

VALIDATION OF CAPABILITY-BASED MODEL OF
CORPORATE SOCIAL RESPONSIVENESS:
THE CASE OF BHP BILLITON

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Abstract

This paper presents a case study of social responsiveness capabilities at the global mining firm BHP Billiton, based on in-depth interviews with ten senior executives on two continents. The paper advances a conceptual model of social responsiveness capabilities which are tested in the case study. Unlike extant models which describe social responsiveness as processes of environmental scanning, issues management and stakeholder management, our model suggests that social responsiveness be understood as a cluster of five organisation-level capabilities. The study's critical realist perspective examines the dual influences of action (human agency) and structure on social responsiveness capabilities, and their integrative mechanisms. The critical realist perspective enables development of a cross-level model of capabilities that accounts for the dual influences of agency and structure in explaining organisational responsiveness to stakeholders.

Introduction

Corporate social responsiveness is generally described as a component of social performance which comprises the processes of issues management, stakeholder management, and environmental scanning (Wood, 1991). It is what companies *do* in order to *be* socially responsible. However, the strategic management literature suggests that capabilities are more important than processes in explaining firm performance (Teece, Pisano, & Shuen, 1997). Capabilities are unique bundles of knowledge, skills and processes which arise from tacit knowledge and enable the activities in a process to be carried out (Sharma & Vredenberg, 1998; Teece et al., 1997). According to this definition, successful companies have unique wealth-creating capabilities that are not easily imitated.

The stakeholder model of the firm (Post, Preston, & Sachs, 2002) suggests 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. Like the stakeholder model, 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.

Further, this paper employs a critical realist perspective (Reed, 1997) to examine the dual influences of action and structure on social responsiveness capabilities. Action and structure are competing explanations for human action: do organisational structures and processes direct human action, or does individual action create the structures that sustain it? The critical realist perspective recognises the legitimacy of both perspectives by conceptualising organisational phenomena as a cycle of reciprocal influences of structure and action (Archer, 1995).

Conceptual Model of Social Responsiveness Capabilities

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 (Sharma & Vredenberg, 1998; Teece et al., 1997). Because they are causally ambiguous, successful companies have unique wealth-creating capabilities that are not easily imitated. 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 (cf. Post et al 2000) requires firms to develop similar *capabilities* to recognise and respond effectively to the social responsibilities that arise in their stakeholder relationships. Competitive advantage can still accrue to firms with these capabilities because of the different ways in which the capabilities are combined and deployed in specific circumstances.

A theoretical cross-level model of social responsiveness capabilities was developed for this study. At the structural level, a socially responsive organisation has systems, policies and procedures to assure social responsiveness. At the agency level, individual employees have the values, knowledge, and attitudes to support socially responsible decision making and action. Three capabilities are cross-level insofar as they span the structural and agency levels of the firm. They are stakeholder engagement, ethical business behaviour and social accountability, which are defined next.

Stakeholder engagement: The organisation a) identifies itself as closely linked with its stakeholders, and b) takes stakeholder needs into consideration in operational decisions. Thus, stakeholder engagement comprises two sub- dimensions called *stakeholder identity* and *stakeholder management*. The stakeholder identity sub-dimension provides a cognitive basis for social responsiveness, consistent with early definitions of corporate social responsiveness that emphasised the need for managers to know and understand the firm's stakeholders and recognise the interdependence of firm and stakeholder interests

(Ackerman, 1977; Preston & Post, 1975). The stakeholder management sub-dimension provides a behavioural basis for social responsiveness goals that goes beyond the need to select strategies for dealing with stakeholders (cf. Carroll & Buchholtz, 2000) and suggests that firms must build co-operative, mutually reinforcing relationships (cf. Heugens, van den Bosch, & van Riel, 2002).

Ethical business behaviour: The 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. Thus, ethical business behaviour comprises two sub-dimensions called *ethics compliance* and *ethics atmosphere*. Institutionalisation of ethical behaviour can be achieved by publicly promoting ethical consciousness throughout the organisation (atmosphere), through the development of formal ethical codes, incentives and rewards for ethical behaviour and punishments for unethical behaviour (Sims, 1991; Weaver, Trevino, & Cochran, 1999). Further, the strength of top management commitment to ethics appears to be vital to social responsiveness capabilities because of its association with corporate social performance (Verschoor, 1999).

Social accountability: 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. Thus, social accountability comprises two sub-dimensions called *accountability belief* and *accountability report*. Social accountability is central to the concept of corporate social responsiveness because of the size, resources and power of modern corporations (Reich, 1998). Firms which 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 sub-dimension of social accountability belief relates to managers' cognitive ability to understand and accept accountability for social impacts. The emerging literature on corporate social accountability generally concentrates on how corporations can demonstrate social accountability through stakeholder reports and such like (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, the accountability report sub-dimension describes a behavioural component of corporate social responsiveness.

The two remaining capabilities play an integrative role, insofar as they facilitate the enactment of other capabilities at both structural and agency levels. These are defined next.

Value attuned public affairs: This is the ability of public affairs staff to detect, select and transmit value-pertinent information about stakeholders to all parts of the firm (cf. Swanson, 1999). The ability of a firm to make socially responsive decisions relies on a reciprocal process wherein the abilities 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 public affairs.

Dialogue (with stakeholders): Dialogue comprises a) a respectful attitude towards the partners in dialogue and b) a structure for dialogue that gives equal power to all participants over decisions about the agenda for dialogue. Thus, dialogue comprises two sub-dimensions called *attitude* and *structure* (cf. Pearson, 1989). 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.

The structure of the social responsiveness capability framework is depicted in Table 1.

[INSERT TABLE 1 AROUND HERE]

Research Site, Sample and Method

BHP was established in 1885 and Billiton in 1860. The companies merged in 2001. BHP Billiton operates on all five continents, 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 in Melbourne. Most of the company's product areas were represented by the participants. A theoretical sampling strategy (Glaser & 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.

Results

Stakeholder engagement. At the structural level, stakeholder engagement begins with explicit recognition of the 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 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 business 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 "mindset" according to a 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, i.e., 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 helpline across four world time zones. However, close attention is required to internal communications processes required to "roll out" the ethics program 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 to 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 agency 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 higher sense of social accountability.

Value attuned public affairs. 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 public affairs, 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 normative terms. Thus, dialogue with employees was employed very effectively during the closedown of the Newcastle 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 manager’s 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 may not apply consistently the criteria of stakeholder satisfaction to evaluating their efforts at dialogue. A manager reflecting on a formal stakeholder consultation process aimed at creating a new community relations program 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-government 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 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 agency 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 tested in this case study illustrates that companies wishing to become more socially responsible need to develop capabilities which span the agency and structural levels of the firm. Agency aspects of capabilities relate to individual cognitive traits which drive ethical, accountable behavior

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 public affairs link the agency and structural levels by ensuring that individual managers acknowledge, understand and consider stakeholder values and needs and help align firm and stakeholder goals.

As a highly decentralised firm with operations in 20 countries (BHPBilliton, 2002), attention to social responsiveness processes at the structural level should help facilitate a consistent standard. Examples of capabilities at the structural level are depicted in Table 2.

[INSERT TABLE 2 AROUND HERE]

The organisation's structure for social responsiveness leaves room for individual discretion (i.e., enactment of social responsiveness at the agency level). Examples in which individual discretion was used included employee dialogue which devolved significant decision-making to shop floor employees during the close down 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 agency level are depicted in Table 3.

[INSERT TABLE 3 AROUND HERE]

Evidence for social responsiveness capabilities at the agency and structure levels shows a different and complementary approach to earlier models of social responsiveness. While earlier models (e.g., Ackerman & 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 sensemaking (Hatch, 1993). Each capability is now explained in terms of its operation at the agency and structure levels and is depicted in Table 4.

[INSERT TABLE 4 AROUND HERE]

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' view of the interconnectedness of their firm with its stakeholders operates at the agency 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, Wicks, Kotha, & Jones, 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 hotline. Nevertheless, the effectiveness of the structure for ethics relies at least in part on individual discretion. At the individual level, 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 agency 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 at the level of individual agency through 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 competency development in delivering on the firm's social responsibilities.

The dimensions of value attuned public affairs and dialogue are linked mechanisms which integrate the structure and agency levels of social responsiveness. The process of stakeholder dialogue with both internal and external stakeholders helps managers recognise, understand and act on values in its 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 public affairs is adapted from the final 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 and 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 public affairs processes at BHP Billiton such as the use of extensive internal communications networks and communities of practice integrates the structural and individual (agency) 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 action at the individual level 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 thesis 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 coordination (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 & 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 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 public affairs helps managers 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.

The results of this study have important implications companies wishing to become more socially responsive. Companies need to develop social responsiveness capabilities which span the agency 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 only embedded within a firm when it is evident at the level of individual agency through the myriad of decisions over which managers have discretion every day.

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 public affairs link the agency 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 agency 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 agency levels of social responsiveness capabilities.

Future research needs to replicate the validation 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 & 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 90s 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 for scholars and managers to develop a fuller understanding of how firms can be socially responsible.

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Social responsiveness capabilities operate at two levels	
<i>Capability</i>	<i>Levels of operation</i>
Stakeholder engagement	Agency component: stakeholder identity Structural component: stakeholder management
Dialogue	Integrative mechanism
Value attuned public affairs	Integrative mechanism
Ethical business behaviour	Agency component: ethics atmosphere Structural component: ethics compliance
Social accountability	Agency component: sense of social accountability Structural component: social accountability reporting

Table 1: The structure of the social responsiveness capability framework

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 hotline and global ethics committee.
Accountability	Social reporting system integrated through HSEC management standards.

Table 2: Evidence for social responsiveness capabilities at BHP Billiton at the structural level

Social responsiveness capability	Examples from interview transcripts for enactment at the agency 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, its 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 3: Evidence for social responsiveness capabilities at BHP Billiton at the agency level

Social responsiveness capability	Structure	Agency
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 4: Evidence for social responsiveness capabilities that operate at two levels