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# Corporate Social Responsibility as Capability

The Case of BHP Billiton

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Corporate social responsiveness is what companies do in order to be socially responsible. This paper presents a case study of social responsiveness at the global mining firm BHP Billiton to illustrate a model of social responsiveness capabilities. Until now, corporate social responsiveness has described processes of environmental scanning, issues management and stakeholder management. The model presented here suggests that social responsiveness is rather understood as a cluster of five organisation-level capabilities that span an organisation's culture and structure. The case study explores evidence for social responsiveness capabilities at BHP Billiton and considers management implications for the development of management abilities for social responsibility.

- Corporate social responsibility
- Capabilities
- Management
- BHP Billiton
- Mining
- Extractive industries
- Social responsiveness

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**C**ORPORATE SOCIAL RESPONSIVENESS IS WHAT COMPANIES DO IN ORDER TO BE socially responsible. It is how companies and their managers respond to the diverse expectations that different stakeholders may have of a given company. Corporate social responsiveness comprises the processes of issues management, stakeholder management and environmental scanning (Wood 1991). These processes contribute to firm performance when they are integrated into organisational structures and policies that enable a company to satisfy different stakeholder interests (Donaldson and Preston 1995). Processes are also more likely to contribute to firm performance when they are bundled together with the tacit knowledge and skills of people in different parts of the firm to enable the activities in a process to be carried out; in other words, when they go beyond processes to become capabilities (Teece *et al.* 1997).

This paper attempts to answer the questions, can firms develop capabilities for social responsiveness, and, if so, how can they be described? The model advanced in this paper relies on the assumption that social responsibility is not a discretionary activity, but arises in the day-to-day interactions in relationships between firms and their stakeholders. The stakeholder model of the firm (Post *et al.* 2002) implies that social responsiveness capabilities may be conceptualised at a generic level, even if the implementation is unique because of a firm's given configuration of markets, resources and stakeholders. To answer these questions, this paper describes a model of social responsiveness capabilities as portrayed in a series of interviews carried out at the mining company BHP Billiton in 2003. The interviews formed part of a larger study of social responsiveness capabilities that is beyond the scope of this paper (see Black and Hartel 2004).

The model specifically considers the dual influences of organisational structure and culture in the development of social responsiveness capabilities (Reed 1997). Culture and structure are competing explanations for human action: do organisational structures and processes direct human action and thereby create organisational culture, or does organisational culture create the structures that sustain it? The model of social responsiveness capabilities recognises the legitimacy of both perspectives by considering how culture and structure influence each other (cf. Archer 1995).

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### Conceptual model of social responsiveness capabilities

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Capabilities are unique bundles of knowledge, skills and processes that arise from tacit knowledge, span levels of the organisation and enable the activities in a process to be carried out (Teece *et al.* 1997; Sharma and Vredenberg 1998). The origins and causes of capabilities are ambiguous; successful companies have unique wealth-creating capabilities that are difficult to imitate. The capabilities required for social responsiveness are those that enable a firm to recognise and meet its social responsibilities. Unlike social *impacts*, which differ between firms and industries because of differences in products, markets and environments, we suggest that the stakeholder view of the firm (Post *et al.* 2002) requires firms to develop *capabilities* to recognise and respond effectively to the social responsibilities that arise in their stakeholder relationships. Competitive advantage accrues to firms with these capabilities because they can combine and deploy their social responsiveness capabilities in different ways.

The theoretical model of social responsiveness capabilities developed for this study combines elements of organisational structure and discretionary action by managers (Archer 1995). The organisational structure for social responsiveness comprises systems, policies and procedures to assure social responsiveness. Against this structure, individual managers have the values, knowledge and attitudes and behavioural norms to support socially responsible decision-making and action; they act within a culture for

social responsiveness. We label these components of the capabilities ‘structure’ and ‘culture’. Our theoretical model comprises five organisational capabilities: stakeholder engagement, ethical business behaviour, social accountability, value-attuned communication and dialogue. These are defined next. The model is depicted in Figure 1.



**Figure 1** SOCIAL RESPONSIVENESS CAPABILITIES

### Stakeholder engagement

A stakeholder engagement capability is present when an organisation (a) identifies itself as closely linked with its stakeholders, and (b) takes stakeholder needs into consideration in operational decisions. For managers to identify with stakeholders, they need to know and understand the firm’s stakeholders and recognise the interdependence of firm and stakeholder interests (Preston and Post 1975; Ackerman 1977). This mind-set is part of a culture that enables managers to behave in socially responsible ways, by building co-operative, mutually reinforcing relationships (Heugens *et al.* 2002). Thus, stakeholder engagement comprises two sub-dimensions called **stakeholder identity**, consistent with the model’s cultural component of capabilities, and **stakeholder management**, consistent with the model’s structural component of capabilities.

### Ethical business behaviour

A capability for ethical business behaviour is present when an organisation is (a) committed to and reinforces ethical behaviour and (b) maintains a caring workplace atmosphere in which people sincerely care about the well-being of others. Institutionalisation of ethical behaviour can be achieved by publicly promoting ethical consciousness throughout the organisation and by modelling ethical behaviour at the most senior lev-

els to ensure ethics becomes part of the culture. Ethical behaviour can also be reinforced through the development of formal ethical codes, incentives and rewards for ethical behaviour and punishments for unethical behaviour (Sims 1991; Weaver *et al.* 1999). Thus, ethical business behaviour comprises two sub-dimensions called **ethics atmosphere**, consistent with the model's cultural component of capabilities, and **ethics compliance**, consistent with the model's structural component of capabilities.

### Social accountability

A capability for social accountability is present when managers (a) believe that the firm is accountable to stakeholders for social impacts and (b) the firm accounts for its social performance, even when the news is not all favourable. Social accountability is central to the concept of corporate social responsiveness because of the size, resources and power of modern corporations (Reich 1998). Firms that see themselves as a coalition of stakeholders in which stakeholder interests are brought to bear on firm operations are likely to accept that they are accountable to stakeholders other than shareholders for their behaviour or performance. Therefore, the capability for social accountability has a cultural component, related to managers' cognitive ability to understand and accept accountability for social impacts. Further, corporations can demonstrate social accountability through stakeholder reports and suchlike (e.g. Zadek 1998). Social accountability may be used by corporations to demonstrate congruence between their activities and social values. However, accountability contexts provide rich opportunities for impression management (Tetlock 1985). To ensure that impression management motives do not overwhelm the performance evaluation mechanism of social accountability, corporations should be willing to disclose social performance even when targets have not been met or there is unfavourable news. Thus, consistent with the model of social responsiveness capabilities, we can discern a cultural component of the social accountability capability called **accountability belief**, and a structural component of the social accountability capability called **accountability report**.

The model of social responsiveness capabilities described above and depicted in Figure 1 suggests that stakeholder engagement, ethical business behaviour and social accountability are three organisation-level capabilities that span both culture and structure. The two remaining capabilities in the model are value-attuned communication and dialogue. These capabilities play an integrative role, in so far as they facilitate the enactment of other capabilities at both structural and cultural levels. The value-attuned communication and dialogue capabilities are defined next.

### Value-attuned communication

This is the ability of public affairs staff to detect, select and transmit value-pertinent information about stakeholders to all parts of the firm (Swanson 1999). The ability of a firm to make socially responsive decisions relies on a reciprocal process wherein the ability of public affairs employees to detect social values and relay them to management is supported by and reinforces the ability of management to support and demand the practice of value-attuned communication.

### Dialogue (with stakeholders)

The capability for dialogue is present when an organisation's representatives (a) display a respectful attitude towards the partners in dialogue and (b) employ a structure for dia-

logue that gives equal power to all participants over decisions about the agenda for dialogue. Respectful attitudes comprise attributes such as genuineness, empathy, non-manipulative intent, encouragement of free expression and honesty. Structural attributes of communication include equal control and initiative in the communication process. Mutual satisfaction with the rules of communication includes agreement about the way topics are selected for discussion and satisfaction with the framework within which discussions take place (Pearson 1989).

The model suggests that companies will need all of these capabilities to be socially responsive. To explore the model, a series of interviews with managers at BHP Billiton were conducted.

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## Research site, sample and method

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BHP was established in 1885 and Billiton in 1860. The companies merged in 2001. BHP Billiton operates on all five continents: Africa, Asia, Europe, the Americas, Australia; however, operations in Australia and Africa account for more than half its operating assets. Ten managers were interviewed from sites on these two continents plus the head office of BHP Billiton Pty Ltd in Melbourne. Most of the company's product areas were represented by the participants. A theoretical sampling strategy (Glaser and Strauss 1967) required both public affairs and non-public affairs managers. Public affairs managers were interviewed as they are frequently the specialists with specific responsibility for corporate social responsibility, and non-public affairs managers were interviewed as past studies suggest that social responsiveness is integrated within a firm when operations employees use social responsibility as a business decision criterion (Ackerman 1977). Half the sample had public affairs jobs and half worked as senior managers in operations or in other staff functions. The sample had a mean tenure of 13.1 years and included two women. The research method employed semi-structured in-depth interviews of around one-and-a-half hours. Each interview was then transcribed and checked by the interview participants. Respondents were first asked to 'tell about' social responsibility in their firm, and then probed for evidence of each of the five capabilities. The five hypothetical capabilities formed an analytical template for sorting evidence that supported or refuted the model.

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## Results

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### Stakeholder engagement

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At the structural level, stakeholder engagement begins with explicit recognition of BHP Billiton's stakeholders in its charter: shareholders, customers, communities and employees. The charter encourages employees to see these stakeholders as integral to firm success. From this charter cascades a system of policies, management standards, guidelines and performance targets, called the health, safety, environment and community (HSEC) hierarchy of systems and documents, which guide stakeholder engagement at both the corporate and the operations level. The method of implementing the standards at each site is left to individual managerial discretion. The management standards thus constitute a formal structure of policies and processes which guide, but do not fully determine, individual behaviour.

Interview participants described stakeholder engagement as a process of identifying stakeholders, understanding their needs *and* taking those needs into account in busi-

ness decisions. For example, stakeholder views guided an operational decision about the site of a new road to service the Cannington mine in Queensland. The road was not built west of the nearby township as advised by the firm's engineers, but east of the town as advised by local residents.

The ability to incorporate stakeholder input into operational decisions requires a 'mind-set' according to one manager. 'If you're going to ask people what they think, you have to accept that what they say is what they think, and then what they say, you need to take into account.' This mind-set is characterised by a belief in the interconnectedness of the firm and its stakeholders: that is, its stakeholder identity. Put differently, the mind-set is an enduring belief 'that we cannot operate our smelters in isolation of the communities in which we are located'.

### Ethical business behaviour

BHP Billiton has a formal structure for assuring ethical business behaviour. It comprises a Global Ethics Panel headed by a senior public affair manager with representatives from staff functions and operations; a *Guide to Business Conduct* published in several languages in hard copy and on the company's intranet which is accompanied by a facilitator's handbook; and a multilingual ethics telephone help-line across four world time zones. However, close attention is required to internal communications processes required to 'roll out' the ethics programme and 'make sure that people understand it right through the business and understand it more deeply than just getting a copy of the book'. The company's 'communication networks' and 'communities of practice' are used to diffuse knowledge about ethical business behaviour using facilitated discussions with employees about issues relevant to their work area. Disciplinary action might also be taken in cases of ethics breaches, ranging from counselling to dismissal.

Managers acknowledged that, despite the formal guidelines, considerable discretion might sometimes be required by employees, especially when doing business in countries with different cultural norms from those of Australia. In these cases, employees are expected to be guided by the charter's values and by their personal conscience. Some managers believed personal conscience may not always be a reliable guide to ethical conduct, or that it is not possible to teach people how to behave ethically, while others believed organisational culture could help instil ethical behaviour. For example, a workplace atmosphere of trust and leadership that demonstrates ethical behaviour could help assure ethical behaviour by employees.

### Social accountability

Like the dimensions of stakeholder engagement and ethical business behaviour, evidence was obtained for social accountability at the structural level through formal policies and procedures tied to the company's linked HSEC management and performance management systems for producing a social report and at the cultural level through the individual sense of accountability that employees feel towards the firm's social impacts on its stakeholders.

The individual sense of social accountability is influenced by the amount of contact an individual may have with external stakeholders. Thus, managers suggested a staff functionary at head office might have a lower sense of social accountability while an operations worker in direct contact with stakeholders of particular business operations would have a higher sense of social accountability.

### Value-attuned communication

BHP Billiton recognises values as pertinent to decision-making by specifying the company's values in its charter and providing a framework that facilitates value-pertinent decision-making through the HSEC management system. The BHP Billiton Charter specifies six core company values: safety and the environment, integrity, high performance, win-win relationships, courage to lead change and respect for each other.

The company uses a range of methods to facilitate value-attuned communication, including auditing adherence to the HSEC management system, creating a network of 'thought leaders' to push and pull information through the firm, creating knowledge-based 'communities of practice' to connect employees with similar roles through the company's intranet, sharing values-based learning through a 'best practice' intranet site, linking values to performance bonuses, management participation in industry bodies and local communities, and workshops for managers about values. Each of these methods works by enabling value-pertinent information to be circulated throughout the firm to employees at various levels, and by providing a mechanism to link stakeholder values to business decision-making. Public affairs employees are involved in developing and/or implementing these methods.

### Dialogue

Evidence for the dialogue component of the social responsiveness capability model can be identified at BHP Billiton, although its enactment meets the definition of dialogue only under conditions of issue intensity and salience. In general, the bigger the potential impact of the issue on business continuance, the more likely the company appears to approach dialogue in the manner suggested by our model. Thus, dialogue with employees was employed very effectively during the closedown of the Newcastle, New South Wales site in 1999, where significant decision-making was devolved to the shop-floor level. Managers offered numerous other examples of stakeholder dialogue. The intensity, format, purpose and content of dialogue vary considerably in managers' examples. Dialogue might aim at information sharing, raising awareness, seeking stakeholder approval, persuading stakeholders to accept company decisions, letting stakeholders vent their concerns directly rather than through the media (i.e. safely), finding out about stakeholder needs, avoiding conflict, using stakeholders as a 'resource' because of their local knowledge, which can be especially valuable in new site development, or empowering a high level of stakeholder participation in decisions that affect them.

One of the criteria for effective dialogue is that participants are satisfied with the process; however, managers did not apply the criteria of stakeholder satisfaction consistently in evaluating their efforts at dialogue. A manager reflecting on a formal stakeholder consultation process aimed at creating a new community relations programme said:

It's hard to tell [if they were satisfied]. I mean, if they didn't get what they wanted to and we were unable to persuade them that what they wanted was what they got, then clearly they would be unhappy . . . but I haven't had a phone call or a letter from anybody saying, hell, I put my hand up and nobody bothered to come and talk to me.

Another manager believed that stakeholders had plenty of avenues for expressing dissatisfaction, if not directly, then through the media, or through non-governmental organisations that could relay their concerns. Thus, it seems that at least some managers at BHP Billiton do not acknowledge readily discrepancies in power relations or resources between the firm and its stakeholders that might limit the ability of stakeholders to exert equal power over the topics or agenda for dialogue.

To summarise, the theoretical model of social responsiveness capabilities was validated by this set of interviews at BHP Billiton; that is, evidence was obtained for each of the five capabilities, and managers were able to give examples of each capability at both the structural and the cultural level. At the structural level, BHP Billiton's Charter, written policies and management standards described by managers in this study set specific guidelines relevant to all five social responsiveness capabilities. The organisation's structure for social responsiveness leaves room for individual discretion and managers offered numerous examples in which individual discretion was used.

## Discussion

The conceptual model of corporate social responsiveness described in this case study illustrates that companies wishing to become more socially responsible need to develop capabilities that span the cultural and structural levels of the firm. Cultural aspects of capabilities relate to norms for behaviour and individual cognitive traits which drive ethical, accountable behaviour and underpin a stakeholder view of the firm. Structural aspects of capabilities relate to systems and processes for social reporting, stakeholder management and ethics compliance. Capabilities such as dialogue and value-attuned communication link the cultural and structural levels by ensuring that individual managers acknowledge, understand and consider stakeholder values and needs and help align firm and stakeholder goals.

As it is a highly decentralised firm with operations in 20 countries (BHP Billiton 2002), attention to social responsiveness processes at the structural level should help facilitate a consistent standard. Examples of capabilities at the structural level are provided in Table 1.

Social responsiveness capability	Examples from interview transcripts for enactment at the structural level at BHP Billiton
Stakeholder engagement	HSEC guidelines used to develop a community consultation plan for a new oil venture in Pakistan
Value-attuned public affairs	Values specified in charter and disseminated internally through communications networks, workshops and performance management systems
Dialogue	HSEC guidelines require consultation with stakeholders. Formal community consultation processes established at various sites
Ethical business behaviour	Guide to business conduct published, ethics telephone help-line and global ethics committee
Accountability	Social reporting system integrated through HSEC management standards

**Table 1** EVIDENCE FOR SOCIAL RESPONSIVENESS CAPABILITIES AT BHP BILLITON AT THE STRUCTURAL LEVEL

The organisation's structure for social responsiveness leaves room for individual discretion and local behavioural norms (i.e. enactment of social responsiveness at the cultural level). Examples in which individual discretion was used included employee dialogue which devolved significant decision-making to shop-floor employees during the closedown of the Newcastle steel works in Australia and a Queensland mine's reliance on local knowledge, rather than its engineering experts, to determine a new

road route. Examples from the interviews which show evidence for each capability at the cultural level are given in Table 2.

Social responsiveness capability	Examples from interview transcripts for enactment at the cultural level at BHP Billiton
Stakeholder engagement	'We cannot operate our smelters in isolation of the communities in which we are located'
Value-attuned public affairs	'[The external affairs manager] was extremely good at sensing the pulse of the organisation' 'If you don't share a vision or value system, it's very difficult to work together as a team'
Dialogue	'We deliberately gave people a lot of latitude . . . because they all had different situations'
Ethical business behaviour	'You can give them the rules, but whether they live by those rules is a different story'
Accountability	'Our accountability is to the government . . . the local community . . . the employees . . . we're accountable to all of those stakeholders'

**Table 2** EVIDENCE FOR SOCIAL RESPONSIVENESS CAPABILITIES AT BHP BILLITON AT THE CULTURAL LEVEL

Evidence for social responsiveness capabilities at the cultural and structural levels shows a different and complementary approach to earlier models of social responsiveness. While earlier models (e.g. Ackerman and Bauer 1976; Miles 1987) emphasised the importance of integrating public affairs and line management approaches to social issues and stakeholders, the model of social responsiveness capabilities developed in this paper emphasises the importance of providing tools for corporate social responsiveness within firm structures *and* via the organisation's culture, which affects individual human sense-making (Hatch 1993). Each capability is now explained in terms of its operation at the cultural and structural levels and is shown in Table 3.

Social responsiveness capability	Structure	Culture
Stakeholder engagement	Policies facilitate incorporation of stakeholder input into decision-making	Managers view the firm and its stakeholders as interconnected
Ethical business behaviour	Commitment to and reinforcement of ethical behaviour through policies, rewards and punishments	An ethical workplace atmosphere in which people sincerely care about the well-being of others
Accountability	The firm reports openly on its social targets and impacts	Managers feel a sense of accountability towards stakeholders for firm impacts

**Table 3** EVIDENCE FOR SOCIAL RESPONSIVENESS CAPABILITIES THAT OPERATE AT TWO LEVELS

The sub-dimension of stakeholder engagement related to stakeholder management operates at the structural level as evidenced by policies and procedures designed to facilitate stakeholder contributions to business decisions. The sub-dimension of stakeholder engagement related to managers' views of the interconnectedness of their firm with its stakeholders operates at the cultural level, as evidenced by a 'mind-set' or belief in the interconnectedness of the firm with its stakeholders. Specifically, a stakeholder view of the corporation (Post *et al.* 2002) is embraced at the individual level by managers. Additionally, interview results show that stakeholder engagement at BHP Billiton is bounded by the extent to which stakeholder behaviour is understood to be either favourable or inimical to firm interests; that is, an instrumental model of stakeholder engagement prevails (Berman *et al.* 1999).

The sub-dimension of ethical business behaviour related to the presence and reinforcement of an ethics compliance system appears at BHP Billiton through its *Guide to Business Behaviour*, ethics committee and ethics telephone help-line. Nevertheless, the effectiveness of the structure for ethics relies at least in part on culture. A workplace atmosphere of trust, the ability to recognise ethical dilemmas and appropriately modelled behaviour from senior managers assure the effectiveness of formal systems.

Like the dimensions of stakeholder engagement and ethical business behaviour, evidence is obtained for social accountability at the structural level through formal policies and procedures tied to the company's linked HSEC management system and performance management system and at the cultural level through the individual sense of accountability that employees feel towards the firm's impacts on its stakeholders.

To recap, stakeholder engagement, ethical business behaviour and social accountability are each captured in the formal system of policies and procedures and linked to the performance management system at BHP Billiton. Each of these three sub-dimensions also operates within the firm's culture as evidenced by the extent to which individuals see their firm as linked with its stakeholders, behave with an ethic of care towards each other and towards other constituencies and understand the firm to be accountable to non-financial stakeholders. Cognitive and behavioural processes thus combine at the individual level to provide a basis for skill and competence development in delivering on the firm's social responsibilities.

The dimensions of value-attuned communication and dialogue are linked mechanisms which integrate the structural and cultural levels of social responsiveness. The process of stakeholder dialogue with both internal and external stakeholders helps managers recognise, understand and act on values in their daily decision-making. A powerful public affairs function plays a key role in facilitating dialogue and value-attuned decision-making in the firm.

The dimension of value-attuned communication is adapted from the last of four organisational decision processes described by Swanson (1999) that contribute to social responsiveness. The four value decision processes are: executive receptivity to values as pertinent to decision-making; the use of value information in formal decision-making; the use of value information in informal decision-making; and the value expanded detection of social issues via external affairs management. This requires effective boundary spanning abilities as well as comprehensive internal networks. Value-attuned communication processes at BHP Billiton such as the use of extensive internal communications networks and communities of practice integrate the structural and cultural levels of corporate social responsiveness. Value attunement is facilitated at the structural level at BHP Billiton through the charter and associated HSEC management system. However, it is observed in the culture through a myriad of individual decisions related to diverse matters such as the choice of a social auditor or the manner of implementing a major site closure.

The sharing of power over the topics for discussion is defined in this model as the structure of dialogue. This structure serves the purpose of co-creating or mediating shared meaning (Evans 2001), or the formation of collective interpretation which presents a moral alternative to strategic, coercive or hierarchical modes of co-ordination (Linder 2001). From the organisational point of view, dialogue is an information-rich method of reducing uncertainty in the organisational environment but is not necessary for communication on routine matters (Daft and Lengel 1990).

Dialogue is provided for in the formal structure of the organisation; however, its implementation as a way of sharing power over the agenda for discussion depends on managerial interpretation of a stakeholder's or an issue's salience, the state of the organisation–stakeholder relationship and the attitude of individual managers. For example, the attitude to employee dialogue during the Newcastle site closure was to deliberately give employees 'a lot of latitude', but the attitude to dialogue around a proposed community relations plan at another site was at least in part 'to persuade them that what they wanted was what they got'.

Stakeholder dialogue is an integrative mechanism because it affects managers' interpretation of their firm as a stakeholder-engaged firm and makes it more likely that operational decisions will take account of stakeholder impact. Value-attuned communication helps managers to understand and accept the legitimacy of stakeholder claims on the firm, increasing their sense of accountability. When managers feel the firm is socially accountable, they are more likely to produce an honest social report that evaluates performance more than it manages impressions. Receptivity to employee values helps foster a caring workplace atmosphere, which, in turn, increases the effectiveness with which ethics policies are honoured.

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## Management implications of the model of social responsiveness capabilities

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The results of this study suggest important implications for companies wishing to become more socially responsive. Companies need to develop social responsiveness capabilities which span the cultural and structural levels of the firm. It is not enough to develop a code of conduct or issue a social report, although these are important. Managers and other employees need to recognise and understand the interdependence with stakeholders of their firm's future and fortunes, understand their accountabilities for non-financial performance and behave towards each other and towards other constituencies with an ethic of care. Social responsiveness is embedded within a firm only when it is evident in the firm's culture through the myriad of decisions over which managers have discretion every day.

There are many ways of promoting a culture of social responsiveness. For example, partnerships with social-sector organisations can help employees to understand the relationship of their organisation to their community and the particular issues and perspectives that stakeholders may have. Talking about the organisation's relationship with its community and modelling ethical behaviour at the most senior levels of the firm are also essential.

Structural aspects of capabilities relate to systems and processes for social reporting, stakeholder management and ethics compliance. Management systems for incorporating stakeholder needs into management decision processes help assure ethical and accountable behaviour. Capabilities such as dialogue and value-attuned communication link the cultural and structural levels by ensuring that individual managers acknowledge, understand and consider stakeholder values and needs and help align firm and

stakeholder goals. Additionally, the public affairs function is essential in integrating change at the structural and cultural levels when it focuses on understanding and facilitating organisational enactment of social values that are consistent with positive social impacts. Robust, ongoing dialogue with internal and external stakeholders can facilitate the value-attuned decision-making and behaviour that links the structural and cultural levels of social responsiveness capabilities.

In some organisations, a culture for social responsiveness already exists. These organisations could benefit by considering what formal structures, systems and policies might be required to ensure consistency in socially responsible decision-making. In other organisations, systems and policies may be developed or emerging, especially if they have been subjected to stakeholder pressure over perceived social or environmental weaknesses. In these companies, activities that foster a culture for social responsiveness may be required to boost social responsiveness capabilities.

Managers can use this model to analyse the embeddedness of their social responsiveness capabilities. By asking the question ‘What is the evidence in our organisation for the existence or otherwise of these capabilities?’, managers may identify opportunities for redressing weaknesses or strengthening organisational performance.

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### Limitations of the study and future research

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The methodology used to explore the model of social responsiveness capabilities has some limitations. First, the study used a small number of people in a single company and the findings may not be replicated in other firms or, indeed, in other parts of BHP Billiton. The study also relies on the perspective of one group, managers, rather than the stakeholders with whom judgement of social performance would rest. Further, evidence relied on the memories of managers, rather than direct observation of events or other data sources such as newspaper articles and so on that could provide a different perspective.

Future research could use other methods to examine the model, such as stakeholder interviews or analysis of newspaper reports of issues. The study also needs to replicate and extend this study of the social responsiveness capabilities in firms that are not as advanced as BHP Billiton. Studies have shown that consumers interpret social responsibility differently according to their national and cultural context (Maignan and Ferrell 2003), with significant implications for the communication of social responsibility initiatives. Therefore, it is possible that managers will interpret social responsibility capabilities differently as well. Testing the cross-cultural relevance of the capabilities would help public affairs managers in multinational firms understand the extent to which it is realistic to establish standard internal processes across all the firm’s subsidiaries, or whether the social responsiveness capabilities described in this paper require adaptation for local conditions.

Further, the causes and consequences of social responsiveness are not examined in this paper. BHP experienced a severe social and environmental crisis during the 1980s and 1990s at one of its mines in Papua New Guinea. In addition, the global mining industry has moved towards greater appreciation of social and environmental sustainability issues as shown by activities such as the Global Mining Initiative. The role of industry-wide as well as company-specific events in catalysing the conditions for social responsiveness needs to be understood in order for scholars and managers to develop a fuller understanding of how firms can be socially responsible.

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