stakeholders' interests—the dominant profit logic did not give space for such changes (Archel et al. 2011). In those cases where the changes proposed were marginal and lateral to the business interests, the activities and projects designed and carried out with the engagement of the stakeholders (i.e. dialogic orientation) were more evident.

The case analysed did not show a commercial/moral extreme as in the case of Dey (2007), but rather it highlights a lack of perceptiveness in which the cooperative and its top managers preferred a favourable monologic perspective over a dialogic one. In fact, the discourse was dialogic only in a few circumstances despite the vast majority of stakeholders being conscious of the self-interests of the

cooperative and of the necessity to find common solutions. From the analysis of the stakeholders' views, it emerges that the stakeholders were more mature and ready to be engaged in seeking out common solutions compared to Alpha, which systematically avoided conflictual situations.

While a certain level of conflict is natural between an organisation and its stakeholders (Rodrigue 2014), the analysis highlights that the creation of a common identity, as a trait important to fostering dialogic orientation, depended on the topic discussed and the willingness of the parties involved. This underscores that the notion of dialogic orientation is not a static and objective matter, highlighting that the different sociopolitical perspectives, power dynamics and specific interests involved in achieving dialogic orientation must be considered. As indicated by Levy et al. (2016), "parties dynamically adjust their strategies in interaction with each other and their environment. As the context of interaction changes, actors re-evaluate their opportunities and reinterpret their interests, shaping the possibilities for further moves. As a result, roles, relationships, interests and identities dynamically evolve over time". This kind of dynamism in searching for a common identity was basically neglected by Alpha despite the willingness, respect and lack of hostility of the stakeholders towards Alpha.

The analysis also revealed a decline in Alpha's stance towards dialogic orientation. The geographical proximity between the actors facilitated the development of dialogic exchange due to common cultural, political and historical aspects. The reciprocal knowledge between Alpha and some of its stakeholders reduced symbolic interaction, fostering in specific circumstances, dialogic orientation. The positive effects of the material context affected, for example, the relationships with public administrations and, for a limited period of time, also with some suppliers. Despite this, over time, the cooperative reduced the space for dialogue with its stakeholders, which some of them moved from being salient to silent (cf. Davila and Molina 2015). In the case of the suppliers, while initially the relationships were characterised by specific concessions (Skilton and Purdy 2017) based also on reciprocal needs, the power structure of the cooperative became stronger over time. With public administration stakeholders, the power dynamics were reciprocally shaped, because both the actors had the ability to exercise and influence their power over the other. The motivation to work collaboratively generated a more stable relationship, creating a more constructive exchange based on convergent interests. For the suppliers, the power dynamics became a trap, because they were no longer able (or were not willing to due to the associated economic losses) to negotiate, at least partially, the dominance mechanisms (i.e. access to mass market with revenue opportunities and diffusion of production)

that characterised their relations with Alpha. These examples illustrated that in the construction of a dialogic engagement with different categories of stakeholders, it is very difficult to circumscribe power dynamics. Power dynamics can be subject to more democratic forms of accountability depending on the relevance of the topic discussed and on the nature and the role of the stakeholder involved (Boesso and Kumar 2009), but they still remain present (Brown and Dillard 2013b).

However, also for the cooperative, the strong power dynamics were not productive over time. The increase in power dynamics blocked their relationships with stakeholders. It reduced the possibility of implementing common projects, which was one of the main mechanisms that enabled the cooperative to grow in the market and to be considered an economic actor, merging economic and social improvement. The power dynamics evolved naturally and intentionally. In the first case, the power dynamics were linked to the increasingly disparate size of the cooperative and the stakeholders and to the key role played by Alpha within the local communities. The increase in size combined with a managerial lack of discernment produced a misalignment of interests between the cooperative and the stakeholders. The results thus indicated the presence of temporary seeds of dialogic orientation, stressing that the possibilities for stakeholders to open dialogues with enterprises also exist in the presence of power and knowledge barriers (Byrch et al. 2015; Levy et al. 2016).

Whether and how an organisation fosters an ongoing dialogue with a stakeholder without mobilising power dynamics is an open issue (Brown et al. 2015). This is because an ongoing engagement with others requires a substantial amount of resources and a strong awareness and openness on the part of organisations (Parker 2014). In the case of Alpha, there was only one internal position dedicated to such an activity (the corporate social responsibility manager), without any support staff and with only partial internal sponsorship. Thus, fostering an ongoing dialogue would have been very difficult and challenging. Also, the case reveals that the development of engagement, participatory and governance dialogic processes should have a long-term orientation, whereas Alpha increasingly focused on the short-term and medium-term rather than on the constructive management of long-term relationships (Afreen and Kumar 2016).

As indicated above, the social capital created by the historical and political affinity with the local area was an important enabling factor in establishing relationships and exchange processes (Killian and O'Regan 2016). The time duration of the relationship between the cooperative and the stakeholders was a second factor which both enabled and hindered the generation of a dialogic orientation. Those stakeholders having a longer relationship with Alpha, such as all the social non-profit organisations, expressed a more

positive view of the cooperative compared to the more recent stakeholders, such as various environmental stakeholders, who began interacting with the enterprise when it was already large and powerful. A long relationship based on trust was also important. Other aspects considered important in favouring stakeholder engagement (Saravanan and Lehman 2013) were temporally taken into consideration but were later only marginalised. Examples are the awareness of each other's competing-and-interdependent goals and perspectives, appreciation of the complex issues and motivation to work collaboratively. From a broader perspective, the variation over time of the nature of stakeholder engagement has similarities with what was reported by Vinnari and Laine (2013), who showed that after an initial high level of enthusiasm for environmental reporting, this turns out to be a passing fad, as was the case with Alpha's interest in dialogic exchange.

The flawed picture concerning the engagement process indicates that the adherence to business logic, characterised by the power dynamics, represented a comfortable zone for the cooperative. Conversely, opening up the discussion with its stakeholders was considered risky. In terms of Brown and Dillard's (2014) discussion, Alpha seemed to be willing to "broaden out" (i.e. consider a wide range of issues) but not really to "open up" (i.e. in being open to divergent sociopolitical perspectives). The declining and, more in general, the scarce interest of enterprises in the participatory rights of others generates the question of how to ensure effective engagement, participatory and governance processes. Brown (2009) highlights the possibility of creating legislative rights related to participation aspects. The results of the case analysis offer a contribution to this perspective, indicating that stakeholders do not have to be reliant merely on "voluntarist" corporate social responsibility initiatives to be engaged. Companies should be pushed to promote a more open participation and engagement through a legislative oriented approach to corporate social responsibility.

To conclude, the results of this study may be interesting for cooperative enterprise managers who are considering whether and how their organisation should promote stakeholder engagement. The results indicate that to make engagement more effective, an organisation must be strongly committed to it and have an in-depth knowledge of the stakeholders beforehand. This is because dialogic orientation is not an innate quality of the enterprise but instead represents a cultural and managerial orientation. For example, the dialogic authority of an organisation may be developed only if there is a widespread internal commitment to being democratic and to engaging the stakeholders in decision-making. Concerning instead the implications for stakeholders, the creation of chains of equivalence (Brown 2009; Brown and Dillard 2013b) between the most critical stakeholders could be an effective

strategy for increasing engagement with enterprises. Political chains of equivalence may help to create mass in order to increase pressure for change and foster debate. The creation of a political chain of equivalence could promote solidarity mechanisms capable of counterbalancing the unequal power relations between the actors.

One limitation of this study is that the findings are most relevant to those consumer-owned cooperatives operating with similar historical, political and organisational characteristics. A generalisation to other contexts and organisational fields must be made with great precaution. The lack of interviews with cooperative managers was another limitation. As such, interviews could have offered a complementary perspective on the topic. Due to the small number of studies on cooperative enterprises, future analyses should continue to investigate whether, how and why this form of organisation carries out engagement, participatory and governance processes. Other empirical studies based on the deliberative–agonistic literature and related frameworks could shed light on the capacity, willingness, risks and difficulties of the various organisations (cooperative, capitalistic and public organisations) to engage with stakeholders. As empirically suggested by this study, agonistic–dialogic approaches are required to take into account the more conflictual elements of pluralist relations, with specific attention to power dynamics, mutual understanding and long-term possibilities as key variables in favouring dialogic orientation.

In this regard, comparative and longitudinal analyses of different organisations could offer interesting theoretical

and empirical evidence. In addition, investigating the perspectives of stakeholders concerning what the different organisations (cooperative, private and public organisations) are actually doing in terms of engagement, participatory and governance processes is a key avenue for further research. Addressing the ability of stakeholders to interact with organisations, creating for example a temporary chain of equivalence, could be an additional avenue of research, as there is no evidence in the literature on this. In fact, the assumption that stakeholders are able to engage and dialogue with organisations is basically taken for granted, and future studies are needed to explore this point. Finally, the analysis of “uninvited” forms of stakeholder engagement, rather than being reliant only on management-initiated forms of engagement, in the interest of achieving more democratic engagement/outcomes deserves future attention.

**Acknowledgements** This research has been financially supported by The Italian Ministry of Education, Universities and Research with the PRIN Project 2010–11 “GOESE – Global Observatory on the Evolution of the Sustainable Enterprise”.

#### Compliance with Ethical Standards

**Conflict of interest** All authors declare that they have no conflict of interest.

## Appendix 1: Interviews Summary

Category of stakeholder	Role of the person interviewed	Code	Period	Duration (minutes)
Social non-profit organisation 1	Technical manager	S-NPO1	June 14	113.00
Social non-profit organisation 2	Project manager	S-NPO2	May 14	84.00
Social non-profit organisation 3	President	S-NPO3	June 14	84.00
Environmental non-profit organisation 1	Head of marketing for the Italian division of an international not governmental organisation	E-NPO1	June 14	73.00
Environmental non-profit organisation 2	Head of consumer policies of a national non-profit association	E-NPO2	June 14	87.00
Members and consumers 1	President of a local section	MC1	April 14	90.00
Members and consumers 2	Representative of members in the cooperative board of directors and president of a local section	MC2	April 14	57.00
Members and consumers 3	President of a local section	MC3	April 14	48.00
Members and consumers 4	President of a local section	MC4	April 14	45.00
Suppliers 1	Consortium of agricultural producers	SUP1	May 14	97.00
Suppliers 2	Local representative of national agricultural body	SUP2	May 14	81.00
Suppliers 3	Local representative of Italian farmers confederation	SUP3	May 14	95.00
Public administration 1	President of a municipal hall of a metropolitan city	PA1	June 14	65.00
Public administration 2	Mayor of a city of major investment for the cooperative	PA2	Oct 13	65.00
Employees 1	Labour union representative	EMP1	May 14	78.00
Employees 2	Labour union representative	EMP2	July 14	85.00

## Appendix 2: Interview Guide

1. General information about the interviewee: name, job position, employment history within her/his organisation, key characteristics of her/his organisation.
2. Identification of the nature, longevity and frequency of interaction with Alpha's representatives.
3. Specification of the involvement of the interviewee with Alpha.
4. Grade of importance—in terms of influencing—Alpha towards the interviewee's organisation.
5. Level Alpha provides the interviewee's organisation with material or immaterial resources.
6. Level of impact of the interviewee's organisation on Alpha.
7. Evaluation of Alpha's ability to meet stakeholders' expectations.
8. Description of Alpha's impacts in a specific context with which the interviewee is familiar.
9. Level of trustworthiness towards Alpha's commitments for future interactions with the interviewee's organisation.

## References

- Afreen, S., & Kumar, S. (2016). Between a rock and a hard place: The dynamics of stakeholder interactions influencing corporate sustainability practices. *Sustainability Accounting, Management and Policy Journal*, 7(3), 350–375.
- Archel, P., Husillos, J., & Spence, C. (2011). The institutionalisation of unaccountability: Loading the dice of corporate social responsibility discourse. *Accounting, Organizations and Society*, 36(6), 327–343.
- Arunachalam, M., Jagdeep Singh-Ladhar, J., & McLachlan, A. (2016). Advancing environmental sustainability via deliberative democracy: Analysis of planning and policy processes for the protection of Lake Taupo. *Sustainability Accounting, Management and Policy Journal*, 7(3), 402–427.
- Ashforth, B. E., & Reingen, P. H. (2014). Functions of dysfunction managing the dynamics of an organizational duality in a natural food cooperative. *Administrative Science Quarterly*, 59(3), 474–516.
- Battaglia, M., Bianchi, L., Frey, M., & Passetti, E. (2015). Sustainability reporting and corporate identity: Action research evidence in an Italian retailing cooperative. *Business Ethics: A European Review*, 24(1), 52–72.
- Battaglia, M., Passetti, E., Bianchi, L., & Frey, M. (2016). Managing for integration: A longitudinal analysis of management control for sustainability. *Journal of Cleaner Production*, 136, 213–225.
- Bebbington, J. (2001). Sustainable development: A review of the international development, business and accounting literature. *Accounting Forum*, 25(2), 128–157.
- Bebington, J., Brown, J., Frame, B., & Thomson, I. (2007). Theorizing engagement: The potential of a critical dialogic approach. *Accounting, Auditing and Accountability Journal*, 20(3), 356–381.
- Birchall, J. (2010). *People-centred businesses: Co-operatives, mutuals and the idea of membership*. London: Palgrave Macmillan.
- Boesso, G., & Kumar, K. (2009). An investigation of stakeholder prioritization and engagement: Who or what really counts. *Journal of Accounting & Organizational Change*, 5(1), 62–80.
- Brennan, N. M., Merkl-Davies, D. M., & Beelitz, A. (2013). Dialogism in corporate social responsibility communications: Conceptualising verbal interaction between organisations and their audiences. *Journal of Business Ethics*, 115(4), 665–679.
- Brown, J. (2009). Democracy, sustainability and dialogic accounting technologies: Taking pluralism seriously. *Critical Perspectives on Accounting*, 20(3), 313–342.
- Brown, J., & Dillard, J. (2013a). Critical accounting and communicative action: On the limits of consensual deliberation. *Critical Perspectives on Accounting*, 24(3), 176–190.
- Brown, J., & Dillard, J. (2013b). Agonizing over engagement: SEA and the “death of environmentalism” debates. *Critical Perspectives on Accounting*, 24(1), 1–18.
- Brown, J., & Dillard, J. (2014). Integrated reporting: On the need for roadening out and opening up. *Accounting, Auditing & Accountability Journal*, 27(7), 1120–1156.
- Brown, J., & Dillard, J. (2015a). Opening accounting to critical scrutiny: Towards dialogic accounting for policy analysis and democracy. *Journal of Comparative Policy Analysis*, 17(3), 247–268.
- Brown, J., & Dillard, J. (2015b). Dialogic accountings for stakeholders: On opening up and closing down participatory governance. *Journal of Management Studies*, 52(7), 961–985.
- Brown, J., Dillard, J., & Hopper, T. (2015). Accounting accountants and accountability regimes in pluralistic societies: Taking multiple perspectives seriously. *Accounting, Auditing & Accountability Journal*, 28(5), 626–650.
- Brown, J., & Fraser, M. (2006). Approaches and perspectives in social and environmental accounting: An overview of the conceptual landscape. *Business Strategy and the Environment*, 15(2), 103–117.
- Burke, B. J. (2010). Cooperatives for “fair globalization”? Indigenous people, cooperatives, and corporate social responsibility in the Brazilian Amazon. *Latin American Perspectives*, 37(6), 30–52.
- Byrch, C., Milne, M. J., Morgan, R., & Kearins, K. (2015). Seeds of hope? Exploring business actors' diverse understandings of sustainable development. *Accounting, Auditing & Accountability Journal*, 28(5), 671–705.
- Célérier, L., & Cuenca Botey, L. E. (2015). Participatory budgeting at a community level in Porto Alegre: A Bourdieusian interpretation. *Accounting, Auditing & Accountability Journal*, 28(5), 739–772.
- Contrafatto, M., Thomson, I., & Monk, E. A. (2015). Peru, mountains and los niños: Dialogic action, accounting and sustainable transformation. *Critical Perspectives on Accounting*, 33(December), 117–136.
- Cooper, D. J., & Morgan, W. (2013). Meeting the evolving corporate reporting needs of government and society: Arguments for a deliberative approach to accounting rule making. *Accounting and Business Research*, 43(4), 418–441.
- Cooper, S. M., & Owen, D. L. (2007). Corporate social reporting and stakeholder accountability: The missing link. *Accounting, Organizations and Society*, 32(7), 649–667.
- Davila, A., & Molina, C. (2015). From silent to salient stakeholders. A study of a coffee cooperative and the dynamic of social relationships. *Business & Society*. doi:10.1177/0007650315619626.
- Defourny, J. (2010). Concepts and realities of social enterprise: A European perspective. In A. Fayolle., & H. Matlay. (Eds.),



- Handbook of research on social entrepreneurship* (pp. 57–87). Edward Elgar Publishing: Cheltenham.
- Defourny, J., & Nyssens, M. (2013). Social co-operatives: When social enterprises meet the co-operative tradition. *Journal of Entrepreneurial and Organizational Diversity*, 2(2), 11–33.
- Denzin, N. K., & Lincoln, Y. S. (2005). *The Sage handbook of qualitative research*. London: Sage.
- Dey, C. (2007). Social accounting at Traidcraft plc: A struggle for the meaning of fair trade. *Accounting, Auditing & Accountability Journal*, 20(3), 423–445.
- Edgley, C., Jones, M. J., & Solomon, J. F. (2010). Stakeholder inclusivity in social and environmental report assurance. *Accounting, Auditing & Accountability Journal*, 23(4), 532–557.
- Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. *Academy of Management Review*, 32(4), 1246–1264.
- Ferguson, J., & Larrinaga, C. (2014). Celebrating the intellectual contribution of professor Rob Gray: The past, present and future of social and environmental accounting research. *Social and Environmental Accountability Journal*, 34(2), 67–73.
- Gallhofer, S., Haslam, J., & Yonekura, A. (2015). Accounting as differentiated universal for emancipatory praxis: accounting delineation and mobilisation for emancipation(s) recognising democracy and difference. *Accounting, Auditing and Accountability Journal*, 28(5), 846–874.
- Georgakopoulos, G., & Thomson, I. (2008). Social reporting, engagements, controversies and conflict in an arena context. *Accounting, Auditing & Accountability Journal*, 21(8), 1116–1143.
- Georgallis, P. (2016). The link between social movements and corporate social initiatives: Toward a multi-level theory. *Journal of Business Ethics*. doi:10.1007/s10551-016-3111-0.
- Gond, J. P., Barin Cruz, L., Raufflet, E., & Charron, M. (2016). To frack or not to frack? The interaction of justification and power in a sustainability controversy. *Journal of Management Studies*, 53(3), 330–363.
- Greenwood, M. (2007). Stakeholder engagement: Beyond the myth of corporate responsibility. *Journal of Business Ethics*, 74(4), 315–327.
- Harun, H., Van-Peursem, K., & Eggleton, I. R. C. (2015). Indonesian public sector accounting reforms: Dialogic aspirations a step too far? *Accounting, Auditing & Accountability Journal*, 28(5), 706–738.
- Heras-Saizarbitoria, I. (2014). The ties that bind? Exploring the basic principles of worker-owned organizations in practice. *Organization*, 21(5), 645–665.
- Hernandez, S. (2006). Striving for control: Democracy and oligarchy at a Mexican cooperative. *Economic and Industrial Democracy*, 27(1), 105–135.
- Killian, S., & O'Regan, P. (2016). Social accounting and the co-creation of corporate legitimacy. *Accounting, Organizations and Society*, 50(April), 1–12.
- Kourula, A., & Delalieux, G. (2016). The micro-level foundations and dynamics of political corporate social responsibility: Hegemony and passive revolution through civil society. *Journal of Business Ethics*, 135(4), 769–785.
- Kuenkel, P., Gerlach, S., & Frieg, V. (2011). *Working with stakeholder dialogues*. Berlin: Collective Leadership Institute.
- Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management*, 34(6), 1152–1189.
- Levy, D., Reinecke, J., & Manning, S. (2016). The political dynamics of sustainable coffee: Contested value regimes and the transformation of sustainability. *Journal of Management Studies*, 53(3), 364–401.
- Maak, T. (2007). Responsible leadership, stakeholder engagement, and the emergence of social capital. *Journal of Business Ethics*, 74(4), 329–343.
- Manetti, G., & Bellucci, M. (2016). The use of social media for engaging stakeholders in sustainability reporting. *Accounting, Auditing & Accountability Journal*, 29(6), 985–1011.
- Manetti, G., & Toccafondi, S. (2012). The contribution of network governance to preventing opportunistic behaviour by managers and to increasing stakeholder involvement: The Eroski case. *International Journal of Business Governance and Ethics*, 7(3), 252–278.
- Mitchell, R. K., Van Buren, H. J., Greenwood, M., & Freeman, R. E. (2015). Stakeholder inclusion and accounting for stakeholders. *Journal of Management Studies*, 52(7), 851–877.
- Mooney, P. H. (2004). Democratizing rural economy: Institutional friction, sustainable struggle and the cooperative movement. *Rural Sociology*, 69(1), 76–98.
- Myers, M. D. (2013). *Qualitative research in business and management*. London: Sage.
- O'Dwyer, B. (2005). The construction of a social account: A case study in an overseas aid agency. *Accounting, Organizations and Society*, 30(3), 279–296.
- O'Dwyer, B., & Unerman, J. (2016). Fostering rigour in accounting for social sustainability. *Accounting, Organizations and Society*, 49(February), 32–40.
- Parker, L. D. (2014). Corporate social accountability through action: Contemporary insights from British industrial pioneers. *Accounting, Organizations and Society*, 39(8), 632–659.
- Pesci, C., Costa, E., & Soobaroyen, T. (2015). The forms of repetition in social and environmental reports: Insights from Hume's notion of 'impressions. *Accounting and Business Research*, 45(6–7), 765–800.
- Pestoff, V., & Hulgård, L. (2016). Participatory governance in social enterprise. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(4), 1742–1759.
- Rinaldi, L. (2013). Stakeholder Engagement. In C. Busco., M. Frigo., A. Riccaboni., & P. Quattrone. (Eds.), *Integrated reporting: Concepts and cases that redefine corporate accountability* (pp. 95–109). Berlin: Springer.
- Rodrigue, M. (2014). Contrasting realities: Corporate environmental disclosure and stakeholder-released information. *Accounting, Auditing & Accountability Journal*, 27(1), 119–149.
- Saravanamuthu, K., & Lehman, C. (2013). Enhancing stakeholder interaction through environmental risk accounts. *Critical Perspectives on Accounting*, 24(6), 410–437.
- Skilton, P. F., & Purdy, J. M. (2017). Authenticity, power, and pluralism: A Framework for understanding stakeholder evaluations of corporate social responsibility activities. *Business Ethics Quarterly*, 27(01), 99–123.
- Söderbaum, P., & Brown, J. (2010). Democratizing economics: Pluralism as a path towards sustainability. *Annals of the New York Academy of Sciences*, 1185(January), 179–195.
- Spence, L. J., & Rinaldi, L. (2014). Governmentality in accounting and accountability: A case study of embedding sustainability in a supply chain. *Accounting, Organizations and Society*, 39(6), 433–452.
- Thomson, I., & Bebbington, J. (2004). It doesn't matter what you teach? *Critical Perspectives on Accounting*, 15(4), 609–628.
- Thomson, I., & Bebbington, J. (2005). Social and environmental reporting in the UK: A pedagogic evaluation. *Critical Perspectives on Accounting*, 16(5), 507–533.
- Thomson, I., Dey, C., & Russell, S. (2015). Activism, arenas and accounts in conflicts over tobacco control. *Accounting, Auditing & Accountability Journal*, 28(5), 809–845.
- Torring, J. (2005). Discourse theory: Achievements, arguments, and challenges. In D. Howarth., & J. Torring. (Eds.), *Discourse*

- theory in European politics: Identity, policy and governance* (pp. 1–32). Basingstoke: Palgrave.
- Tregidga, H., Milne, M., & Kearins, K. (2014). (Re) presenting ‘sustainable organizations’. *Accounting, Organizations and Society*, 39(6), 477–494.
- Tregidga, H., Milne, M. J., & Kearins, K. (2015). Ramping up resistance corporate sustainable development and academic research. *Business & Society*. doi:[10.1177/0007650315611459](https://doi.org/10.1177/0007650315611459).
- Unerman, J., & Bennett, M. (2004). Increased stakeholder dialogue and the internet: Towards greater corporate accountability or reinforcing capitalist hegemony? *Accounting, Organizations and Society*, 29(7), 685–707.
- Vinnari, E., & Dillard, J. (2016). (ANT) agonistics: Pluralistic politicization of, and by, accounting and its technologies. *Critical Perspectives on Accounting*, 39, 25–44.
- Vinnari, E., & Laine, M. (2013). Just a passing fad? The diffusion and decline of environmental reporting in the Finnish water sector. *Accounting, Auditing & Accountability Journal*, 26(7), 1107–1134.
- Vinnari, E., & Laine, M. (2017). The moral mechanism of counter accounts: The case of industrial animal production. *Accounting, Organizations and Society*, 57(February), 1–17.
- Wittbom, E. E. (2015). Management control for gender mainstreaming—A quest of transformative norm breaking. *Journal of Accounting & Organizational Change*, 11(4), 527–545.