University of Groningen

Perceptions of corporate social responsibility in Australian forestry companies

Gordon, Melissa; Lockwood, Michael; Hanson, Dallas; Vanclay, Frank; Schirmer, Jacki

Published in:
International Journal of Sustainable Society

DOI:
[10.1504/IJSSOC.2014.066772](https://doi.org/10.1504/IJSSOC.2014.066772)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Publisher's PDF, also known as Version of record

Publication date:
2014

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Gordon, M., Lockwood, M., Hanson, D., Vanclay, F., & Schirmer, J. (2014). Perceptions of corporate social responsibility in Australian forestry companies. *International Journal of Sustainable Society*, 6(4), 336-353. <https://doi.org/10.1504/IJSSOC.2014.066772>

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

Perceptions of corporate social responsibility in Australian forestry companies

Melissa Gordon*

School of Geography and Environmental Studies,
University of Tasmania,
Private Bag 78, Hobart, 7001, Australia
E-mail: mjgordon@utas.edu.au

and

Cooperative Research Centre for Forestry,
Private Bag 12, Hobart, Tasmania, 7001, Australia

*Corresponding author

Michael Lockwood

School of Geography and Environmental Studies,
University of Tasmania,
Private Bag 78, Hobart, 7001, Australia
E-mail: Michael.Lockwood@utas.edu.au

Dallas Hanson

Faculty of Business, Commerce Building,
University of Tasmania, Hobart, 7001, Australia
E-mail: Dallas.Hanson@utas.edu.au

Frank Vanclay

Department of Cultural Geography,
Faculty of Spatial Sciences,
University of Groningen,
P.O. Box 800, 9700 AV Groningen, The Netherlands
E-mail: Frank.Vanclay@rug.nl

Jacki Schirmer

Fenner School of Environment and Society,
Australian National University,
ACT, 0200, Australia

E-mail: Jacki.Schirmer@anu.edu.au

and

Cooperative Research Centre for Forestry,
Private Bag 12, Hobart, Tasmania, 7001, Australia

Abstract: To date, limited research has been conducted investigating forest company employee views about corporate social responsibility (CSR). We interviewed 19 employees within two forest companies in Australia. Employees mostly understood CSR as an approach to business not purely focused on financial outcomes, but also addressing social and environmental objectives. Some employees also believed that CSR was an action required for community acceptance of forestry, although many believed CSR would not always be effective in improving acceptance of their company's practices. Employees believed that not all negative perceptions of forestry practices could be addressed within the scope of their company's CSR strategy. However, there are opportunities to improve current practice by: a) improving the ability to measure company social license to operate; b) enhancing relationships with a broader range of stakeholders; c) improving collaborations with other forest organisations to address industry social licence to operate issues.

Keywords: community engagement; corporate social responsibility; CSR; sustainable forest management; social license to operate; sustainability; Australia.

Reference to this paper should be made as follows: Gordon, M., Lockwood, M., Hanson, D., Vanclay, F. and Schirmer, J. (2014) 'Perceptions of corporate social responsibility in Australian forestry companies', *Int. J. Sustainable Society*, Vol. 6, No. 4, pp.336–353.

Biographical notes: Melissa Gordon is finalising her PhD, which was undertaken through the School of Geography and Environmental Studies at the University of Tasmania. Her recent research investigated the adoption of community engagement and commitment to corporate social responsibility by Australian forest plantation companies.

Michael Lockwood is a Senior Lecturer and Deputy Head of School at the School of Geography and Environmental Studies at the University of Tasmania. His research interests include governance in natural resource management, protected area management, environmental evaluation and planning.

Dallas Hanson is a Senior Lecturer within the School of Management at the University of Tasmania. His research interests include corporate governance and corporate rationality in communications.

Frank Vanclay is the Head of the Department of Cultural Geography at the University of Groningen, The Netherlands. His research interests include social impact assessment, and social aspects of natural resource management, farming and agriculture.

Jacki Schirmer is the former Project Leader for the Cooperative Research Centre (CRC) for Forestry, Communities project. Her research interests include socio-economic impacts of commercial forestry, social conflict in forestry, and impacts of forest industry change.

1 Introduction

There is now increasing pressure for companies to commit to principles of corporate social responsibility (CSR). However, despite substantial work on how to achieve CSR, there is no unified understanding as to what this should constitute in practice (Kuepfer and Papula, 2010). In the context of the forest industry, Vidal and Kozak (2008) assessed company documents, to find that CSR is considered to be on par with socially influenced social, economic, and environmental objectives of sustainability. A company effectively implementing CSR can be considered as 'operating responsibly' (Strike et al., 2006), which reflects the social imperatives and consequences of business success (Matten and Moon, 2008). CSR enables companies to manage all aspects of their business that have a potential to impact on society. In the forest industry, this includes social, environmental, and economic impacts of business and therefore managing these impacts can help with CSR objectives. Many companies have now developed specific policy statements in relation to CSR. However, there can be a gap between corporate rhetoric and CSR in action (Robertson and Nicholson, 1996). A company's commitment to CSR is influenced by employee perceptions. The motivations that managers and other key stakeholders have towards CSR have an impact on the way companies are governed (Matten and Moon, 2008). In order for CSR to be sustaining and effective, it needs to be congruent with the values of company employees (Maon et al., 2009). Use of methods such as assessment of company procedures cannot provide in-depth information about the impacts of CSR in practice (Prieto-Carrón et al., 2006). An effective way to understand why and how CSR is implemented by companies is to explore perceptions of key people influencing CSR (Sharp and Zaidman, 2010). Such information is useful for understanding how companies can improve their practices.

Understanding views employees have towards the CSR concept is essential to improve practice, as employees are the actors responsible for enacting CSR in their daily work lives. Although research has investigated various external influences – such as forest certification (Dare et al., 2011a) – on forest company commitment to CSR, there is limited empirical data exploring the nature of employee views towards CSR within forest companies. Successfully implementing CSR strategies depends largely on employee willingness (Collier and Esteban, 2007). If employees do not believe in the intrinsic value of a certain act or set of principles, they are less likely to be motivated to implement it or it is more likely that commitment will be tokenistic resulting in a tick-the-box exercise (Griffin and Weber, 2006). Managers need to nurture employee commitment to CSR, so the business develops with a CSR culture (Collier and Esteban, 2007; Griffin and Weber, 2006). Previous studies have been undertaken describing managers' views of CSR (Babiak and Trendafilova, 2011; Lindorff and Peck, 2010; Whitehouse, 2006), but no studies have investigated the forest plantation industry in particular.

Due to contextual differences between the forest sector and other sectors (i.e., socio-political, economic, industry factors and social pressures), we believe empirical data about forest company views is an important contribution to the literature. In particular, this study investigates perceptions of employees of tree plantation companies (companies that plant and manage trees for commercial purposes) within Australia. The Australian forest plantation industry manages a significant area of land, and is subject to significant social pressure, linked to a range of social concerns about whether company practices such as chemical use (Schirmer, 2007), and plantation development have negative impacts on rural communities (Barlow and Cocklin, 2003; Schirmer, 2002). The

forest sector receives criticism in literature, the media (Dare et al., 2011a), and from various stakeholders who argue that forest companies act unsustainably or irresponsibly (Gritten and Mola-Yudego, 2010).

Our study provides insight into how two forest plantation companies in Australia can improve their CSR practices. We explore forest company employee views on what CSR means, the purpose that CSR serves, and perceived limitations to company CSR approach. The views of employees provide a basis for identifying how forest companies can improve their commitment to CSR. The following section of the paper outlines the conceptual basis for the work. Then we describe the methods used to gather forest company employee's views of CSR, and results. The discussion then focuses on interpreting the results to identify how the two forest companies investigated can improve their CSR practices.

2 Conceptual framework

A conceptual framework was developed from literature review, to identify the various factors likely to influence CSR in practice (see Figure 1). Forest companies are influenced by both internal and external factors, which are themselves interlinked. External factors include the socio-cultural context in which companies operate (Kamppinen et al., 2008; Vogel, 2005); and the influence of voluntary processes such as forest certification, which can positively influence company commitment to CSR by requiring companies to commit to guidelines that have a focus on CSR in order to achieve certification (Dare et al., 2011a). In Australia, around 91% of plantation area is certified under either the Forest Stewardship Council (FSC) scheme or the Australian Forestry Standard (AFS) (McDermott et al., 2010) suggesting that certification is a major external driver of changing CSR practices (Dauvergne and Lister, 2010). Other external pressures include stakeholder, societal, market, and legislative influences, all of which act to affect the way forest companies operate.

Internally, individual employee perceptions of CSR are strongly influenced by corporate culture. Corporate culture can be thought of as "the shared mental models that the members of an organisation hold and take for granted" [Schein, (1999), p.21]. It is strongly influenced by the views promoted by managers of companies, which in turn influence the behaviour and views held by other employees within a company (Schein, 2010). In order for CSR to be sustaining, it must be institutionalised as part of the culture by incorporating CSR into cultural values and long term strategies (Maon et al., 2009). This institutionalisation can occur through the development and implementation of company policies and procedures (Schein, 2010), but only if these policies and procedures are enacted as meaningful practice by employees (Collier and Esteban, 2007).

Employee commitment to certain values can drive enactment of CSR principles. In particular, individuals may feel a moral or governance obligation to respect stakeholder concerns (Lockwood et al., 2010) and therefore commit to CSR. In addition, in line with the view that companies must make a profit, CSR may be viewed as essential for ensuring competitive advantage (Garriga and Melé, 2004), as it is argued to result in enhanced reputation and improved relationships with stakeholders, and hence greater business success (Porter and Kramer, 2006).

Figure 1 Factors influencing CSR in practice

Community engagement (CE) is included in Figure 1 as a factor that influences CSR. Figure 1 embeds the view that CE is an essential tool for CSR (Dare et al., 2011b). CE is a subset of a company's CSR activity (Bowen et al., 2010) and is increasingly considered a central component of approaches to CSR (Burchell and Cook, 2006). Central to the CSR construct is that corporations have responsibilities towards their stakeholders (Emtairah et al., 2009), as CSR is considered to be a means to ensure that companies are operating in a manner that contributes to the good of society (Matten and Moon, 2008). CE is not the exclusive domain of social responsibility, but companies should not serve only the interests of themselves. They must be responsive to stakeholder concerns (O'Riordan and Fairbrass, 2008), and CE is used as a means to achieve this (Anguelovski, 2011). CE ranges from less inclusive techniques such as providing information to more participative approaches such as involving stakeholders in decision making (Dare et al., 2011b). It may include a range of stakeholders, and a range of practices.

As we indicate in Figure 1, CSR contributes to a social licence to operate (Panwar et al., 2006). The concept of social licence to operate is based on the premise that businesses should be required to satisfy societal expectations that might well exceed legal requirements (Gunningham et al., 2004; Lynch-Wood and Williamson, 2007). The concept is not based on legal requirements, but on the degree to which a company meets expectations of 'local communities, the wider society and various constituent groups' [Gunningham et al., (2004), p.313]. However, if social licence demands are not met, they may become new legal requirements (Gunningham et al., 2004).

3 Methods

Employee perceptions of CSR were explored through interviewing employees of two forest companies located in different regions in Australia. Company B was newly established as new owners had taken over rights of pre-existing forest plantations, although many staff had worked for several years for the company that previously managed these plantations. Company A was located in the Australian island state of Tasmania, while Company B had offices based in both south west Western Australia and the Green Triangle region (south west Victoria and south east South Australia) (Figure 2). Both companies were privately owned and managed more than 15000 hectares of plantations, with plantations harvested and re-established on a rotational basis. One of the companies owned a considerable proportion of plantations established on land leased from landholders. Both companies employed between 10-30 staff (not including contractors) in the forest operations side of their business.

Figure 2 Locations of plantation management areas (see online version for colours)

A qualitative approach was taken to the study. Qualitative research emphasises that reality is context dependent and socially constructed (Denzin and Lincoln, 1994). It provides in-depth insight into issues, and does not limit inquiry by imposing predetermined categories of analysis (Patton, 2002). In particular, in-depth interviews with key informants can be used to explore diverse meanings, opinions, and experiences,

and allow investigation of complex behaviours and motivations (Dunn, 2005). These characteristics matched the needs of our study, enabling us to explore the complex, contested, and socially constructed domain of CSR.

Semi-structured interviews (Minichiello et al., 2008) were conducted in 2010. Questions were open-ended to enable employees to express their views in their own words. Company personnel interviewed included at least one member of senior management, middle management and field staff, to ensure that the views held about CSR by staff working at different levels of the company were understood. In accordance with the conventions of qualitative research, the number of people interviewed was not prescribed ahead, but data collection ceased once no new insights were unveiled through fresh data (Charmaz, 2006).

Predefined criteria were used to select employees for interviewing (Patton, 2002). Employees needed to have been employed by their company for a minimum of six months, at least two employees who understood the forest certification guidelines were interviewed, anyone whose primary role was associated with CE was interviewed, and at least one senior manager from both companies was interviewed. Altogether, 19 employees were interviewed: seven people from Company A and 12 people from Company B. Interviews lasted for up to one and a half hours. Interviews were conducted face-to-face with the exception of one which was conducted over the phone. All interviews were recorded with the interviewee's permission and verbatim transcripts were produced and checked by interviewees before being analysed.

Thematic analysis (Boyatzis, 1998) of interview transcripts was conducted using NVivo Version 8 software. Key themes emerged from the data through an iterative and reflective process of recoding data and using literature to help with analytic interpretations, in accordance with an adaptive theory approach (see Layder, 1998). Descriptive coding was undertaken, becoming more analytic over time (Attride-Stirling, 2001). For example, the code 'definition of CSR' containing interviewees' descriptions of CSR was initially created, but then its content dispersed amongst more interpretive codes such as 'CSR is being a good corporate citizen' and 'How to be a good corporate citizen'. Some codes contained sub-codes or 'tree branches' with more specific codes.

4 Results

First we provide an overview of the various meanings employees attached to the concept of CSR. Next we describe employee perceptions of the purpose of CSR and opinions on the impact of CSR on company social licence to operate. Then we describe how employees understood their company to be operating responsibly before discussing employee perceptions of the limitations to CSR.

4.1 *What does CSR mean?*

We asked employees what they believed CSR means. This is critical to identifying how they internalise and enact CSR in their role as a company representative. Employees provided a range of definitions for CSR, some of which were less descriptive than others, but all implying multiple meanings. This finding is certainly not unique, as other empirical data on employee views also indicates that CSR is considered a multifaceted concept (Lindorff and Peck, 2010; Whitehouse, 2006). In addition, CE was considered a

part of CSR. Table 1 shows a list of the various meanings of CSR provided by the employees. Most employees understood CSR to be a multifaceted concept. Several of the descriptions provided focused on the idea that CSR is an approach to business that is not purely focused on financial outcomes, but also seeks to address social (i.e., community development) and environmental objectives, something that may involve operating beyond minimum legal compliance.

Table 1 Summary of various definitions of CSR provided by employees

<i>Number of employees</i>	<i>Meaning attached to corporate social responsibility</i>
12	Involves community engagement
9	Carrying out business in a way that impacts the community least/and or looking after the community
5	Being a good corporate citizen
2	Continuous improvement
1	Ethical treatment of stakeholders
1	Triple bottom line approach
1	Going beyond legal requirements if necessary in order to be responsible
1	Being a good neighbour
1	Supporting the community e.g. providing jobs

Twelve of the 19 employees described CE as being a part of CSR, and all employees believed that CE was important for forest management. Two of these responses are indicative:

“we need to work with our neighbours to understand what sort of concerns they have and also let them have an appreciation of our operations because I think a common understanding and good communication helps enormously in overcoming any issues or some of the issues we might have.” (Interviewee #9, Company A)

“you need to do the community engagement in order to be efficient and have the best sort of practices and that’d be, you know, the likes of your logistics, the likes of your fire fighting, that side of things.” (Interviewee #15, Company B)

One person believed CSR was equivalent to the requirements of obtaining a social license to operate:

“Well, the corporate social responsibility can even be more broader than just your license to operate. Because it can be a broader commitment on behalf of the company, and it can be a whole range of things. It just doesn’t need to be financial; it can be allowing staff appropriate time to be involved with community projects. It can actually mean giving people appropriate time to go and do things, promote the company.” (Interviewee #8, Company B)

CSR was often linked to the concept of community involvement. Fourteen of the 19 employees interviewed specifically mentioned that it was important to be involved in the community at either a company or individual level, and linked this to CSR. In Company A, this participation was formalised via a committee established to coordinate company contributions to community development such as participation in the local Christmas parade, and donations of time and resources to community groups. Company B did not have formal coordination, but employees often commented that their company

was involved in different community initiatives such as working with a local environmental organisation.

4.2 What is the purpose of CSR?

Employees viewed CSR as having multiple purposes. These included enabling a company to be a part of the community or be a 'good corporate citizen', behave ethically, operate sustainably and continue to operate in the long term, and listen and respond to stakeholder concerns. All but two Company A employees and five of the 12 Company B employees explicitly described responsible management or CSR as being vital to achieve a social license to operate or, more broadly, social acceptance of the company and its activities:

"corporate social responsibility is what a company does, I guess, to get that social license." (Interviewee #2, Company A)

"Corporate social responsibility is important to continue to enable a license to operate ... I think there's a role to play – to what extent is perhaps determined by what your business can contribute. So at the end of the day, the community helps your business to work and investing back into the community creates a stronger business. And some of those things don't necessarily have to be business related." (Interviewee #17, Company B)

Of the nine employees that did not explicitly state the connection between CSR and social license to operate, four of them believed that CE was a part of CSR and that CE was vital to ensure social acceptability or a social license to operate.

Although employees considered CSR to be important for a social licence to operate, none believed CSR would guarantee a social licence to operate. This is because employees believed issues associated with acceptance of the whole forest industry – not associated with the practices of one single company, but the reputation of the collective – can compromise a social licence to operate in the broader community. Seventeen employees believed issues such as negative reputation of the forest industry and a lack of understanding in the community about their company's practices may result in opposition towards their company's practices (further discussed below in Section 4.4.1).

4.3 Do employees believe their company is operating responsibly?

One person from Company A and eight people from Company B did not make an explicit comment about whether they believed their company was operating responsibly overall; while the others explicitly stated that they felt their company was operating responsibly. Eleven employees described achieving forest certification as evidence of responsible management indicating it is viewed as a way of ensuring that an adequate level of CSR is achieved. All employees provided one or more examples of how their company was operating responsibly:

"So you've got your industry, then you've got your corporate responsibility of things that are just relevant to our company or to our situation and it's, I suppose, it's just trying to get that information out there that this is the way we're doing things – we are responsible, we will take responsibility for our actions, we're trying to set up procedures and continuous improvement. There will be times when we stuff up, just like everyone, but we are responsible for this area, or for this catchment or for this community, and we will deliver." (Interviewee #3, Company A)

“And that’s why we have a high regard for – not only from a marketing perspective, but also from a corporate citizen perspective – a high regard for certifications and those certifications encompass all of those very important requirements.” (Interviewee #5, Company B)

Four employees (two from each company) provided examples or implied that their company has operated beyond legal requirements in order to help ensure they were contributing to the local community as well as address stakeholder concerns:

“I think at times you should – although you may not be doing anything wrong or illegal, you may still come under fire from the community and for their perceived ideas about what you should be or shouldn’t be allowed to do. So it’s working through those issues and trying to get an outcome.” (Interviewee #6, Company B)

All employees believed that one avenue for ensuring companies enact CSR is through effective CE. All but one of the employees we interviewed engaged with some external stakeholders including specific groups (such as the local fire protection groups), as well as a range of other stakeholders such as neighbours of tree plantations. In addition, 12 employees (all Company A employees and five out of 12 Company B employees) specifically mentioned their company devoted considerable resources to CE as part of their commitment to responsible forest management:

“So, I think we’re just all trying to ensure that we as a company operate with high integrity in relation to our neighbours and the public at large. So, you know, obviously we’ll talk to councils about school bus routes and do the door knocking on remote roads, and those sorts of things, just to find out who we might be affecting; and we go to all foreseeable lengths to make sure that we’re not missing anyone out of the loop.” (Interviewee #10, Company A)

“we’ve been around all the councils – certainly in ... [one area of our operations] and I’ve gotta head across possibly next month and I’m going to see ... [a government representative] and the local government in ... [our area of operations]. But ... I think we’ve got the view that one of the best things you can do is, rather than react to a problem, you’re better-off getting on the front foot and developing a relationship – particularly with local government – right up front.” (Interviewee #11, Company B)

4.4 What are the limitations to the company’s CSR approach?

The two main limitations to CSR identified by employees were:

- 1 that a commitment to CSR did not necessarily guarantee a social licence to operate in the broader community
- 2 there are resource limitations, which in particular led to an inability to engage with a broader range of stakeholders.

4.4.1 Does responsible management ensure a social licence to operate?

Six people from Company A and four from Company B stated that despite their company’s efforts to operate responsibly and address multiple stakeholder concerns, it was challenging to ensure all people were accepting of their forest management practices. Sixteen interviewees believed there will always be people who hold negative views about their company or the forest industry in general due to issues such as negative media

publicity, ideological objections to plantations, and misperceptions about forest activities. Some of these negative perceptions were deemed to be irreversible within the scope of the company's CSR strategy.

There was widespread acknowledgment that at least some stakeholders had a negative view of the company and its operations. The reasons for these negative views were debated; of 17 employees who discussed the issue, the most common beliefs were that:

- negative media publicity about the forest plantation industry, or the forest industry more generally, led to negative perceptions about the industry (six employees)
- there was a lack of community understanding of the forest plantation industry, and lack of interest in learning about it (12 employees)
- past issues, such as failed Managed Investment Schemes (MISs)¹, resulted in a tarnished reputation (six employees)
- there were misperceptions about the impacts of activities associated with forest plantations (six employees)
- some people held ideological objections towards the forest plantation industry (two employees).

A strong theme in these explanations was that of 'public misperceptions'. Two Company A employees and three Company B employees believed some stakeholders did not understand the science behind their business management practices; four employees described some stakeholders' views as being irrational or based on specific political agendas:

"one of the really good arguments is – we might say 'well look, the World Health Organization said you can have this minuscule percentage of this chemical in water and it's not going to do you any harm whatsoever'. And they'll just say 'well we don't agree that there should be any – zero'. And that's just not achievable ... they just think that any detectable amount is unacceptable, so. And you can throw as many papers and scientific reports as you like at those issues and you won't convince them." (Interviewee #11, Company B)

Sixteen employees (seven from Company A and nine from Company B) explicitly mentioned that there will always tend to be some opposition to forestry or to their company's operations due to misunderstanding of their operations:

"Because a lot of people: (a) don't understand what we do; and (b) misunderstand a lot of the processes and policies we have within our organisation." (Interviewee #9, Company A)

"It probably doesn't matter what you're doing in the community, there's always going to be somebody that doesn't agree with what you're doing, whether it's from burning, or whether it's forestry or it's grazing or what you're doing. I think quite often it's probably more of a lack of understanding." (Interviewee #6, Company B)

In addition, employees believed negative perceptions were linked to media. Some employees believed that the media sometimes focused on reporting negative stories rather than positive ones, and that the media did not necessarily present an accurate representation of community views of how forest companies were operating:

“I mean, everyone knows that the news media love a forest company that’s done something wrong in this state.” (Interviewee #10, Company A)

“one of the issues with media is that they like a stoush [meaning a fight or argument]. So you might have ninety eight percent of the community that’s very comfortable with what you’re doing. But if the other two percent choose to go and talk to their local reporter, and they’ve got a bit of a negative spin to put on what you do, that could create a bit of a conflict, a bit of a story, then most reporters will take that on. So you can’t ... always believe what you read in the paper because it doesn’t necessarily reflect the broader community’s view of a particular issue.” (Interviewee #11, Company B)

Despite this widespread recognition of negative perceptions, eight people (four from each company) believed that their company had an adequate social licence to operate in their geographic area of operations. However, understanding if a company had a social licence was usually gauged by way of informal feedback from the stakeholders the employees spoke to in their day-to-day interactions. Some employees believed that many who were opposed to their company or the forest plantation industry generally did not live within the geographic areas of their company’s operation and/or had limited interactions with their company. No one commented that they believed their company did not have adequate social acceptance in the community. However, employees believed the social licence of the forest industry more broadly was compromised by factors outside the direct control of a single forest company.

4.4.2 Are there enough company resources devoted to CSR?

Employees from both companies (five Company A employees and three Company B employees) believed limited resources for conducting CE was a barrier to engaging with a broader audience and hence to achieving CSR. Twelve people described significant limitations in their ability to engage meaningfully with all their stakeholders. In both Company A and B, there was at least one person designated to help coordinate a CE strategy. However, 12 individuals stated there was usually a lack of capacity (time and resources) to interact meaningfully with all stakeholders on a regular basis:

“But, you can’t talk to everyone – it takes a lot of time. We cover a lot of properties and we are broadly spread.” (Interviewee #8, Company B)

In addition, CE that enabled engagement with a broader audience (such as via media) was limited. Twelve employees (four from Company A and eight from Company B) described their company as having a low profile in the community. These employees used descriptions such as ‘under the radar’, ‘low key’, or ‘low profile’ to describe their company’s approach to engaging with the media. These employees believed the company’s CE approach was not about trying to establish a strong local presence through the media. Poor media coverage was limiting the ability for companies to engage with a broader audience. This impacts CSR, as companies have less opportunity to be accountable towards and respond to concerns of a broader range of stakeholders.

Despite these limitations, employees from both Company A and B were generally satisfied with their company’s approach to CE. Fourteen employees stated that there may be opportunities for their company to improve their current CE strategy. However, if improvement meant that considerably more resources – time and money – were to be needed, then this was not always considered viable:

“But, I guess, to use a cliché, at the end of the day if you’re not making a dollar, there’s not going to be any community consultation required because we won’t be here.” (Interviewee #10, Company A)

“I think it’s probably fair to say that we don’t have the resources nor the funds to be quite as – to invest [as the previous company did]. So I think we’ve got to think of cleverer ways of engaging and we’re working through that.” (Interviewee #11, Company B)

5 Implications and discussion

The views of forest company employees were analysed to identify implications for improving CSR strategies in the forest sector. This enabled us to make recommendations to help improve CSR practice in the Australian forest plantation industry.

Employees within both companies attached a range of meanings to the concept of CSR. Some employees, however, provided limited detail regarding what CSR constitutes. This suggests a need to improve employee awareness and understanding of their company’s CSR approach and particularly the linkages between its overall goals and the specific actions they can take to achieve these goals. This will help to enable greater employee recognition and thus greater institutionalisation of CSR. To achieve this, staff needs to be engaged by their company leaders who should provide a clear understanding of how CSR can be enacted within their company. In addition, clear and specific strategies, such as company CE strategies can help to communicate how CSR is to be implemented. However, employees need to behave under the guidance of these in order for them to be effective (Collier and Esteban, 2007). Hence, employees should be engaged in their development and implementation.

CSR was considered essential for achieving a social licence to operate, and as such was considered a way of helping ensure a social licence in the company’s area of operations. However, employees did not believe CSR would necessarily always enable a social licence to operate in the broader community. This was because of the belief that external influences (i.e., media campaigns and anti-plantation activism) resulting in widespread opposition to the plantation industry would always occur irrespective of their actions as employees. The language of the employees suggested a sense of helplessness in relation to these external influences and a sense of injustice with the existence of the perceived misperceptions in the community that they believed resulted from negative campaigns about plantation forestry. In addition, some believed that ‘irrational’ views often prevail irrespective of their efforts, contributing to a sense that their personal efforts to resolve community concern would fail. While not able to be confirmed from our interviews, this sense of powerlessness may in itself reinforce existing conflict, due to an acceptance that some conflicts are unresolvable. This can be addressed via a number of strategies: in particular, improving monitoring of the outcomes of CSR activities to enable positive (or negative) feedback to employees on the consequences of their actions (discussed further below), improving the ability for employees to engage meaningfully with a broader audience, and improving collaboration with other forest organisations to address industry social licence issues. In addition, in cases where significant conflicts exist and stakeholder views are considered irrational, a third party may need to be involved to facilitate engagement between the company and its stakeholders, to help build trust and enable constructive engagement (Dare et al., 2011b).

Both companies were making necessarily subjective judgments about whether they were achieving an adequate social license to operate. Much of this was based on informal avenues of gathering feedback from stakeholders. Employees believed that, regardless of the extent and quality of their CE activities, their company would continue to face opposition from some stakeholders. However, the point at which opposition renders a company's activities unviable was often subjectively determined. In addition, not all opposition is obvious or evident. For example, while some groups' opposition may be visible through their protest actions, the concerns of many community members remain unexpressed (Kennedy et al., 2009). Acceptability is time and place specific, which is an evolved response to multiple factors (Wyatt et al., 2011). Both companies should develop better mechanisms to measure a social license to operate and these measures would need to be specific for different contexts. However, developing an effective means to measure a social license is a challenge, as there are a large variety of influencing pressures (Gunningham et al., 2004). Understanding opposition and the associated impact on a social license can be a powerful motivator to encourage a commitment to addressing stakeholder concerns or to encourage companies to address concerns about which they may not have been aware.

Employees often believed that concerns about their activities were associated with the entire plantation industry, rather than their specific company. This can also contribute to a sense of powerlessness in making positive change, as employees may feel their CSR activities are negated by the actions of other companies, plantation activists or negative media publicity, all of which they have limited influence over. This suggests a need to address issues of social license to operate at an industry wide level, using an integrated approach. This may be facilitated through joint mobilisation of resources to enhance industry commitment to CE and CSR and thus help to improve industry reputation (Winn et al., 2008). Greater collaboration will help to empower individual employees to address industry social licence to operate issues.

Companies need to be able to prove to their stakeholders that they have achieved an appropriate level of social, environmental, and ethical outcomes (Collier and Esteban, 2007). Some employees pointed out that their company has obtained forest certification, which they said provided evidence that the company they worked for is meeting minimum standards of responsible forest management. Generally, however, public awareness of forest certification standards is lacking (Dare et al., 2011a). Enhanced public reporting and the ability to obtain some form of certification against sustainability criteria do not necessarily translate into increased understanding of forestry businesses in the broader community. Whitehouse (2006) found that the context in which CSR occurred limited the ability to provide stakeholders with sufficient information to evaluate CSR, and therefore meaningfully influence corporate behaviour. CSR strategies can be designed to suit the interests of the company rather than external stakeholders (Whitehouse, 2006). Both companies investigated should make more efforts to engage with a broader range of stakeholders to build support and recognition for the positive impacts of actions such as certification, and to ensure the actions they believe are improving their sustainability and responsibility do in fact address stakeholder concerns.

Many employees believed CE contributed to CSR by enabling effective CE to be responsive to stakeholder concerns. Media can be used as an efficient way of engaging with a wider audience. However, many employees believed their company maintained a low profile in the community and as such were reluctant to engage with the media. Forest management organisations have at times received unwanted scrutiny of their practices in

the media (Dare et al., 2011a). Not being responsive to the media could result in increased scepticism, as criticisms left unrefuted may be interpreted as disregard or contempt for community sentiment. Both companies had limited staff numbers (10–30 staff) in the forest operations side of their business. As such, there was a limited capacity to conduct more widespread and resource intensive engagements such as face-to-face interaction with individuals. Due to resource constraints and their lay-low approach to media engagement, both companies found it difficult to engage with a broader range of stakeholders and respond to media criticism.

As mentioned, current CSR activities do not always reach company stakeholders, as initiatives such as forest certification are not adequately communicated to a broader audience. Companies need to discover ways of promoting meaningful engagement with a broader audience, so employees can take actions to improve their company's CSR commitments. Companies can engage with a broader audience by improving their relationships with community groups. Some employees mentioned that their company was working with some of their stakeholders such as environmental organisations, which they believed contributed to their company's CSR activities. Such partnerships are often referred to as strategic partnerships (Mayers and Vermeulen, 2002). Companies could look to expand existing relationships by partnering with more of their stakeholders. An example of a strategic partnership may be improved collaboration with educational institutions, where companies could support events such as public forums or conferences. Entering into such partnerships, companies would need to take into account issues of power and accountability, and ensure mutual agreement, so that one party's interest does not dominate the partnership and/or take advantage of a situation to profit at the other's expense (Singleton, 2000). It is also possible for both companies to enter into partnerships with community bodies with a wider state or national constituency. National or state bodies such as a number of community-based non-government organisations (NGOs) have regional subgroups that forest companies could partner with. In addition, alliances between non-profit organisations and corporations can generate social value, as well as improve business performance (Austin, 1998). Improved relations with stakeholder groups can be a source of innovative ideas (Ayuso et al., 2006). However, there are no simple rules for developing or enhancing collaborative relationships, and any partnerships need to be tailored to meet the needs of both partners (Austin, 1998).

6 Conclusions

Exploring employee perceptions helped to indicate how company commitment to CSR can be improved. Employees need to support company CSR initiatives for it to be sustaining and effective within a company. We found that CSR commitments will be enhanced when CSR activities are recognised as essential for the ongoing operation of their company, where, for example, employees realise their commitment to CSR contributes towards a social licence to operate. We found that employees believed CSR by their company had a limited impact on an industry social licence to operate. This may contribute to a sense of powerlessness associated with an ability to address a number of community concerns. However, companies can overcome some of these limitations through better collaborations with other forest organisations. Further, company leadership needs to foster a culture that will enact CSR by engaging their employees in developing better CE strategies (to engage meaningfully with a broader audience) and by improving

the monitoring of their social licence to operate. We believe further research should be conducted to help industry collaborate better to address industry social licence to operate issues. There is more that can be done to improve company commitments to CSR, and substantial change requires all of the forest plantation industry to take CSR seriously.

Acknowledgements

The authors would like to thank all the people who participated in this study. The authors would also like to thank the Cooperative Research Centre (CRC) for Forestry who provided funding for the research.

References

- Anguelovski, I. (2011) 'Understanding the dynamics of community engagement of corporations in communities: the iterative relationship between dialogue processes and local protest at the Tintaya Copper Mine in Peru', *Society and Natural Resources*, Vol. 24, No. 4, pp.384–399.
- Attride-Stirling, J. (2001) 'Thematic networks: an analytic tool for qualitative research', *Qualitative Research*, Vol. 1, No. 3, pp.385–405.
- Austin, J.E. (1998) *The Collaboration Challenge: Making the Most of Strategic Alliances Between Nonprofits & Corporations*, Harvard Business School, Cambridge.
- Ayuso, S., Rodríguez, M.Á. and Ricart, J.E. (2006) 'Using stakeholder dialogue as a source for new ideas: a dynamic capability underlying sustainable innovation', *Corporate Governance*, Vol. 6, No. 4, pp.475–490.
- Babiak, K. and Trendafilova, S. (2011) 'CSR and environmental responsibility: motives and pressures to adopt green management practices', *Corporate Social Responsibility and Environmental Management*, Vol. 18, No. 1, pp.11–24.
- Barlow, K. and Cocklin, C. (2003) 'Reconstructing rurality and community: plantation forestry in Victoria, Australia', *Journal of Rural Studies*, Vol. 19, No. 4, pp.503–519.
- Bowen, F., Newenham-Kahindi, A. and Herremans, I. (2010) 'When suits meet roots: the antecedents and consequences of community engagement strategy', *Journal of Business Ethics*, Vol. 95, No. 2, pp.297–318.
- Boyatzis, R.E. (1998) *Transforming Qualitative Information: Thematic Analysis and Code Development*, Sage Publications, California.
- Burchell, J. and Cook, J. (2006) 'It's good to talk? Examining attitudes towards corporate social responsibility dialogue and engagement processes', *Business Ethics: A European Review*, Vol. 15, No. 2, pp.154–170.
- Charmaz, K. (2006) *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*, Sage Publications, London.
- Collier, J. and Esteban, R. (2007) 'Corporate social responsibility and employee commitment', *Business Ethics: A European Review*, Vol. 16, No. 1, pp.19–33.
- Dare, M., Schirmer, J. and Vanclay, F. (2011a) 'Does forest certification enhance community engagement in Australian plantation management?', *Forest Policy and Economics*, Vol. 13, No. 5, pp.328–337.
- Dare, M., Schirmer, J. and Vanclay, F. (2011b) *Handbook for Operational Community Engagement within Australian Plantation Forest Management*, Cooperative Research Centre for Forestry, Hobart.
- Dauvergne, P. and Lister, J. (2010) 'The prospects and limits of eco-consumerism: shopping our way to less deforestation?', *Organization and Environment*, Vol. 23, No. 2, pp.132–154.

- Denzin, N. and Lincoln, Y. (Eds.) (1994) *Handbook of Qualitative Research*, Sage, Thousand Oaks, California.
- Dunn, K. (2005) 'Interviewing', in Hay, I. (Ed.): *Qualitative Research in Human Geography*, pp.79–105, Oxford University Press, Melbourne.
- Emtairah, T., Al-Ashaikh, A. and Al-Badr, A. (2009) 'Contexts and corporate social responsibility: the case of Saudi Arabia', *International Journal of Sustainable Society*, Vol. 1, No. 4, pp.325–346.
- Garriga, E. and Melé, D. (2004) 'Corporate social responsibility theories: mapping the territory', *Journal of Business Ethics*, Vol. 53, No. 1, pp.51–71.
- Griffin, J.J. and Weber, J. (2006) 'Industry social analysis: examining the beer industry', *Business and Society*, Vol. 45, No. 4, pp.413–440.
- Gritten, D. and Mola-Yudego, B. (2010) 'Blanket strategy: a response of environmental groups to the globalising forest industry', *International Journal of the Commons*, Vol. 4, No. 2, pp.729–757.
- Gunningham, N., Kagan, R.A. and Thornton, D. (2004) 'Social license and environmental protection: why businesses go beyond compliance', *Law and Social Inquiry*, Vol. 29, No. 2, pp.307–341.
- Kamppinen, M., Vihervaara, P. and Aarras, N. (2008) 'Corporate responsibility and systems thinking – tools for balanced risk management', *International Journal of Sustainable Society*, Vol. 1, No. 2, pp.158–171.
- Kennedy, E.H., Beckley, T.M., McFarlane, B.L. and Nadeau, S. (2009) 'Why we don't 'walk the talk': understanding the environmental values/behaviour gap in Canada', *Human Ecology Review*, Vol. 16, No. 2, pp.151–160.
- Kuepfer, J. and Papula, J. (2010) 'Corporate social responsibility – the dilemmas behind the popular concept and how to best address them!', *International Journal of Sustainable Society*, Vol. 2, No. 3, pp.291–305.
- Layder, D. (1998) *Sociological Practice: Linking Theory and Social Research*, Sage Publications, London.
- Lindorff, M. and Peck, J. (2010) 'Exploring Australian financial leaders' views of corporate social responsibility', *Journal of Management and Organization*, Vol. 16, No. 1, pp.48–65.
- Lockwood, M., Davidson, J., Curtis, A., Stratford, E. and Griffith, R. (2010) 'Governance principles for natural resource management', *Society and Natural Resources*, Vol. 23, No. 10, pp.986–1001.
- Lynch-Wood, G. and Williamson, D. (2007) 'The social licence as a form of regulation for small and medium enterprises', *Journal of Law and Society*, Vol. 34, No. 3, pp.321–341.
- Maon, F., Lindgreen, A. and Swaen, V. (2009) 'Designing and implementing corporate social responsibility: an integrative framework grounded in theory and practice', *Journal of Business Ethics*, Vol. 87, No. 1, pp.71–89.
- Matten, D. and Moon, J. (2008) 'Implicit' and 'explicit' CSR: a conceptual framework for a comparative understanding of corporate social responsibility', *The Academy of Management Review*, Vol. 33, No. 2, pp.404–424.
- Mayers, J. and Vermeulen, S. (2002) *Company-Community Forestry Partnerships: From Raw Deals to Mutual Gains*, International Institute for Environment and Development, London.
- McDermott, C., Cashore, B. and Kanowski, P. (2010) *Global Environmental Forest Policies: An International Comparison*, Earthscan, London.
- Minichiello, V., Aroni, R. and Hays, T.N. (2008) *In-Depth Interviewing: Principles, Techniques, Analysis*, Longman, Melbourne.
- O'Riordan, L. and Fairbrass, J. (2008) 'Corporate social responsibility (CSR): models and theories in stakeholder dialogue', *Journal of Business Ethics*, Vol. 83, No. 4, pp.745–758.

- Panwar, R., Rinne, T., Hansen, E. and Juslin, H. (2006) 'Corporate responsibility: balancing economic, environmental, and social issues in the forest products industry', *Forest Products Journal*, Vol. 56, No. 2, pp.4–12.
- Patton, M.Q. (2002) *Qualitative Research and Evaluation Methods*, 3rd ed., Sage Publications, London.
- Porter, M.E. and Kramer, M.R. (2006) 'The link between competitive advantage and corporate social responsibility', *Harvard Business Review*, Vol. 84, No. 12, pp.78–92.
- Prieto-Carrón, M., Lund-Thomsen, P., Chan, A., Muro, A.N.A. and Bhushan, C. (2006) 'Critical perspectives on CSR and development: what we know, what we don't know, and what we need to know', *International Affairs*, Vol. 82, No. 5, pp.977–987.
- Robertson, D.C. and Nicholson, N. (1996) 'Expressions of corporate social responsibility in U.K. firms', *Journal of Business Ethics*, Vol. 15, No. 10, pp.1095–1106.
- Schein, E.H. (1999) *The Corporate Culture Survival Guide*, John Wiley & Sons, San Francisco.
- Schein, E.H. (2010) *Organizational Culture and Leadership*, 4th ed., Jossey-Bass, San Francisco.
- Schirmer, J. (2002) *Afforestation and Conflict: Social Reactions to Commercial Plantations in South-West of Western Australia*, The Australian National University, Canberra.
- Schirmer, J. (2007) 'Plantations and social conflict: exploring the differences between small-scale and large-scale plantation forestry', *Small-Scale Forestry*, Vol. 6, No. 1, pp.19–33.
- Sharp, Z. and Zaidman, N. (2010) 'Strategization of CSR', *Journal of Business Ethics*, Vol. 93, No. 1, pp.51–71.
- Singleton, S. (2000) 'Co-operation or capture? The paradox of co-management and community participation in natural resource management and environmental policy-making', *Environmental Politics*, Vol. 9, No. 2, pp.1–21.
- Strike, V.M., Gao, J. and Bansal, P. (2006) 'Being good while being bad: Social responsibility and the international diversification of US firms', *Journal of International Business Studies*, Vol. 37, No. 6, pp.850–862.
- Vidal, N.G. and Kozak, R.A. (2008) 'The recent evolution of corporate responsibility practices in the forestry sector', *International Forestry Review*, Vol. 10, No. 1, pp.1–13.
- Vogel, D. (2005) *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*, Brookings Institution, Washington.
- Whitehouse, L. (2006) 'Corporate social responsibility: views from the frontline', *Journal of Business Ethics*, Vol. 63, No. 3, pp.279–296.
- Winn, M.I., MacDonald, P. and Zietsma, C. (2008) 'Managing industry reputation: the dynamic tension between collective and competitive reputation management strategies', *Corporate Reputation Review*, Vol. 11, No. 1, pp.35–55.
- Wyatt, S., Rousseau, M.H., Nadeau, S., Thiffault, N. and Guay, L. (2011) 'Social concerns, risk and the acceptability of forest vegetation management alternatives: insights for managers', *The Forestry Chronicle*, Vol. 87, No. 2, pp.274–289.

Notes

- 1 At the time of data collection a number of MIS forest companies were in receivership and some companies had sold their assets to new owners. MIS companies manage, harvest, and sell timber products on behalf of investors who receive a tax deduction for their investment.