



UNIVERSITY
OF TASMANIA

**Improving social outcomes in sustainable forest
management: Community engagement and
commitment to corporate social responsibility
by Australian forest companies**

By

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Submitted in fulfilment of the
requirements for the Degree of
Doctor of Philosophy

University of Tasmania

December 2012

Statements and declarations

This thesis contains no material which has been accepted for a degree or diploma by the University or any other institution, except by way of background information and duly acknowledged in the thesis, and to the best of the my knowledge and belief no material previously published or written by another person except where due acknowledgement is made in the text of the thesis, nor does the thesis contain any material that infringes copyright.

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The research associated with this thesis abides by the international and Australian codes on human and animal experimentation, the guidelines by the Australian Government's Office of the Gene Technology Regulator and the rulings of the Safety, Ethics and Institutional Biosafety Committees of the University.

Melissa Gordon

December 2012

Thesis format

I present this thesis in three sections: (i) four introductory chapters; followed by (ii) four articles that have been submitted for publication in refereed academic journals; and (iii) a concluding statement. The first four chapters provide the necessary detail to enable an understanding of the research, literature review, conceptual framework, study sites and case study companies, and an overview of the methods used. The final chapter draws together the findings and significance of the research. Figure 1 provides an overview of the content of each chapter.

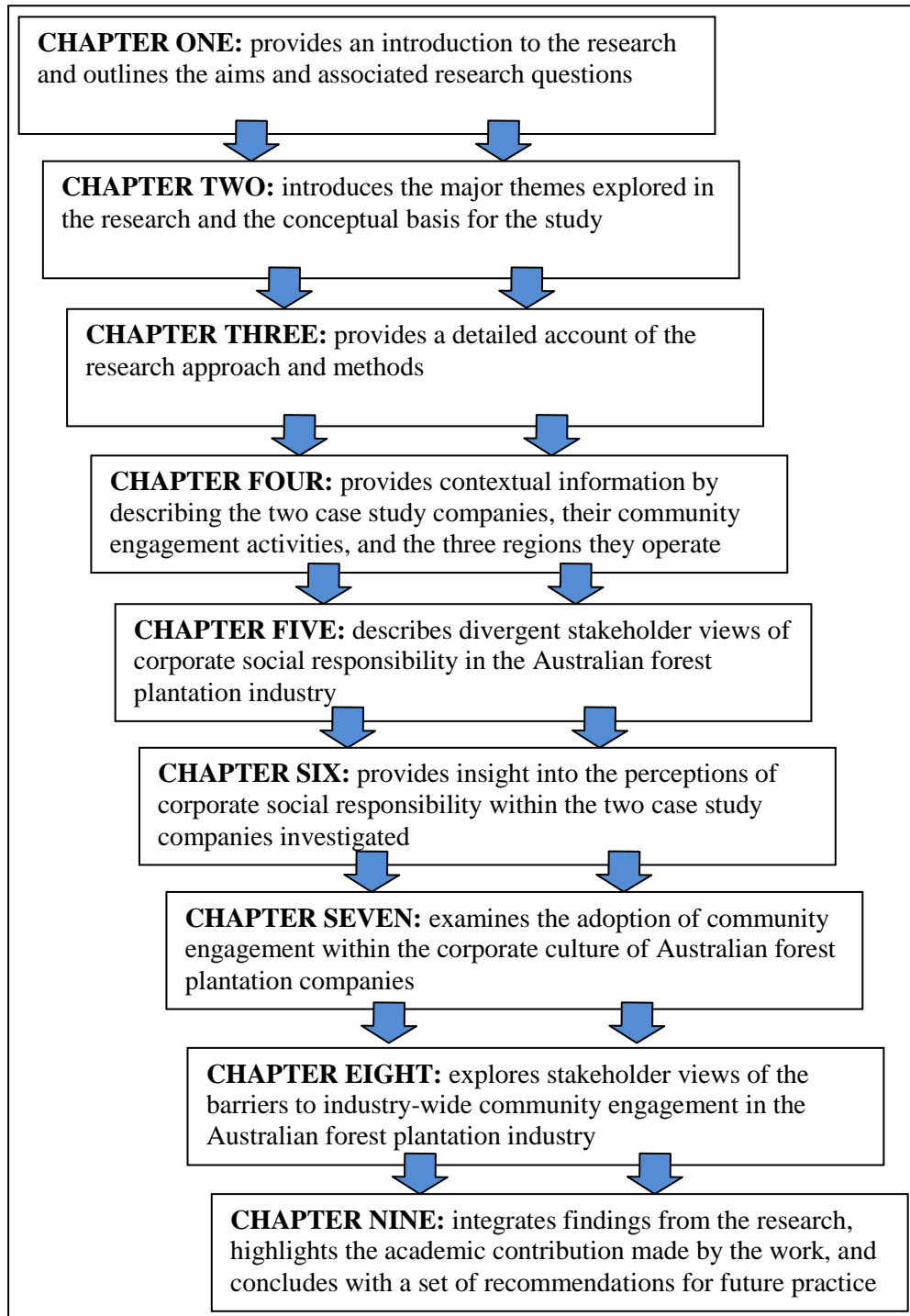


Figure 1: Content contained in Chapters One to Nine of the thesis

I adopted the ‘thesis by publication’ format, as it enabled the research results to be communicated to relevant audiences better than through a more traditional format for a thesis. It also enabled my work to be peer reviewed, and provided industry partners from the Cooperative Research Centre for Forestry with an opportunity to comment on each publication. I hope that this will enable better uptake of the recommendations made through the research.

Papers are presented in an order sequential to the progression of argument for the thesis. However, there is some necessary repetition, as the journal papers need to be stand-alone documents. Each journal paper has a statement preceding it, which describes the status of the article (e.g. published or in review with an academic journal), and explaining why the paper is included in the thesis. Each of the publications has been re-formatted to match the style of the rest of the thesis. All references are included at the end of the thesis, rather than at the end of each chapter. Duplicate figures are cross-referenced to chapters where the figure is first used.

The four publications, presented as Chapters Five to Eight, are as follows (correct as of 14th December 2012):

Paper 1 – Gordon, M., Lockwood, M., Vanclay, F., Hanson, D., Schirmer, J. 2012. ‘Divergent stakeholder views of corporate social responsibility in the Australian forest plantation sector’, *Journal of Environmental Management*, 113(30): 390-398.

Paper 2 – Gordon, M., Lockwood, M., Hanson, D., Vanclay, F., Schirmer, J (in press). ‘Perceptions of corporate social responsibility in forest plantation companies’. accepted for publication with *International Journal of Sustainable Society*.

Paper 3 – Gordon, M., Lockwood, M., Schirmer, J., Vanclay, F., Hanson, D. (accepted contingent on minor changes). ‘Adoption of community engagement in the corporate culture of Australian forest plantation companies’. *Australian Forestry*, submitted March 2012, reviewer comments received 14th June 2012, resubmitted 30th August 2012, reviewer comments received 12th November 2012, resubmitted 21st November 2012.

Paper 4 – Gordon, M., Schirmer, J., Lockwood, M., Vanclay, F., Hanson D. (in review). ‘Being good neighbours: Current practices, barriers, and opportunities for community engagement in Australian plantation forestry’. *Land Use Policy*, submitted July 2012.

Statement of co-authorship

(for use where the PhD thesis
comprises published materials
which have co-authors)



Statement of claimed contribution by PhD candidate

I declare that the following people (listed with their institution at the time of authorship if not UTAS) contributed in the following percentages to each publication submitted as part of this thesis.

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Paper 4	Gordon, M (60%), Schirmer, J. (ANU) (10%), Lockwood, M. (10%), Vanclay, F. (University of Groningen) (10%), Hanson D (10%)

Details of the role of each author

An explanation of the role of each author is given in a preliminary statement prior to each paper contained in the thesis.

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Abstract

The overarching aim of the study was to identify ways to improve the adoption of community engagement, and through this, corporate social responsibility practices by forest companies in Australia in order to achieve sustainable forest management outcomes. For community engagement (CE) to be sustained within a company it must be supported by corporate culture. I used two case studies of Australian forest plantation companies to explore corporate culture and its impact CE adoption. Previous research has failed to adequately explore the relationship between CE adoption and corporate culture within forest companies. As such this research provides essential contribution to the literature and practical insight into how forest companies can improve the social dimensions of their forest management practices. The thesis was an interdisciplinary endeavour, as it contributes to a number of disciplines including CE and corporate social responsibility (CSR). However, the research primarily contributes to the discipline of forest management. This thesis addresses the question of *‘what can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?’*

I used multiple qualitative methods to investigate two case studies, each involving a single forest company. The methods included observation, interviewing and document analysis. I investigated the views of stakeholders within and outside each company regarding CSR and CE, and conducted 87 semi-structured interviews. An adaptive theory approach was taken, with thematic coding being used to analyse data. Using both literature review and empirical data gathered for the study, I explored the relationships between CE, CSR and sustainable forest management. Investigating corporate culture provided insight into how the two case study companies could enhance adoption of CE. External stakeholder views provided necessary context in which to understand how to improve socially-orientated dimensions of forest plantation management. The study identified opportunities for the two case study companies to enhance their commitment to CE, and through this, CSR and thus improve their business practices.

The Australian forest industry as a whole has the opportunity to overcome several barriers that are currently limiting CE practices. I found there were issues associated with a lack of understanding of the essence of stakeholder concerns, and an inability for single companies to address concerns associated with an industry sector. Further, although I found evidence that corporate cultures were supporting, rather than limiting, the adoption of CE, there is room to improve current practices and enhance CE adoption. I recommend that companies develop better stakeholder identification and analysis procedures, enhance relationships with a broader range of stakeholders, and improve collaboration within the forest plantation industry (between companies) to improve industry-wide CE. In addition, managers of companies need to actively engage their staff to ensure CE values and processes are adopted throughout their company. The research confirms that it is vital for forest companies to embed CE in the cultural norms of their day-to-day operational environment. The thesis argues that forest companies need to take CE and CSR seriously if they are going to survive into the future.

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Acknowledgements

I am truly grateful for the support received from many people throughout my PhD candidature. This thesis was made possible through the intellectual and moral support that helped inspire me to start and complete this research.

I would like to thank those who took the time to participate in the study. Without your efforts the study would not be possible. In particular I would like to extend my sincere appreciation to the two forest companies who formed the focus of the research. Your contributions were essential for the study.

I received scholarship funding through an Australian Postgraduate Award and additional scholarship top-up funding was provided by the Cooperative Research Centre (CRC) for Forestry. The CRC for Forestry also provided the funding for the data collection and various other costs such as to attend training courses and conferences. I used this funding to attend an NVivo course, a qualitative research course, and various training workshops. It was also used to pay for interview transcription services, and for travel costs associated with data collection. Further, the CRC for Forestry funded some unique opportunities to present my work at the Sustainability Assessment Symposium (held in Fremantle, Australia, May 2010) and at the International Symposium for Society and Resource Management (held in Edmonton, Canada, June 2012).

I was able to present my work at CRC for Forestry events, such as Annual General Meetings and during the community engagement workshops held towards the end of my PhD candidature. Thank you to the numerous CRC for Forestry industry members who provided valuable input and feedback on the work. Also, the input from other researchers – both PhD candidates and project leaders – within the CRC for Forestry was invaluable. A specific mention goes to Dr Lain Dare who was there to answer numerous questions, provide feedback on draft papers, and provide me with mentoring support.

I would also like to thank staff and students at the Tasmanian Institute of Agricultural Research (TIAR), (now called the Tasmanian Institute of Agriculture

(TIA)) and the School of Agricultural Science, University of Tasmania. The School of Agricultural Science and TIAR were my hosts for my first year of candidature, during which time Prof Frank Vanclay served as my primary supervisor (before relocating to the University of Groningen, The Netherlands). Thank you to staff and students at the School of Geography and Environmental Studies, University of Tasmania (my host school throughout the majority of the PhD candidature). I would also like to thank Mahni Dugan for helping me with my writing.

Thank you to all of my supervision team: Dr Michael Lockwood (primary supervisor), Prof Frank Vanclay (research advisor), Dr Jacki Schirmer (research advisor), and Dr Dallas Hanson (co-supervisor). You each provided your own unique input into the thesis. Overall you have helped to improve my abilities as a researcher.

I made a decision to complete my studies externally during the last year of my candidature so that I could return to Western Australia. I appreciated the support from the School of Environmental Studies, Murdoch University, in Western Australia for allowing me to share office space with other like-minded researchers. In addition, I am grateful for the opportunity to present my research as part of the school's seminar program. I would also like to thank A/Prof Susan Moore and A/Prof John Bailey for their assistance. Thanks also to Dr Treena Burgess from the School of Biological Sciences and Biotechnology who helped me get 'set up' at Murdoch University.

Thanks to Eloise Sillifant for helping with the final formatting of the thesis. Lastly, thank you to my fiancé Aaron Turner for your moral support and for your occasional proofreading.

Preface

I was inspired to commence a PhD in 2004 when I volunteered to work as an Australian Youth Ambassador for Development (a program of AusAID), in Leyte, Philippines. I lived in the Philippines for one year to work on an Australian Centre for International Agricultural Research (ACIAR) tree farm project. I enjoyed learning about the range of issues that are influencing forest development outcomes. I also became interested in the social sciences, as many of the limitations to forest tree farm development were associated with social issues. The year was a big learning experience for me, as it took me away from the comfort of familiar surroundings. In 2005 I returned to Australia and the following year completed my degree in Environmental Management (Tropical Forestry) at the University of Queensland. After completing my degree, I decided to get some work experience within the private forest plantation industry. I found a great opportunity to work in Albany, southwest Western Australia.

I was fortunate enough that whilst I was working for a plantation company, part of my role was to represent the company as part of the Cooperative Research Centre (CRC) for Forestry biodiversity project steering committee. I attended an Annual Science Meeting in 2008, where I also learnt more about the CRC for Forestry 'Communities' project. I also discovered that this project was looking to recruit another PhD student to build on their existing research on improving the theory and practice of community engagement (CE) in Australian forest management. After spending some two years working for a private forest company as a Forester, I decided the time was right to commence PhD studies. As the University of Tasmania was heavily involved in the CRC for Forestry and great supervision was there, I decided to make yet another move to the other side of Australia, to Tasmania.

I believe the exposure I had working in the forest industry before commencing the PhD research had positive implications for my research. For example, there were some people I interviewed who I had met or worked with on previous occasions whilst employed in the industry. I believe this helped to foster trust. I think previous connections to industry gave me a head start in terms of understanding the nature of

the forest plantation industry. It also gave me some practical insight into the approach forest companies were taking with regards to CE.

I was particularly interested in CE because I believe it is an area that the forest industry could improve upon. I believe that individual forest companies could do more to operate responsibly in the community. I wanted to discover how plantation companies can become more integrated and accepted into local communities, as I do believe the future of the industry is largely dependent on this. I also believe that plantations can play a vital role in contributing to rural communities throughout Australia. But that role has far greater potential if forest governance is improved. That is governance which accommodates for a range of local needs and values.

As people hold a diverse range of views towards forestry, I wanted my research to unveil how forest companies can negotiate the tangle of multiple and sometimes conflicting viewpoints to enhance sustainable forest management (SFM) outcomes. I wanted to help forest companies operate more responsibly. Subsequently, my research also investigated corporate social responsibility (CSR), a concept which is associated with SFM.

I believe that all members of society, including individuals and businesses, should contribute to local communities, whether it be through charitable donations, volunteering or supporting the wellbeing of friends and family in some way. My personal passion is to encourage others to contribute positively to society. I want to promote good values, morals and ethical behaviour in my local community whilst encouraging people to provide a strong contribution to society and to achieve their goals. It is hoped that through this research forest companies will be inspired to further embed CE as part of their forest management practices. I believe this will help to foster better relationships and integration of forest plantations into rural Australian communities, increase CSR, and overall help to foster SFM.

Key acronyms

AFS	Australian Forestry Standard
CE	community engagement
CSR	corporate social responsibility
EMS	environmental management system
ENGO	environmental non-government organisation
FSC	Forest Stewardship Council
GNC	Good Neighbour Charter
MIS	Managed Investment Scheme
NGO	non-government organisation
NRM	natural resource management
PEFC	Programme for the Endorsement of Forest Certification schemes
SFM	sustainable forest management
WA	Western Australia

Chapter One: Outline of the research

Introduction

Community engagement (CE) and corporate social responsibility (CSR) are now considered essential elements for effective forest management (Dare, Schirmer & Vanclay 2011a). CE is a continuum of activities that reflect different levels and intensities of involvement (such as inviting stakeholders to contact plantation companies with concerns and establishing long-term advisory groups) to enable members of the community to be involved in decision-making processes (Dare, Schirmer & Vanclay 2011a; 2011b). Further, CSR is a means by which corporations can contribute to the good of society by taking into account concerns beyond those that are merely financial, to include the full suite of factors that impact company stakeholders. CE is acknowledged as being an important tool to achieve CSR. In the forest sector, CSR is largely understood as being based on sustainable forest management (SFM) activities, which are associated with forest management that addresses social, economic and environmental criteria (Vidal & Kozak 2008a). The concepts of CSR, CE and SFM are strongly interlinked. This thesis is based on the premise that CE (a critical tool for CSR) and CSR are essential for achieving SFM. Further details of these relationships are provided in Chapter Two, which outlines the conceptual basis for the study.

The overarching aim of the research was to identify how to improve the adoption of community engagement, and through this, corporate social responsibility practices by forest companies in Australia in order to achieve sustainable forest management outcomes. This aim was chosen because SFM is accepted within the forest industry as something that needs to be achieved as part of effective forest management (McDonald & Lane 2002; Wolfslehner & Vacik 2008). The concept of SFM is based on the idea that in order for forestry to be sustainable, it must be managed to adequately balance economic, social and environmental needs. A broad range of institutions connected to the Australian forest industry now realise that the technical nature of growing and managing trees as an environmentally and economically viable agricultural crop, needs to be matched by a focus on balancing social issues,

which in turn requires acknowledging and addressing the needs and values of all those who are impacted, interested or affected by a company's operations. CSR is an avenue by which companies can aim to achieve these social goals, through ensuring they are operating in accordance with the values and objectives of society (Mosley, Pietri & Megginson 1996).

Although CSR is commonly understood by business and within the literature as important for responsible management, what this means in practice is not yet clear (Whitehouse 2006). The International Organization for Standardization released a Guidance Document on Social Responsibility, ISO 2600 (ISO 2010), but there continues to be debate about what CSR should constitute in practice. Essentially, CSR is a contested concept (Matten & Moon 2008), and is heavily context dependent. The implementation of CSR needs to be congruent with the sectoral and societal contexts within which a company is operating (Kamppinen, Vihervaara & Aarras 2008). We do not yet know the extent to which CE and CSR are a part of what forest companies do, nor do we clearly understand what constitutes effective CE and CSR adoption. In order to promote more responsible forest practice, these matters need to be explored.

There are growing pressures for forest companies to commit to continuous improvement, and to adopt management practices that reflect societal values (Wiersum 1995). Not all stakeholders believe forest companies have been operating in accordance with societal values (Gritten & Mola-Yudego 2010). A lack of responsible business practice can tarnish reputation and lead to stakeholder activism against industry (Winn, MacDonald & Zietsma 2008). It is paramount that forest companies consider the impacts of their operations on their stakeholders and operate in accordance with sustainable practices. CSR is a reality rather than an ideology, as it now constitutes an important component of contemporary business practice (Maon, Lindgreen & Swaen 2009).

CE is an essential tool by which to achieve CSR. CE is a subset of a company's CSR activity (Bowen, Newenham-Kahindi & Herremans 2010) and is increasingly considered a central component of approaches to CSR (Burchell & Cook 2006). Central to the CSR construct is that corporations have responsibilities towards their

stakeholders (Emtairah, Al-Ashaikh & Al-Badr 2009), as successful CSR must ensure that companies are operating in a manner that contributes to the good of society (Matten & Moon 2008). CE is not the exclusive domain of CSR, but it is essential for it. Companies must be responsive to stakeholder concerns (O’Riordan & Fairbrass 2008), and CE is used as a means to achieve this (Angelovski 2011).

Aside from CE, other activities that contribute towards or are a part of CSR include practices that ‘reflect business responsibility for some of the wider societal good’ (Matten & Moon 2008: 405). These practices include forms of CE such as company sponsorships, alliances with other corporations, and being responsive to stakeholder concerns or pressures (Matten & Moon 2008). CSR can also include internal company policies to encourage employee well-being. Such policies can explicitly help to ensure fair wages for employees, provide support for health care, ensure fair redundancy packages, and protect against unfair dismissal (Matten & Moon 2008). Such company policies may be influenced by external factors such as societal expectations for the fair treatment of employees.

Forest companies must operate with a ‘holistic’ approach (McDonald & Lane 2002). That is, they need to consider and effectively manage for the complex and interrelated factors that are critical for achieving SFM. There is increasing pressure and acceptance that forest activities must include CE (Race & Buchy 1999) and a commitment to CSR (Panwar et al. 2006) if operations are to be viable in the long term. Successful plantation forest establishment and management requires companies to actively pursue long term goals involving community acceptance (as some activities require the support and co-operation of local communities), which requires fostering CSR (Salmon 2003). Currently, improvements can be made to enhance the extent to which forest companies operate within a mutually dependent and socially sustainable environment.

For CE to be sustained within a company, it must be a part of company culture. Company culture can be thought of as ‘the shared mental models that the members of an organisation hold and take for granted’ (Schein 1999: 21). With respect to the Australian plantation industry, Dare, Schirmer and Vanclay (2011b) argue that the effectiveness of CE can be limited by corporate cultures that promote narrow views

about the benefits of engagement. A company may abide by its regulatory obligations and commit to voluntary codes of SFM, but these instruments are not enough in themselves to ensure a genuine commitment to CE and CSR.

This PhD research investigated how forest companies can enhance their ability to operate responsibly through enhancing CE adoption within corporate culture. Previous research has failed to provide empirical grounding to explore these relationships, and as such I explore this in subsequent parts of the thesis. This thesis addresses the question of *‘what can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?’*

Research problem and context

Currently, there is conflict over plantation expansion in Australia, with Williams (2009: 46) reporting a ‘significant aversion to eucalypt plantations grown for pulp and paper, especially among residents of Tasmania’. There are a diversity of views regarding the benefits and costs of plantations including their environmental impacts. In Williams’ (2009) survey there was both moderate support for, as well as strong opposition to pine and eucalypt plantations for pulp and paper. Issues associated with large-scale plantation establishment include conversion of native forest to plantations, large-scale land use change, use of chemicals, and increased truck traffic on roads once harvesting commences (Gerrand et al. 2003). In Australia, there has been contention over establishing large-scale plantations on farmland (Race & Buchy 1999). Barlow and Cocklin (2003), for example, report on controversy and conflict over plantation development on agricultural land in Victoria, where plantation expansion can be perceived as a disturbance to the basic norms and values of rural communities.

Without adequate planning, there is the potential for plantations to have negative environmental, social and economic outcomes (Carle, Vuorinen & Del Lungo 2002). Any negative impacts of forest plantations can reduce their potential to be renewable and sustainable (Carle, Vuorinen & Del Lungo 2002). Conflicting perceptions about impacts of plantations may emerge from philosophical positions regarding certain

issues (Howe et al 2005), personal experience, and cultural norms (Dare Schirmer & Vanclay 2011b). Other objections can arise from a general distrust of big business or perceived inequities of political processes (Howe et al. 2005). Large-scale corporate plantations are said to have potential to disrupt social fabric in their area of operation (Jenkins & Smith 1999), and as such criticisms towards plantation forestry can be directed towards large-scale plantation forestry (Schirmer 2007). However, there are also opportunities for large companies to build trust and address impacts of forestry.

Awareness of and responsiveness to social expectations and negative sentiments towards plantation activities are critical for effective plantation establishment and management (Howell et al. 2008). If companies do not pay attention to their impacts, the resulting community opposition can lead to government intervention through changes to regulations, loss of markets, and reduced access to essential operational resources (Gunningham, Kagan & Thornton 2004). Ignoring social concerns can come at the expense of decreased competitiveness and company profits (Gunningham, Kagan & Thornton 2004). In recognition of this, there is a growing trend for utilisation of voluntary and non-voluntary mechanisms to help meet societal expectations and encourage companies to ensure they contribute positively to society.

In Australia, the *National Forest Policy Statement* (Commonwealth of Australia 1995) includes a requirement for public participation (otherwise known as CE) in decision making as an essential part of SFM. CE can help address social concerns associated with forest management. CE can provide forest companies with the capacity to anticipate public concerns and attitudes, and avoid adversarial confrontations (Creighton 2005). CE is also an opportunity to gain insight into social concerns (Woolcock & Brown 2005). There is a need to include social values as part of SFM (IEAG 1997) and CE helps facilitate this.

Companies must address a wide range of issues to ensure a social licence to operate. Gunningham, Kagan and Thornton (2004: 314) state that ‘at the most general level, most social actors demand that corporate behavior should not negatively impact human health, the environment, or the enjoyment of property.’ In Australia various stakeholders and representatives from the forest industry themselves expect forest

companies to protect environmental values such as water quality and soil resources, ecosystem diversity, support the socio-economic needs of communities, and respect the rights of Indigenous people. Stakeholder expectations can differ substantially across various localities. For example, in Tasmania a number of stakeholders have been concerned about the use of 1080 poison to kill endemic wildlife, which were poisoned due to the damage they caused to plantation seedlings (Cooper, Larsen & Shields 2007). In South Australia there are disputes over water allocation rights. However, in areas where water is not scarce or companies do not use 1080, these issues may present little concern to stakeholders. Due to the diverse concerns and interests of stakeholders, forest companies must manage a broad range of issues. In this thesis, I focus on meeting the social dimensions of sustainable management, rather than environmental dimensions such as ensuring chemical use does not cause adverse impact on water quality. Part of this social dimension includes effective CE.

The Australian plantation industry is largely comprised of privately owned plantations (URS Forestry 2007). Much of Australia's plantation area is managed by plantation companies and during the 1990s there was a rapid period of plantation expansion. Many of the plantations were funded by Managed Investment Schemes (MISs). MIS companies establish, manage and harvest plantations on behalf of investors who receive a tax deduction for their investment (Mercer & Underwood 2002). In recent times (2009 – 2010), some of these MIS companies have entered into receivership, and their assets have been sold to new owners, which has caused some community concern. In 2010, 65% of Australian plantation area was privately managed, compared with 35% government managed (ABARES 2011). In 2010, of the two million hectares of private plantation, only a small proportion (100 000 hectares) was managed by farmers as small-scale plantings, with the large majority managed by businesses, typically structured as corporations (ABARES 2011). Effective forest governance therefore requires responsible forest management by these businesses.

Most plantation companies have adopted some form of CE in their operations (Gerrand et al. 2003). The forest industry is increasingly moving to implement forest certification and accreditation processes that incorporate CE guidelines. However, it is not obvious if CE is ingrained in a given corporate culture, or if the motivation for

undertaking CE is primarily based on meeting minimum legislative and certification requirements. Previous research suggests that there are many limitations to CE, including company culture and forest manager ethos towards CE (Dare, Schirmer & Vanclay 2011b). There is potential to enhance SFM outcomes by improving the adoption of CE in corporate culture.

This thesis addresses internal company constraints to adoption of CE. Understanding how to rectify constraints is a necessary and ongoing step in achieving SFM. Understanding internal company values and practices requires exploration of company culture and processes. I undertook case studies of two forest companies to provide in-depth understanding of these matters. Both case studies were located in Australia. External contextual factors were also investigated in this research, including forest regulations, voluntary certification schemes, and stakeholder perceptions. The research focuses on identifying ways to achieve greater social acceptability in the forest plantation industry and thus deliver on a SFM agenda.

Research aim and questions

The **aim** of the research was to identify ways to improve the adoption of community engagement and, through this, corporate social responsibility practices by forest companies in Australia in order to achieve sustainable forest management outcomes.

The **primary research question** for this PhD was: What can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?

To answer the primary research question and achieve the aim, a range of additional subordinate questions were also addressed:

- What are the initiatives forest plantation companies need to adopt in order to achieve social objectives of sustainable forest management?
- What external factors (outside of companies) are influencing company commitment to community engagement and corporate social responsibility?

Chapter One: Outline of the research

- What constitutes corporate social responsibility in the context of the Australian forest plantation industry and how is this associated with community engagement?
- How can forest companies increase their commitment to corporate social responsibility?
- What is the nature of the corporate cultures of the case study companies and how do those cultures influence adoption and achievement of effective community engagement?
- How can the case study companies' corporate cultures be more supportive of community engagement adoption?
- What are stakeholder views and understandings of the barriers to community engagement in the Australian forest plantation industry?

All of these questions are addressed in various sections of the thesis (see Figure 2).

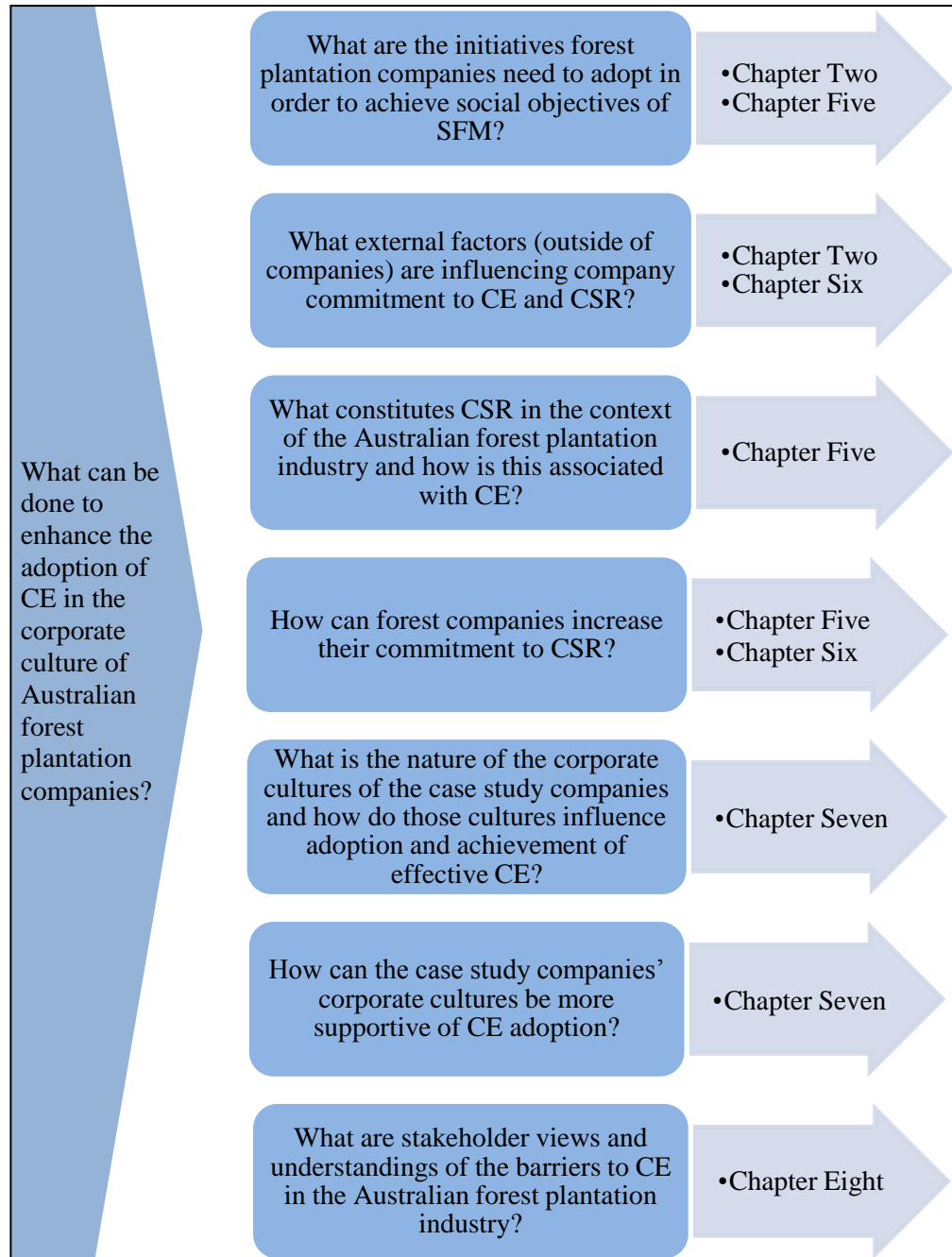


Figure 2: Research questions addressed in the thesis and the relevant chapters

Chapter Two: Review of themes and conceptual framework

Introduction

I begin this chapter by exploring the main themes investigated for the thesis. Each theme is introduced and described using relevant literature. Next, I present a conceptual framework in two parts. The first part represents the contextual environment in which plantation companies operate. This identifies the multiple and interconnected influences in which forest companies are embedded. The second part integrates the main themes explored in the research into a conceptual framework and emphasises the significance of the relationships between corporate culture and practices, CE, CSR, and achieving social objectives of SFM. The conceptual framework was the basis for arguments in the remainder of the thesis.

The conceptual framework identifies many interrelated and contextual factors that have an influence on how companies operate. There are many ways to approach the challenge of understanding how to enhance achievement of social dimensions of SFM. As such I have developed a specific conceptual framework that guided my approach to enable the development of recommendations for improving company commitments to the social dimensions of SFM.

This thesis is an interdisciplinary endeavour that connects several discourses. An interdisciplinary approach to the research was necessary in order to recommend ways to achieve social objectives of SFM. Such disciplines include forest management, CSR, and CE. In this thesis a holistic approach refers to an approach that takes into consideration the interdependent links that are fundamental in achieving social outcomes of SFM. The thesis primarily contributes to the discipline of forest management. The research is a vital contribution to the field of forest management, as previous research fails to provide empirical data to understand the relationships between CE, CSR and corporate culture and practices as well as their link to

achieving social SFM outcomes. In the following section I provide an introduction to the themes explored in this thesis.

Social dimensions of sustainable forest management

The SFM concept is a guiding protocol for forest management throughout the world and Australia. The SFM concept is built on the premise that sustainable management involves balancing social, economic and social needs (McDonald & Lane 2002). Public acceptance of sustainability has enabled governments to actively pursue SFM (Howell et al. 2008). In 1992, the Montréal Process began as an initiative to promote the sustainable management of the world's forests. Criteria and indicators to measure SFM were developed through the Montréal Process and were endorsed in 1995 by members who represented the 12 participating countries, including Australia (Howell et al. 2008). Also, in Australia, the *National Forest Policy Statement 1992* embraces the concept of SFM. Montréal Process criteria for SFM include social criteria and these guide forest companies and regulators towards SFM. The Montréal Process Criterion 6, for example, requires 'Maintenance and enhancement of long term multiple socio-economic benefits to meet the needs of societies' (MPWG 2009: 18). SFM encompassing economic, ecological and social sustainability is a widely accepted approach to forest management (McDonald & Lane 2002; Wolfslehner & Vacik 2008).

SFM is linked to the allied concept of corporate sustainability. Dyllick and Hockerts (2002: 134) in their discussion of corporate sustainability state that:

socially sustainable companies add value to the communities within which they operate by increasing the human capital of individual partners as well as furthering the societal capital of these communities. They manage social capital in such a way that stakeholders can understand its motivations and can broadly agree with the company's value system.

A company's social impacts can be both negative and positive. Positive impact can include provision of relevant training and education to society (Cadbury 2006),

corporate giving and creations of employment whilst negative impacts can include work accidents, human rights abuses (Dyllick & Hockerts 2002), land use conflicts and negative consequences resulting from poorly managed plantations (Carle, Vuorinen & Del Lungo 2002). Such impacts – negative and positive – need to be managed as part of an approach that enhances positive community contribution and therefore delivers on a SFM agenda.

Social dimensions are included in SFM criteria. Socially-orientated criteria of SFM include the socio-economic contribution of forestry, consideration of Indigenous peoples (Rametsteiner & Simula 2003), and CE (MPWG 2009; Volker 2007). Cultural, social and spiritual values and needs are also incorporated in SFM agendas, where forests can be protected to meet such needs (MPWG 2009). Socially-orientated SFM considerations can be enforced through regulations or supported through voluntary guidelines. Drivers for ensuring socially-orientated SFM criteria are adhered to can be based on the need to fulfil legal or voluntary obligations (Rametsteiner & Simula 2003). In some jurisdictions, such values are supported by legislation. In Australia, examples include the *Native Title Act 1993 (Cth)*, and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)*. Further, in some states SFM criteria are embedded within forest legislation, such as the *Forest Practices Act 1985 (Tas)*. Similarly, in Victoria, SFM criteria are embedded within the mandatory Code of Practice for Timber Production 2007. Other components of SFM such as CE have also been encouraged through the provision of joint initiatives such as Good Neighbour Charters (GNCs), which are designed to encourage local people to participate in company decisions with the aim of strengthening existing regulations (Dare, Schirmer & Vanclay 2011b).

Socially-orientated SFM objectives are important to guide a company's operations with respect to community acceptance of plantation activities. Community acceptance is linked to the concept of a 'social licence to operate', where companies need to meet stakeholders (such as neighbours, environmental groups and governments) expectations regardless of whether these expectations are legislated (Lynch-Wood & Williamson 2007). The concept is based on the premise that not having an informal social licence to operate or social acceptance can result in negative company reputation, stakeholder activism against the forest industry, and

loss of business opportunity and access to critical resources (Winn, MacDonald & Zietsma 2008), such as land and labour. In addition, the benefits to community acceptance or positive reputation can be linked to competitive advantage (Grigore 2009; Hess, Rogovsky & Dunfee 2002).

In addition to business drivers, companies have a moral obligation to ensure their operations do not conflict with societal values. Forest companies must ensure they take into account the need for inclusive and fair decision-making, which includes the consideration of current and future generations, respect for stakeholder concerns, and respect for the intrinsic value of nature (Lockwood et al. 2010). Moral obligations also include internal company issues such as ensuring a safe working environment, fair remuneration, and a range of other issues such as respecting diversity in the workplace. Employees must also be treated with respect and dignity (Carroll 1991). ‘Moral managers want to be profitable, but only within the confines of sound legal and ethical precepts, such as fairness, justice, and due process’ (Carroll 1991: 233).

Forest companies are implementing formal company processes to incorporate social criteria as part of an overall approach to delivering on a SFM agenda. Companies can utilise voluntary initiatives that regulate some or most components of SFM, such as forest certification (Rametsteiner & Simula 2003) and environmental management systems such as the ISO 14000 series (Carruthers & Vanclay 2007; McDonald & Lane 2002). Under the influence of various voluntary and non-voluntary systems, companies now implement procedures such as socio-economic impact reporting, CE guidelines, CSR policies, policies for the ethical treatment of employees, community development initiatives and codes of conduct for socially responsible behaviour. In such standards, social criteria are incorporated in order to fulfil the overall objective of SFM. Outcomes from such instruments and processes can also be made available to the public through company annual reports and the use of media such as the internet, thereby contributing to transparency (Panwar et al. 2006). Many forest companies are now making concerted efforts to deliver on social criteria as part of their overall approach to SFM.

Stakeholder acceptability of forest plantation activities may be one indicator that forest companies are fulfilling the social criteria of SFM. Acceptability can be linked

to scenarios where companies are perceived to be contributing positively to society rather than negatively and effective CE can be used as a tool to address stakeholder concern and help promote positive perception. Acceptance can be associated with active participation of a wide range of stakeholders in planning and implementation stages of development (Race & Buchy 1999). However, there can be cases where stakeholders are unaware that irresponsible practices are occurring, and acceptance is not always an accurate indicator of a company fulfilling a SFM agenda. In addition, there is currently uncertainty about how to determine if forest plantation companies are meeting the expectations of their stakeholders. How much support or acceptability is enough and how should this be measured? How can forest companies enhance their ability to interact positively with their stakeholders?

Currently some stakeholders claim that some forest companies are not delivering on their social obligations (Gritten & Mola-Yudego 2010). There is a need to understand stakeholder views to develop more robust methods of ensuring forest companies are operating in accordance with socially influenced social, economic and environmental criteria. There are also limitations to more effective delivery of social criteria, including resource constraints, regulatory, market influences, and internal limitations to corporate culture such as manager commitments to initiatives such as CE (Dare, Schirmer & Vanclay 2011b). These potential limitations need to be investigated in order to understand how forest companies can enhance their ability to fulfil the social objectives of SFM.

In addition, regulations and voluntary guidelines such as EMSs and forest certification are insufficient in themselves to ensure forest companies are delivering on a SFM agenda. For instance, acting in accordance with societal expectations may require companies to operate beyond minimum legislative requirements (Gunningham, Thornton & Kagan 2005). Forest certification guidelines are necessarily specified in general terms so that they are applicable to a diversity of situations and localities. In the forest industry, criteria and indicators used to achieve SFM need to be adapted to local circumstances (McDonald & Lane 2002). Furthermore, guidelines and regulations may not be able to accommodate underlying factors critical for the success of effective implementation of social objectives of SFM. One such factor is corporate culture, where, for example, company managers

must have an ethos that recognises the value of CE (Dare, Schirmer & Vanclay 2011a).

In order to assess the ways in which forest companies can enhance their ability to deliver on the socially-orientated objectives of SFM, I explore multiple themes in this thesis. Achieving social objectives of SFM is dependent upon a number of interrelated factors such as CE, CSR, and corporate culture. By way of introduction, the following sections provide a description of components essential for delivering on a SFM agenda. Later I deploy them in a conceptual framework, which more explicitly shows some of the relationships between each theme and how they are essential to SFM.

Community engagement

CE or public participation is a process by which public concerns, needs and values are included in decision making (Creighton 2005). The terms CE and public participation are fundamentally the same and are often used interchangeably (Dare, Schirmer & Vanclay 2012). CE is a continuum of activities, which range from informing the public to involving the public in developing agreements (Creighton 2005). Engagement should occur at varying levels of involvement depending on who is undertaking the engagement and for what purpose (Race & Buchy 1999). Sometimes less participative forms of engagement such as information provision are entirely appropriate for the situation. Information provision can form part of an overall engagement process designed to involve all stakeholders (Commonwealth of Australia 2006).

As CE refers to a wide range of activities, often a CE process can involve a number specific activities, each with varying levels of involvement, such as informing stakeholders and consulting (inviting stakeholders to provide feedback). Further, one form of CE such as providing information could lead to further CE if for example, when information is provided to stakeholders they are also invited to provide feedback on a company's operations.

However, less participative forms of CE such as ‘consultation’ are regarded by Arnstein (1969) to be tokenistic. Arnstein (1969) describes CE using a typology which includes less participative forms of engagement (which can be substitutes for genuine participation) through to increasing levels of involvement, with the most participative form being ‘citizen control’ (where participants are given the majority of decision-making power). Dare, Schirmer and Vanclay (2011a) state that less participative forms of engagement may be perceived as tokenistic if, for example, information is provided, but it is viewed as lacking in sincerity and perceived as ‘spin’.

However, providing information may be a genuine attempt to resolve stakeholder concerns (as concerns may be based on a desire to receive further information about a proposed activity) and/or it may form part of a larger processes or CE strategy involving several different types of CE activities. As such lower levels of participation such as consultation and providing information can constitute genuine CE, as they may be part of a broader CE strategy, which overall provides stakeholders with an opportunity to voice their concerns. Subsequently forest companies can work towards addressing concerns through a two-way dialogue and ensuring positive ongoing relationships. Effective and genuine CE provides an opportunity for stakeholders to have active input into decisions (Brueckner et al. 2006), rather than solely one-way communication (Ross, Buchy & Proctor 2002). It also fosters trust, transparency, and inclusivity (Dare, Schirmer & Vanclay 2011a; Measham et al. 2011).

To understand what CE is, we also need to know what ‘community’ means. Community is a somewhat nebulous concept, but it can be defined as a group of people in a certain geographic region (a community of place) or who have similar interests (a community of interest) (Dare, Schirmer & Vanclay 2008; Harding 1998; Heath 2005; Scott & Marshall 2009). The ‘community’ thus can refer to a broad range of people such as people living within and near a company’s geographic area of operations (e.g. neighbours of tree plantations and local government authorities) (Dare, Schirmer & Vanclay 2011). Community can also refer to members of the broader public who may not live within geographic proximity to forest operations, but who nonetheless have an interest in plantation operations. For example,

representatives and members of ENGO groups may be interested in the environmental impacts of plantation development, but the members of these groups may not be living in close proximity to where forest plantations are located. Community includes a company's stakeholders. A forest company's stakeholders are those who have a 'stake' in, have an interest in, or are impacted by the company's activities (Carroll & Buchholtz 2009; Harding 1998; Stoll, Zakhem & Palmer 2008). Parsons (2008: 122) states that 'in the new era of responsible corporation, it seems we are all potentially stakeholders'. Identifying stakeholders and community members to be involved in a CE process may not be an easy task as sometimes there may be contention over who should be involved in a particular issue.

In the Australian forest industry, often it is not necessary for CE to involve more participative forms of engagement such as collaborative activities (meaning involving co-management and sharing of decision making between companies and stakeholders), as day-to-day plantation management activities do not require it (Dare, Schirmer & Vanclay 2011a). Collaboration may not be the best goal for a given situation and plantation companies need skills to discern what level of CE is most suited for their and their stakeholders' needs. In some cases, such as when stakeholders wish only to be informed of plantation activities, low levels of interaction between stakeholders are appropriate (Dare, Schirmer & Vanclay 2011a). It may be appropriate to 'inform' people, neighbours or stakeholders about certain issues and provide contact details, so that if the informed wish to discuss matters further they can (Dare, Schirmer & Vanclay 2011a). Also, it would be practically impossible to engage all stakeholders in all decision-making processes and therefore strategies can be employed to use a wide variety of channels to enable stakeholder's voices to be heard (Gao & Zhang 2006). However, some situations such as for fire and pest management (which are issues requiring joint management from a wide variety of stakeholders rather than at a single company level), active engagement at a more collaborative level is more appropriate.

CE can help improve relationships by building trust and open and transparent communication channels (Dare, Schirmer & Vanclay 2011a). Stakeholders who are engaged in transparent and regular dialogue are less likely to be sceptical of company activities (Maon, Lindgreen & Swaen 2009). Building open and transparent

communication channels can minimise the risk of negative relationships forming. Effective CE also helps demonstrate that a company is fulfilling their social responsibilities by being accountable to stakeholders (Demirag 2005), and fosters shared understanding between a company and community (Morsing & Schultz 2006). However, there are many cases where it is not clear what CE strategies are appropriate or what net benefits it may provide (Bowen, Newenham-Kahindi & Herremans 2010). This is exacerbated by the fact that many of the benefits of CE, such as increased acceptability of plantations, can be long-term and intangible. Not clearly understanding the benefits to CE can be a limitation to ensuring that adoption of CE is effective and occurs to the extent necessary to achieve SFM.

CE can differ between and even within sectors due to the influence of a large range of factors such as workforce structure and expertise, the geographic locations of operations, the duration of activities, legislative environment, the nature of a specific sector's environmental impacts (e.g. extractive industry versus a renewable resource), and the revenues generated by activities (which can impact the availability of resources to undertake CE). For example, in the mining sector, some operations may occur over a relatively short time period compared with some company's within the forest sector whose operations may span over 100 years or longer.

In the mining sector, substantial revenues may provide additional resources to contribute to CE activities such as philanthropy. In addition, size of company may influence resources for CE, as for example larger companies may also be able to afford to employ a technical expert to help implement company-wide CE strategies. If profit margins are lower for a specific forest company it may be irresponsible (due to the risk of insolvency) to devote a high amount of resources to forms of CE such as philanthropy. In addition, different sectors can deploy different CE techniques, as circumstances may require it. For instance, in a sector where environmental concerns may be a source of public controversy, more intensive forms (or specialised forms) of engagement may be necessary to alleviate community concerns and mitigate negative social outcomes (Harding 1998). Further, some sectors or companies may have their operations spread over a larger geographic area, whereas other companies may operate in a more concentrated geographic area (Dare, Schirmer & Vanclay 2011). This can influence the numbers of stakeholders that need to be engaged.

Differences in CE may also occur within the same sector, due not only to varying contextual situations, but because of differences in corporate culture. The impact of corporate culture on the adoption of CE is discussed later in this thesis (see Chapter Five).

In this thesis, I explore CE adoption by forest companies in order to build on existing research which identified that CE is often limited by a range of factors including regulatory frameworks (Dare, Schirmer & Vanclay 2011b), corporate culture (Dare, Schirmer & Vanclay 2011b; Marsden 2000), and forest manager's ethos towards CE (Dare, Schirmer & Vanclay 2011b).

Corporate social responsibility

Hopkins (2007) states that there is no widely agreed upon definition of CSR and this has contributed to misunderstanding of and cynicism towards the concept. CSR is a broad concept that can mean different things to different people (Blowfield & Frynas 2005). Various definitions of CSR have been provided, including businesses operating beyond compliance or going beyond just obeying the law (Hemingway & MacLagan 2004; McWilliams & Siegel 2001; Williamson, Lynch-Wood & Ramsay 2006); ethical behavior (Collier & Esteban 2007); the contribution of business to sustainable development (Williamson, Lynch-Wood & Ramsay 2006); or a combination of one or more of these, such as Carroll's (1991) four-part conceptualisation of CSR, which includes philanthropic, ethical, legal, and economic responsibilities.

CSR is considered to be a means to ensure that companies are operating in a manner that is responsible towards society (Matten & Moon 2008). Amongst large forest companies, CSR is mainly understood as activities related to SFM and accountability (Vidal & Kozak 2008a). Before the 1990s, CSR was primarily interpreted as being a good neighbour, within the geographic areas where businesses carried out activities (Cadbury 2006). Some current definitions of CSR are broader and are applicable to all communities worldwide who could be affected by decisions of a company (Cadbury 2006).

Basic CSR principles include legitimacy, public responsibility and managerial discretion (Hopkins 2007). These principles need to be incorporated into business practice in order to achieve SFM. Legitimacy theory implies that corporations must respond to continuously evolving demands on a corporation by society to maintain approval for their existence and to safeguard continuous existence (Emtairah & Mont 2008). ‘Pragmatic legitimacy’ can arise when a company’s CSR activities lead to social approval and support (Tetrault Sirsly & Lamertz 2008). Companies may also gain ‘moral legitimacy’ when stakeholders consider CSR initiatives are judged to be ‘the right thing to do in meeting the welfare of the social system as a whole’ (Tetrault Sirsly & Lamertz 2008: 349). Public responsibility relates to ensuring companies take into account the values that society places on the environment and other values so that these are incorporated into how they operate. For instance, in Australian forest management, this would include ensuring that management of plantation land does not cause negative impacts on water quality. The principle of managerial discretion relates to management needing to continually understand and respond to stakeholder expectations towards socio-economic impacts and environmental impacts, and use discretion to ensure suitable legal, institutional and economic frameworks are in place to achieve this.

As CSR involves understanding and responding to stakeholder expectations, it is related to the concept of CE. CE is a tool that helps to achieve CSR, and as such is often implemented as a subset of a company’s CSR activities (Bowen, Newenham-Kahindi & Herremans 2010; Burchell & Cook 2006; O’Dwyer 2003). These linkages between CE and CSR will be further discussed later in this chapter.

Stakeholders such as forest certifiers, ENGOs and buyers of wood products are now placing increasing pressure on forest companies to adopt CSR principles. Increasing social problems in conjunction with the managerial ‘revolution’ (where more managers are placing emphasis on CSR) can be a means to overcome inefficiencies in regulation (Valor 2005). ‘Companies are part of society and their business decisions have unavoidable social consequences’ (Cadbury 2006: 5). In today’s world, it is paramount that businesses adopt CSR initiatives (Maksimainen & Saariluoma 2010).

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: 21). Company values and norms guide behaviours and decisions, and support company capacity to achieve vision and objectives (Maon, Lindgreen & Swaen 2009). Claver, Llopis and Gascó (2002) say that culture is to a corporation what personality is to an individual, as corporate culture is unique to each corporation. Although culture is stable and difficult to change (O’Reilly 1989; Schein 1999), it can be managed as circumstances change (Bate 1996; Schein 2010). However, managers will never be able to ‘control’ corporate culture in the way that many management writers advocate (Morgan 2006).

Corporate culture can be described through visible artefacts, espoused values, and basic underlying assumptions (Schein 2010). Exploring one dimension of culture in isolation is not enough in itself. The essence of culture is in the basic assumptions that companies hold and take for granted, which can help to decipher artefacts, values, and norms (Schein 2010). Providing insight into a company’s corporate culture should involve description of the multiple dimensions of culture that are characteristic of the corporation (Schein 2010).

Artefacts are the visible products of a company, such as its uniform, myths and stories, rituals and ceremonies, published statements of values or mission of the group, which is routine (Schein 2010). As corporate culture reflects the values of individuals within the organisation, it can be perpetuated with stories, symbols and ceremonies that highlight corporate values (Sadri & Lees 2001). Artefacts include all phenomena that a person from outside the culture will encounter (Schein 2010). Although easy to observe, they are often hard to decipher as it may not be easy to understand the purpose of certain artefacts (Schein 2010).

Espoused values are the rules that govern day-to-day operating principles (Schein 2010). They are the conscious strategies, goals and philosophies that are clearly stated by an organisation or individual (Schein 2010). The espoused values of leaders

within a company are particularly important to consider, when looking at corporate culture. A manager may convince a group to act on their belief, which can in turn become a shared value or belief, or a shared assumption of the whole group (Schein 2010). However, espoused values can be inconsistent with visible behaviour, so in order to have an understanding of a company's culture, exploration needs to reveal culture at a deeper level (Schein 1999).

Underlying assumptions are unconscious and implicit beliefs that guide behaviour (Schein 2010). These beliefs are shaped by shared experiences (joint learning), and highly influenced by the beliefs held by company leadership (Schein 2010). They are the taken for granted beliefs and perceptions that are the ultimate source of actions (Linnenluecke & Griffiths 2010). Understanding underlying assumptions can help reveal the essence of culture (Schein 2010). Underlying assumptions can be recognised through observations of employee behaviour and interactions with employees. Cultural assumptions are shared and mutually reinforced, and as such they provide us with an explanation for why people do the things they do (Schein 2010).

It is not possible to be exhaustive in capturing every relevant aspect of corporate culture when deciphering it (Linnenluecke & Griffiths 2010; Schein 2010). In addition, all forms of qualitative social research can involve several possible interpretations of the underlying values of cultural phenomena and consequently conceptualisations of the phenomenon can vary (Scott & Marshall 2009). A perfect description that represents the entire spectrum of corporate culture and all its diversity is not possible (Linnenluecke & Griffiths 2010); however some representation of culture is an achievable goal.

Within corporate culture exists subcultures, which are groups of people who share assumptions with the entire company, but also hold assumptions that usually relate to their own role functions or experiences (Schein 2010). Subcultures could also be influenced by the extent to which tasks are shared or where people within a company share similar educational backgrounds (Schein 2010). In a forest company, there could be differences between the administration division and the forest operations division due to the nature of day-to-day activities. In addition, microcultures (as

opposed to subcultures) can comprise of smaller groups that share common histories and tasks, where shared assumptions form due to reasons such as mutual cooperation and interdependency (Schein 2010).

Further, culture can have an influence on the extent to which individualism or collectivism is encouraged (often influenced by the culture of different nationalities). In some cultures deeper assumptions about collectivism and individualism can influence behaviour, as individuals may be more or less willing to act in a manner that protects collective interests (Schein 2010). Collectivistic cultures may prefer to evaluate work performance on the basis of contribution to team rather than individual performance (Chatman & Barsade 1995), whereas individualistic cultures may be more competitive at an individual level (Schein 2010). Further, culture can influence the extent of inequality between superiors and subordinates (Schein 2010). Human relationships can also differ within companies. Relationships may be described as professional, friendly, or particularistic (Schein 2010).

Individual values, attitudes and personalities also relate to corporate culture. If an individual's personality, values or attitudes differ greatly to a corporate culture, they may find they do not 'fit in' to the culture as well as some of their peers, subordinates or superiors. If a new employee's values are incompatible with company values, they may not integrate effectively into the workplace and become part of the culture. Employers may purposely look for new employees who they perceive will fit within the prevailing corporate culture (Schein 2010). Once an individual becomes part of a company, corporate culture can influence that individual's behaviour, as corporate culture guides behaviour in the workplace (Schein 2010).

For the purpose of my research I did not attempt to define the subcultures or microcultures within companies. Instead, I deciphered culture of the forest operations division of the companies (which included administrative and other functions) and extracted all information relevant to CE adoption, including shared assumptions with regards to CE. In addition, I did not go into detail about individual personalities, the nature of relationships between people within a company, or issues of individualism

and collectivism. Such detail was not essential for providing insight into the relationship between corporate culture and CE.

Company formal processes are linked to corporate culture. They enable communication of a strategic approach and the allocation of time and resources to carry out operations effectively. Actions need to occur in a coordinated and cooperative fashion and resources need to be obtained and utilised to achieve company goals (Lebas & Weigenstein 1986). Formal processes are an essential consideration in terms of understanding if a company is able to achieve its objectives. However, policies and procedures may not be reflective of culture if employees are not behaving under their guidance (Collier & Esteban 2007). A formal process can involve formal procedures that assist companies in achieving their day-to-day tasks. For instance, computer software can be employed to help improve management procedures and record information essential for improving the logistics of certain initiatives such as CE. Formal processes can thus have an impact on corporate culture.

Managers must meet a number of obligations to ensure effective operation of their company. Formal processes need to be such that they facilitate achievement of legislative requirements. For instance in Tasmania a forest management plan, detailing how all legislative requirements are met, needs to be submitted to local authorities. To meet this requirement also involves effective internal communication procedures to communicate requirements. Also, forest companies can implement strategies to internally deal with any potential breaches of their policies and procedures (e.g. penalties in place for contractors or employees).

Company procedures and processes need to underpin company objectives. Companies which have procedures to deal with social, environmental and political challenges are more successful in dealing with them, as routines facilitate access to information and facilitate individual decision-making and action (Brown 2010). This, however, is dependent on employees following these procedures, which can be supported through actions such as producing guidelines for stakeholder engagement and best practice (Lyon 2004). In addition, procedures can help to support facilitation

of certain company activities through, for example, requiring periodic staff meetings to discuss CE strategies.

Procedures utilised by forest companies can help facilitate management in a number of ways. Forest operations – from establishment to harvesting – involve a wide range of considerations. A procedure as simple as requiring a check list to carry out a specific activity may help to ensure that tasks are carried out to the quality desired. Also, for new employees of forest companies, understanding the requirements of their job may first start with a discussion and review of their job description. Companies may have a procedure in place for selecting new employees. Such a process may help to ensure that the right person for the job is hired. Selection criteria could entail desirable qualities such as ‘good communication skills’, which could be associated with the desire for a new employee to be able to carry out some CE tasks. Those in the company that are undertaking recruitment may also have an outlined procedure for evaluating new applicants against selection criteria. Such procedures may also be necessary to ensure that recruitment is equitable and fair. Day-to-day decision making by companies is aided with the use of routines, procedures and policies (Schein 2010). When employees are behaving under the guidance of these policies, they are an inherent part of company culture (Collier & Esteban 2007).

Each of the above themes formed part of a conceptual framework. In the next section I explore the conceptual framework.

Conceptual framework for the study

I present the conceptual framework adopted for this study in two parts. The first part explores the external environment of a forest company and proposes that a range of factors (see Figure 3) influence the operation of a forest company. Figure 3 was developed with the aid of literature (as indicated in the descriptions of diagram components below). In the second part of the conceptual framework, I integrate the themes presented in the previous section to indicate the relationships between them and how they are connected to achieving social objectives of SFM (see Figure 4). Both parts of the conceptual framework were necessary in order to understand how

changes can be made to improve the ability of a company to enhance adoption of CE, and through this, commitment to CSR to achieve social objectives of SFM. Both parts of the conceptual framework are discussed in subsequent thesis chapters and provide the basis of my research approach. For example, Chapter Seven explores corporate culture to provide empirical data to support the view that corporate culture must support CE adoption.

External environment

Managers of companies must understand and remain actively aware of the context of their operations, and recognise how their company's practices can shape and are shaped by the business environment in which they are embedded (Maon, Lindgreen & Swaen 2009). Company culture and formal processes are heavily influenced by their surrounding environment. In the external environment, there are various pressures and opportunities in terms of policy requirements, societal expectations, stakeholder expectations, technological influences and voluntary initiatives. For instance, the market environment can be influenced by voluntary initiatives such as forest certification and stakeholder expectations, as some buyers may prefer to buy products from certified forests (Rametsteiner & Simula 2003). An appreciation of these multiple influences upon the operation of a forest company helped guide the research approach and informed the recommendations. Each component of Figure 3 is introduced in turn in the next sections. Note that the various external factors do not act independently of one another. For instance, policies and regulations may be a reflection of societal expectations (Howe et al. 2005). Note also that I do not include biophysical factors, such as the influence of fire events or climate change, as these matters are beyond the scope of the thesis. At the core of the diagram in Figure 3 are company internal processes, which I explore as part of the conceptual framework shown in Figure 4.

Not included in Figure 3 are theories associated with corporate behaviour. In the past profit maximisation was often considered a main driver for firm behaviour – where a company's ultimate purpose was to maximise profits (Conner 1991). In particular the goal of profit maximisation also relates to responsibilities towards a company's

shareholders. Drivers of firm behaviour however, can vary from company to company and are influenced by the manner in which companies choose to achieve their fundamental objectives (Conner 1991). In addition, objectives can be based on shorter or longer term time scales.

There are a range of other drivers (not just profit maximisation) that influence a company's behaviour. In particular, managers' personal values can influence company commitment to CSR (Hemingway & MacLagan 2004), and as stakeholder theory claims, companies may choose to operate in response to the preferences of stakeholders (Freeman 2010). Also, legitimacy theory states that a corporation will continuously respond to the demands of stakeholder groups (Emtairah & Mont 2008). These behaviours may relate to a desire to maximise profits if for example, there is a belief that positive stakeholder relationships will have an impact on reputation, which could influence profits. Ensuring positive relationships with stakeholders may also stem from managers' altruistic motivations (Hemingway & MacLagan 2004). Although theories used to explain corporate behaviour are not specifically mentioned in Figure 3, they relate to the influences embedded within Figure 3. For example, stakeholder theory is related to a component of Figure 3 which I have labelled 'stakeholder expectations' (discussed further below).

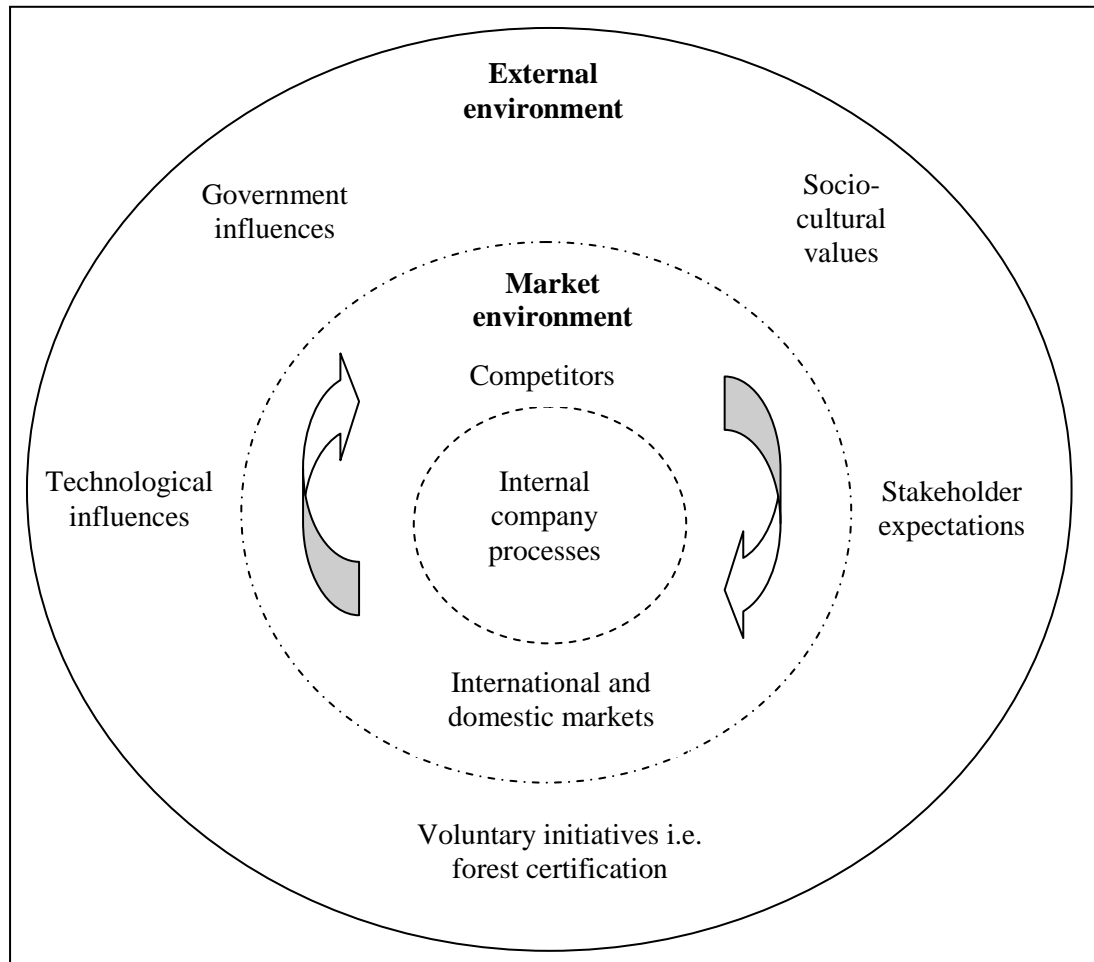


Figure 3: External and industry environment impacting internal environment

Stakeholder expectations

The potential for stakeholder expectations to impact on the performance of a company is discussed in a wide range of literature, including that on CSR (see Jamali & Mirshak 2007; Maon, Lindgreen & Swaen 2009; Panwar et al. 2006) and stakeholder theory (see Freeman 2010). Freeman (2010) proposes that in order to be successful, company managers must simultaneously satisfy owners, employees, suppliers and customers. Stakeholder theory essentially advocates management principles that consider stakeholder relationships, whereby a company is characterised by relationships with many groups and individuals that have the power to effect company performance (Freeman 2010).

CSR strategy development and implementation could be considered a corporate change process, whereby the company aligns itself with the demands of the business

and social environment by managing and identifying stakeholder expectations (Maon, Lindgreen & Swaen 2009). Strategic conversations and collaboration with stakeholders may help shape and integrate CSR in a company's strategic intent (Miles, Munilla & Darroch 2006).

In the forest industry, lobbying by stakeholders has resulted in specific changes to certain forest practices. For instance, in Tasmania, Australia, there was strong opposition to the use of 1080 poison by the forest industry for using it mainly on endemic wallabies and brushtail possums (Cooper, Larsen & Shields 2007). These mammals damaged saplings and thus 1080 was used to alleviate this damage (Cooper, Larsen & Shields 2007). However, due to social pressure, Forestry Tasmania – the government land management authority – discontinued the use of 1080 for forest management (Cooper, Larsen & Shields 2007).

Stakeholders are also involved in forest certification processes, in which they have an opportunity to have input into the guidelines developed to certify plantations (Fischer et al. 2005). Forest certification was initiated due to concern over conservation of forest biodiversity values and desire by environmental non-government organisations (ENGOS) to create a global mechanism for biodiversity conservation (Dauvergne & Lister 2010). In particular, the Forest Stewardship Council (FSC) certification system was established by environmental groups (van Kooten, Nelson & Vertinsky 2005). Virtually all 'eco-labelling' programs (including forest certification programs) work to engage a range of government, non-government, community and industry stakeholders in the standards development process (Dauvergne & Lister 2010).

Stakeholders can influence change in forest practices through a company's willingness to listen and act on stakeholder concerns, as well as through various and less direct mechanisms including the development of forest certification guidelines. More direct mechanisms could include negotiations between stakeholders and a forest company, where tangible changes in practices may result. Further, groups may choose to protest against forest management activities. Stakeholder groups that are influencing forest companies can include ENGOS, regulators, local community groups, residents living within plantation areas, Indigenous groups, consumers of

wood products, and a range of other stakeholders such as research institutions, which may provide research outputs that help to improve practices.

Depending on the type and nature of a stakeholder groups, their influence on a forest company and the means they use to communicate their concerns, can vary. For example, residents living within close proximity to tree plantation areas could be invited to be part of a community advisory committee and through this mechanism engage directly with a company. Further, stakeholder groups such as different ENGOs can vary greatly, due to different objectives and function, which would affect their interest in plantation management. Some of these ENGOs may be working in partnership with a forest company on an environmental project or initiative, whilst others may protest against forest operations. Some ENGOs may form campaigns that attract media coverage and/or may use international links (e.g. partnerships with other ENGOs) to place pressure on companies to change their practices (Gritten & Mola-Yudego 2010). Over time, stakeholder relations can produce tangible changes in company practice (Burchell & Cook 2006).

Forest companies operate within an environment where on a day-to-day basis members of society (stakeholders) are interacting with them at some level either indirectly or through other channels. Other channels may include members of the public voicing their concerns through local government, media or lobbying campaigns. Often forest companies respond to stakeholder expectations and concerns and sometimes this may result in changes to the way forest companies operate (e.g. not undertaking aerial spraying on a particular tree plantation due to community concern). If societal expectations go unnoticed contention can arise, which can have an impact on forest companies. Stakeholder groups such as ENGOs may be voicing societal expectations through actions such as generating media publicity. However, a stakeholder group may not represent the full diversity of societal expectations as they relate to forest plantations, as for example views and expectations within society are not homogenous.

The potential for stakeholder expectations to impact a company is also outlined in legitimacy theory. Legitimacy theory implies that corporations must respond to continuously evolving demands on a corporation by society to maintain approval for

their existence and safeguard continuous existence (Emtairah & Mont 2008). Some companies can do this by genuinely changing practices to respond to societal expectations (Emtairah & Mont 2008). Lyon (2004) also states that business must evolve with society and as such a solution is that businesses commit to CSR as a means to identify and act on concerns of communities. Valor (2005) states that companies reflect the values of the societies they operate in, although companies can try to shape those values.

Socio-cultural context

The socio-cultural (society's attitudes and cultural values) context in which a company operates can have a bearing on societal expectations and thus how a forest company operates. For instance, the practice of CSR is likely to be moulded by specific national and institutional realities (Jamali & Mirshak 2007; Maon, Lindgreen & Swaen 2009; Vidal & Kozak 2008a; 2008b). Corporate leaders need to be mindful that business norms and standards, regulatory frameworks, and stakeholder demand for CSR can vary across nations, regions and industry sectors (McWilliams, Siegel & Wright 2006). Sustainability and governance frameworks are shaped by socio-cultural factors. Marsden (2000) comments that companies operating in developing countries may need encouragement (or pressure) to adopt sustainability objectives. An array of various corporate governance guidelines exist among countries, which reflect different traditions and cultures (Haxhi & Van Ees 2010; Ho 2005; Qian, Burritt & Monroe 2011). In addition, the worldviews of company managers are influenced by their educational backgrounds (Aguilera & Jackson 2003).

The socio-cultural context within which a company operates can influence public concerns over specific company activities. Societal concerns may also support the implementation of new social and environmental policies to address public concerns (Panwar et al. 2006). Different socio-cultural contexts may influence problems in society that impact forest operations. Societal problems can include issues such as bribery and corruption. This may relate to issues such as illegal logging and fraudulent behaviour amongst employees.

A highly diverse socio-cultural context is likely to impact a company's operations. This could mean for instance that companies need to manage for a culturally diverse workforce (Hanson et al. 2008). Some rural communities exposed to plantation forestry operations are diverse in social status, cultural origins, gender interests and socio-economic characteristics (Race & Buchy 1999). CE strategies employed by a forest company must consider the diversity of values that are somewhat dependent on cultural origins. In the forest industry, companies may need to engage with various cultures including Indigenous Australians. It is crucial for Aboriginal people to be included in forest management so that their unique rights and interests are adequately recognised (Buchy, Hoverman & Averill 1999). Different interests and cultures need to be recognised as part of effective engagement processes. For instance, engagement needs to be sympathetic to the cultural heritage of Aboriginal people in different regions (Buchy, Hoverman & Averill 1999).

The socio-cultural context of a company also has an influence corporate culture, as cultures are embedded with macrocultures (which can be nationalities or ethnic groups) which influence employee behaviour such as degree of individualism versus collectivism (Schein 2010). Other societal values such as the importance of a safe work environment, may influence compliance with Occupational Health and Safety (OH&S) standards – where for example, in some countries it may be common practice not to wear protective clothing when chainsaws or other dangerous machinery are being used. In such cases it may be harder to enforce strict controls on OH&S standards.

As mentioned, national cultures (although nations can comprise of diverse cultures) can influence corporate culture (Schneider 1988). For multinational companies, global or broad policies need to be developed to suit the various cultural contexts in which companies operate (Thorne & Saunders 2002). As for example, the importance of money, status and vacation time can vary between countries (Schneider 1988). Companies that adapt their business practices to reflect socio-cultural norms can improve their legitimacy (Panwar et al. 2006). So although company's practices may be naturally influenced by the socio-cultural context in which they operate, they may consciously choose to operate in a way that is in

accordance with socio-cultural values in the interests of company legitimacy or a social licence to operate.

Voluntary initiatives

Companies can commit to a number of voluntary initiatives. These include forest certification, environmental management systems (EMSs), GNCs and other initiatives such as the Global Reporting Initiative (GRI). Each of these can have an impact on a company's business.

In Australia there are some 9.2 million hectares (91% of forest plantation area in Australia) of forest certified under either the Programme for the Endorsement of Forest Certification schemes (PEFC) accredited Australian Forestry Standard (AFS) or Forest Stewardship Council (FSC) certification (McDermott, Cashore & Kanowski 2010). The international PEFC program is an umbrella program recognising national standards (Dauvergne & Lister 2010). Forest certification is regulated through independent third party auditing to assess a forest company against various guidelines (Fischer et al. 2005). Following an audit, a forest company may be required to address any issues identified during the audit and costs are to be borne by the forest company (Fischer et al. 2005). Voluntary initiatives such as forest certification can have an impact on the way that companies operate by encouraging SFM criteria to be met (Cashore et al. 2006; Dare, Schirmer & Vanclay 2011b; Dauvergne & Lister 2010; Jenkins & Smith 1999; Rametsteiner & Simula 2003; Von Mirbach & Johnson 2009). Some markets prefer certified product and thus this provides an incentive for companies to achieve certification (Dare, Schirmer & Vanclay 2011b; Taylor 2005; van Kooten, Nelson & Vertinsky 2005).

Other voluntary initiatives can be part of company CSR policies, and these initiatives usually derive both social and business value (Matten 2008). Initiatives may be jointly developed by a company's stakeholders and the company (e.g. a joint environmental initiative between an ENGO and a forest company to conserve biodiversity). They may also be a company initiative, or an initiative that a company contributes to (e.g. donating resources to an existing initiative). Companies may use guiding principles as outlined in various documents such as the International

Organisation for Standardization's Guidance Document on Social Responsibility ISO 26000 (ISO 2010) or the UN Global Compact to help develop their CSR policies or codes of conduct. In addition, companies may choose public sustainability reporting or triple bottom line reporting to express their commitment to sustainability (Hopkins 2005).

The International Standards Organisation's (ISO's) EMSs also apply to forest management. EMS is a voluntary process that encourages planning to act on and address environmental impacts of business activities (Carruthers & Vanclay 2007). EMS can help to provide a systematic approach to assessing forest management systems (McDonald & Lane 2002). EMSs are based on the idea that companies need to adopt a continuous improvement approach to their management (Carruthers & Vanclay 2007).

In some cases certification has not resulted in changes to management practices where it was argued the forests were already well managed (Siry, Cubbage & Ahmed 2005). However, a need for continuous improvement is a requirement of many certification systems. Once companies meet requirements of a particular standard, to maintain this, they will need to show evidence they have reformed and improved their practices at subsequent certification audits (Rametsteiner & Simula 2003).

Governments are not always in a position to regulate more (there may also be resource limitations to enforcing stricter controls). Therefore, soft law instruments can be employed to improve management, such as legally binding covenants between governments and industry, voluntary environmental management systems, sector-based programmes, and other voluntary agreements (Kirton & Trebilcock 2004).

GNCs can be either legally enforceable contracts or non-binding agreements that rely on good faith (Dare, Schirmer & Vanclay 2011b). Throughout Australia, at the time of writing at least three GNCs existed in different regions (see FT & FIAT 2008; GTRPC 2004; TSSPWG 2007) and there was also a draft version in Queensland included in the draft Code of Practice for Commercial Private Plantations. GNCs are said to improve transparency and encourage stakeholders to interact, providing the

potential for increased stakeholder influence over decisions affecting their community (Illsley 2002).

Technological influences

Significant technological innovations, as well as research and development, have impacted forest management practices. Technological changes have a flow on impact to many other interrelated factors such as societal changes, communication and creation of new outputs, products, processes and materials (Hanson et al. 2008). This in turn can have an impact on other factors such as the market environment. Changes in technologies can improve efficiencies and viability of business and influence many other components of the external environment.

Changes in technology have had an influence on globalisation – the increase in cross-border flow of resources – (Pieterse 2009) and this has meant that companies are now operating in a global context. There are now increasing pressures for companies to interact with a wide range of people within and outside their geographic areas of operations. The emergence of multinational corporations is one such example of an increasing demand to communicate and interact globally, and as such have contributed to globalisation (Buckley & Ghauri 2004). Development of cheap transportation and communication have influenced the emergence of multi-national corporations (Browne, Stehlik & Buckley 2011). In addition, these changes in technology have provided greater opportunities for domestic companies to export their products, which have led to a rise in international trading. In 2008 – 2009 Australia exported \$2.3 billion wood products and imported \$4.4 billion (DAFF 2010a).

Globalisation has implications for CE and CSR, as stakeholders (especially for multinational companies) are no longer confined to those living in the geographic areas of a company's operations. With a widened stakeholder base, companies need to be able to manage for multiple and sometimes conflicting stakeholder concerns.

In some cases international markets can improve domestic management of wood resources, as for example some markets may only be available for those who have

met a minimum standard of management verified by a third party (forest certification) with a need to continuously improve practices (including CE) to maintain certification (Cashore et al. 2006). Certification schemes are a global, commercially orientated form of private regulation, which can facilitate the movement of timber products (Stringer 2006).

Companies are now using the internet as a means to engage with a wider audience. Companies can use the internet for online forums, allowing members of the public to provide feedback, and as a means to distribute information about their business. Such use of the internet has impacted the stakeholder/corporation dynamic (Adams & Frost 2006). Company annual reports can be made publically available through the internet, thereby helping to improve transparency. However, not all members of the public have access to the internet, so some companies still use other technologies and means to engage with a broader audience. The internet can also provide a means for companies to more readily obtain information about their stakeholders. This has implications for CE and therefore CSR, as it can provide greater opportunity to understand and communicate with stakeholders.

In addition, advances in wood technology have provided companies with a potential to access a range of markets for wood products (e.g. wood pellets for heating and reconstituted wood products). However, advances in technology may also increase the availability of alternative products to wood (e.g. plastic, glass, metal, and concrete products). Further, improvements in recycling efficiency can improve the extent to which wood products and alternative products to wood are reused. In addition, technology for harvesting forest plantations has improved, which can make harvest operations safer and/or possible (e.g. the introduction of skyline logging). Technology can improve efficiencies, through for example, new computer software such as forest modelling software, or through improving fuel efficiencies of trucks for harvest transport. Improvements in efficiencies may in turn influence the resources available to a company to conduct their operations and this could also influence resources available to conduct CE.

Government influences

Government can enforce policies or regulations, which are tangible rules companies are required to abide by. Those rules that are required by law can have a profound impact on what companies can and cannot do. Forest policies can be developed for a range of purposes including encouraging sustainable management of plantation resource (see DSE 2007; FPB 2000).

In the forest industry regulations specific to plantation management include state codes of forest practice. Codes of forest practice can be legally binding, whereby penalties can apply for breaches to the code. For example, in Tasmania, the Forest Practices Authority may issue fines for breaches of the *Forest Practices Act 1985*. Local government bodies can also exhibit some control over plantation activities. Some local governments have policies specific for plantation development, which can give them the power to deny establishment of a plantation in a specific locality (Schirmer & Tonts 2003).

Non-binding guidelines or incentive policies can also influence the forest plantation industry. Some incentive policies have been developed to help encourage plantation development. For example, the 2020 vision was developed (a strategy developed in the policy environment) to help build on Australia's existing forest plantation resource by aiming to treble the 1996 plantation area by 2020 (Plantations 2020 vision partners 2008). Governments in Australia have employed a number of mechanisms to encourage plantation development including tax incentives for plantation investment, government support for forest enterprises, government extension programs and other indirect policies (Low et al. 2010). Most private plantation establishment in more recent years have been funded by Managed Investment Scheme (MIS) investors, (ABARES 2011) and as such tax incentives appear to have encouraged tree plantation development (O'Toole & Keneley 2010).

Some of Australia's non-binding forest management guidelines are associated with International agreements. For instance, the Intergovernmental Agreement on the Environment and the non-binding agreements at the United Nations Conference on Environment and Development informed the development of the *National Forest*

Policy Statement 1992 (Howell et al. 2008), which is not a regulation, but a guiding policy framework. Since 1995 each state in Australia has been signatory to the *National Forest Policy Statement*. In addition, Australia participated in the Montréal Process in 1994, which focused on developing a set of criteria and indicators to measure SFM. The Montréal Process promoted discussion with a range of stakeholders including forest managers, policy-makers, and scientists to consider the range of values related to forests (Howell et al. 2008).

Governments also contribute to forest development through funding research, forestry education programs, and skills training. For example in Australia ForestWorks carries out government funded programs to contribute to maintaining and developing skills within the forest industry. Further, in Tasmania, the Forest Education Foundation was formed as a joint initiative between the government forest management authority (Forestry Tasmania) and forest industries. Some programs may be government led or part funded and supported by industry. Further, governments can implement policies to support forest development or protect forest values such as cultural heritage, biodiversity, conservation, and recreational values. Policies can be introduced for a number of reasons, for example, in an effort to prevent import of illegally logged timber. Also, government led initiatives such as joint forest management (between the community and government organisations) can improve community capacity to establish and maintain forest plantations. Such initiatives may also improve environmental outcomes, for example, in areas where land degradation is an issue.

Market environment

The market environment (entailing competition) are a central driver for the strategic and operational decisions made by forest companies. A company may act in a certain way to meet preferences of consumers (Bhattacharya & Sen 2004). Competition between different companies is also relevant in the market environment. Through competition, companies can influence one another (Hanson et al. 2008). Competition is influenced by the threat of new entrants, the power of suppliers, the power of buyers, product substitutes, and intensity of rivalry among competitors (Hanson et al.

2008). Being competitive and selling timber products will influence the revenues generated by companies. This will in turn influence their economic sustainability, and the availability of resources and cash flow to continue company operations.

In a global economy, the market environment is broadened and competition can be influenced by factors such as differences in labour market (including skills and wages), strictness of environmental regulation, operational efficiencies, and environmental factors, such as growing conditions for product. Further, globalisation can influence the demand for sustainably sourced timber product (Hickey & Innes 2005). Improved cross-national communication and inter-governmental processes (such as the Montréal process) can influence a wider acceptance of the SFM concept (Hickey & Innes 2005). Responsible importers of forest products require evidence that products come from sustainably managed forests (McDonald & Lane 2004).

Market influences can be positive or negative for SFM. Current trade policies for forest products are ineffective at reducing poor management practices such as deforestation and can even heighten such problems (Irwin 2009). In addition, market-based mechanisms and policies promoting SFM do not prevent all poor management practices. Unsustainable forest practices can still continue through current markets, where trade may be occurring illegally and/or within markets that do not demand evidence of sustainable practices (Palmer 2001). In addition, trade ‘leakage’ can occur where forest conservation in one country can influence output in other countries, as market demands for native forest timber products are sourced elsewhere (Gan & McCarl 2007). For example, Gan and McCarl (2007: 430) suggest that ‘reducing timber production in developed countries would not be an effective way of enhancing global forest conservation as a large percent of the reduced forestry production would be transferred to developing countries’. In addition, policies designed to protect forest assets can generate more markets for illegal logging (Katsigris et al. 2004). Trade restrictions enforced through government policies can be effective at promoting SFM in some countries, but this can have negative flow on effects in countries where the same standards are not obligatory or illegal logging is not adequately controlled, resulting in an overall net decrease in SFM.

Consumer preference for forest certified products has been expanding as a consequence of the influence of growing public concerns, organisational strength of environmental non-government organisations (ENGOS) and continuing economic globalisation (Cashore et al. 2006). In addition, 'legality verification' is now an initiative that has been introduced as a hybrid of forest certification, although its focus is more on preventing illegal harvesting rather than implementing a wider range of environmental and social standards (Cashore & Stone 2012). Now, consumers such as major multinational enterprises have a preference for certified wood products (Fischer et al. 2005).

Forest certification is said to be a way of providing some reassurance that companies have met minimum SFM standards by following certification guidelines (Dauvergne & Lister 2010). In the forest industry, the SFM concept is linked to CSR, as it is considered to be management that achieves social, economic, and environmental sustainability (Vidal & Kozak 2008b). As noted above, in places like Australia forest certification has been widely adopted by large companies (McDermott, Cashore & Kanowski 2010), as these initiatives are said to be accessible for larger and already well-managed operations (Taylor 2005). In other countries, obtaining certification can be limited by factors including unsafe and unhealthy working conditions, use of agrochemicals, and conflicts over land tenure rights (Kirton & Trebilcock 2004). These factors influence international market conditions. Generally forest certification has stimulated a global discussion on how to implement SFM (Cashore et al. 2006).

Further, a greater commitment towards initiatives such as certification can be discouraged due to a lack of price premium offered for certified product (Wijewardana 2008) and that some owners find it challenging to certify (Cashore & Stone 2012; Rametsteiner & Simula 2003; Zhao et al. 2011). Certification standards and other standards associated with SFM can vary substantially across different localities worldwide (Holvoet & Muys 2004). Some markets may recognise forest certification standards as ensuring legal compliance, but certification may not guarantee SFM (Cashore & Stone 2012). In countries like Australia however, market based incentives associated with instruments such as forest certification are considered to be having a positive impact on forest practices and in particular adoption of CE (Dare, Schirmer & Vanclay 2011b). In Australia there exists

mandatory forest policies that aim to encourage SFM, but soft law instruments such as forest certification and environmental management systems can encourage companies to continuously improve their practices (Carruthers & Vanclay 2007; Cashore et al. 2006) and therefore operate beyond minimum legal standards.

In general, increased trade and globalisation has led to greater interest in CSR and corporate transparency (Jamali & Mirshak 2007), and CE has become a part of this CSR commitment (Bowen, Newenham-Kahindi & Herremans 2010). However, unsustainable practices continue to occur in the current market environment, due to issues such as trade leakage, and current trade restrictions.

Interactions between external environment components

There are many interlinked relationships between components of the forest industry's external environment. These are complex because most outcomes cannot be directly linked to a sole cause. Also, influences in the external environment do not remain static, which means that influences are dynamic and constantly changing. Influences also vary from locality to locality and are dependent on other contextual factors such as the business environment in which a forest company operates (e.g. purely in the business of plantation timber grown for pulp or also in the business of native forest management). Just some of the many potential relationships are summarised below:

- Policies and regulations in the forest industry are implemented to try and mitigate perceived environmental and social risks (Dare, Schirmer & Vanclay 2011a; Gunningham, Kagan & Thornton 2004), and such societal concerns and expectations are also influenced by socio-cultural environment as well as the history of plantation management in the area.
- Stakeholder expectations (of which are influenced by a range of potential factors) have been a driver for the evolution of forest certification systems and these certification systems have also influenced market environments (Dauvergne & Lister 2010; Fischer et al. 2005).

- The socio-cultural environment can drive a number of other influences including demographic, economic, political/legal and technological conditions and changes (Hanson et al. 2008).
- Sector issues and stakeholder dynamics in a given socio-political context seem to condition choice of CSR activities in order to achieve company legitimacy (Emtairah & Mont 2008).
- Advances in communication technology (including the internet) have enhanced the capacity of interest groups to pressure companies (Cadbury 2006).

Components essential for achieving social objectives of SFM

I show the second part of the conceptual framework in Figure 4. The components included in Figure 4 do not include a large range of external factors such as resources available, the market environment, societal expectations, and socio-cultural context, as these issues are discussed in the first part of the conceptual framework (Figure 3). It is intended that Figure 4 is interpreted with reference to Figure 3, which has the component 'internal company processes' at the centre of the diagram. Figure 4 should be considered as embedded within the central part of Figure 3. I use arrows to show that each of the components of Figure 4 are linked. However, this does not mean that there is a direct linear relationship between each of these components, as external factors (mentioned in Figure 3) can have large impacts on company practices.

Figure 4 is based on the premise that company culture must be supportive of CE and CSR if social objectives of SFM are to be achieved. It is based on a corporate culture that is supportive of CE, leading to adoption of CE, and through this, commitment to CSR, where the company will be operating with a social licence to operate or social acceptance, and will achieve social outcomes of SFM. Initially and throughout the research, literature was used as evidence for these relationships. This framework was also supported through empirical data. In particular, Paper 3 (Chapter Seven) uses empirical data to explore the relationship between corporate culture and adoption of CE. I explore the conceptual framework in Figure 4 throughout the remainder of the thesis, particularly in Chapters Five to Seven, by focussing on the interconnections

between corporate culture, CE and CSR. Literature-based descriptions of the relationships proposed in Figure 4 are given below. Each section of the diagram is introduced in turn, to assist in clarifying the role of each component and their relationship with one another.

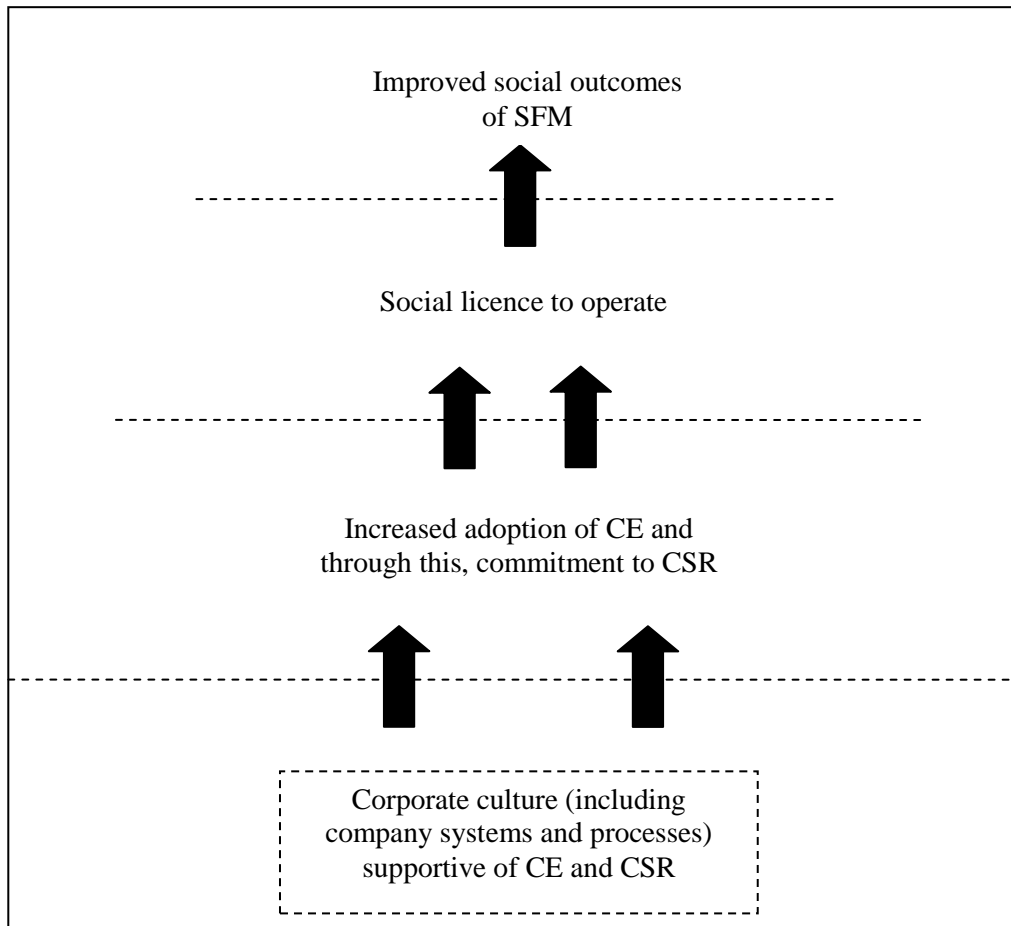


Figure 4: Components necessary to achieve social outcomes of SFM

Company culture supporting CSR and CE adoption

At the bottom of Figure 4 formal processes and company culture are the foundation for achieving social objectives of SFM. This is based on the premise that corporate culture and company formal processes must support CE adoption and commitment to CSR. First, corporate culture explains behaviour and the norms of company functioning and practices that are undertaken by managers and staff across a company. Second, to achieve SFM, CE and CSR must be supported by company practices. Both company culture and company formal processes govern how

companies operate, which means culture and company practices need to support CE and CSR if they are to be sustaining.

For CSR to be sustaining it must be part of the company culture and not just supported by senior management (Lyon 2004). CSR must be integrated into a company's strategy, structure and culture (Maon, Lindgreen & Swaen 2009). Castello' and Lozano (2009) found that instruments such as codes of conduct, measurement systems, CSR-specific policies and audits were a major factor in development of CSR change within companies. By providing mechanisms to facilitate CSR, strategic and well thought through actions can be implemented. Managerial processes such as social auditing, for example, can be a mechanism by which decision-makers can evaluate environmental, ethical and social planning and facilitate stakeholder engagement (Gao & Zhang 2006). Also, processes such as company reporting can be useful for communicating with stakeholders. Reporting can be used to provide evidence that practical outcomes resulted from listening and acting on stakeholder concerns (Gao & Zhang 2006). In some cases, a change in a company's processes and procedures are enough to implement a desired change within (Schein 2010).

Sometimes, long-held cultural assumptions about the 'right way to do things' may need challenging, whereby unlearning and relearning is needed (Schein 2010). Barriers to a CSR orientation for instance, may include fear of change, belief that CSR is inappropriate for the company and the belief that CSR results in loss of the company's focus on its core values (Maon, Lindgreen & Swaen 2009).

Corporate culture also has an influence on CE adoption. Unless CE is an accepted norm within an organisation, there is a risk that CE will be implemented without sincerity or substance (Dare, Schirmer & Vanclay 2011a). Corporate culture needs to be understood in order to understand if it is supportive of CE adoption.

Both formal processes and corporate culture must be compatible with one another. Corporate activities and strategies must be embedded in corporate culture if they are to be successful (Baumgartner 2009). Misalignment of 'unwritten rules' (attributes of culture) with written rules (components of formal processes) will not result in

sustainability performance (Lyon 2004). Unwritten rules are also described as the shared, tacit, assumptions on which people base their daily behaviour (Schein 1999). This is what drives culture; and this can be thought of as ‘how things are done around here’ (Schein 1999: 48). So in that way if ‘how things are done’ are incompatible with written policies and procedures, then those ‘written rules’ can be redundant and/or ineffective.

Corporate culture influences all aspects of organisational functioning including tasks, strategy and structure and it cannot be separated as an independent element (Schein 1999). Initiatives such as CSR can be managed to an extent through formal processes such as issue tracking and management systems, but this has to be supported by corporate culture (Lyon 2004). Additionally, corporate values should be interlinked with management practices to reinforce behaviour and strengthen the company’s values (Maon, Lindgreen & Swaen 2009). Support for company policies and procedures are linked with corporate culture. If corporate culture is supportive of certain values and initiatives, these may be embedded within company policies and procedures.

Written procedures and managerial tools have an important role in assisting in the adoption of effective CE and thereby a commitment to CSR. Policies, procedures and managerial tools can form a part of culture as they represent espoused company values, artefacts of culture, and they can influence the actions of employees (Schein 2010). Corporate culture can also influence policies and procedures, as they may be implemented as a result of managers’ beliefs about their potential value (Schein 2010). Companies need strategies in place to deal with a number of issues such as sustainability, and stakeholder consultation and management (Jorg & McIntosh 2001). In the forest industry there are numerous formal processes and procedures that may influence CE and CSR adoption by forest companies. However, these managerial tools and procedures need to be suited to the particular contextual circumstance of the company and supported by the company culture to be effective. Some of these procedures can include:

- actions in response to stakeholder concerns (Gao & Zhang 2006);

- strategies promoting employee wellbeing (Khoo & Tan 2002);
- actions demonstrating environmental responsibility (Gao & Zhang 2006);
- strategies ensuring legislation is adhered to (Carroll 1991; CMAC 2006; Shum & Yam 2011);
- development of negotiated agreements (e.g. GNCs) to allow local input into company decisions (Dare, Schirmer & Vanclay 2011b);
- public disclosure of business activities (CMAC 2006; Hopkins 2005);
- strategies to ensure ethical behaviour is adhered to (Carroll 1991; Graafland, van de Ven & Stoffele 2003; Jenkins 2006); and
- contributions to community development and wellbeing (Carroll 1991; Panwar et al. 2006; Shum & Yam 2011; Warhurst 2001).

Adoption of CE

Figure 4 presents the view that CE helps to achieve CSR and is necessary to achieve social outcomes of SFM. CE is required in order to undertake many day-to-day operating activities, so that companies can communicate to their stakeholders as well as listen to and address their concerns. In order to meet SFM criteria such as ‘maintenance and enhancement of long-term multiple socio-economic benefits to meet the needs of societies’ (MPWG 2009: 18) for example, companies need to engage with stakeholders to understand how this can be achieved. CE is vital to a corporate approach in meeting SFM.

CE can be employed as a means to mitigate conflict and to improve existing relationships with stakeholders to derive sustainability benefits. CE serves the purpose of ensuring that decisions are made with sensitivity to community context and thereby ensuring sustainability of decisions (IAP2 2006). There is now a growing acceptance of the need for CE, as this can provide a mechanism to alleviate contention through compromise and conflict resolution (Race & Buchy 1999).

Different CE activities can be applied to accomplish a specific task with specific audiences (Creighton 2005). Without CE, stakeholder expectations may go unnoticed and unmanaged, resulting in contention (Dare, Schirmer & Vanclay 2011a). CE

adoption is critical for SFM as a means to interact with stakeholders and to conduct business within a social licence to operate.

Benefits of CE include improving social legitimacy, allowing companies to demonstrate social responsibility, and enhancing awareness of community impacts and issues (Creighton 2005). CE can help promote community acceptance through two-way information flow that enables community groups' needs to be acknowledged and addressed. Socio-economic impacts can also be monitored and such information can be relayed through CE to improve company transparency. Positive business impacts may be witnessed by stakeholder groups through CE initiatives or employment. Such initiatives can increase understanding and acceptance of forestry activities, which can help meet social criteria of SFM.

Commitment to CSR

A critical component of Figure 4 concerns company adoption of CE, which thereby influences a commitment to CSR. Applied in the right way, with a link to other corporate practices, CSR serves a valuable purpose in meeting social SFM criteria. There are many benefits for a company to integrate CSR principles into what they do, as incentives can include improved company reputation and support from community groups (Gunningham, Kagan & Thornton 2004; Lynch-Wood & Williamson 2007; Winn, MacDonald & Zietsma 2008). CSR can be used as a structured way of ensuring a company is considering those social responsibilities crucial for addressing SFM criteria. The World Business Council for Sustainable Development (WBCSD 2003) states that business is not divorced from the rest of society and that businesses must ensure through mutual understanding and responsible behaviour that they have a role in building a better future. CSR principles enhance a company's commitment to social responsibility towards employees as well as the environments and communities in which they operate (Grigore 2009).

CE is an essential part of CSR, as CSR emphasises stakeholder-based approaches (Parkins 2006), whereby interaction with stakeholders is essential. Stakeholder dialogue has become a core function of a company's CSR strategy (Burchell & Cook 2006). Company development of CSR initiatives should involve stakeholders – both

internal and external (Maclagan 2008). In order to survive and be profitable, companies need to engage with a range of stakeholders whom may have diverse views (Jorg & McIntosh 2001). Many companies now position CE activities as part of their commitment to CSR (Commonwealth of Australia 2006). CSR needs to include CE, whereby stakeholders concerns are considered and acted on.

Corporate sustainability requires businesses to address economic prosperity, social equity and environmental quality simultaneously (Gao & Zhang 2006). CSR is a stakeholder–orientated concept requiring companies to be responsible for the impact of their business activities in order to gain social acceptance of a company's activities (Maon, Lindgreen & Swaen 2009). As such, CSR is connected to a social licence, as a means to address stakeholder concerns and expectations.

Social licence to operate and SFM

A social licence to operate is defined by Gunningham, Kagan and Thornton (2004: 308) as '...the demands on and expectations for a business enterprise that emerge from neighbourhoods, environmental groups, community members, and other elements of the surrounding civil society.' The concept also implies that a company's permission to operate is granted by governments, communities or various other stakeholders (Porter & Kramer 2006). 'In effect, companies are licensed by society to provide the goods and services which society wants and needs' (Cadbury 2006: 12). So a company should not pursue their immediate profit objectives at the expense of the longer-term interests of the community (Cadbury 2006). A social licence to operate will help provide positive benefits to the community and company. How a company operates within a community, and in particular their consideration of community demands and expectations, has a large bearing on their social licence to operate.

Those stakeholders who influence a social licence to operate can include segments of society such as people living within the geographic area of a company's operations, interest groups, or community groups, which can be made up of relatively homogenous groups of people. All segments of society that have an interest or are impacted by a company's operations have the potential to influence a social licence

to operate. I consider the social licence to operate concept to be similar to the concept of community acceptance, as acceptance within community (as broad as the term community is – refer to page 16 where the concept of community is discussed) will influence the achievement of a social licence to operate. Having ‘community acceptance’ would contribute to a social licence to operate within broader society.

Demands and expectations from neighbourhoods, environmental groups, community members, and other elements of the surrounding civil society can be varied and contradictory between different stakeholder groups. Due to the complexity of dealing with stakeholder’s demands and expectations, forest companies need to employ a ‘holistic’ approach to management. Such an approach involves managing for community expectations and demands, and gaining an understanding of the complex environment in which a forest company operates in order to achieve SFM. Dealing with complexity may also require innovative thinking (Miller 1993), as suitable solutions to problems may not be obvious. Managing for community demands and expectations is a process of maintaining or gaining a social licence to operate (Emtairah & Mont 2008).

Managing community demands and expectations is essential for SFM. The socially-orientated criteria of SFM includes managing social impacts of operations. Issues such as public outrage or opposition to operations would cause negative social outcomes and these need to be managed to achieve SFM. Managing public outrage or opposition, would involve listening and responding to stakeholder concerns, which may or may not result in a change in forest management practices. If significant opposition against a company remains, company claims of SFM may not be legitimate (e.g. some stakeholders may believe the industry is causing environmental harm). In addition, negative social outcomes, such as public outrage are contrary to meeting social criteria of SFM. Therefore, to achieve SFM, significant community concern and public outrage needs to be mitigated. This means that a social licence to operate or ‘community acceptance’ is important for SFM.

A social licence to operate is not considered a single permission to operate for all activities, but an amalgamation of a number of permissions to operate for various activities and this permission is granted from a range of stakeholders. A social

licence to operate can be a form of civil regulation involving implicit quasi-contractual relationships between a company and society or groups in society (Lynch-Wood & Williamson 2007). The concept can be described as a continuum ranging from small micro contracts to larger societal-scale contracts that can be achieved through accumulation of smaller licences (Dare, Schirmer & Vanclay, unpublished).

Companies need multidisciplinary, innovative, and strategic approaches, which include decision-making that reviews the complex nature of the reality, in order to manage the continuum of social licence contracts. Communities and stakeholders are not homogenous and there are varying opinions as to what extent of community acceptance is required in order that a company does have permission to operate. Individual stakeholder groups themselves cannot be assumed to be homogenous or stable as individuals in those groups can belong to and interact with more than one group (Gao & Zhang 2006). Therefore relationships can be best understood as a complex interplay of shifting, ambiguous and contested relationships between and within various stakeholder organisations (Gao & Zhang 2006).

Further, a social licence to operate is temporary in nature, as community expectations and social values can change over time (Dare, Schirmer & Vanclay unpublished). The regulatory environment can also influence community perceptions of company activities and/or the ability for a company to address community concerns. For example, if community members would like to see changes in forest management practices, these changes may not be possible if they are contrary to regulatory requirements (Dare, Schirmer & Vanclay 2011a). In addition, as there are a wide range of different stakeholder groups, multiple and sometimes contradictory stakeholder concerns may be difficult to address. Companies may be able to make compromises with some groups whilst fully meet the expectations of others. Also, it may be near impossible to deliver on some stakeholders expectations (e.g. those who have ideological objections to plantations). There will thus be varying levels of acceptance within society, as some stakeholders may be more accepting of a company's practices than others.

Companies cannot often meet the needs of all stakeholder groups simultaneously (Dyllick & Hockerts 2002). Also, decisions made on the basis of stakeholder consensus may not adequately address all forest values (McDonald & Lane 2004). It may also be hard for companies to act on stakeholder concerns given that a concern may be only one of many pressures shaping company practices (Burchell & Cook 2006). However, it may be possible for stakeholder groups to view companies as fair and trustworthy, so that people can understand why a company is doing something and broadly agree with what they are doing, even if they do not think the particular act is a good thing (Dyllick & Hockerts 2002).

A social licence to operate will result in good company reputation, which can help improve future profits and reduce the risk of being targeted by environmental non-government organisations (ENGOS) (Gunningham, Kagan & Thornton 2004; Lynch-Wood & Williamson 2007; Winn, MacDonald & Zietsma 2008) as well as provide social benefits to the community. A social licence to operate is also something that changes over time depending on context, such as changes in one or more stakeholder groups' expectations (Emtairah & Mont 2008) and changes to forest management practices. Therefore, it needs to be consistently monitored to account for this.

There are a number of ways to understand if a forest company is operating within a social licence to operate and companies need to be aware of how they can monitor this. If a company has a strong reputation for being a positive contributor to society, it can be an indicator that they are operating with a social licence. Other indicators can be used to understand if the plantation industry as a whole is operating within a social licence. For instance, policy changes and changes to forest certification guidelines can be a response to stakeholder expectations, which are influenced by activities undertaken by a number of industry organisations. The nature of relationships with stakeholders, can provide some indication of an individual company's social licence to operate. It is beneficial for companies to use specific measures that can help increase awareness of and enhance their social licence.

The concept of a social licence to operate helps to clarify the importance of gaining acceptance from society for a company's activities. Operating responsibly can contribute to a social licence to operate. However, more research in the area of a

social licence to operate is needed to understand the cues for identifying levels of acceptability within communities and to what degree any opposition is not acceptable.

Conclusion

The conceptual basis for this research includes the view that company operations are shaped by a number of external factors such as stakeholder expectations, voluntary initiatives, market environment, and government influences. In addition, there can be a large divergence between the ways in which individual companies operate. Aside from contextual differences (e.g. different locations and therefore differences in state regulations), companies within Australia have different corporate cultures and formal processes, which can result in various levels of adoption of CE and commitment to CSR. In addition, CE and CSR both contribute to SFM and a social licence to operate.

There are a number of factors that influence company CE practices, such as particular characteristics of the socio-cultural environment, market environment, regulations, and stakeholder expectations. CE can also differ between companies due to the impact of corporate culture on CE. As corporate culture is a key influence on company adoption of CE and commitment to CSR, I investigated these relationships with an aim to identify ways to improve the adoption of CE and, through this, CSR practices by forest companies in Australia in order to achieve SFM outcomes.

The results and recommendations of the study are presented in Chapters Five to Seven. Chapter Five explores divergent stakeholder views of CSR and provides an understanding of initiatives forest companies need to adopt in order to operate responsibly. Chapter Six explores the concept of CSR from the perspective of two case study forest companies in order to recommend how companies can increase their commitment to CSR and thereby operate more responsibly. Chapter Seven explores the relationship between corporate culture and CE adoption, and recommends how the case study companies explored could enhance their adoption of CE. Chapter Eight investigates barriers to industry-wide CE (CE conducted on behalf

Chapter Two: Review of themes and conceptual framework

of an industry rather than an individual) within the Australian forest plantation industry to recommend how some of these barriers can be addressed.

All recommendations made throughout the research needed to take into consideration the multiple factors that influence the way in which companies operate. Hence the conceptual basis for the study that I presented in this chapter was important in shaping the research.

Chapter Three: Research approach and methods

Introduction

In this chapter I provide a description of the methodology adopted. First I explain the paradigm adopted for the research followed by an explanation of why I used an adaptive theory approach. Next, I provide an explanation of the case study approach. I then describe each method of data collection (literature review, document analysis, key informant interviews, and observation). I used thematic analysis to analyse documents, notes of observations, and key informant interviews. Lastly, I provide a summary of the research approach and framework.

Paradigm adopted for the study

A paradigm refers to philosophical assumptions about the nature of the world (ontology) and how it is understood (epistemology) (Maxwell 2005). According to Guba and Lincoln (1994:107) paradigms are:

basic belief systems based on ontological, epistemological and methodological assumptions. Inquiry paradigms define for inquirers what it is they are about, and what falls within and outside the limits of legitimate inquiry.

Knowledge is grounded in social and historical routines that are value-dependent (Guba & Lincoln 1994). The research question ‘*What can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?*’ can best be explored by acknowledging that there are various factors that can influence the way companies operate. These can be explained by ‘constructions’ of reality as described by participants and also by more objective means i.e. acknowledging the various impacts on forest management such as policies, and voluntary processes such as forest certification. In the forest plantation industry, the way companies operate is influenced by a number of factors including

markets, socio-cultural context, stakeholder expectations, and policies (Panwar et al. 2006).

The ontological approach I took to the research was to unveil the reality of the environment that impacts the adoption of CE and commitment to CSR in the corporate culture of forest companies, in order to promote change. I took the stance that the world is 'constructed' by people and that the constructions are what is investigated (Hine & Carson 2007). Power plays a critical role in the constructions people make of the world (Fraser & Tobin 1998). Description of reality in such a paradigm can only be an approximation of reality (Walker, Cooke & McAllister 2008). In this research, I believe the reality that shapes how stakeholders operate in their environment includes processes that impact CE such as government policy, certification, public pressure and other factors that are indicated in Figure 5. Figure 5 however, is not exhaustive in indicating all the multiple and interlinked influences that impact the operating environment of any given forest company in Australia.

The epistemological approach of this research was value mediated. My own constructed values have an influence over what recommendations were made, as well as how data were gathered and utilised to make recommendations. Adaptive theory enabled deductive and inductive techniques which incorporate extant and emerging information. I used in-depth descriptions of reality to recommend how to promote positive change.

I used an adaptive theory approach to guide the research. This theory is based on a range of different paradigms and epistemological positions in social analysis such as critical theory, and grounded theory (Layder 1998). Adaptive theory is linked to critical theory through emphasising that power and domination in society is an essential component of social research (Layder 1998). In addition, like grounded theory, adaptive theory can be used to discover theory from data, although adaptive theory also emphasises the value of using or testing pre-existing theory (Layder 1998). Adaptive theory draws on a number of different approaches to facilitate inter-paradigm communication (Layder 1998).

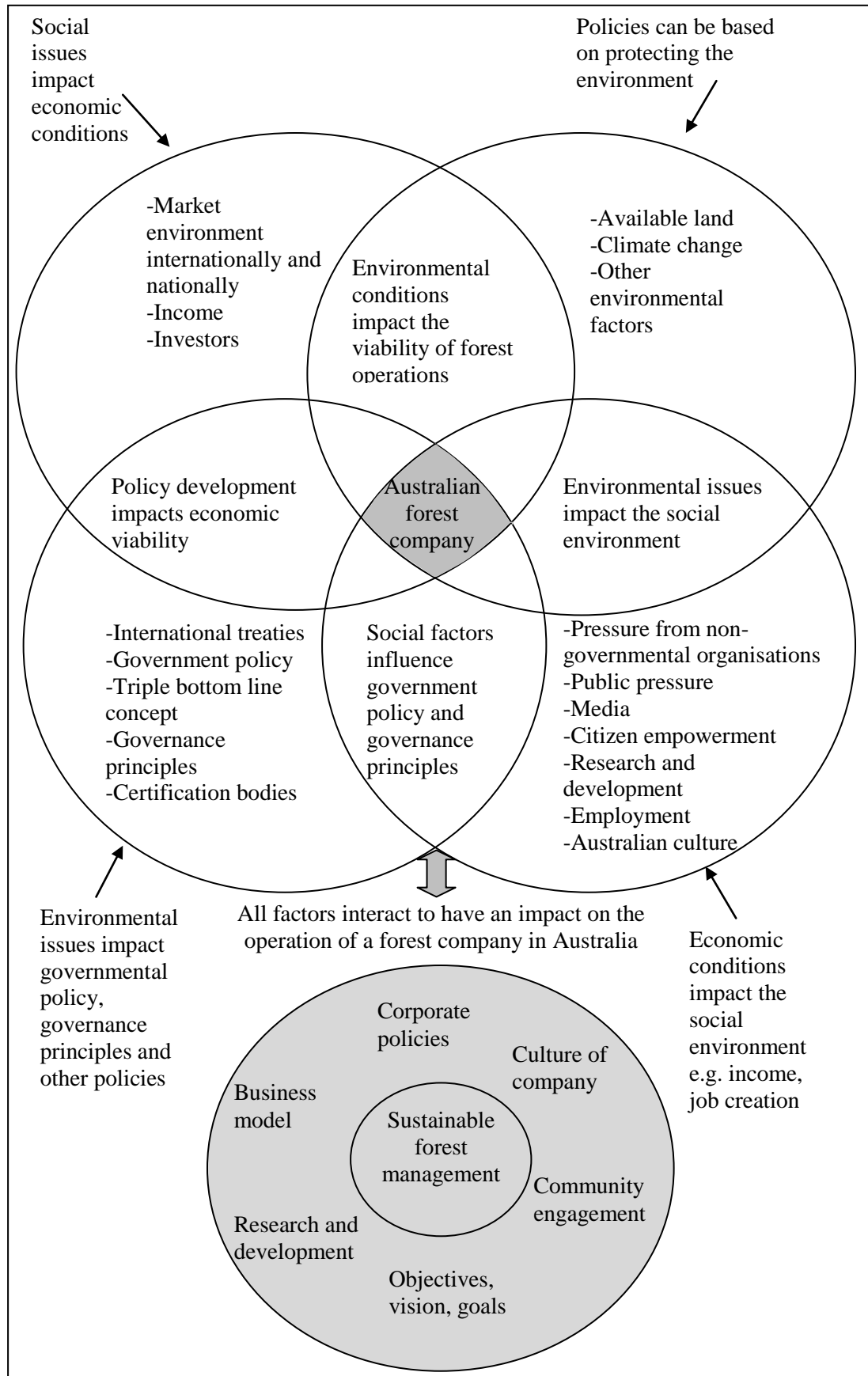


Figure 5: Influences that impact on the achievement of SFM and the adoption of CE (Source: developed for the thesis)

Initially I considered using grounded theory to guide the research approach. However, after further investigation I believed adaptive theory was more suited to the nature of this research. The following explains why I chose adaptive theory in preference to grounded theory.

Grounded theory is based on an approach developed by Glaser and Strauss (1967). It is based on developing theory from data, which is systematically obtained and used for comparative analysis until the emerging theory is proven through saturation of the data where no new categories can be discovered in the data (Glaser & Strauss 1967). Grounded theory is mainly used to compare groups of people (Storberg-Walker 2007), as the data analysis also requires good rapport with people in order to understand their social experience (Layder 1998). The grounded theory approach relies upon the data collection and analysis to develop concepts and advocates using as little pre-formulated theory as possible (Layder 1998).

The adaptive theory approach is adapted from many other theories and also has some similarities with the grounded theory approach, but one major difference is that adaptive theory advocates starting with an initial body of knowledge and data, as well as theoretical ideas that can guide the research. Adaptive theory allows for hypothesis generation and testing as well as theoretical induction and allows for pre-existing concepts to be expanded through an inductive process (Measham 2004). As I have a background in plantation management and I had already completed an extensive literature review before the data collection process, I believed adaptive theory was more appropriate than grounded theory for this study.

Layder (1998) believes that it is not possible to have a purely inductive or deductive research as all empirical investigations contain theoretical assumptions. Grounded theory mainly prescribes inductive methods of qualitative research, whereas adaptive theory is not averse to using more deductive methods of research in conjunction with inductive methods (Layder 1998).

Srivastava and Hopwood (2009) emphasise an iterative process for qualitative research that is reflective. It is argued that patterns, themes and categories coming from the data do not emerge on their own, but are influenced by what the inquirer

wants to know and how they interpret the data (Srivastava & Hopwood 2009). In view of this comment, the grounded theory approach was deemed not entirely appropriate for this research. Grounded theory prescribes a process where the theory emerges from the data, and not where prior data collection and analysis can impose themes and categories of analysis, which also arise due to them being shaped by what the inquirer wants to know (Srivastava & Hopwood 2009).

Merriam (1998) argues that a study is almost always conducted in relation to existing knowledge. Srivastava and Hopwood (2009) also suggest that a research framework should be developed with creativity to adapt the framework to the context. They suggest that with each iteration, the researcher should ask ‘what are the data telling me?’ and then ‘what do I want to know?’, followed by ‘what is the dialectical relationship between what the data are telling me and what I want to know?’ (Srivastava & Hopwood 2009: 79). Using this approach was particularly useful, as it helped ensure consistent reflection on how best to achieve the research aim.

I used literature review to guide the analysis of empirical data, in line with an adaptive theory approach. During the analysis phase, the theoretical data influenced the initial framework I developed, and this combination was used to code the data in a way that would help answer the research questions e.g. identifying attributes of corporate culture applicable to adoption of CE from the empirical data. It also helped me search for information missing in empirical data e.g. various components of CSR listed in literature, but not mentioned in interview data.

The research project was based on multiple paradigms, which employed deductive and inductive methods to understand the social, political, cultural, and economic and setting in order to provide a means of recommending ways to enhance company commitment to CSR and adoption of CE. Case studies of two forest companies were conducted and multiple methods were used to understand the reality of the two forest companies to understand what was impacting the adoption of CE and commitment to CSR.

Research approach using case studies

A case can be defined as a bounded system, where it is regarded as an object rather than a process (Stake 1995). Case study research is commonly used in organisational sociological studies (Cassell & Symon 1994). A case study allows for processual and contextual analysis of actions and meanings that take place in companies (Cassell & Symon 1994). Case study research is not sampling research, but the role is to understand the specific case or cases being investigated (Stake 1995). One of the reasons I chose the case study method for the research approach is that it enabled me to gain in-depth information on two cases. I needed this depth of information to gain a rich account of relationships such as that between corporate culture and CE, as well as an understanding of the context of these relationships, so I could answer the research questions. Merriam (1998) states that case studies enable a holistic account of phenomenon and is a way of investigating complex social units with multiple variables.

All forest plantation companies are unique to one another and if not adopting a case study approach a large sample would be needed to ensure representation is gained, as well as in-depth information. However, the findings cannot be generalised to all other contexts, as there will always be too many variables for the observations made (Cassell & Symon 1994). Case studies focus on understanding the dynamics of single settings (Eisenhardt 1989). I employed a range of methods to investigate each of my two case studies. Case studies often combine data collection methods such as interviews, questionnaires, and observations, where the evidence can be quantitative or qualitative or both (Eisenhardt 1989). The research can also be used to provide descriptions, to test theory or to generate theory. The aim of this research was to use case studies and existing theory that would help provide recommendations to achieve SFM through enhanced commitment to CSR and adoption of CE by forest companies.

If the goal is to understand variance in some factor, such as the role of corporate culture in achieving SFM, then some comparison of case is necessary in order to see how one case is different to another (Stake 1995). I chose two cases, with each

chosen on the basis that they would be representative of an Australian forest plantation company and useful to compare with one another, providing some understanding of differences in corporate culture and their influence. Case study research also relies on theoretical concepts to guide design and data collection and it requires researchers to be well informed of the topics of inquiry (Yin 2003). Concepts such as SFM, CSR, and CE were investigated prior to research (see Chapter Two and Figure 4, for an overview of literature review and theoretical framework that formed the basis for the study).

I selected two case studies on the basis that:

- they represented examples of privately-owned Australian forest plantation companies;
- one was located in Tasmania and the other in southern Australia (for practical reasons involving limited funding for travel);
- they were likely to remain operating during the life of the study;
- they indicated a willingness and enthusiasm to be involved in the research; and
- they indicated a willingness to share information (i.e. company reports, CE guidelines) with the researcher.

Choosing companies that were highly unlikely to discontinue within the next three years was an important criterion, because at the time of recruiting the case studies (late 2009 to early 2010) a number of forest companies throughout Australia had already entered voluntary administration or receivership and subsequently assets were being sold to new owners. The situation where a company is sold to another company in the midst of data collection was unsuitable, due to issues such as changes in leadership, changes in business structure, and because companies may be operating under unusual business circumstances e.g. not undertaking forest development works due to frozen assets. I therefore made an effort to understand if a company was more or less susceptible to liquidation when selecting case studies.

Recruitment of case studies and initial investigation

Before I recruited case studies, I investigated the types of forest companies and organisations operating throughout Australia, to aid in determining suitable case studies. Companies assessed included those whose sole business was not plantation management e.g. it incorporated businesses involved in other activities such as native forest management for timber production, or processing of timber products.

I created a short list of companies that fulfilled criteria for selection, and approached these. Two of those initially approached did not want to participate in the study. Two others were willing to participate in the study, but were found to be less ideal to use as case studies compared with other companies due to the difficulty of focusing on the forest plantation management aspect of the business.

Two suitable case study companies did agree to participate in the research. In both cases, the staff initially discussing the research proposal stated that their participation was an opportunity to improve their current practices in relation to CE. The two case study companies that I recruited for the research initially wished to remain anonymous in any public reports. Both companies were open to the possibility of disclosing their identities at a later stage of the research. I was provided with a signed letter of consent for the company's participation in the study from representatives from both companies.

For ethical reasons, I use anonymous labels – Company A and B – instead of company titles when describing the two case study companies throughout this thesis (please refer to research ethics section of this chapter for further information). Company A was located in Tasmania and Company B was located in the 'Green Triangle' (a plantation region located in south west Victoria and south east South Australia) and south west Western Australia. More description of the companies is provided in the next chapter of the thesis (Chapter 4). For both cases, I conducted an initial investigation of the company structure and details of their business and management activities. Also, I reviewed publically available documents detailing information about the companies. This helped to direct the research and development

of a semi-structured questionnaire before I conducted initial interviews with company employees.

I maintained contact with the representatives of the case study companies to provide updates on research progress and make further inquiries as the research progressed. This enabled development of trust that in turn enabled my ongoing access to documents and staff members that that may not otherwise have been provided.

Methods of data collection

For each case study I used qualitative multiple methods for data collection. The advantage of this is that data triangulation could be used, where different data sources enable cross-data comparison, as each method uncovers different aspects of empirical reality (Patton 2002). Methods employed included literature review, interviews with key informants, observation, and document analysis. Documents analysed included company policies, annual reports, certification reports, web pages and other relevant reports. Each method of data collection is discussed below.

Key informant interviews

I purposely selected key informants for interview (Ritchie & Lewis 2003). Interviews provided insights into people's constructions of reality (Merriam 1998). Key informants included stakeholders representing forest industry groups, environmental non-government organisations (ENGOS), other non-government organisations (NGOs), local councils, Indigenous peoples, forest certification and auditing bodies, residents living near plantations, and agricultural groups. Purposive selection of key informants involved selecting informants to interview on the basis that they met pre-prescribed selection criteria (Merriam 1998; Ritchie & Lewis 2003). Table 1 shows the criteria used to select key informants for interview. An initial description of stakeholders informed the purposive selection of respondents to interview. As data collection progressed more stakeholders, were identified and described, some of whom were selected for interviewing. As the research progressed, I gained a better

idea of the roles of each person within companies and the roles of those associated with the case studies.

Before I conducted interviews I usually reviewed some publically available information about the individual or the organisation that they represented to inform the research inquiry. Also, before interviews commenced I provided a brief overview of my background to the interview participant.

The sampling included identifying stakeholders outside the forest companies to interview. I interviewed people representing certification bodies, non-government organisations (NGOs) and community members, as well as members of the two case study companies. The NGOs interviewed usually had some involvement with forest companies or had been involved in CE activities with forest organisations. In addition, three of the NGOs interviewed had limited or no contact with forest companies, but they had a strong interest in the research and had an interest in forging stronger links with the forest plantation industry. Therefore, I deemed it useful to interview these groups for the research. Most informants interviewed were located within the regions of Company A and B's operations. Some informants did not live in these areas, but were interviewed because they could provide a perspective on issues of significance at a national or state-wide scale. The purposive criteria I used for selecting interviewees are provided in Table 1.

Table 1: Criteria for selecting key informants for interviews

Criteria	Certification body representative	Manager of plantation company	Employee of plantation company	Members of the community e.g. neighbouring landholders	NGOs
Willingness to participate	Yes	Yes	Yes	Yes	Yes
Involvement in community engagement activities	Not required	Can have, but not required	Yes, with preferably at least one respondent who's primary role is CE	Yes	At least one respondent
Employee of company for at least 6 months ^a	Working in industry for six months	Yes	Yes	Not applicable	Not required
Understand forest certification guidelines and how they are implemented	Yes	No, but preferable	At least two respondents	No, but can have	No, but can have
Works in collaboration with the forest company being studied	Yes	Not applicable	Not applicable	Can have, but not required.	At least one respondent

^aThe respondents from plantation companies were better able to represent their company if they were employed there for at least six months.

I selected some informants for interview via snowball or network sampling (Patton 2002). Snowball sampling was useful in securing interviewees that were referred by a friend or work associate as having a useful perspective on the topics under investigation. In addition, I chose to interview some community key informants such as farmers and neighbours to tree plantations due to referral from an NGO group. Snowball sampling helped to ensure I selected a range of different participants for interview. I considered snowball sampling an essential sampling method as it enabled me to interview a greater diversity of key informants as contact details of some stakeholder groups or individuals were not always publically available.

A limitation to snowball and purposive sampling methods was that sometimes I had limited knowledge as to whether a key informant met the selection criteria for interview, and therefore I had to make a subjective decision to interview them. I was also reliant upon key informants having a good grasp of the types of criteria that would need to be fulfilled to qualify an individual as a suitable key informant for the study. Another limitation was that with snowball sampling, the interviewees tended to talk with one another about being interviewed and this made it harder to ensure anonymity.

According to Layder (1998), the number of people chosen for interview should not be prescribed ahead, but respondents should be selected as an ongoing and flexible response to the research process. Altogether 87 key informants were interviewed, as this enabled me to interview a substantial diversity of stakeholders across three different regions in Australia. These regions included Tasmania (where Company A was located), the Green Triangle (south west Victoria and south east South Australia) and south west Western Australia (where Company B was located). Within company A people were interviewed from various levels within the organisation including; frontline managers (4), middle managers (2), and a senior manager. Within company B those interviewed were; frontline managers (2), middle managers (8), and senior managers (2). Some forest company employees interviewed were not from Company A or B. Towards the end of the data collection, no new insights were gathered, and hence interviewing ceased. The types of stakeholders interviewed for the research are indicated in Table 2.

Table 2: Number of informants interviewed for the study

Informant	State or national context	Green Triangle	Tasmania	South west Western Australia	Total
Agricultural group or farmer	1	4	1	2	8
Company A	0	0	8	0	8
Company B	1	8	0	5	14
ENGO or NGO	3	3	4	1	11
Forest certification body or auditor	1	0	2	0	3
Forestry group	2	2	4	3	11
Local council	0	3	1	4	8
Forest company employee or forest contractor	1	2	0	0	3
Other ^a	2	6	3	10	21
Total	11	28	23	25	87

^a Included three Indigenous representatives

I developed interview questions using the guidance of literature review and a description of stakeholders. I developed questions I believed would provide information suitable for addressing the research questions. As further interviews were conducted some of the questions were reframed to reflect the findings in the data collected (Richards 2005). Interviews were in-depth and semi-structured (Minichiello 1995) to gather information directly relevant to the research questions. I designed the semi-structured guide questionnaires (Appendix C) differently according to the type of respondent. For example, when interviewing a member of the community, questions focused on their experience and opinion of CE, whereas I asked key informants from a forest certification body questions about the forest certification guidelines, and how they were monitored and implemented. I found the semi-structured interview questions helped me to ensure I asked all interviewees some important key questions. Some of these key questions (with the rest shown in Appendix C) asked of all informants included:

- What is your role and please describe what you do?
- What does community engagement mean to you?

- What does corporate social responsibility mean to you?
- What do you think are the main barriers or limitations to implementing broad-scale community engagement initiatives?

As much as possible I conducted interviews in person, and voice recorded them with the interviewee's permission. I used the internet to conduct some interviews, with Skype and Pamela software enabling conversations to be recorded. All interviews were transcribed verbatim. Typing a verbatim transcript of the interview occurred as soon as possible after the interview (Whitmarsh 2005) to enable the interviewee to review the transcript shortly after the interview was conducted. Reading through and typing transcriptions also gave me the chance to record additional insights and identify further questions that could be asked of an informant. Sometimes participants may say things they never intended to say and thus in these cases segments of transcript were removed before the information was used for analysis (Measham 2004). I therefore gave all informants the opportunity to review the transcript before I used it for analysis. In three cases, at the request of the interviewee, I removed segments of transcripts before analysis.

I wrote reflections of interviews immediately post interview, which is a practice that Measham (2004) used in his study. Up to one hour was used for writing post interview reflections, as advocated by Whitmarsh (2005). I added to these reflections at a later stage, to incorporate some preliminary findings and more reflections. These post interview reflections included information such as setting and paralinguistics (McCabe 2002). I also included observations such as non-verbal communication (Measham 2004) and workplace observations, which also formed part of observation data.

Participant observation

'Participant' observation is a research strategy that includes intensive involvement with people in their home or work environments in order to gain intimate familiarity with a specific group (Scott & Marshall 2009). Participant observation is a technique that requires involvement over an extended period of time. Hence, it can be used to

understand change over time (Dewalt & Dewalt 2002). It can include a range of methods such as informal interviews, direct observation, participation in the life of the group, collective discussions, analysis of the personal documents produced within the group, self analysis, and life histories (Scott & Marshall 2009).

Schein (2010) says that to understand corporate culture participant observation is important, but it is imperative that the researcher's involvement does not change the phenomena being investigated. In most cases, the research technique I used was 'observation' rather than 'participant observation', as I was not always actively involved. Observation can be used in conjunction with other research methods in order to provide additional context to a study (Patton 1990). Patton (1990) also says that observation provides the opportunity to make discoveries that would not be obtainable through interviewing. Interviewees present selective perceptions, whereas observation provides the opportunity to gain a more comprehensive view of the inquiry (Patton 1990).

Observation is a widely used method of qualitative research (Cassell & Symon 1994). Observations occurred during visits to both case study locations (company offices), where interviews were conducted. In some cases I used observation to verify that what was discussed during interviews was occurring in the workplace environment. I made other observations during opportunities to attend company meetings. I also observed two of Company A's CE activities with some community groups. In addition, I undertook observation of community development activities and I spent one day with Company A to observe a forest certification audit being conducted.

Observations were an essential part of the study. They enabled me to observe artefacts of culture, and workplace behaviour, which formed part of cultural analysis. In addition, being placed in the workplace setting enabled me to ask questions that I would otherwise not thought of e.g. querying the implementation of a certain procedure through first observing how it was utilised, or discussing certain aspects I observed about the work environment (such as regular morning meetings).

I made handwritten notes of observations and typed these notes onto a computer. All observations were recorded as soon as possible after observations or during the company visits (Babbie 2010). I stored all observations as memos, which were kept in a QSR NVivo Version 8 database.

Documents and additional case study data

I collated a range of documents such as company policies, certification guidelines and operational procedures throughout the research process. Initially, I reviewed publicly available documents including web pages. In addition, I collected company documents (including internal documents) throughout the research process. Extant data from previous research (such as Dare, Schirmer & Vanclay 2011a, 2011b, unpublished; Dare, Vanclay & Schirmer 2011; 2012) provided insight into the current CE practices (and limitations to CE) in the plantation industry. Analysis of documents and other materials was ongoing throughout the research.

Company documents were analysed for two purposes. Firstly, I collated company documents to explore company culture (being artefacts of culture) and secondly to identify company formal processes. I analysed the contents of these documents to aid in deciphering culture as well as understanding company formal processes that impact adoption of CE and CSR. However, company documents may not be an authentic or accurate record of events and processes, therefore findings cannot be generalised (Cassell & Symon 1994). In addition I could only understand the influence of company policies and procedures within broader corporate contexts and with reference to other data, such as interview and observation data. Interview data and follow up conversations explaining the usefulness of various company policies and procedures were necessary to explore the relationships between CE, CSR and corporate culture in more detail.

Both case study companies were in the process of constant review of documents and some documents analysed were still in draft form, whilst others were in the process of being superseded by new policies. However the documents I obtained served a valuable purpose in understanding formal process and artefacts of culture. I was also

provided with some confidential company reports e.g. summary reports of forest certification audits. Document analysis made a critical contribution to the research, by providing greater insight into company culture and practices.

Record of the research process

I kept an audit trail of the research to describe how research data was collected and analysed. I wrote memos during analysis and at other times throughout the research process to encourage a reflective and iterative approach. I linked some of these memos to coding and included literature to assist in analytic interpretation of data. I made a record whenever any changes to the research approach occurred e.g. a decision was made early in the PhD candidature to use thematic analysis (Boyatzis 1998) to analyse the data. For convenience, I kept the audit trail in a QSR NVivo Version 8 database. NVivo Version 8 software was used as it allows for memos, observations and additional notes to be kept in a central database. It was important to refer back to the audit trail of notes to enable thorough justification of the research procedure.

Richards (2005) comments on the importance of early reflection and says to be safe the researcher needs to store anything that they believe may matter. These reflections can be recorded next to transcripts, memos, and include links to related material (Richards 2005). Memos can be reflections of the method, documents and emerging ideas and they can be spur of the moment thoughts (Richards 2005). Throughout the research process I re-read and reflected on the data and memos. Sometimes these reflections enabled me to view the data with a new perspective.

Research ethics

Before data collection commenced the research was granted ethical approval from the Human Research Ethics Committee (Tasmanian) Network (approval number H10920). To meet ethical approval, documents needed to be submitted for each method of data collection proposed, along with associated documents such as a proposed information sheet, indicative interview questions, and a consent form for

participants (refer to Appendix A, B and C, which comprise of these documents). I provided all participants in the study with an information sheet outlining the research they were participating in, as well as the ethical requirements of the study. I gave this information to participants both verbally and in written form (where possible by email) before an interview commenced. Each participant signed a consent form consenting to the interview. I provided a copy to the participant, and a copy was stored in a locked filing cabinet at the University of Tasmania.

All interviewees gave me permission to record the interviews for the research. All interviewees were given the opportunity to review the typed verbatim (although words such as um's and ah's were not included) transcripts. I gave each respondent two weeks to review the transcript and remove information if they wished to. I provided more time to those interviewees who requested it. Many of the respondents had no changes to make on the transcript. No reply to an email with an attached transcript within two weeks was interpreted as consent to use the transcript for analysis (and this was verbally outlined to participants immediately post interview). Two key informants requested that if I was to use any quotes in publications that they have the opportunity to review them before a document would be made publically available. In both cases this request was adhered to. I made all respondents aware that the interview would remain anonymous. As such, quotes that I used to present in public documents were referenced using ambiguous titles such as 'ENGO #16, Tasmania' or 'Interviewee #1, Company A'. However, some of the informants did not want to remain anonymous and others disclosed to other people that they were being interviewed. In such cases I let participants know that anonymity could not be guaranteed.

On one occasion, I spent one day observing a forest certification audit being conducted for Company A. In this case, I provided the auditor with information about the research and gained signed consent from them before the day's activities. I made the auditor aware of the types of notes that were recorded and that the auditor and the auditing body would be made anonymous.

All hardcopy consent forms have been kept in a locked filing cabinet at the University of Tasmania. Five years post-PhD all of this data will be destroyed. All

electronic information including digital recordings of interviews, have been stored electronically in password protected software. A transcription company transcribed some interviews; however, confidentiality was promised.

Analysis of data

The adaptive research approach encourages the analysis of data consistently throughout the research process. An iterative process was employed for the qualitative data analysis, which fostered consistent reflection on the findings in order to help shape the research process. This occurred by means of a preliminary reflective approach. For instance, whilst transcripts were being typed and/or reviewed, I made additional notes i.e. in the form of a memo linked to an interview transcript. In three cases, I asked participants some follow up questions.

Initially, *a priori* concepts that stemmed from literature review and previous research helped to guide the research analysis. Previous research identified a number of limitations to CE in the Australian plantation industry. For instance, previous research identified the need for CE to be embedded in corporate culture in order for it to be effective (Dare, Schirmer & Vanclay 2011a; 2011b). Thus key premises for the research – such as, corporate culture has an influence on CE adoption – were guided by previous research and *a priori* concepts. I added all primary data to a QSR NVivo version 8 database. This data consisted of company policies, procedures, reports and other documents, 87 interview transcripts, and notes of observations typed up as memos.

The first step I took to analysis was data immersion and preliminary analysis. I read and reviewed all the interview transcripts (listened to recorded transcripts) and other data such as company documents, which is an approach suggested by Green et al. (2007). As part of data immersion I reflected on details that were not transcribed in interview transcripts (i.e. respondents tone in voice) (Green et al. 2007). I conducted preliminary analysis as soon as possible after raw data were gathered e.g. when typing or reviewing an interview transcript. This consisted of recording initial insights from the data gathered, to inform subsequent interviewing enquiry and

follow up on points discussed during the interview that may need clarification. Preliminary analysis led to subsequent semi-structured interview schedules being modified to reflect initial insights i.e. some questions were re-framed (as mentioned in the data collection section) and some additional questions were added.

Pre-coding or provisional coding (Charmaz 2006) occurred during the first stages of data analysis, where I consistently switched between reviewing core concepts emerging from the data, research aims, and extant theoretical materials (Layder 1998). The provisional codes grouped together phrases, sentences or paragraphs of text that I believed were the same theme. Boyatzis (1998: vii) says:

A theme is a pattern found in the information that at the minimum describes and organizes possible observations or at the maximum interprets aspects of the phenomenon. A theme may be identified at the manifest level (directly observable in the information) or at the latent level (underlying the phenomenon).

Initially, provisional codes were validated from ongoing data analysis, where the code was accepted later, modified, or abandoned (Layder 1998). It was not obvious what ‘code’ all information should belong under. In such cases I coded the information separately, until I found a code for it. This approach was recommended by Measham (2004). Throughout data analysis, previous coded data were continually revisited to reconsider the analysis of them (Measham 2004; Richards 2005).

I used the thematic analysis technique to code (or group) data (phrases, sentences and paragraphs) (Boyatzis 1998). This process was aided with the use of QSR NVivo version 8 software, which enabled me to consolidate all the raw data into one database for coding. The use of software such as NVivo can assist in performing automated searches that are less time consuming and allows data to be viewed in its original context, as it contains links with original data (Roberts & Wilson 2002). This can help with efficiency in the data analysis. NVivo also assists in linking and comparing themes in the data (Measham 2004). Also, the software enabled ‘cases’ to be created where attributes could be assigned to each respondent, allowing queries to be generated to look at results based on specific attributes e.g. only looking at

Company A interviewee responses in the context of how they define CE, or only looking at memo data recording artefacts of corporate culture.

I refined codes or themes and categories continuously during the data analysis process (Green et al. 2007). For example, I initially coded a large proportion of data and I later removed some of this content from the coding, as it was later deemed irrelevant to the research questions. Each code contained a label, a definition of the code, a description of how to identify the code in subsequent coding, and a note on the qualifications or exclusions relevant to the code (Boyatzis 1998). I re-coded the data a number of times to reflect on new insights. Transcripts, documents, and memos were revisited a number of times to verify and reflect on initial coding. I grouped all codes through the creation of categories, which linked the findings with social theory (Green et al. 2007).

As data analysis progressed, codes became more analytic (Attride-Stirling 2001), although some coding appropriately remained descriptive, such as the codes describing artefacts of culture. Data were re-coded to gain insight into the research questions. For example, the content within the code 'definition of CE and the nature of CE' was dispersed among a number of more analytical and interpretive codes including: (a) CE and CSR are a part of job role; (b) CE activities are essential to conduct operations; and (c) Improving company-community relations. Often when I re-coded or formed new analytic categories, I wrote a memo to reflect on my analysis as advocated by Richards (2005). For example, I often wrote memos to express why I had created a code and how it was important for the study. I also kept records of older coding structures to reflect on how my analysis had progressed.

Memos (aside from memos that recorded observation data) I wrote were sometimes spontaneous and informal for personal use to assist the analysis, as this helped me reflect on and improve on the analysis process, which is an approach advocated by Charmaz (2006). The memos recorded preliminary data analysis and also incorporated literature to guide the data analysis.

When I grouped codes into categories (codes are linked through categories) I made sure these were directly related to the research questions, consistent with the

approach advocated by a number of scholars (see Green et al. 2007; Hartman 2006; Thomas 2006). A large initial number of categories were reduced to six summary categories (Thomas 2006). The summary categories were CE, corporate culture, formal process, CSR, SFM and an extra theme ‘stakeholder descriptions’, which was created to provide additional information in case a person’s job role needed to be referred to at a later date. There were some overlaps and links between the categories. For example, CE was considered a tool for CSR, so each category was not considered mutually exclusive. I investigated each category with cross-reference to other categories, as these were interrelated.

As per the adaptive theory approach, I generated codes/themes from the raw data. However, these were also influenced by theory generated from previous research. Results from raw data were interpreted both inductively and using deductive analysis based on theory identified in previous research. Figure 6 shows the data analysis approach. My analysis process was dynamic and was not necessarily sequential. For example, the data immersion stage occurred infrequently throughout the analysis stage. In addition, I wrote informal memos at any stage I had new ideas or insights. I reviewed the research questions and aims throughout the research process.

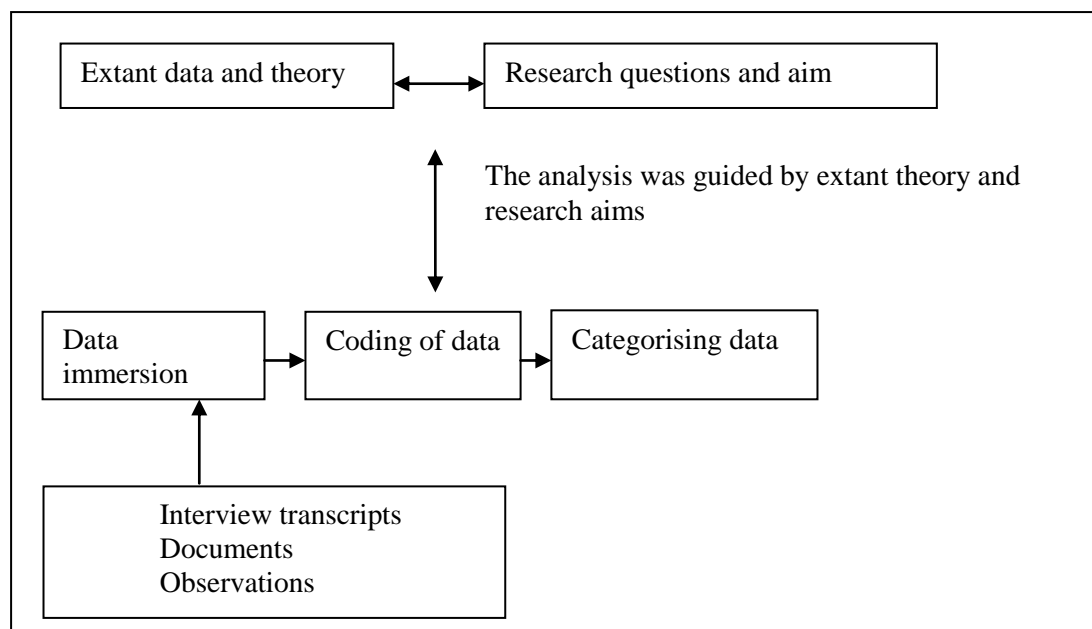


Figure 6: Approach to data analysis (source: adapted from Green et al. 2007: Figure 1, p. 547)

Summary of coding structure

Table 3 presents the final tree code structure and some of the codes under each category. In the final coding structure there were 18 codes connected directly to the categories. There were 27 sub-codes connected to the 18 codes. Another 24 ‘tree branches’ were connected to the sub-codes. In total there were 69 codes under all the categories. Analysis was complete once the data reached saturation (Glaser & Strauss 1967; Layder 1998; Richards 2005). Data saturation was reached once no new information was being uncovered and the breadth of data was covered (Richards 2005); in other words, no new properties or theoretical insights under each core category were revealed through fresh data (Charmaz 2006).

Table 3: The final coding structure

Category	Codes (many containing sub-codes or 'tree branches')	Data	Example phrase, sentence or paragraph coded
Community engagement	-Barriers to effective CE -Meaning of CE -Industry collaboration -Improving company-community relations	-Documents -Interview data -Observation data	Under code 'Barriers to effective CE'. Interview data: ... again it comes back to trust, but seeing a lot of taxpayer dollars [towards Managed Investment Schemes] going into what many people see as dubious environmental outcome or a bad environmental outcome, really hurts.
Corporate culture	-Corporate culture must support CE and CSR adoption -Descriptions of corporate culture	-Documents -Interview data -Observations of artefacts of culture	Memo observing artefacts of culture: The Christmas tree in reception was for employees to donate gifts to give support to the Salvation Army. There were a number of charity things in the office including chocolates and lollies.
Corporate social responsibility	-CSR is top-down -CSR is being a good corporate citizen -How to be a good corporate citizen	-Documents -Interview data -Observation data	Under code 'CSR is about being a good corporate citizen'. Interview data: Companies have to work within the law, but I think corporate social responsibility – I think – is going beyond the requirements of the law and being a good corporate citizen.
Formal company processes	-CE and CSR are a part of job role -Company formal processes related to CE or CSR -Bureaucratic CE and CSR policies and procedures -Training related to CSR and CE	-Documents -Interview data -Observation data	Under code 'CE and CSR are a part of job role'. Interview data: It's just a part of the job I guess. And it's not actually listed on the criteria. I guess, it could be, and that's something I might bring up, so yeah.
Stakeholder descriptions	-ID of stakeholders, engagement with stakeholders -Role of individual stakeholder -Role, agenda and goals of organisation	-Documents -Interview data -Observation data	Under code 'role of individual stakeholder'. Interview data: I'm the Chief Scientist in the national office of ... [an ENGO group] and my role is to ensure that our major landscape projects are well planned, effectively implemented, and routinely reviewed.
Sustainable forest management	-CE and CSR are a part of SFM -What does SFM mean?	-Documents -Interview data -Observation data	Under code 'What does SFM mean?'. Interview data: Sustainable forest management I guess includes, the scientific part of growing trees and ecosystems and things; but it's also a part of employment, and also protecting and looking after the communities in which you work.

Limitations to the study

I believe it is important to acknowledge the various limitations that were applicable to this study, as this can impact the applicability of the research findings and recommendations. However, limitations were not to the extent that it compromised the ability to deliver on the aims of the study:

- Recruitment of case studies took some time, with two companies initially approached not willing to be case studies.
- Some key informants could only be interviewed over the phone or not at all, thus I could not note non-verbal communication.
- Some interviews were made shorter due to time poor key informants.
- It is unknown if the companies withheld important information.
- I was only able to provide limited descriptions of the companies in this thesis in order to adhere to ethical requirements of anonymity.
- Three participants chose to remove some information from the transcripts.
- There were limitations based on the time period in which sampling took place (Patton 1999) e.g. many of the company documents were changing even at the time of data collection, and a number of plantation companies had recently gone into receivership.
- My site visits to companies were limited due to time constraints and lack of geographical proximity to Company B's area of operations.
- The interpretations made from raw data were shaped by my own biases and interpretations, as I made decisions about what is more and less important in the data (Green et al. 2007).
- Some company documents were not available at the time of data collection.
- Findings were limited to the case studies selected and the people interviewed (Patton 1999).

Validity

The aim of validation in qualitative research is to ensure that the analysis process is rigorous, reflective, and iterative. However, it cannot be compared to the type of validation that would occur in positivist research to give an impression of authenticity (Guba & Lincoln 1989). I acknowledge that qualitative research will always be open to subjectiveness and interpretation and this is also influenced by my own biases. All qualitative researchers should acknowledge that not all accounts of some specific situations, phenomenon, activities or programs can be proved credible, and legitimate (Miles & Huberman 2002). Validity in the context of this research was undertaken to ensure that when there was some avenue of improving the robustness of the research, those opportunities would be taken.

An example of how I validated data was during interviews was when I could later ask a similar question to confirm what was being said. Often a restatement of a similar response gave confidence that the message being communicated was what the key informant was trying to say. In addition, all respondents had the chance to review the transcript that was typed after the interview. Any discrepancies in what was recorded could be discussed. However, there were no major issues arising during this process. There were minor anonymity issues, for example some (less than 5%) of information was removed from three of the transcripts prior to analysis.

Repeat observations of components or levels of culture helped to validate and confirm initial findings. Repeated visits to company sites confirmed what employees wear, what pictures were displayed on the walls, and other cultural artefacts. This avoided the possibility that objects or any part of the artefacts of culture observed could have been there as a 'once off'. Wherever possible I undertook observation with repeated visits to company sites. Where possible, I took the opportunity to confirm observations through repetitive exposure to the company environment.

Analysis was iterative and reflective and some of this was cross-checked by other members of the research team. For example, my initial coding of interview transcripts was cross-checked by co-researchers to validate the analysis process and

encourage reflection and an iterative analysis approach, through reconsidering some of the coding.

Formal company processes and procedures were summarised by an outline of policies and processes that related to CSR or CE. Where there were some discrepancies in the information gleaned from interview data or some processes were not as clear as they could be, I contacted representatives from the case study companies and queried them on some points. In addition, during the research some company policies were superseded by new ones. Hence, clarification was sought to confirm what the latest policy documents were (at the time of data collection).

Lastly, the research approach used multiple methods of data collection, where in some cases one method verified findings gathered through another method e.g. observation data confirming what was said during an interview.

Summary of research approach

Figure 7 shows the research approach for the study. I used an adaptive theory approach to understand how CE adoption can be enhanced in the corporate culture of Australian forest plantation companies. I employed a qualitative multiple methods, and the research remained adaptive to new insights gained through data collection, literature review and external feedback. I sought consistent feedback from a range of stakeholders throughout the research

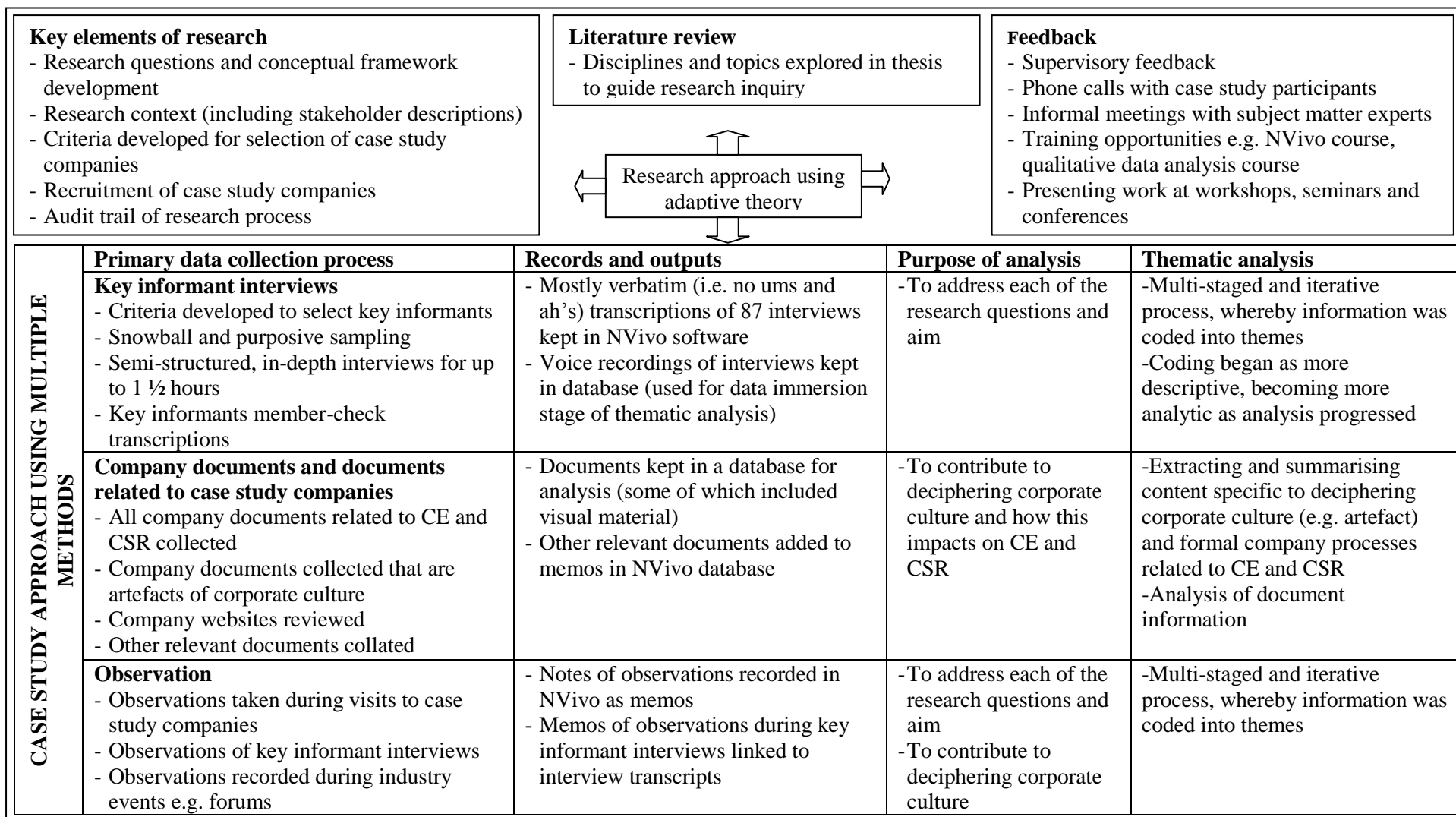


Figure 7: Research approach (Source: developed for the thesis)

Chapter Four: Description of case studies

Case studies of two forest companies

I undertook case studies of two forest plantation companies in Australia for the research. In recruiting the case study companies, it was agreed that their identity would be kept anonymous and referred to using the labels Company A and Company B. There are a limited number of large forest plantation companies in Australia. Consequently, any detailed description of each of the case study companies would potentially reveal the company or narrow down the number of forest companies that are likely to be case studies. Therefore I provide limited detail of both companies here.

Figure 8 shows the general areas in which the companies operate. Company A was located in Tasmania and Company B was located in south west Western Australia and the Green Triangle Region (located in south east South Australia south west Victoria). Both Company A and B were managing a plantation estate of at least 15 000 hectares. These case studies were selected on the basis of a number of criteria and were first short listed for selection among a list of potential case study companies (see Chapter 3, recruitment of case studies and initial investigation). Participating in the study required substantial time commitment from the case study companies, willingness to disclose company documents, and willingness for employees to be interviewed for the study.

The two case studies recruited for the study were suitable as they represented large privately owned companies in the Australian forest plantation industry, and both managed softwood and/or hardwood plantations. The companies had between 10 – 30 employees (not including contractors). Both companies were certified with either the Forest Stewardship Council (FSC) accredited certification and/or the Australian Forestry Standard (AFS). There were some differences between the companies. Company A had a much longer history of operation than Company B. In addition Company A was not just involved in plantation management, but was involved in

other business ventures. The two case study locations and companies are described below.

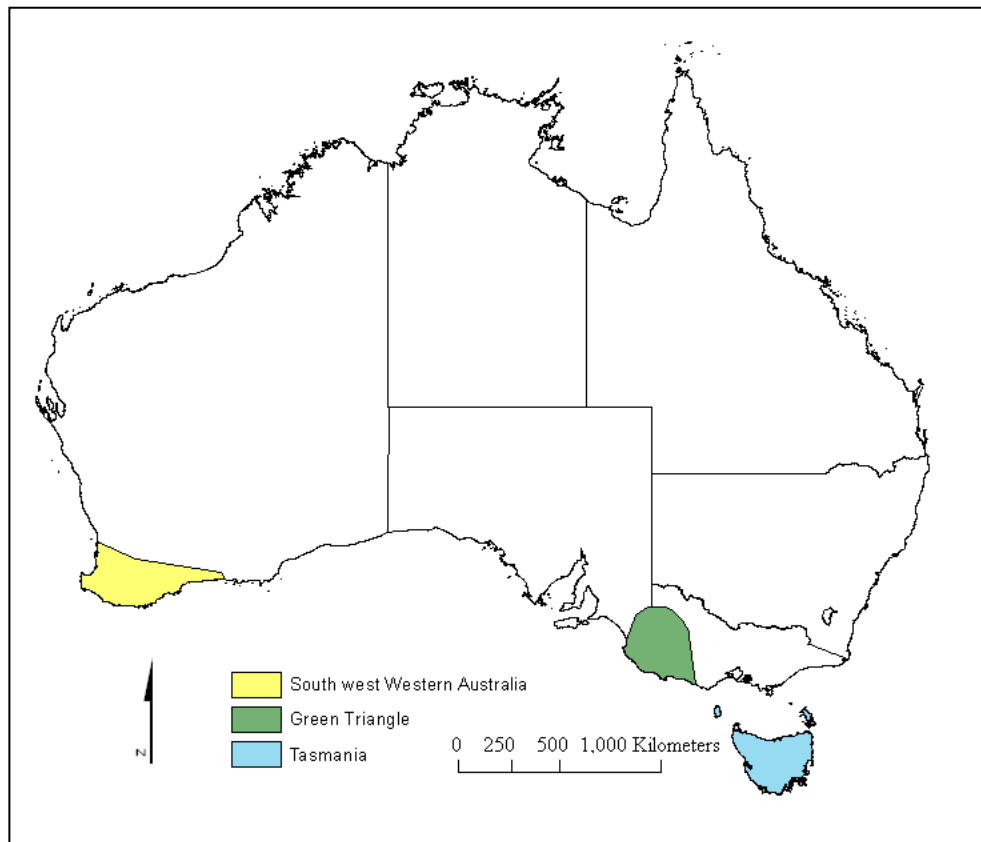


Figure 8: Map of case study locations

Case study A description

Company A has had a long history in Tasmania (location shown in Figure 8), with over 50 years of operation. The context of the investigation focused on the company's forest plantation management operations within Tasmania. Company A managed an area containing freehold land, joint venture properties (whereby the company manages tree plantations on behalf of the property owner) and joint venture agreements on public land. Along with plantation area, Company A also had native forest areas throughout their estate, some of which was managed for timber production. Company A's plantations were grown for a period of at least 22 years prior to harvest. Some plantation areas had been re-established after first harvest. The company intended to be residing in the area for a long timeframe. Most of Company A's plantation estate comprised of one species and this was produced predominantly for pulpwood.

At the time of data collection Company A's forest operations directly employed 14 staff, although they hired many contractors for the harvesting and management side of the business. Some of the contracted staff had been employed by Company A for longer than ten years. Many of Company A's employees from the forest management division had been employed with the company for at least ten years and some for 20 years or more.

In 2010, the plantation industry in Tasmania directly employed 686 people in the hardwood sector and 957 people in the softwood sector (Schirmer 2008). Of Tasmania's 6.8 million hectare landmass, 49% of this is comprised of forest (native forest and plantation), which includes public and privately owned area (IRIS 2011). In Tasmania, there are 309 190 hectares of plantation area (DAFF 2010b). The main plantation species grown in Tasmania includes *Eucalyptus globulus*, *Eucalyptus nitens* and *Pinus radiata*. Tasmania's plantations make up 15% of Australia's plantations (ABARES 2011).

In Tasmania, forest practices must comply with the *Forest Practices Code 2000 (Tas)*, which is regulated under the *Forest Practices Act 1985 (Tas)*. The Forest Practices Authority administers the *Forest Practices Code 2000 (Tas)*. There are a variety of other regulations applicable to forest management in Tasmania including the *Historic Cultural Heritage Act 1995 (Tas)*, *Weed Management Act 1999 (Tas)* and the *Workplace Health and Safety Regulations 1998 (Tas)*. In addition, Company A had obtained forest certification at the time of data collection. Therefore certification requirements were also highly applicable to Company A's operations.

Case study B description

Company B operated in two regions in Australia: the Green Triangle and south west Western Australia (locations shown in Figure 8). Company B was young compared with Company A. Company B owners had recently taken over pre-existing forestry assets managed by another company. At the time of data collection, Company B had not yet reached the harvesting stage of their plantation estate in the Green Triangle

region, but had, however, been harvesting in south west Western Australia. Although some middle managers had been with the previous company for longer than five years, some senior management had only joined when the newly established company was formed to take over pre-existing forestry assets. At the time of data collection some employees had been working with Company B between six months to one year.

Company B managed freehold and leased area (land leased from private owners, where the trees were managed and owned by Company B). Most of the leased area was located within south west Western Australia. Some of the land managed by Company B also contained native forestry although Company B's commercial operations were solely within the plantation estate. Company B's plantation estate comprised of one species. Plantation rotation lengths (growing time before harvest) were 10 – 15 years. In one region of their operations Company B had areas of plantation that had been re-established after first harvest. Around 60% of Company B's land area was leased from landholders.

At the time of data collection Company B was employing 21 people to manage their forest estate. Company B also employed many contractors for the management and harvesting side of their business. A number of contractors employed by Company B had worked with the company (and the previous owner of the forest assets) for over five years.

The Australian states of Victoria and Western Australia contain more plantation area than any other Australian states (ABARES 2011). Victoria contains 21% of Australia's plantations and Western Australia also contains 21% (ABARES 2011). South Australia contains 9% of Australia's plantation forest (ABARES 2011).

The Green Triangle region comprises of 333 626 hectares of plantation area (DAFF 2010b). The main species grown in this region is *Pinus radiata* and *Eucalyptus globulus* (ABARES 2008). In 2008 the forest plantation sector directly employed around 830 people in the Green Triangle region (FITNET, TAFESA & GTRPC 2008).

During the period 2005 – 2006, 5 570 people were employed in the Western Australian forest industry and 49% of these workers were employed in the plantation sector (Schirmer 2008). The plantation sector in Western Australia comprises of 425 000 hectares (ABARES 2011). The majority of these are hardwood plantations – mostly *Eucalyptus globulus* (Gavran & Parsons 2010), much of which are located in the south-west of the state. The main softwood plantation species in Western Australia are *Pinus radiata* and *Pinus pinaster* (Gavran & Parsons 2010).

Company B's operations were impacted by a range of voluntary mechanisms and legislative requirements applicable to the regions within which they operate.

Company B had obtained forest certification for their plantation estate. In addition, as Company B operated within three states in Australia, this led to some different operational requirements between regions.

In Victoria, forest management is legislated under the Code of Practice for Timber Production 2007, which is mandatory under provisions of the *Conservation, Forests and Lands Act 1987 (Vic)*, the *Forest Act 1958 (Vic)*, and the *Sustainable Forests (Timber) Act 2004 (Vic)* (DSE 2007). In South Australia, the Guidelines for Plantation Forestry in South Australia 2009 are not mandatory. Similarly in Western Australia, the Code of Practice for Timber Plantations in Western Australia 2006 is a voluntary code. However, there are a range of legislative requirements in each of these regions that are applicable to plantation forestry. In Western Australia this includes the *Occupational Safety and Health Act 1984 (WA)*, *Aerial Spraying Control Regulations 1971 (WA)*, and *Aboriginal Heritage Act 1972 (WA)*. In South Australia regulations applicable to plantation forestry include the *Development Regulations 2008 (SA)*, *Fire and Emergency Services Act 2005 (SA)* and the *Plant Health Act 2009 (SA)*.

CE techniques used by Company A and B

An overview of the various CE techniques used by both Company A and B is provided in Table 4. The range of CE techniques utilised by the case study companies, and the extent to which each technique was used is similar to findings

reported by Dare, Vanclay and Schirmer (2012) in their investigation of CE within Australian forest plantation management. For example, Dare, Vanclay and Schirmer (2012) found that often the forest industry often uses forms of engagement such as face-to-face meetings, which are resource intensive. As discussed in Chapters Six to Eight, resource intensive forms of engagement are an important form of engagement, which can be used to resolve stakeholder concerns. However, as the two case study companies relied on more resource intensive forms of engagement, it limited the resources available to engage with a broader range of stakeholders. These issues are further discussed in Chapters Six to Eight.

Table 4: A summary of CE techniques used by Company A and B and the data sources used to reveal these

CE technique			Example of how this was used by Company A	Example of how this was used by Company B	Method of data collection
Level of participation	Philanthropy or sponsorship, which can result in informing or consulting community members	Sponsorship/ Philanthropy	A committee within the company helped co-ordinate sponsorships. Monetary and other resources (such as equipment) were donated to community groups. Company A had set up a charity group that was based in their geographic area of operations	At the time of data collection Company B was considering forming a committee to make decisions on whom should receive sponsorships. However, limited sponsorships were occurring at the time of data collection	Document, observation and interview data
		Volunteering and/or other community involvement activities	There was a committee with the company that coordinates employee involvement in community events e.g. local Christmas parade, shows, and involvement in Clean Up Australia Day	Staff were involved in community activities such as sporting events	Interview data
		Providing stakeholder groups with access to tree plantations	Allowing groups such as orienteering, kayaking, shooting, mountain bike riding and fishing groups access to specific tree plantations	Allowing neighbours to graze their animals on tree plantations	Document and interview data
	Informing and/or offering opportunities for community members to contact companies with concerns	Letter notifications	Providing people within close geographic proximity to operations with notice that operations are going to occur and contact details to call if there is an issue. A copy of the good neighbour charter was provided with letters	Providing people within close geographic proximity to operations with notice that operations are going to occur and contact details to call if there is an issue	Document and interview data
		Providing people with information bulletins or newsletters with updates about the company	There was no evidence that Company A did this	Bulletins were distributed to property owners who leased their land to the company. These contained basic information e.g. about what activities have been occurring and a brief introduction to some of the forest operations staff. Contact details were provided to give people the opportunity to contact staff	Document and interview data

CE technique			Example of how this was used by Company A	Example of how this was used by Company B	Method of data collection
Level of participation	Informing and/or offering opportunities for community members to contact companies with concerns	Signage on tree plantations	Signage in plantation areas with the contact details of the Company		Observation
		Media engagement	Not used regularly, but at times information about the company was reported in media such as the local newspaper		Document and interview data
		Publically available information on website	Company A provided a range of information on their website, such as the results of a forest certification audit and details about their company operations. The company provided contact numbers on their website	Company B had less information on their website in comparison to Company A at the time of data collection. The company provided contact numbers on their website. A profile of some of the company's employee's was included on a third party website	Document analysis
	Informing, consulting and/or involving (providing an opportunity to listen and respond to stakeholder concerns)	Attending public meetings or forums	One or more company representatives attended specific public forums. Some of these settings provided the opportunity for the company to provide information or respond to questions from the community		Observation, document and interview data
		Membership with industry groups	Both companies had memberships with various forest industry groups. Further, individuals within the company were members of industry groups		Observation and interview data
		Field tours of plantations	On an ad hoc basis employees were involved in helping with tours (e.g. for school groups), which were organised by a third party	There was no evidence that Company B did this	Interview data
		Face-to-face meetings with individuals or specific stakeholder groups	These meetings occurred on an ad hoc basis, or periodically. Company A also had memoranda of understandings between some stakeholder groups	These meetings occurred on an ad hoc basis, or periodically	Observation and interview data

CE technique			Example of how this was used by Company A	Example of how this was used by Company B	Method of data collection
Level of participation	Informing, consulting and/or involving (providing an opportunity to listen and respond to stakeholder concerns)	Phone calls with individuals or specific stakeholder groups	For example, answering phone calls to respond to concerns from community members and specific stakeholders. Employees also made phone calls to property owners and neighbours, and stakeholders such as fire authorities	Document and interview data	Document and interview data
		Attending community/stakeholder group meetings	Some Company A employees also chose to be individual members of community groups. Sometimes an employee was designated to attend meetings. Company A invited community members to provide comment on their forest management plan	Sometimes an employee was designated to attend meetings	Observation and interview data
		Surveys	There was no evidence at the time of data collection that Company A conducted their own surveys	Feedback forms provided to neighbours to enable them to comment on operations	Document and interview data
	Collaboration where those involved are partnering with the company	Development of collaborative initiatives	A good neighbour charter was developed with the collaboration of a number of stakeholder groups	For example Company B had partnered with an ENGO and training institutions	Document and interview data
		Community management committees	Such as fire management groups and those groups involved in weed management	Such as fire management groups and road maintenance groups (in partnership with the local government authorities)	Interview data
		Participant on Industry committees	Such as pest management groups, research groups, and a tree breeding group	Such as pest management groups and Regional Plantation Committees	Document and interview data

Table 4 indicates that philanthropy and sponsorship is a form of CE (Dare, Schirmer & Vanclay 2011a; Dare, Vanclay & Schirmer 2012). In particular this form of engagement can result in providing the community with information about the company or consulting them. For example, when staff are involved in providing support to a group it may provide the opportunity for people to ask questions and raise concerns about a company's operations, helping to strengthen relationships and the willingness for people to work together with the forest company (Dare, Schirmer & Vanclay 2011a). In addition, Table 4 indicates that both companies utilised a number of methods to provide specific community members and the broader public with information. In particular, information provided included contact details of the company and information about their operations to enable stakeholders to contact the company with concerns. Consulting or involving the community included activities such as face-to-face meetings with specific stakeholders, and phone conversations with individuals, which provided an opportunity to listen and respond to stakeholder concerns. Lastly, collaborative activities (as indicated in Table 4) such as involvement in community committees occurred, which enabled a range of stakeholders to be involved in joint action.

Each of the techniques shown in Table 4, were often used in conjunction with (or followed by) one or more CE techniques. For example, one engagement technique could lead to further opportunities for CE, such as when a company representative attended a community group meeting, it could help improve relations and provide opportunities to work in partnership with the community group at a later stage. In addition, a company may first provide a person or stakeholder group with information about their activities, and this may lead to someone contacting the company with their concerns.

My data did not show that community members were often 'empowered' to make decisions. However, given the context of plantation management activities, where for example, management of plantations often occurs on private land, it is not usually appropriate to leave decision making to members of the public (Dare, Schirmer & Vanclay 2011a). Growing and managing trees needs to be conducted in a sustainable manner often within regulatory guidelines, and as such, community members do not usually have the experience or technical expertise to make decisions about all aspects

of forest management. Further, community members may not necessarily have a desire to be empowered to make decisions (Dare, Schirmer & Vanclay 2011a), but rather would like to have input into decisions such as where new plantation developments should or should not be located. A company should manage their operations in a way that meets their and the communities' needs, to ensure they fulfil many responsibilities such as protection of the environment, ensuring economic viability of business, conducting safe operations, and ensuring positive social impact and mitigating negative impacts in the community.

In addition to the CE techniques used by the companies, there were a number of tools and procedures that both companies used to assist with the implementation of CE. For example, Company B had a media engagement policy to provide an outline of how employees should respond if they are approached by the media. Company A had procedures in place to better understand the socio-economic impacts of their operations on the community. Both companies had individuals designated to spearhead a CE strategy. Formal meetings were also held to discuss CE with employees and hold specific individuals accountable for CE activities such as following up with a landowner about an issue. Some of these tools and procedures are further discussed in Chapter Seven (see Table 7, Chapter Seven).

Chapter Five: Paper 1 – Divergent stakeholder views of corporate social responsibility in the Australian forest plantation sector

Gordon, M., Lockwood, M., Vanclay, F., Hanson, D., Schirmer, J. 2012. 'Divergent stakeholder views of corporate social responsibility in the Australian forest plantation sector', *Journal of Environmental Management*, 113(30): 390-398.

This paper provides an introduction to the concept of CSR in the Australian forest plantation industry. It focuses on divergent stakeholder views of CSR to understand why forest companies are currently not satisfying the concerns and issues of all of their stakeholders. By focusing on these divergent views, the paper in essence provides a starting point for understanding how forest companies can operate more responsibly. Recommendations are provided to assist forest companies operate more responsibly.

This paper helps address the following research questions:

- What are the initiatives forest plantation companies need to adopt in order to achieve social objectives of sustainable forest management?
- What constitutes corporate social responsibility in the context of the Australian forest plantation industry and how is this associated with community engagement?
- How can forest companies increase their commitment to corporate social responsibility?

I am the primary author of this paper. My co-authors Dr Michael Lockwood, Prof Frank Vanclay, Dr Dallas Hanson and Dr Jacki Schirmer provided input in this paper in the form of conceptual development, reviews and editing of draft and the final versions. My co-authors also provided advice while I compiled a response to reviewer comments and provided input into the changes I made to the paper in view of reviewer comments.

I have included this paper before other publications in the thesis, because it provides a useful introduction to the nature of the forest plantation industry and the conflicting relationships that are currently a barrier to CSR.

Divergent Stakeholder Views of Corporate Social Responsibility in the Australian Forest Plantation Sector

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Abstract

Although the Australian forest plantation industry acknowledges that there is a role for corporate social responsibility (CSR) in forest management, there is confusion as to what this constitutes in practice. This paper describes the conflicts between internal and external stakeholder views on CSR in plantation forestry. We conducted in-depth interviews with key informants across three plantation management regions in Australia: Tasmania, the Green Triangle and south-west Western Australia. We interviewed a range of stakeholders including forest company employees, local councils, Indigenous representatives, and environmental non-government organisations. CSR-related initiatives that stakeholders believed were important for plantation management included the need for community engagement, accountability towards stakeholders, and contribution to community development and well-being. Although there was wide support for these initiatives, some stakeholders were not satisfied that forest companies were actively implementing them. Due to the perception that forest companies are not committed to CSR initiatives such as community engagement, some stakeholder expectations are not being satisfied.

Keywords corporate social responsibility, sustainable forest management, community engagement, forest certification.

Introduction

Forest companies, like all corporations, have an obligation to act responsibly towards their stakeholders. The concept of corporate social responsibility (CSR) has evolved with the aim of ensuring companies implement strategies to act responsibly in accordance with the values and objectives of society (Mosley, Pietri & Megginson 1996). However, there is ambiguity in many definitions of CSR (Dahlsrud 2008; O'Dwyer 2003) and despite the release of the International Organisation for Standardization's Guidance Document on Social Responsibility, ISO 26000 (ISO, 2010), it is unclear as to precisely what it means for companies to be acting responsibly (Burchell & Cook 2006). CSR can be interpreted differently by different people (Blowfield & Frynas 2005). This study investigates divergent stakeholder views of CSR in the Australian forest plantation industry.

CSR in practice is influenced by contextual factors such as the size of company, type of business, and the society in which a company operates (Vidal & Kozak 2008a). A plantation company for instance, is a significant user of land, so they must consider impacts on the rural communities in which they operate. Large companies also have elevated pressures to undertake responsible practices (Arvidsson 2010; Parsons 2008). Large-scale plantation development attracts higher levels of community contention and concern than smaller-scale operations (Schirmer 2007).

Companies need to manage simultaneous and often competing demands from their different stakeholders (Rowley 1997). In the context of large-scale plantation companies, stakeholders are those who have a 'stake' in, are impacted by, or have an interest in company operations (Carroll & Buchholtz, 2009; Stoll, Zakhem & Palmer 2008). A forest plantation company's stakeholders includes all those who are involved internally, including employees and contractors, and externally, including neighbours of tree plantations, regulators, local councils and environmental non-government organisations (ENGOS).

Failing to acknowledge and address stakeholder concerns can result in perceptions that a company is operating irresponsibly. A company must understand their stakeholders to ensure their long term success (Mäkelä & Näsi 2010). Previous research has found that different interpretations of social responsibility by stakeholders can be a source of conflict, as companies can claim to be operating responsibly, whilst other stakeholders believe otherwise (Lawrence 2007) and criticise forest companies for operating unsustainably (Gritten & Mola-Yudego, 2010; Gritten & Saastamoinen, 2010). Studies investigating divergent stakeholder views of CSR have been conducted (e.g. Morimoto, Ash & Hope 2005), but we do not yet know what stakeholders believe CSR should constitute in practice. The purpose of this paper is firstly to identify stakeholder views concerning what constitutes responsible forest management in Australian plantation forestry. Secondly, it examines differences in stakeholder views of CSR, to identify potential conflicts and how they can be addressed. Through this, our research identifies opportunities to enhance commitment to CSR.

First we provide an overview of the context of the study outlining stakeholder concerns and how they may be addressed. Second, we describe the similarity between CSR and the concept of sustainable forest management (SFM), which is currently used to guide forest management. Third, we provide an overview of CSR initiatives applicable to Australian forest plantation companies. Next, we outline the methodology used to gather data on stakeholders' views on CSR. We then present a range of views concerning what CSR-related initiatives stakeholders consider forest companies should be implementing. Lastly, we identify why some forest companies find it challenging to meet the expectations of some of their stakeholders, and outline the implications this may have for the future of the forest plantation industry in Australia.

Addressing conflicting stakeholder views in the Australian forest plantation industry

Currently there is conflict over plantation expansion in Australia with Williams (2009: 46) reporting a 'significant aversion to eucalypt plantations grown for pulp

and paper especially among residents of Tasmania'. Large-scale plantation establishment on farmland has been a particularly contentious issue (Buchy & Race 2001). In the past, concerns over plantation establishment have been associated with perceptions that plantations have caused the demise of rural populations (Barlow & Cocklin 2003; Schirmer 2002). Further, some stakeholders consider that plantations use excessive water (Prosser & Walker 2009) and that certain chemicals used in forestry cause negative environmental and health impacts (Schirmer 2007). Such concerns often have powerful emotional content as they are associated with deeply-held worldviews or strong connections to place (Barlow & Cocklin 2003).

Strong beliefs can influence attitudes and behaviours (Davenport & Anderson 2005). Some beliefs can engender community anger against forestry companies and contribute to conflict (Barlow & Cocklin 2003). Forest companies should address stakeholder concerns to help build the community support that is vital for the long-term existence of the plantation sector. Community acceptance is widely discussed in 'social licence to operate' theory, which is based on the premise that businesses are required to meet society's expectations and that these may well exceed legal requirements (Gunningham, Thornton & Kagan 2005; Lynch-Wood & Williamson 2007). Activities can be considered legitimate when a company is able to show that they are attempting to comply with community expectations (Jenkins, 2004).

Previous literature has investigated conflicting stakeholder relationships from the legitimacy perspective (Palazzo & Scherer 2006), which argues that companies must sustain support from their stakeholders to ensure their rightful place in society. Company managers must learn about issues of their stakeholders, and contribute to developing solutions to problems (Roloff 2008). 'Different cultural constructs of companies and communities will inevitably lead to conflict unless companies attempt to better understand and define the complex nature and world-views of the communities in which they operate' (Jenkins 2004: 32). Consequently, scholars have advised companies to manage relationships through measures such as issue-focused stakeholder engagement (Roloff 2008), enhancing opportunities for collaboration with stakeholders through, for example, partnerships with NGOs (Jonker & Nijhof 2006), and a commitment to stakeholder democracy (Bendell 2005), which can lead to accepted corporate behaviour (Scherer & Palazzo 2011). However, such measures

may not be appropriate for all contexts where conflict exists. Ideological differences and lack of trust can present barriers to constructive partnerships with NGOs, undermine democratic processes, and make it difficult to address stakeholder concerns (Miller 1999). Previous research has provided limited insight into how companies can best recognise and respond to stakeholder expectations regarding responsible management. Such an understanding is essential grounding for improving stakeholder relationships.

Commonality between CSR and SFM

Gaining community acceptance entails satisfying the economic, environmental and social obligations which are components of sustainable forest management (SFM). SFM has been accepted as a guiding protocol for forest management (McDonald & Lane 2002; Wolfslehner & Vacik 2008). SFM guidelines have attempted to reconcile the interests of stakeholders through application of criteria and indicators associated with a number of values such as biological diversity, socio-economic benefits and needs, and productive functions of forests (Rametsteiner & Simula 2003; Vidal & Kozak 2008b). There is a strong link between CSR and SFM, as it is now accepted by many scholars and by much of the forest industry, that both CSR and SFM encompass the idea of achieving economic, environmental and social sustainability (Vidal & Kozak 2008a). Basic principles of CSR include legitimacy (e.g. continuously responding to societal demands placed on a corporation), public responsibility (e.g. protecting values society places on the environment) and managerial discretion (Hopkins 2005). Managers need to use discretion to ensure frameworks are in place to achieve CSR. Similar to the CSR concept, to achieve SFM, forest companies must enact practices that are consistent with societal goals related to economic, environmental, and social sustainability (McDonald & Lane 2002). In addition, managerial discretion applies to SFM, where for example, managers need to choose how to listen and respond to their stakeholders as part of their commitment to social criteria of SFM (Reed 2010).

Achieving SFM objectives can therefore contribute to CSR objectives and vice versa (Howlett, Rayner & Tollefson 2009). As well as instrumental motives regarding

industry viability, CSR has a moral dimension (Carroll 1991). Equally, guidelines and criteria for SFM have a moral element. For example, voluntary guidelines such as forest (SFM) certification (van Kooten, Nelson & Vertinsky 2005) are influenced by moral legitimacy (deemed as the ‘right thing to do’) and the preferences of stakeholders such as environmental groups (Cashore 2002). Forest companies must ensure they take into account the need for inclusive and fair decision-making, which includes the consideration of current and future generations, respect for stakeholder concerns, and respect for the intrinsic value of nature (Lockwood et al. 2010). Managers of companies may choose to commit to voluntary SFM standards in order to behave in a socially acceptable manner (van Kooten, Nelson & Vertinsky 2005).

Managing a CSR agenda for the Australian forest plantation industry

Despite broad acceptance of the need to operate responsibly, widespread understanding and agreement regarding what CSR should constitute in practice is lacking (Matten & Moon 2008). CSR is often confused with various closely-related concepts such as corporate citizenship, sustainable entrepreneurship, triple bottom line, and business ethics (van Marrewijk 2003; Vanclay 2004) that are often used interchangeably with it. Given the importance of contextual factors, an all-encompassing characterisation of what it means to be a responsible corporation is too general (Devinney 2009; O’Dwyer 2003) to provide clear guidance for the implementation of CSR. We support the view taken by Dahlsrud (2008) that CSR must be socially constructed in a specific context. There can be a difference between stakeholder perceptions of a company’s CSR performance and what they expect, which can be a source of conflict (Mutti et al. 2012). Therefore, in order to effectively implement it, companies need to understand CSR from the perspective of their stakeholders.

The implementation of CSR by forest plantation companies is often guided by forest certification, which is a voluntary framework providing specific requirements that must be adhered to in order to obtain certification against social, economic, and environmental criteria (Cashore et al. 2006; Dare, Schirmer & Vanclay 2011b;

Rametsteiner & Simula 2003). In Australia, some 9.2 million hectares of forest (native forest and plantation) are certified under either the Forest Stewardship Council (FSC) scheme, or the Australian Forestry Standard (AFS) which is affiliated with the Programme for the Endorsement of Forest Certification schemes (McDermott, Cashore & Kanowski 2010).

The International Organisation for Standardization standard for environmental management systems (EMS or ISO 14001) is also applicable to forest management. Adopting an EMS is a voluntary process that encourages managers to address and continuously improve the environmental impacts of their business activities (Carruthers & Vanclay 2007), through a systematic approach (McDonald & Lane 2002). With the support of forest certification and EMSs, CSR has typically been institutionalised through development and implementation of environmental and social standards such as codes of conduct (Luning 2012). In the forest industry, sustainability reports, triple bottom line reports, and SFM reporting all provide mechanisms for documenting CSR efforts. Some forest companies have specific policies for CSR and these may include accounting for CSR performance in their annual reports. Institutionalising CSR is also dependent upon corporate culture, as CSR needs to be congruent with the values and norms of a company (Maon, Lindgreen & Swaen 2009).

Community engagement (CE) is another vital tool for ensuring forest companies are operating responsibly. CE strategies are often implemented as a subset of a company's CSR activities (Bowen, Newenham-Kahindi & Herremans 2010; Burchell & Cook 2006; O'Dwyer 2003). CE or 'public participation is a process by which public concerns, needs and values are incorporated into governmental and corporate decision making' (Creighton 2005: 7). CE is best illustrated as a continuum of activities, which can range from informing the public to involving the public in developing agreements (Arnstein 1969; Creighton 2005; Dare, Schirmer & Vanclay 2011b). CE is one of many initiatives that forms part of the CSR agenda in the Australian forest plantation industry. Other actions that may be elements of CSR in the forest plantation industry include:

- strategies promoting employee wellbeing (Khoo & Tan 2002);

- actions demonstrating environmental responsibility (Gao & Zhang 2006);
- strategies ensuring adherence with legislation and regulatory requirements (Carroll 1991; CMAC 2006; Shum & Yam 2011);
- development of negotiated agreements (such as good neighbour charters) to allow local input into company decisions (Dare, Schirmer & Vanclay 2011b);
- public disclosure of business activities (CMAC 2006; Hopkins 2005);
- strategies to ensure adherence to ethical standards of behaviour (Carroll 1991; Graafland, van de Ven & Stoffele 2003; Jenkins 2006); and
- contributions to community development and wellbeing (Carroll 1991; Shum & Yam, 2011; Warhurst 2001).

This paper describes internal and external stakeholder views on CSR, to thereby help develop recommendations for more responsible forest management.

Methods

Data on internal and external stakeholder views about CSR were collected using key informant interviews. This qualitative approach enabled in-depth insights into stakeholder views (Patton 2002). During 2010, 87 interviews were conducted with a range of stakeholders across three localities in Australia: the Green Triangle (south-west Victoria and south-east South Australia), Tasmania, and south-west Western Australia (Figure 8). Of the 87 interviews conducted, some of the respondents were people residing in areas outside the three case study regions, as these interviewees could provide insight into issues at national or state-wide scales. Two forest plantation companies – Company A and Company B – were a particular focus of the interviews. An initial description of the various stakeholders relevant to the forest plantation industry was developed to identify potential key informants. Company personnel interviewed included senior managers, middle managers and field staff. Further, company contractors and forest managers from companies other than Company A and B were interviewed. External stakeholders interviewed represented forest industry groups, ENGOs, other NGOs, local councils, Indigenous peoples, forest certification and auditing bodies, residents living near plantation areas,

agricultural groups, consultants, natural resource managers, tertiary institutions, and government bodies.

Refer to Figure 8 (Chapter Four)

A combination of snowball and purposive sampling was used to ensure that we interviewed a range of informants for the study. Snowball sampling secured interviewees that were referred by a friend or work associate as having a useful perspective on the topics under investigation (Patton 2002). Informants identified via snowball sampling still needed to satisfy pre-defined selection criteria. Forest company employees were interviewed only if they had been employed within the company for at least six months. All forest certification body representatives were interviewed on the basis that they had extensive knowledge of forest certification guidelines. Community members were interviewed on the basis that they had some connection with the forest plantation industry (such as living near a forest plantation area or being involved in a forest company's CE activities). These methods enabled selection of a range of informants who were likely to offer different perspectives and potentially divergent views. Table 2 provides a summary of the interviewees.

Refer to Table 2 (Chapter Three)

Company A and B were purposively selected for the study on the basis of their willingness to be involved and their status as large forest companies in the business of softwood or hardwood plantations, with holdings of at least 15 000 hectares. Company B was located across two regions, and Company A was located only in one region. One of the companies leased a considerable proportion of their plantation area. Both companies intended to maintain a long-term presence in the study regions and were managing some land containing tree plantations that had been re-established after first harvest. One of the companies was not solely in the business of plantation forest management. Both had either AFS or FSC certification, or both.

An adaptive theory approach was adopted for the study, which recognises that reality is explained through participants' subjective understandings, as well as through more objective means such as via social phenomena, structures and processes (Layder

1998). For examples of other studies that have used adaptive theory see Bessant and Francis (2005), Dare, Vanclay and Schirmer (2011), and Gross (2008). Adaptive theory has been adapted from many other theories including grounded theory (Glaser & Strauss 1967), but allows for pre-existing concepts to be expanded through an inductive process. As per the adaptive theory approach, we began with a review of relevant theory related to CSR and used results of this to inform the design of data collection. This differs to grounded theory in that pre-existing theory actively informed research design, and data analysis involved iterative analysis of existing theory and inductive results generated from primary data to create new ideas (Layder 1998).

Interviews were semi-structured, with most lasting about one hour. Interview questioning was flexible to allow for a natural flow in conversation (Minichiello 1995). A schedule of interview questions was used to assist with interviewing, and was varied to suit the type of informant being interviewed. For example, representatives from a forest certification body were asked questions about the role of forest certification guidelines and how they are developed, whereas informants who lived near tree plantations were asked questions specific to their interactions with forest companies. The primary question all interviewees were asked was ‘what does corporate social responsibility mean to you?’ This enabled us to explore socially constructed understandings of CSR in the context of the forest industry.

All interviewees were asked to identify how they believed forest companies should operate. As data collection progressed the interview guide was modified for subsequent interviewing (Layder 1998). For example, those who were not familiar with or chose not to endorse the CSR concept were asked the broader question i.e. ‘how do you believe forest companies need to operate in order to be responsible?’ Some interviews were conducted using the internet, with Skype and Pamela software used to record conversations. All interviewees were given the opportunity to review transcribed verbatim transcripts prior to analysis.

Preliminary analysis was undertaken immediately post interview, and while interviews were transcribed. This consisted of recording initial insights and identifying any obvious gaps in the data. Where deemed necessary, informants were

asked follow-up questions to clarify points or to obtain additional information. Towards the end of data collection, no new insights were gained, indicating that data saturation had been reached (Charmaz 2006). NVivo Version 8 was used to analyse interview transcripts using thematic analysis. As suggested by Srivastava and Hopwood (2009), analysis was undertaken iteratively. Initially descriptive coding was undertaken, which progressively became more analytic (Attride-Stirling 2001). As re-coding of the transcripts occurred, some new codes were created or removed, whilst other codes were superseded by more analytic codes. Coded information was consolidated into key themes (Green et al. 2007), and literature was used to assist the analytic interpretations of these structured data (Layder 1998).

In line with the objective of this paper (to identify, stakeholder views of what constitutes CSR and the differences in these views) we first analysed results outlining the various initiatives that all stakeholders considered were an important part of CSR. Following this, we analysed: (1) internal stakeholders' views on CSR as they related to their external stakeholders, and (2) external stakeholders' views on issues associated with internal stakeholders. We purposely focussed our analysis in this way to reveal divergences of opinion, which in turn enabled us to identify opportunities for forest companies to address stakeholder concerns.

Results

We present our results in three parts. First we provide an overview of the initiatives that all stakeholders to forest companies – external and internal – considered were an important part of CSR in the context of large-scale forest companies. Secondly, we present specific results detailing concerns held by some external stakeholder groups that forest companies were not actively implementing some of these initiatives. Third, we present views from internal forest industry stakeholders that reveal the challenges they face when attempting to satisfy the expectations of external stakeholders. Together, these sections present similarities and differences between stakeholder views.

Similarities between internal and external stakeholder views

Most of the forest company employees interviewed endorsed the term CSR.

However, not all stakeholders used the term CSR, although they were in favour of initiatives we would consider to be consistent with CSR. Other informants tended to regard the term CSR as ‘academic’ or a ‘buzzword’.

All informants made comment on the areas of responsibility that forest plantation companies should have towards the community. Across all three regions, there were similarities in stakeholder views on what constitutes responsible management. The initiatives stakeholders identified as essential for management were considered important to ensure a company’s long-term existence and acceptability in the community. We believe community acceptance is on par with a ‘social licence to operate’, as acceptance in the context of forest plantation operations refers to consent or approval of activities. Although most people believed forest companies needed to ensure they were ‘accepted’ in the community, some informants specifically mentioned that forest companies need community ‘respect’ rather than ‘acceptance’. Many informants believed CE is part of CSR. A summary of the types of initiatives which informants stated were important for forest management, along with some proposed reasons why they are essential, is shown in Table 5.

Table 5: Types of initiatives stakeholders believed were important for forest management

CSR initiatives informants believed forest companies needed to use		Reasons why some initiatives were regarded as important
Community engagement and accountability	<ul style="list-style-type: none"> • Companies must be accountable to their stakeholders. • Companies need to ensure they are transparent. • Companies must practice community engagement that listens and acts on the concerns of stakeholders. • Companies must make an effort to engage stakeholders early (i.e. before large areas of land are established with plantations or before major operations are going to occur). 	<ul style="list-style-type: none"> • Companies cannot remain anonymous in rural communities. • If there are no attempts to communicate with the community, people can become suspicious and misperceptions may form. • The community provides important intelligence, useful for effective management. • Bad community relations can cost a company excessive time and effort to resolve disputes. • Companies need the community's co-operation.
Contribution to community development and well-being	<ul style="list-style-type: none"> • Companies must contribute to the wellbeing of the local community, which is especially important for international companies. • Companies need to treat people fairly, and honestly. This includes a company's employees. • It is important for individuals from forest companies to participate in community activities. • Companies must operate in a way that does not impact negatively on the environment and is economically and socially viable. 	<ul style="list-style-type: none"> • You need some respect in the community, not just acceptance. • Lack of community acceptance is a risk resulting in detrimental impacts such as loss of market access. • Forest companies rely on people in the community as a source of labour and resources. • If community is not supportive of forest practices it may result in tighter regulations.
Operating beyond minimum legal requirements	<ul style="list-style-type: none"> • Forest companies may need to go above and beyond the requirements of law. 	<ul style="list-style-type: none"> • Not all responsible behaviour is legislated.

Initiatives which informants considered to be important for responsible forest management included the need for CE, accountability towards stakeholders, contribution to community development and well-being, and the need for companies to operate beyond minimum legal requirements. Although there were similarities in stakeholders' beliefs about what are important CSR initiatives (described in Table 5),

several external stakeholders believed that forest companies do not actively implement these measures. Our results explain some of the reasons why there continues to be conflict in the forest plantation industry. Below, we present the views from some of the external stakeholders who believed forest companies needed to improve some of their practices in order to operate more responsibly. We focus on views of dissatisfied external stakeholders, as this unveils divergent stakeholder views.

Views from external stakeholders

A number of external stakeholders believed forest companies were operating irresponsibly. Some stakeholder expectations were associated with strongly held beliefs that certain practices were irresponsible in that they caused harm to the environment, or that the forest company did not contribute enough to the well-being of the community. Some criticisms were location-specific. For example, in south-east South Australia, where there were debates over allocation of water rights, some informants were concerned about the amount of water used by large-scale plantations. Also, at the time of interviewing in the wake of the global financial crisis, some other companies had recently collapsed, resulting in a number of informants believing that these companies had operated irresponsibly by having poor business models. In addition, some informants believed forest companies were mainly interested in financial outcomes, and paid insufficient regard to providing enough benefits back into the community.

Some neighbouring stakeholders were critical of forest company practices. One informant believed the activities occurring in and around the plantation area adjacent to their land were irresponsible. This informant gave specific examples of how they thought a forest company had been acting irresponsibly by not controlling weeds and vermin, not maintaining boundary fences, and by causing erosion on their property. The informant had become cynical of plantation companies in general and concluded that forest companies do not care about the impacts of plantations on the community, as long as the company is making a profit:

They're there to make a profit and they don't care. They don't live in the community, so it doesn't concern them what happens with the community 'cause they're not there. (Interviewee #45, Agricultural Group/Farmer, south-west Western Australia).

Many external stakeholders suggested that forest companies could operate more responsibly if they undertook CE that addressed their concerns. However, most informants commented that some companies are acting responsibly, while others need to change some of their management practices and level of commitment to CE. An informant representing a Tasmanian ENGO believed that forest plantation companies are generally not addressing all the concerns of their various stakeholder groups. This informant believed it is important forest companies change their management practices to demonstrate they had listened and acted on community concerns:

Of course the industry is a vitally important part of the economy in Tasmania – has been and should be – but if it's actually going to operate to the best of its ability, it needs to fix these problems – and that will actually require genuinely looking at the list of grievances essentially, that local communities have, and basically make genuine considered attempts to actually work through those things and fix them. (Interviewee #14, ENGO, Tasmania).

Some external stakeholders considered engagement processes tokenistic when forest companies fail to act on their concerns. In such situations, stakeholders view their involvement in CE as a waste of their time:

I think there's probably quite good engagement around highly controversial issues such as 1080 poison [used to control native animals that damage newly established trees] and so forth, at least in terms of informing people about when it's going to happen and where and that sort of thing ... [However] community engagement is generally lacking with plantation companies. I think there's a feeling amongst the community that community engagement/consultation is largely a box-

ticking exercise from plantation companies. (Interviewee #16, ENGO, Tasmania).

Many of the external stakeholders we interviewed believed there were ongoing opportunities for forest companies to improve their CE strategies and management practices in order to operate more responsibly. For instance, some external stakeholders believed that some industry representatives hold attitudes that are a major limitation to effectively addressing external stakeholder concerns through CE strategies:

It's an interesting conundrum here – can you engage effectively with the community when you believe that the majority are polluted with the NGO movement's ideas and that the NGO movement is your enemy? Can those two ideas sit side by side? And my answer to you is 'no'. So I guess I'm saying that until the mindset shifts, engagement of any sort is likely to be ineffective. (Interviewee #20, Consultant, national context).

However, those informants who were critical of attitudes within the forest industry did not want to generalise to say that all people in industry had this mindset. In fact, some did praise people within forest companies for making an effort to acknowledge different views and be open-minded about the ability to achieve success through CE:

I've heard from the industry that there's a sort of a 'death of a thousand cuts', and now the clear way to avert 'death of a thousand cuts' is to think through how it is that you came to be in the situation – work out what assumptions you need to shift and create a different sort of strategy. Now there are people who ... seem to be supportive of that in the industry. (Interviewee #20, Consultant, national context).

Although some external stakeholders believed forest companies needed to be more socially responsible, others were generally satisfied that forest companies were acting responsibly. Some stakeholders generally did not trust that forest companies were operating in the best interests of their stakeholders and/or believed companies were too heavily focused on achieving business outcomes at the expense of

stakeholder values. From the perspective of these external stakeholders, forest companies were not able to prove that they were compliant with a CSR agenda. The views we have presented here focused on the views from stakeholders who were dissatisfied with forest company practices. However, many internal stakeholders were concerned about their inability to address the various concerns.

Internal stakeholder views

In this section we present internal stakeholder views that are in conflict with external stakeholder views. Many internal stakeholders believed it is challenging to meet the expectations of some external stakeholder groups such as ENGOs. They sometimes pejoratively labelled these stakeholder groups as ‘greens’ or ‘extremists’. They perceived some of the concerns of such stakeholders to be unrealistic or irrational, and argued that they failed to consider technical or scientific information. Some internal stakeholders believed that some external stakeholders had such a strong ideological stance that they would not be satisfied unless their concerns (which they perceived to be irrational) were acted on. Many internal stakeholders considered that scientific and technical justifications were necessary for decisions. They believed acceding to what they considered to be irrational suggestions for changes in management practices would compromise sustainable outcomes. As a result, some internal stakeholders had become cynical of their ability to engage successfully with conservation stakeholders. In addition, some internal stakeholders were concerned that engagement processes can at times unrealistically raise expectations:

What we’ve got to do is manage their expectations because they like to keep raising the bar and sometimes that doesn’t take a balanced view – talking into account environment, economic, [and] social [objectives] ... it could be a philosophical view [meaning ideological as opposed to practical] that’s driving it ... no matter what happens you’re never going to get 100 percent support for anything you do, I don’t think. You rarely see that. So it’s a matter of making sure the majority support what you’re doing and then managing the ability to address any concerns that others

have got, and I guess that's the way we approach it. (Interviewee #57, Company B).

Another internal stakeholder pointed out that forest companies historically have made compromises to accommodate stakeholder concerns, but the amended forest practices still failed to satisfy some expectations:

With stakeholder engagement there will be demands, constant demands to change things. And so arises the issue of creep, or death by a thousand cuts. I think it's pretty obvious the way the some environment groups work – they lock up forests and then, *“No, that's not enough”*, they want more – and it will be the same with this *“Yep, you've got your certification, but we don't want you to use chemicals, we don't want you to burn, we don't want you to.....”* – it [they] will just keep adding on with [their] demands. (Interviewee #9, Company A).

Other perceived risks associated with undertaking CE processes identified by internal stakeholders included: (1) that acting on some external stakeholder concerns may compromise their ability to meet the expectations of other groups in the community; (2) that CE can result in heightened conflict; and (3) that CE might be used as a platform by which a stakeholder group could strategically undermine the legitimacy of the forest industry. Some internal stakeholders also believed that the conservation agenda of some stakeholder groups is strongly influencing the views of wider society, leading to a negative perception of the forest industry. One forest company employee stated that some stakeholder groups would prefer to continue debating with forest companies and that it is part of their agenda to continuously be in conflict:

I have to bring reality into it as well and say that some of the stakeholders we will be engaging with don't want an end to the debate. (Interviewee #2, Company A).

Other forest industry stakeholders said that they will continue to try and engage with the groups they find challenging to engage:

Well, there's always going to be some, like ... [a specific ENGO group] and others, who it doesn't matter how much you engage, they have a – and their members just have a certain view on plantations or on whatever, and chemical use, whatever, and [it] doesn't matter how much engagement you do, you're not going to change their mind. So you put them aside. You continue to provide them with information and talk to them, but you know that they're going to be a problem. (Interviewee #73, Forest Manager, Green Triangle).

Although many internal stakeholders believed it was important to continue engaging with some 'problematic' groups, disappointment was also expressed with not being able to engage effectively with some ENGO groups:

But there's always that fraction of the group or the community or stakeholders that it doesn't matter what you do, 'cause ... [a specific ENGO group] – we sent them heaps of information, try to get them to come on field days, try to get – teach them and get them to learn about our practices, show them how they compare to farming practices, how much better we had – all the different things we had in place – [they were] never interested in coming. (Interviewee #73, Forest Manager, Green Triangle).

Dealing with stakeholders perceived to be irrational often led to a reluctance to try and constructively engage with such stakeholders. Both internal and external stakeholders believed their views were rational and based on good intentions, such as the protection of the environment. Conflict existed, due to both parties not able to trust one another, or empathise with another's viewpoint.

Discussion

CSR was understood by many stakeholders to be a multi-dimensional concept. Stakeholders both external and internal to the forest industry considered initiatives such as CE, accountability towards stakeholders, and contribution to community

development and well-being, as essential for responsible forest management. Although there was broad acceptance that such initiatives should form part of forest management, some external stakeholders believed that not all forest companies were implementing these initiatives effectively. Internal stakeholders believed they were operating responsibly, but found it challenging to manage all external stakeholder expectations and concerns, as acting on some concerns was deemed incompatible with responsible management. However, if the expectations of some external stakeholders are not managed, those being engaged will be dissatisfied. Thus forest companies are likely to be always operating with opposition from some stakeholders. The remainder of our discussion focuses on recommending actions for addressing divergent views between internal and external stakeholders in order to enhance commitment to CSR.

Previous research examining stakeholder conflict management has recommended that conflicting stakeholder demands be managed through: (1) democratic processes, (2) improving relationships with stakeholders through measures such as NGO partnerships, and (3) developing solutions that will allow for maximum positive impacts towards the divergent interests of all stakeholders (Mutti et al. 2012). We believe that a third party should be involved to gather a range of stakeholder perspectives in order to identify issues that require company attention. This is because potential issues of ideological differences, lack of trust, and lack of willingness for stakeholders to be engaged, can hamper approaches facilitated by internal stakeholders.

Ideological differences in viewpoints between stakeholders prohibited effective CE (a critical tool for CSR). Some underlying stakeholder concerns over forest management may not be easily rectified, especially if these concerns are over the perceived social impacts of plantations on local communities (Schirmer & Tonts 2003). Strong differences in viewpoints can mean that emotions may override people's willingness to consider alternative views or critically consider the scientific reasoning behind decisions (Dare, Schirmer & Vanclay 2011a). People can become cynical of CE processes due to past experiences where they believe their concerns were not addressed. Some external stakeholders believed that a forest company's engagement activities had been tokenistic, and thus they may consider future CE as

being a waste of their time. Hence, it was harder for forest companies to initiate further engagement and address the concerns of those stakeholders.

External stakeholders want to see tangible outcomes arising from their engagement, therefore engagement processes often raise stakeholder expectations (Burchell & Cook 2006). Many of the internal stakeholders we interviewed believed that there was an inherent risk in implementing CE that raises stakeholder expectations because they felt that they would not be able to deliver appropriate responses. They also believed that trying to engage with some stakeholder groups can absorb a lot of company resources, thereby limiting the resources that can be devoted to engaging with other stakeholders. In addition, they believed some stakeholder concerns were incompatible with the concerns of other stakeholders, making it challenging to address all concerns. Many internal stakeholders believed that some external stakeholders were trying to undermine the legitimacy of the forest industry.

If these engagement issues are not rectified, some stakeholders will become more dissatisfied over time and therefore this will reinforce existing conflicting views (Dare, Schirmer & Vanclay 2011a). Potentially, negative perceptions can be communicated to a number of other external stakeholders who may be convinced to hold a similar viewpoint, thereby damaging company reputation. The media can be used as a platform to air people's grievances to a larger audience (Rowley & Moldoveanu 2003). Damage to company reputation can be hard to rectify and may result in loss of business (Grigore 2009). Furthermore, changes to regulations may be enforced through stakeholder or public pressure (Sharma & Henriques 2005). Thus the likely consequences will impact on access to capital and markets, availability of human capital, costs, and risk to reputation and brand value.

More effective CE can help mitigate the division between a forest company and some of their external stakeholders. The literature suggests that in the face of wicked problems, group facilitation should be used to work towards developing mutually beneficial solutions (Richardson 2010). A perfect solution may not be possible, but any agreement can be better than no agreement at all (Rantala & Primmer 2003). If engagement processes have not fostered constructive outcomes in the past, a continuous improvement approach can be used to facilitate ongoing learning and

evaluation to improve future CE (Dare, Schirmer & Vanclay 2011a). However, stakeholder's grievances may be associated with more than one forest company, and thus a more strategic industry-wide approach is required to help manage stakeholder concerns. In addition, more effective CE implementation by forest companies is influenced by factors such as corporate culture, regulatory, and social issues (Dare, Schirmer & Vanclay 2011b).

More research is needed to investigate the issues of CE adoption, and through this, a commitment to CSR by forest companies in order to enhance socially responsible business practice. For CSR to be a sustaining practice it needs to be embedded in the corporate culture of a company (Dare, Schirmer & Vanclay 2011a; Maon, Lindgreen & Swaen 2009). For company staff to be committed to CE processes, the corporate culture must provide an environment which allows staff time, training, and resources for such initiatives to be undertaken.

If forest companies are to operate more responsibly, they must gain a deeper understanding of stakeholder concerns and address differences in ideologies through avenues such as third party facilitation of dialogue. Due to issues such as a lack of trust, forest companies themselves are not in a strong position to be able to obtain such understandings from a diverse range of stakeholders.

Conclusion

We provide an overview of the types of initiatives which stakeholders believed align with socially responsible behaviour. Our method of inquiry helped identify why stakeholder expectations are not being satisfied. This provides a good starting point to help develop strategies to operate more responsibly. Both internal and external stakeholders had similar views on the types of initiatives required for CSR. However, some stakeholders do not believe that forest companies have been actively implementing these initiatives. This has implications for forest companies including negative impacts on their reputation and loss of business opportunities. Some tension between external and internal stakeholders is inevitable, but the extent of this tension depends on the ability of forest companies and the forest industry to improve

relationships with their external stakeholders by making concerted attempts to understand and address their concerns.

Acknowledgements

This research was funded by the Cooperative Research Centre (CRC) for Forestry. We would like to thank Dr Lain Dare for her valuable input into earlier versions of the paper. We are also grateful to all those that participated in the study, including the two anonymous forest companies.

Chapter Six: Paper 2 – Perceptions of corporate social responsibility in Australian forestry companies

Gordon, M., Lockwood, M., Hanson, D., Vanclay, F., Schirmer, J (in press).
'Perceptions of corporate social responsibility in forest plantation companies'.
accepted for publication with *International Journal of Sustainable Society*.

Building on from the first paper included in this thesis (Chapter Five), this paper focuses on analysing forest company employee views of CSR. It highlights the objectives and limitations that employees believe are associated with their company's CSR strategy. The paper argues that for CSR to be sustaining and effective within companies the perceptions of those people who influence CSR need to be explored, which in the case of forest companies encompasses all employees from front line managers to senior management. The paper discusses some of the factors important for fostering a greater company commitment to CSR. It provides strategies companies can adopt to improve their practices.

This paper addresses the following research questions:

- What external factors (outside of companies) are influencing company commitment to community engagement and corporate social responsibility?
- How can forest companies increase their commitment to corporate social responsibility?

I am the primary author of this paper. My co-authors Dr Michael Lockwood, Dr Dallas Hanson, Prof Frank Vanclay, and Dr Jacki Schirmer were involved in the conceptual development of the paper, reviews and editing of draft versions and the final paper. My co-authors also provided advice while I compiled a response to reviewer comments and provided input into the changes I made to the paper in view of reviewer comments.

Chapter Six: Employee views of corporate social responsibility

This paper builds on the first paper by providing a deeper understanding of the corporate realities that are influencing CSR in practice. It also provides a useful introduction for the third paper, which more explicitly focuses on corporate culture and its impact on CE adoption.

Perceptions of Corporate Social Responsibility in Australian Forestry Companies

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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; and (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.

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 & Papula 2010). In the context of the forest industry, Vidal and Kozak (2008b) 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, Gao & Bansal 2006), which reflects the social imperatives and consequences of business success (Matten & 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 & 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 & Moon 2008). In order for CSR to be sustaining and effective, it needs to be congruent with the values of company employees (Maon, Lindgreen & Swaen 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 & 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, Schirmer & Vanclay 2011b) – 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 & 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 & Weber 2006). Managers need to nurture employee commitment to CSR, so the business

develops with a CSR culture (Collier & Esteban 2007; Griffin & Weber 2006).

Previous studies have been undertaken describing managers' views of CSR (Babiak & Trendafilova 2011; Lindorff & 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 & Cocklin 2003; Schirmer 2002). The forest sector receives criticism in literature, the media (Dare, Schirmer & Vanclay 2011b), and from various stakeholders who argue that forest companies act unsustainably or irresponsibly (Gritten & 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.

Conceptual framework

A conceptual framework was developed from literature review, to identify the various factors likely to influence CSR in practice (see Figure 9). 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, Vihervaara & Aarras 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, Schirmer & Vanclay 2011b). In Australia, around 91% of plantation area is certified under either the Forest Stewardship Council (FSC) scheme or the Australian Forestry Standard (AFS) (McDermott, Cashore & Kanowski 2010) suggesting that certification is a major external driver of changing CSR practices (Dauvergne & 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: 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, Lindgreen & Swaen 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 & 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 & Melé 2004), as it is argued to result in enhanced reputation and improved relationships with stakeholders, and hence greater business success (Porter & Kramer 2006).

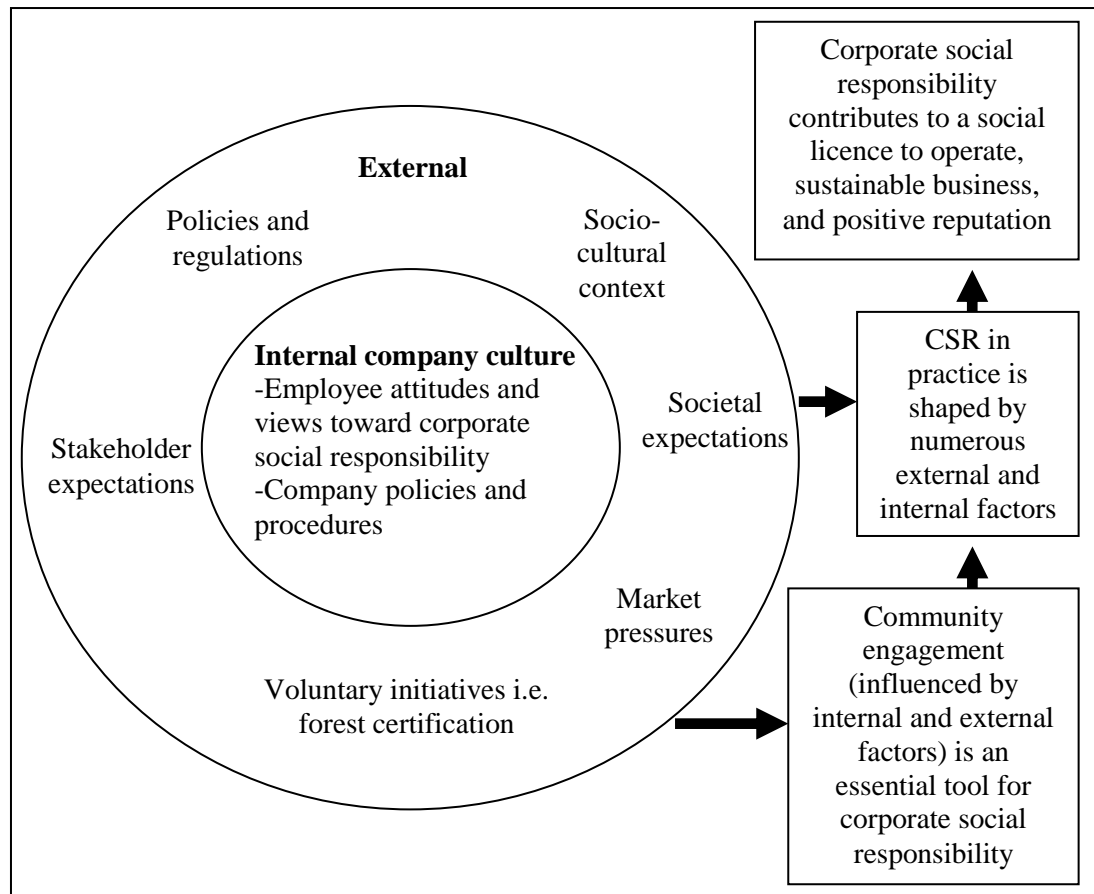


Figure 9: Factors influencing corporate social responsibility in practice

Community engagement (CE) is included in Figure 9 as a factor that influences CSR. Figure 9 embeds the view that CE is an essential tool for CSR (Dare, Schirmer & Vanclay 2011a). CE is a subset of a company's CSR activity (Bowen, Newenham-Kahindi & Herremans 2010) and is increasingly considered a central component of approaches to CSR (Burchell & Cook 2006). Central to the CSR construct is that corporations have responsibilities towards their stakeholders (Emtairah, Al-Ashaikh & Al-Badr 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 & 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 & 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, Schirmer & Vanclay 2011a). It may include a range of stakeholders, and a range of practices.

As we indicate in Figure 9, 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, Kagan & Thornton 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, Kagan & Thornton 2004: 313). However, if social licence demands are not met, they may become new legal requirements (Gunningham, Kagan & Thornton 2004).

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 8). Both companies were privately owned and managed more than 15 000 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.

Refer to Figure 8 (Chapter Four)

A qualitative approach was taken to the study. Qualitative research emphasises that reality is context dependent and socially constructed (Denzin & 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, Aroni & Hays 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.

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.

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 & Peck 2010; Whitehouse 2006). In addition, CE was considered a part of CSR. Table 6 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.

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).

Table 6: Summary of various definitions of corporate social responsibility provided by employees

Number of employees	Meaning attached to corporate social responsibility
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

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.

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 the section 'Does responsible management ensure a social licence to operate?').

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 (2 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 5 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).

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; and (2) there are resource limitations, which in particular led to an inability to engage with a broader range of stakeholders.

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 (6 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 (6 employees);
- there were misperceptions about the impacts of activities associated with forest plantations (6 employees); and
- some people held ideological objections towards the forest plantation industry (2 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 (7 from Company A and 9 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:

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.

Chapter Six: Employee views of corporate social responsibility

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.

Are there enough company resources devoted to CSR?

Employees from both companies (5 Company A employees and 3 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 (4 from Company A and 8 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).

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 need 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 & 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, Schirmer & Vanclay 2011a).

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, Kagan & Thornton 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, MacDonald & Zietsma 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 & 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, Schirmer & Vanclay 2011b). Enhanced public reporting and the ability to obtain some form of certification against sustainability criteria does 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, Schirmer & Vanclay 2011b). 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 & 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, Rodríguez & Ricart 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).

Conclusion

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.

Chapter Seven: Paper 3 –Adoption of community engagement in the corporate culture of Australian forest plantation companies

Gordon, M., Lockwood, M., Schirmer, J., Vanclay, F., Hanson, D. (accepted contingent on minor changes). ‘Adoption of community engagement in the corporate culture of Australian forest plantation companies’. *Australian Forestry*, submitted March 2012, reviewer comments received 14th June 2012, resubmitted 30th August 2012, reviewer comments received 12th November 2012, resubmitted 21st November 2012.

This paper addresses the main research question of this thesis: ‘*what can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?*’ It does this by examining how CE adoption can be improved, based on the conceptual framework presented in Chapter Two which identified the centrality of CE to achieving SFM. The paper therefore addresses the main aim of the research, which was to identify ways to improve the adoption of community engagement and, through this, corporate social responsibility practices by forest companies in Australia in order to achieve sustainable forest management outcomes.

This paper also addresses the following research questions:

- What is the nature of the corporate cultures of the case study companies and how do those cultures influence adoption and achievement of effective community engagement?
- How can the case study companies’ corporate cultures be more supportive of community engagement adoption?

Using literature and empirical data this paper identified attributes of corporate culture that are influencing CE adoption within two case study companies. The paper recommends how the two companies can further embed CE in their culture.

I am the primary author of this paper. My co-authors Dr Michael Lockwood, Dr Jacki Schirmer, Prof Frank Vanclay, and Dr Dallas Hanson were involved in the initial planning of the paper, provided review comments, and edited draft and final versions. My co-authors also provided advice while I compiled a response to reviewer comments and provided input into the changes I made to the paper in view of reviewer comments.

This paper is included third in the thesis. It progresses the argument that internal factors such as corporate culture have an influence on the adoption of CE, which is an important component of SFM and responsible management.

Adoption of community engagement in the corporate culture of Australian forest plantation companies

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Summary

This paper provides practical insight into what can be done to improve the adoption of community engagement (CE) in the corporate culture of two Australian forest plantation companies. Previous research has identified that CE can be limited by corporate cultures that promote a narrow range of CE benefits. However, no previous studies have detailed the relationship between corporate culture and CE adoption within forest companies. This research provides empirical grounding to explore the relationship between corporate culture and CE adoption. We undertook case studies of two forest companies to understand how to enhance CE adoption. Interviews were conducted with 19 company staff including field staff, middle managers, and senior managers. We found that both companies had some commitment to CE. Many employees believed CE was essential for the ongoing operations of their company. However, CE adoption was constrained by issues such as a lack of resources and difficulties in discerning when CE was necessary. Based on our findings we provide strategies for enhancing adoption of CE in corporate culture. These strategies include: (a) providing more incentives for individuals to engage with a broader range of stakeholders; (b) developing better tools to gather feedback from their

stakeholders and measure their social licence to operate; and (c) developing more effective stakeholder identification and engagement strategies.

Keywords Community engagement; corporate culture; sustainable forest management; forest plantations; sustainability; Australia.

Introduction

Community Engagement (CE) is an essential element of sustainably managed forestry (Dhubháin et al. 2009). CE, also called public participation, ‘is a process by which public concerns, needs and values are incorporated into governmental and corporate decision making’ (Creighton 2005: 7). The terms CE and public participation are fundamentally the same and are sometimes used interchangeably (Dare, Vanclay & Schirmer 2012). CE covers a broad range of activities with varying levels of involvement, including providing information and involving stakeholders in decision making (Creighton 2005). Stakeholders in the conduct and outcomes of corporate activities include employees and external stakeholders interested in or impacted by a company’s operations (Carroll & Buchholtz 2009; Harding 1998), some of whom may reside outside a company’s geographic area of operations.

There are many reasons why for stakeholder needs and values must be considered as part of corporate governance and decision-making. CE is essential to meet the requirements of good governance as identified through principles such as fairness, transparency and inclusion (Lockwood et al. 2010; UNDP 1997). In addition, community acceptance engendered through effective CE is good for business in terms of company reputation and consumer support for products (Dare, Vanclay & Schirmer 2012). Acceptance is associated with the concept of a ‘social licence to operate’, which is based on a company having either explicit or implicit permission to operate from various groups such as governments, and stakeholder interest groups (Dare, Schirmer & Vanclay, unpublished; Gunningham, Thornton & Kagan 2005; Lynch-Wood & Williamson 2007). The social licence to operate concept has influenced the perceived need for CE.

CE adoption has been influenced by external factors including legal requirements and voluntary guidelines. For example, CE is a requirement of forest certification, where companies must be able to prove to auditors that they are undertaking CE (Dare, Schirmer & Vanclay 2011b). Obtaining forest certification can improve market access (Dare, Schirmer & Vanclay 2011b; Taylor 2005; van Kooten, Nelson & Vertinsky 2005), reinforcing the potential value of CE from an industry perspective. Although CE is increasingly becoming mandatory in legislation and incorporated into voluntary processes such as forest certification, these instruments are not enough in themselves to ensure a genuine company commitment (Dare, Schirmer & Vanclay 2011b).

Genuine CE can be distinguished from non-genuine CE, which Arnstein (1969) describes as therapy, manipulation, or tokenism, where the objective of the engagement is to 'cure' or 'educate' participants. Arnstein (1969) regards less participative forms of engagement such as 'consultation' as tokenistic. While such forms of community engagement can indeed be tokenistic if, for example, the intention is to silence stakeholders, consultation can also form part of a broader process or strategy that genuinely engages stakeholders. In some circumstances it may be more appropriate to provide stakeholders with information rather than involving them in more participative activities (Dare, Schirmer & Vanclay 2011a). Genuine CE enables meaningful participation, providing an opportunity for active community input (Brueckner et al., 2006) rather than solely one-way communication (Ross, Buchy & Proctor 2002). Other essential elements of CE include fostering trust, being transparent, and being inclusive to avoid CE processes that only suit a vocal minority (Dare, Schirmer & Vanclay 2011a; Measham et al., 2011).

However, issues such as differing personal morality-based positions (Earle & Siegrist 2008) or competing values can present a significant challenge for implementing effective CE (Fleisher-Trainor 2006; Gordon et al. 2006). In such cases, to enhance cooperation between parties it would be useful to establish trust and find common values to avoid evoking conflicting emotional responses to issues (Earle & Siegrist 2008). Social acceptance of outcomes can be enhanced when stakeholders believe that engagement processes and their outcomes are fair (Gross 2007). Effective CE requires practitioner skills such as the ability to facilitate constructive dialogue, and

personality traits such as the ability to empathise with a stakeholder's concern (Dare, Schirmer & Vanclay 2011a).

Internal influences, and in particular corporate culture, have a significant impact on whether a company's commitment to CE is genuine (Dare, Schirmer & Vanclay 2011a; Gao & Zhang 2006). Corporate culture can be thought of as 'the shared mental models [ways of thinking that are the source of perceptions and feelings, which influence behaviour] that the members of an organisation hold and take for granted' (Schein 1999: 21). Sustainable adoption of CE is dependent upon it being embedded within culture (Dare, Schirmer & Vanclay 2011a; Gao & Zhang 2006). Corporate culture itself is influenced by a number of restraining forces including the size of a company, and workforce structure and expertise (Pettinger 2004). In the Australian plantation industry, Dare, Schirmer, and Vanclay (2011a) argue that corporate culture can limit the effectiveness of CE by promoting narrow views of engagement benefits (for example, emphasising commercial outcomes), and by deploying a limited variety of engagement techniques that constrain stakeholder inclusion.

Culture helps to guide or constrain behaviour through shared group norms (Schein 2010). It thus shapes how CE is conducted, as corporate culture has an impact on the way employees think and feel about CE. Culture influences perceptions on why CE is useful (Dare, Schirmer & Vanclay 2011b); when and to what extent it should be enacted in the day-to-day company operations (Smith & McDonough 2001); how much company resources (e.g. employee training to enhance CE skills, time and money) should be devoted to it (Dare, Schirmer & Vanclay 2011a); and what sorts of procedures should be put in place to support it (Dare, Schirmer & Vanclay 2011a; Schein 2010). Also relevant to culture and adoption of CE is the extent to which employees believe in and agree with the values their company espouses and therefore how they represent their company whilst conducting CE.

Company values, and corporate brands that are an expression of these values, are embedded within the culture insofar as employees believe in and are behaving in accordance with them (Gotsi, Andriopoulos & Wilson 2008). In the forest industry such values may be associated with adhering to environmental and social criteria as

part of forest certification (Dare, Schirmer & Vanclay 2011b), but not every company will have the same values and will have different corporate cultures (Schein 2010). Employees that are personally motivated to help achieve company values are more likely to represent their company in a positive way and actively pursue company goals (Pettinger 2004). This has implications for CE as interactions with stakeholders (and positive company reputation) are shaped by the values that members of a company stand for and believe in (De Chernatony, Cottam & Segal-Horn 2006).

Senior management of a company strongly influences corporate culture by shaping the behaviour and norms of the company (Hatch & Schultz 1997; Schein 2010). Management has a responsibility to embed 'principles and practice in the hearts and minds, in decision-taking structures and in the culture and climate of the organization' (Collier & Esteban, 2007: 20). For CE to be effective, employees at all levels of the company must have a desire to understand the perspectives of others (Lyon 2004), and appreciate the need to undertake CE.

A number of attributes of corporate culture influence a company's commitment to CE, such as the skill set of staff, formal company processes, employee beliefs associated with the value of CE, and management commitment to CE. Our study focuses on such attributes to understand how corporate culture supports CE adoption within two forest companies. Although previous studies (i.e. Dare, Schirmer & Vanclay 2011a; 2011b) have discussed the relationship between corporate culture and CE adoption within forest companies, these studies have not been detailed. This research provides empirical grounding to explore the relationship between corporate culture and CE adoption. It also provides insight into how leaders of companies can enhance company commitment to CE. In this paper we examine the following questions:

1. What constitutes a corporate culture that supports CE?
2. How does corporate culture impact CE adoption within the case study companies being investigated?
3. What can be done to enhance the adoption of CE within the corporate culture of the case study forest companies?

First, we outline the methods used to decipher how company culture supported CE adoption within two case study companies. Second, we present evidence that explicates how CE is associated with company culture within the two companies investigated. Lastly, we provide a set of strategies to enhance CE adoption within the corporate culture of the two case study companies.

Methods

Two case studies were chosen to explore the impact of company culture on CE adoption. Case study research (Yin 2003) was used as it enabled the use of in-depth qualitative information to decipher the impact of corporate culture on CE. The companies were selected on the basis of their importance in an Australian context, and for their differences in variables such as age of company (a significant variable when assessing culture), and being located in separate regions in Australia. The two privately owned companies – which we refer to as Company A and Company B – each managed a plantation estate of at least 15 000 hectares. Company A had existed for a longer time period than Company B, which had not yet started harvesting in one of their regions. In addition, Company B's assets were recently owned and managed by different proprietors. Both companies employed between 10-30 staff in the forest operations side of their business. Company A was located in the state of Tasmania. Company B was located in south west Western Australia and the Green Triangle region (a plantation area in south west Victoria and south east South Australia).

Our study focused on deciphering corporate culture as a necessary means to understand company commitment to CE. We used the three layers of Schein's (1999) model of corporate culture – espoused values, artefacts and underlying assumptions – to decipher culture. Espoused values are the rules that govern day-to-day operating practices as promulgated by companies in formal statements of philosophy and approach (Schein 2010). Artefacts are tangible manifestations of a company, such as its offices and the manner in which they are presented. Underlying assumptions are the taken-for-granted beliefs and values, which are the essence of culture (Schein 2010).

To understand these layers of culture, we used multiple methods, consisting of interviewing, observation, and document analysis. Interviewing provided insight into employee perceptions and attitudes towards CE. Document analysis provided information on the types and nature of company procedures that were in place (such as Company B's media engagement policy). Observation enabled documentation of employee behaviour (for example, during meetings) as well as cultural artefacts such as those evident in office decor.

Using multiple methods strengthens the findings through triangulation, as each method uncovers different aspects of empirical reality (Patton 2002). Triangulation enables the results from one method to be checked against all other data sources to identify any inconsistencies in findings (Patton 2002). For example, interviews, document analysis and observation can reveal congruencies and divergences between company policies, employee perceptions, and actual behaviours and practices. Data were collected over approximately a one year period. The University of Tasmania Human Research Ethics Committee granted ethical approval for the study (approval number H10920).

Nineteen semi structured interviews (Minichiello, Aroni & Hays 2008) were conducted during 2010, comprising seven people from Company A and 12 people from Company B. Informants were chosen for interview providing they met pre-defined selection criteria. All informants needed to be an employee with the company for at least six months. At least one employee who had an understanding of forest certification guidelines and how they were implemented was interviewed, together with at least one field staff employee, senior manager and middle manager. Those interviewed included foresters, administration personnel, researchers, and a cartographer. Interviews lasted for up to one and a half hours. The number of employees interviewed was deemed sufficient once no new information was uncovered (Charmaz 2006). Post interview, verbatim transcripts were typed and interviewees were provided with the opportunity to review these before they were used for analysis.

During 2010 to 2011, observations of the artefacts of culture such as office decor and employee behaviour, were undertaken at company premises and at events such as industry-wide meetings where company personnel were in attendance. Document analysis was also undertaken to investigate company policies and procedures, which relate both to espoused values and to the artefacts of culture.

Interview data, notes from observations, and documents were analysed using thematic analysis (Boyatzis 1998), which was aided by the use of QSR NVivo version 8 software. This was an iterative process where initially descriptive codes were formed to classify data. Codes were created on the basis that they were relevant to the research questions and thus the themes were directly relevant to deciphering corporate culture and understanding its relationship to CE.

Themes were also associated with the layers of culture. For example, underlying assumptions and espoused values were revealed in items coded as ‘lack of resources for more CE’ and ‘espoused values describing culture’. Coding became more analytic over time (Attride-Stirling 2001) and literature was used to guide the analytic interpretations. For example, the code ‘definition of CE and the nature of CE’ was initially created, but then its content dispersed among a number of more analytical and interpretive codes including: (a) CE is an inherent part of the role of individuals or company; (b) CE activities are essential to conduct operations; and (c) improving company-community relations.

Results indicating a relationship between CE and corporate culture

The different operating environments in Companies A and B were associated with different approaches to CE adoption, which in turn relate to differences in corporate culture. Although the two companies differed in terms of operating context and corporate culture, we do not explicitly compare the companies, but instead use both case studies as empirical evidence to illustrate how corporate culture can influence a company commitment to CE. Our results focus on the attributes that we identified as essential for influencing CE adoption in corporate culture. These attributes were

identified through the coding process, and are expressed as five key questions in the following sections.

Are employee values aligned with company values?

It is important that employee's values are aligned with company values to ensure they are committed to achieving them (Posner, Kouzes & Schmidt 1985) and are likely to represent their company positively during interactions with stakeholders. These values may include amongst others, a commitment to protecting the environment and responding to stakeholder concerns. Eleven employees said that their company needs to operate according to principles of social, economic, and environmental sustainability. Eleven employees also referred to forest certification (a company goal they believed was important) as a means of illustrating that their company was committed to such principles. One employee believed that when engaging with stakeholders, they were personally motivated to communicate with integrity and passion because they agreed with their company's operating principles:

There's what you perceive to be fair and reasonable efforts to do things, and then there's really caring for the issues and trying to get them across. So I think it helps if you not only do your job, but you actually do it with a bit of passion and you believe in what you are telling them. And I guess that comes back to the organisation that you work for, that you are working with all the correct principles and things that you agree with personally. (Interviewee #12, Company A).

The way in which employees represented their company in interactions with stakeholders was related to the extent to which they believed in what their company espouses. Four employees also mentioned that in social settings they would engage in conversation with individuals about aspects of forest management. These conversations would result in an employee endorsing their company's goals during conversations with stakeholders. Employees were motivated to represent their company in a positive way:

I like to know if there is issues out in the community or people have problems. I'd like to know what their issue is, and if I can try and address it or try and readdress some of that negativity. (Interviewee #18, Company B).

However, there were some employees who: (a) believed they did not in general interact with a lot of people outside of work to discuss aspects of their work or forestry; and/or (b) did not discuss forest management with some people if they believed it could lead to an argument and would not be a constructive conversation. Nevertheless, all employees we interviewed portrayed their company in a positive way, which our data suggest had positive repercussions for CE.

Is CE valued by company employees?

We asked employees what they believed CE meant – to gauge how they think about and value it. Employees mostly understood CE as being a means to address stakeholder concerns. All employees said that CE was essential for informing stakeholders of their company's activities. All employees believed that CE was essential for carrying out company day-to-day operating tasks and was thus essential for ongoing forest operations:

I think community engagement to me means allowing the community to have feedback and understand our operations and trying to put ourselves up for some scrutiny, as well as trying to improve and allowing other people input into how we can continuously improve. (Interviewee #3, Company A).

Community engagement – that means communicating and talking with the community – or the group of people – that is key stakeholders in the area that you operate. And it can be done at many different levels. It's letting those people know, I guess, what you're doing in your business, but also listening to them about what they think of your business. (Interviewee #8, Company B).

All employees explained why they believed CE is important for their company. Some identified practical, tangible benefits:

We have had situations where neighbours have been concerned about plantation activities and perceived risks with chemical use, fire, and so on. And again, by keeping people informed we have been able to generally alleviate people's concerns. (Interviewee #1, Company A).

If there is a fire or something out there, they may choose not to call you, or call you after the fact and it's too late to be involved; whereas if you've got a good relationship with someone, quite often they will ring you as soon as possible. (Interviewee #6, Company B).

In addition, six employees mentioned that at times more intensive forms of engagement such as face-to-face dialogue were often essential for resolving concerns or maintaining positive relationships:

We've had a meeting recently with ... [three different stakeholder groups]. We have memorandums of understanding about how we do our business and how we interact. But there's also personal relationships that go over and above that, which I form and our group forms, which are very helpful for us. (Interviewee #12, Company A).

Most farmers aren't backward in coming forward, so they are fairly quick to let you know where you're deficient. Sometimes there can be good reason for what has happened or going to happen and they can understand that. It's having the time and making the time to spend with them and speaking to them. (Interviewee #6, Company B).

Most CE was discussed in relation to stakeholders living in the company's geographic area of operations. Some CE implemented by both companies was undertaken with stakeholders who were not directly impacted by forest plantation operations (for example, stakeholder interest groups). However, interacting with

these groups was sometimes not regarded as a high priority task compared to interacting with immediately impacted stakeholders such as neighbours and landholders residing in the areas where operations were occurring.

CE was valued as necessary when it was obvious that certain stakeholders needed to be consulted or informed of company activities because it could be clearly identified that these activities may impact them or it was a requirement of legislation or forest certification. In some cases, employees regarded CE activities as essential to meet legal requirements. When it was less obvious that CE was important, it was generally given lower priority over other work tasks. In some cases employees held the view that it was hard to determine to what extent CE was required for any given situation:

It depends on the nature of how we go about our operations, to be honest. I think, if we were out there spraying chemical day-in, day-out, that would require a significant amount of community engagement ... I think with harvesting coming up too, we would have to engage to some level. To what extent is hard to tell at this stage, but certainly we would have to engage with the community a lot more once harvesting does start in the GT [Green Triangle region], and we always knew that, I guess.
(Interviewee #13, Company B).

At least two representatives from each company had in the past engaged with various stakeholder interest groups including stakeholders residing outside the company's geographic areas of operation. However, where there was a fear that engagement could raise stakeholder expectations, some employees were unenthusiastic about CE. Two employees said they had experienced negative interactions with some stakeholder groups in the past. In some cases employees believed that it can be too difficult to satisfy the demands of some stakeholder groups and that engagement may result in adverse outcomes. In addition, 16 of the 19 employees interviewed considered that some stakeholders will always be too difficult to interact positively with due to the different views they hold.

Is everyone committed to effective CE?

Our data suggest that there was a commitment to CE throughout both companies. From our interview transcripts, we could not identify any clear examples of ‘tokenistic’ engagement. CE was often not specifically written into people’s job roles and often not part of their key performance indicators (KPIs). Altogether, 11 employees did not see that having CE written into a job description or in their KPIs was essential because they believed that CE was an inherent part of their job. Twelve employees believed that their commitment to engage effectively with stakeholders was measured informally through performance reviews and ad hoc feedback from managers.

Thirteen individuals said that good CE is essential for performing well in their work duties. Almost all employees provided examples of how they were personally motivated to ensure they carried out CE tasks as part of their usual work routines:

Community liaison would be ninety percent of business practice, good business practice ... if there is going to be additional trucks on the road during that week because we’ve got to fill a boat or whatever, we would be contacting those people to say “*hey this is what is going to be going on this week – do you have a problem with it? How can we work our way around it?*” That is, it’s a part of their role to be able to manage the impacts with people. (Interviewee #5, Company B).

Observation data revealed that both Company A and B encouraged their employees to be involved in their local community. Community involvement and philanthropy is an important form of CE (Dare, Schirmer & Vanclay 2011a). Company A encouraged individuals to donate resources to charity or community groups, by for example having donation boxes for fundraiser sweets or bottled water in their offices. In both companies, espoused values were openly displayed in offices through framed corporate policies (cultural artefacts). In addition, Company A had received some community awards that were on display. Company B also had certificates of appreciation from various community groups displayed in their offices. In addition,

Company A employees participated in community events such as Clean Up Australia Day, allowed groups such as orienteering groups and recreational shooters access to tree plantation areas, and attended local community meetings. Similarly, Company B was involved in community events such as forums, where their operating environment could be discussed to inform people of activities. For both Company A and B this provided an opportunity to gather feedback about their operations from members of the community. These activities indicated that the corporate cultures supported commitment to CE through substantive employee involvement in the community.

Both companies had at least one person who was designated to spearhead CE activities. These people were held responsible for ensuring the implementation of a CE strategy. Company A had a person designated to help ensure CE met requirements of forest certification and thus they were also in charge of the company stakeholder engagement strategy. Company B also had designated two regional managers to develop strategies for CE in their respective regions. Regional managers also designated individuals to represent the company on certain matters, such as meetings with fire authorities. In addition, Company A had a database that recorded community complaints or concerns, any follow-up actions decided upon, and the name of the staff member to whom the action was delegated. Review of this database at meetings was used to hold those individuals accountable for the specific CE tasks.

Seven employees within Company B suggested it was beneficial to have a designated community liaison role to handle more formal CE processes – such as designing and coordinating the implementation of CE strategies. Such a role was also said to be beneficial for handling general inquiries or complaints from the public. Company B planned to have someone designated in a CE role in the Green Triangle area of their operations once harvesting had begun in that region. Five Company B employees explicitly stated that having a CE person does not mean others in the company become less committed to undertaking CE tasks, but that such a role can help coordinate CE activities. In addition, it was suggested that a person designated to be responsible for implementing a CE strategy can spearhead engagement with some stakeholder interest groups:

I think it's all our responsibility and people do different things. A

Chapter Seven: Community engagement and corporate culture

community person provides a coordinated approach, an actual strategy, and to engage certain interest groups and that's really their key role with my involvement, then the foresters, the harvesting, land staff and myself can also be more engaged on a grass roots – particularly our neighbours and a leaseholder level. (Interviewee #8, Company B).

In both companies regular meetings were held with staff to discuss a range of matters including safety and CE. Much CE spoken of during these meetings was in the context of engagement with stakeholders living within the company's area of operations, including those stakeholders directly impacted by operations:

Well community engagement, I think it's a daily thing ... We talk about community engagement and what's happened the day before and what we're doing that day and that week, depending on the operations that we have ... We have people coming into the office all the time. Whether they're after information about our operations, after keys to get onto our property, whether they're contractors of ours; we have lots of dealings with them ... There's other forestry companies, utility providers; recreational shooters on our properties. (Interviewee #12, Company A).

We do have fortnightly meetings where we discuss what's coming up and we've spoken to the farmer/lessor [an owner of land leased by Company B to grow tree plantations] and how any negotiations are going ... So [we] try not to impact on their day to day running too much, or give them a reasonable amount of warning of what we're going to do, so it can have a minimal impact on them and give them a opportunity to have input. (Interviewee #6, Company B).

Furthermore, nine Company A and B employees commented that they would often talk informally about CE matters:

It's normally something that will come up every day, so it's normally – could be a morning chat or work-related stuff that it [some aspect of CE] comes out. (Interviewee #18, Company B).

To understand employee commitment to effective CE, it was also important to discern if there was a genuine commitment to CE, or if CE was at times tokenistic. Genuine CE requires respect for stakeholder concerns, the ability to empathise with stakeholders, and effective communication to address their concerns (Dare, Schirmer & Vanclay 2011a). Stakeholder grievances or concerns were often resolved verbally face-to-face, or through one-on-one communication enabling exchange of information and at times changes to business practices were made to ensure a stakeholder's concern was addressed (an example of genuine CE). In some cases employees deemed education of the community a necessary component of effective CE, as past experience had suggested to them that education had contributed to resolving stakeholder concerns. However, where stakeholder concerns were perceived to be irrational or that addressing them might lead to unsustainable forest practice, they were not generally accommodated. The following interview excerpt provides insight into how CE can result in changes to a company's operations:

It formally wound up in operational plans ... And obviously the first thing I said [to an organic farmer/neighbour of a tree plantation] was "*look, I mean, when you've got organic certification we're not obviously going to use any chemicals in there that will put your certification at risk.*" (Interviewee # 10, Company A).

The following quote indicates that some stakeholder concerns cannot always be addressed through CE. This is due to the perception that some stakeholders' preferences for forest management would compromise the viability of the business operation:

From a stakeholder reason, we're doing everything we can to reduce the use [of chemicals for post plant weed control], but to totally stop the use of that product, it isn't feasible for our business. So how could we get around that? Well, we just couldn't. (Interviewee #12, Company A).

The above quote could be considered by some stakeholders as a tokenistic commitment to CE, since their concern was not addressed. However, the employee

had apparently been genuine in their attempt to respond to stakeholder concerns. In addition, employees noted that all stakeholder concerns cannot be accommodated when there are competing views from different stakeholders:

We put self-enforced haulage speed restrictions, okay, to ensure that the trucks were going quite slow on the shire roads, and so you get feedback, sort of, *“yeah that was great that you guys were slowing down.”* And then you can get another feedback saying, *“your trucks are going too slow, and it makes me late for work, why were your trucks going so slow?”* So you get contradicting feedback and we know that that’s going to be the case, but we know that the better thing to do is ensure that our trucks are travelling safely as well. So, you’re always going to get that [contradicting views]. (Interviewee #7, Company B).

At times employees were not able to empathise with stakeholder concerns and considered that it was a waste of resources to deal with them, especially when they perceived the concerns to be irrational:

There is no point going and spending a whole lot of money on trying to change a particular group’s view that, at the end of the day, you’ll never be able to change because they are opposed to what you do for however many reasons. And I talk about some left wing environmentalist groups that don’t want plantation forestry whatsoever, and don’t believe in it. Well there’s no point us wasting our time, energy and effort in that. (Interviewee # 17, Company B).

The above employee did not believe it was possible to engage effectively with some groups such as those who are completely opposed to plantation forestry. Engagement between parties with fundamentally opposing ideologies is unlikely to be effective if CE is not well planned to account for this (Gordon et al., 2012). In such cases, facilitation of more constructive CE can be aided through the assistance of an impartial facilitator.

Forms of philanthropy such as donating money to sporting groups could be regarded as tokenistic CE since they may simply involve providing financial support as a means to appease stakeholders to improve company reputation (Esteves 2008). Both companies were involved in philanthropic activities, but also encouraged their employees to personally be involved in community activities. At the time of data collection, Company B's philanthropic activities were more limited, but they were working on re-establishing links with some of their stakeholders, which had been somewhat neglected during the recent change in asset ownership. Individuals from Company B were still involved in a number of local community events and activities, such as assisting a local environmental organisation.

Are adequate time and resources devoted to CE?

All Company A employees believed their company's commitment to CE was already substantial and that significantly increased financial investment in CE could compromise company financial viability. For Company B, five employees mentioned that they believed their company dedicated an appropriate amount of resources to CE, while nine employees said that CE activities should increase relative to an increase in their company's level of activity in the future, and in particular with the commencement of harvesting in the Green Triangle region of their operations. However, all employees made the comment that there will always be limited resources to undertake CE in terms of staff and time availability of those staff.

Much engagement undertaken by employees involved phone calls or face-to-face meetings. Six employees mentioned that more intensive forms of engagement, such as one-on-one and face-to-face engagement, were sometimes essential for resolving concerns. In addition, engagement such as letter notifications and sending out information to particular stakeholders were undertaken. Often resource-related pressures reduced the extent to which staff believed they could be more pro-active with CE. Eleven employees believed that CE by their company could be improved, but at the same time emphasised that it should not become more resource intensive or involve significantly more paperwork:

So we're trying to work out how to do that, to do our best. And a lot of the staff here are concerned that if it becomes too bureaucratic, and then you've got to fill out forms and it takes up all their time. So we might do something – you know – something a little bit less formal, but still record it ... at the end of the day we don't want to make it too onerous.

(Interviewee #9, Company A).

Three employees mentioned that people in their company had enough CE skills to carry out their CE tasks effectively. However, seven employees specifically mentioned that some training, such as in how to improve their negotiation and communication skills, could be beneficial. In contrast, one person stated that some CE skills can not necessarily be taught, but are learnt through experience:

And in the past, we've had some strong landowners to deal with. I had selected staff to look after those properties, [staff] who have probably got stronger skills in that area. 'Cause you know that, yeah, they need good skills to be able to do it. And that's not something you can teach. Some people are good at dealing with people and other people do find it a bit more difficult. (Interviewee #15, Company B).

What company procedures are in place to support CE?

Both Company A and B had implemented formal and informal procedures to support the implementation of CE. Some of these were influenced by the requirements of forest certification, as certification auditors need to see evidence that a company is undertaking CE. We analysed documents, observations, and interview data to understand what policies and procedures were in place to support CE. Table 7 indicates that both companies had implemented procedures and policies, and were using tools to support CE.

Table 7: Procedures, processes or tools related to CE adoption within the two forest companies, and the methods used to identify these

Procedure, process or tools	How did this support CE adoption?	Method of data collection
Stakeholder database to record details about individual stakeholders	Helps to ensure individuals are held accountable to ensure they follow up on specific CE requirements	Observation and interview data
Procedures to measure company social impact in the community and to encourage local purchasing and employment of local people (although Company B was in the process of developing these at the time of data collection)	Encourages closer connections with community members residing in the company's geographic area of operations	Documents and interview data
Memoranda of understandings with stakeholder groups outlining their responsibilities in terms of their association with these groups (Company A only)	Helps ensure a mutual and ongoing relationships with specific stakeholder groups	Interview data
Procedures to enable stakeholders to have feedback on company operations, such as providing neighbours of tree farms with the opportunity to comment via feedback forms post harvest operations	Provides an avenue for the company to engage with stakeholders wishing to raise concerns or make suggestions with regards to company operating procedures	Observation, documents and interview data
Specific procedures for some forms of engagement (e.g. Company B's media engagement policy)	Helps ensure staff are aware of company protocol for certain forms of engagement and encourages them to abide by these	Documents and interview data
Aboriginal and cultural heritage policies to operate in accordance with relevant legislation	Helps ensure legislation is adhered to	Documents
Providing public access to company documents (via a company website or other means) or sending out information to specific stakeholder groups	Helps to ensure greater transparency with public access to information	Documents, observation data
Inviting interested stakeholders to contact companies via signage in front of plantations, providing contact details on company websites, and ensuring that phone numbers were included in local phone directories	Helps community members know who to contact if they have a concern	Observation data
Holding formal meetings with staff where CE was discussed	Employees devote time to discussing CE activities	Observation and interview data

The effectiveness of the company's approach to CE was not formally measured in either company, but it was gauged by means such as recording complaints or, as indicated by Interviewee #8, Company B, speaking with individuals in the community:

One of the best ways is through feedback and direct engagement with the community. If you're engaging and if you're out there involved – in the rural environment as a company or staff individually, (sic) i.e. at tennis, at fires – you get feedback, it's the vibe that you get from people towards the company, but that's not measurable. It's more informal.

Five employees believed that in the future there may be a need for their company to introduce a formal process to measure and evaluate CE:

I wouldn't say there's a formal process in place. And I guess I question whether there's a need to at this stage. But maybe at some stage we may need to ensure that there's a formal process to ensure that we are delivering on those expectations of ourselves. (Interviewee #13, Company B)

Company A and B were both in the process of developing a new stakeholder engagement plan. Company A's plan was being championed by one staff member. Company B was developing a plan for each of their regions that would be spearheaded by the regional managers:

We will get a lot of people who are saying they're interested in our operations and we just need to remember that stakeholder engagement isn't about pleasing everyone and giving everyone everything that they want. And that's what I'm trying to do in this stakeholder plan is to try and set the boundaries for when we need to – when different levels of stakeholders get involved in decision making. (Interviewee #2, Company A).

We're at the start of developing our community engagement. We've come some of the way ... But I think there's a fair bit of work that we need to do to get everything on line to ensure that what we do is consistent. (Interviewee #17, Company B).

Stakeholders were sometimes identified using the collective knowledge of employees – many of whom had been working in their area of operations for five or more years. In some cases, people within companies found it challenging to identify certain groups as stakeholders, understand their stakeholder groups, and know which stakeholders take priority in terms of engagement:

Sometimes the hardest one is understanding **all** the stakeholders. Community is a very broad term; you identify community groups and the interest groups over time; prioritise the ones that are likely to have the most influence or effect on the business; start engaging these groups initially; and work through the broader stakeholder groups. (Interviewee #8, Company B).

In addition, four people from Company A commented that sometimes certain groups such as some environmental non-government organisations (ENGOS) were not traditionally considered as being stakeholders, but were now identified as such due to the influence of forest certification:

And just identification of stakeholders that we wouldn't see as traditional stakeholders, like the ... [an ENGO group] and ... [another ENGO group], because they are stakeholders of ... [a forest certification body], they'll now be our stakeholders as well. (Interviewee #3, Company A).

Company A had a team designated to discuss how the company can be involved in the community, as well as another leadership team that helped shape corporate vision. These groups were a conglomerate of the whole business, not just forest operations. In addition, Company A had a procedure for measuring socio-economic impact on the community, which included recording numbers of people employed locally, and sourcing suppliers locally. Conversely, Company B had not developed

such a procedure, but was sourcing local suppliers and contractors in favour of non-local ones. Company B had also not developed a detailed sponsorship strategy. The staff designated to spearhead such strategies within Company B were considering forming a committee to decide on how their company is involved in helping sponsor local community groups or projects. At the time of data collection, Company B was introducing a number of new procedures associated with CE and their corporate culture seemed to be evolving more rapidly than Company A's.

Discussion and recommendations for enhancing CE adoption

We found that, in general, both companies' cultures contributed to a commitment to CE. The data presented in our results reveal attributes of corporate culture that were associated with the adoption of CE (summarised in Figure 10). These attributes are interlinked, as components of culture, such as employee values, impact behaviour and the extent to which resources are provided for CE activities. For example, if employees believed there was a tangible benefit from CE, this contributed to their commitment to engagement and support for associated investment of company resources. In this section, we discuss each of the attributes in the diagram, with a focus on how our data suggest that corporate culture influences CE, and how both companies can enhance CE adoption.

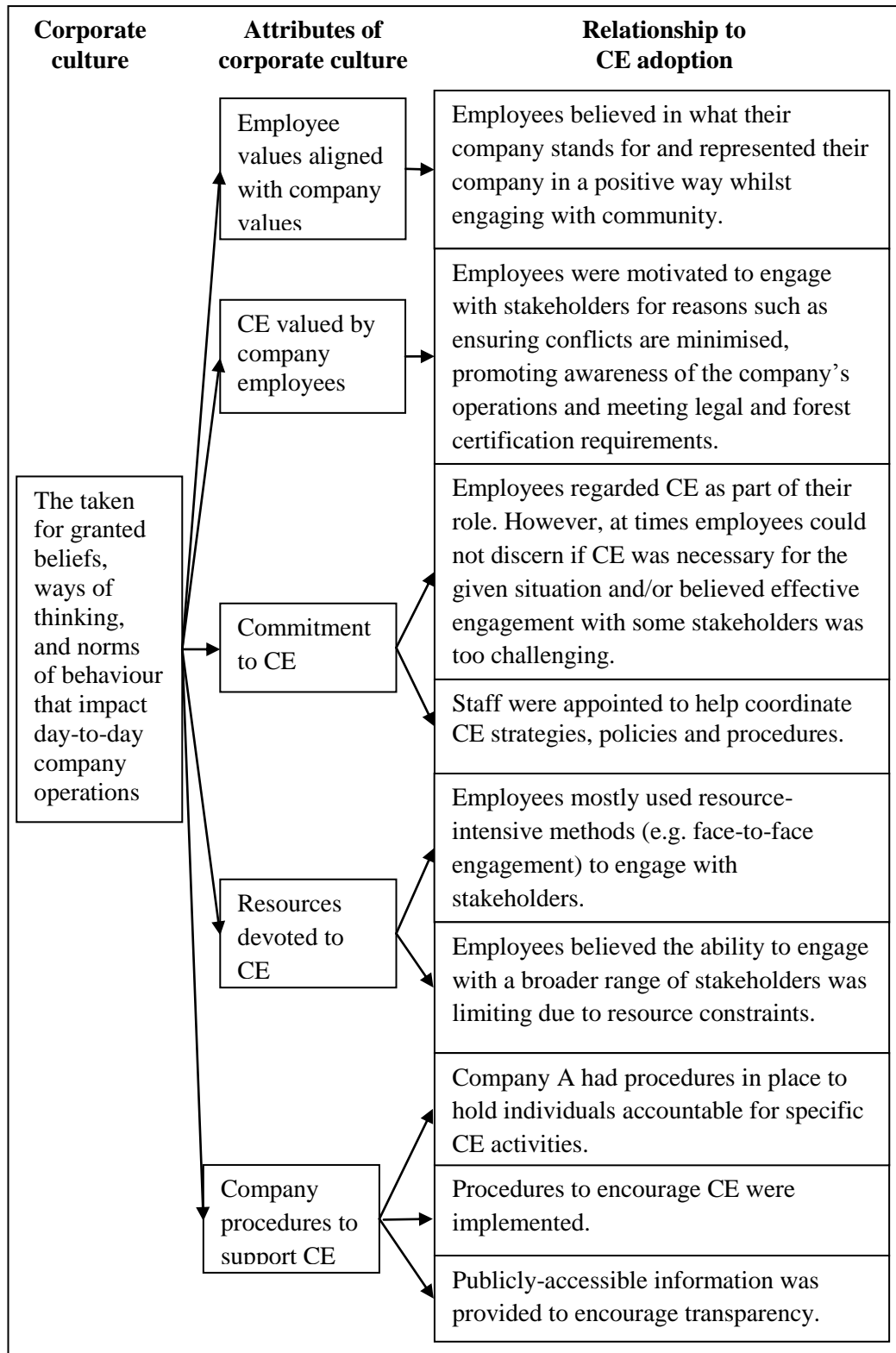


Figure 10: Outline of the relationships between corporate culture and CE adoption within the two forest companies

At the top right of Figure 10 we indicate that employees' values were in line with company values to the extent that they would represent their company positively during interactions with stakeholders. For example, a number of employees

emphasised the importance of achieving forest certification and stated that the company they worked for, at least met the minimum requirements of forest certification. Employees believed their company was committed to objectives with which they personally agreed, which reinforced a personal commitment to values shared within a company (Pettinger 2004). These relate to jointly learned values and beliefs, which influence employee behaviour (Schein 2010). We found these shared values had implications for CE, as interpersonal relationships and one-on-one interactions with stakeholders are an important form of CE (Dare, Schirmer & Vanclay 2011b), which may lack credibility if employees do not support what their company stands for.

The second finding we present in Figure 10 is that corporate culture influenced how employees valued CE. Employee's perceptions that certain CE practices were essential components of company operations were an indication that they were embedded within culture (Parker & Nielsen 2009). Embedded assumptions (components of culture) (Schein 2010) such as the belief that CE helps to ensure smooth operations and community support for forest management activities, impacted adoption of CE. Employees were motivated to engage with some of their company's stakeholders to ensure people were kept informed of activities (regarded as basic manners), ensure conflicts were minimised, promote awareness of their company's operations, meet requirements of forest certification, and ensure legal requirements were met.

Our data suggest that corporate culture influenced employee commitment to CE (Figure 10). In particular, the belief that it was challenging to engage with certain stakeholders (e.g. those who held ideological objections to plantation forestry) can discourage employee commitment to CE. Further, employee beliefs about their role and the importance of undertaking CE, influenced on the frequency and extent to which the company committed to CE. In general companies encouraged their staff to commit to CE and did this by, for example, designating key personnel such as regional managers to help coordinate CE strategies.

As indicated in Figure 10, our data suggest that corporate culture influenced the extent to which resources were devoted to CE. Corporate culture needs to support the

belief that it is appropriate to utilise company resources for a given activity (e.g. CE), to ensure that activity occurs (Trebeck 2008). Most employees believed they had ample time and resources to carry out their CE activities. However, as many employees relied on intensive forms of engagement such as face-to-face interactions, they believed that the ability to engage meaningfully with a large number of stakeholders was limited. As such, these inherent beliefs about the appropriateness of how much time and resources should be devoted to CE and what forms of engagement should be utilised in given situations (such as time intensive face-to-face engagement) was likely to influence overall company adoption of CE (Dare, Schirmer & Vanclay 2011b).

Our last set of findings in Figure 10 suggest that corporate culture was related to the extent to which company policies and procedures supported CE. For example, the beliefs about the importance of providing publicly available information to inform stakeholders of company activities can influence a commitment to transparency. Further, beliefs about the usefulness and appropriateness of certain procedures related to CE influenced adoption of CE (Dare, Schirmer & Vanclay 2011a; 2011b). It was evident that some policies and procedures helped promote discussion and coordination of CE within companies. In addition, employees were sceptical that more bureaucratic procedures related to CE would be effective and thus this would influence future development of CE strategies.

Our findings suggest that there is a relationship between corporate culture and CE adoption by companies. To enhance adoption of CE in corporate culture, we recommend that companies make changes to suit their current and evolving culture (Schein 2010). The following strategies address the five key attributes of corporate culture identified in our findings that are associated with CE adoption.

Employee values aligned with company values

Embedding company values in culture requires bottom-up engagement (Gotsi, Andriopoulos & Wilson 2008). To continue to ensure that employees' values align with company values, management needs to involve employees in discussions related to company vision and goals (De Chernatony, Cottam & Segal-Horn 2006). Part of

these discussions should involve conversations about how CE fits into the company's operating principles. These measures will help ensure both companies continue to develop a culture that supports a commitment to CE.

CE valued by company employees

There was no evidence that the fundamental principles of CE (Dare, Schirmer & Vanclay 2011a) were openly promoted within either company. Active promotion of the principles of inclusivity and transparency, having a clear and agreed purpose and process, an emphasis on mutual learning and the sharing of knowledge, and building of relationships and trust (Dare, Schirmer & Vanclay 2011a) would improve CE practice. These strategies need to be reinforced via their open endorsement within companies. For example, management should regularly promote them during informal discussions with staff and provide examples of how these principles should be enacted in CE activities. Leadership can influence staff to believe in such principles and act on these beliefs (Schein 2010).

Commitment to CE

Commitment to CE was influenced by the belief that at times CE would not be able to rectify stakeholder concerns, especially if there were competing views and ideological objections to aspects of plantation management. Not addressing concerns could be perceived as a tokenistic commitment to CE (Brueckner et al. 2006).

Employees need to be encouraged to be empathetic to stakeholders and use community concerns as a constructive way of understanding how to improve forest practices (Dare, Vanclay & Schirmer 2012). Employees should be provided with training in how to approach issues where stakeholder concerns conflict with their ideologies or beliefs about what constitutes sustainable forest practice and acceptable business practice.

Further, both companies should encourage a commitment to CE by providing incentives such as company awards for an individual's contribution to CE. At times individuals from both companies were also engaged in numerous community development activities. These activities should be communicated to the whole

company, for example, via an internal bulletin. There is an opportunity for CE to become more embedded within corporate culture if there is open promotion of specific CE principles by management, and individuals are rewarded for their contribution to CE. This can also help reinforce that engagement with a broader range of stakeholders is encouraged. Such measures can influence corporate culture, as leaders can influence the daily life of companies through what they choose to pay attention to and reward (Schein 2010). Management needs to consistently reinforce that a commitment to CE is encouraged and expected (Parker & Nielsen 2009). These measures can help to ensure leaders expectations are explicitly and implicitly communicated and can thereby influence the daily operations of companies (Schein 2010).

Resources devoted to CE

Forest plantation companies are often more reliant on forms of engagement that demand high resources (Dare, Vanclay & Schirmer 2011). We found this was the case in the two forest companies investigated. Training may help alleviate these resource limitations. Employees would benefit from training to promote awareness of some more innovative ways of engaging with a broader range of stakeholders. This would help enhance effectiveness of CE and reinforce company support and adoption (Dare, Schirmer & Vanclay 2011b).

Company procedures to support CE

Both companies had at least one person designated to implement a CE strategy. A designated person who is more skilled in CE planning and implementation can serve as a point of contact for internal staff to go to for advice on CE (Dare, Schirmer & Vanclay 2011a), and help to ensure a coordinated approach. We recommend that champions for CE be provided with additional training to enhance skills in CE planning, including stakeholder identification and analysis. Effective stakeholder analysis is vital for engagement processes (Dare, Schirmer & Vanclay 2011a). It helps to identify who should be involved, how they can be involved, issues associated with power, if the stakeholder is interested or impacted by an issue, and

how to effectively plan for CE processes considering such factors (Dare, Schirmer & Vanclay 2011a).

In addition, both companies would benefit from developing a means to evaluate their company's approach to CE, so that performance against goals is measured (Creighton 2005). We also recommend that both companies assess their 'social licence to operate' to help employees understand to what degree the company is operating with community acceptance. One way to do this is to gather more in-depth feedback from a broader range of company stakeholders. Such assessments provide opportunities for companies to listen and respond to stakeholder concerns and thus increase the adoption of CE within corporate culture (Dare, Schirmer & Vanclay 2011b).

Conclusion

Staff at various levels within the two companies – front line managers, middle management and senior management – expressed a commitment to CE. Our data suggest that CE adoption was influenced by corporate culture and in particular CE adoption was constrained by issues such as resource limitations and difficulty discerning when CE is necessary. We have provided strategies to help enhance commitment to CE within the corporate cultures of the two case study companies investigated. These include: (a) providing more incentives for individuals to engage with a broader range of stakeholders; (b) developing tools to better measure the effectiveness of company CE approaches; (c) providing suitable CE training for staff; and (d) developing stakeholder identification and engagement strategies. These measures should lead to increased commitment to CE, improve the effectiveness of CE processes, and lead to more sustainable outcomes through improved relationships with stakeholders. However, for any improvement strategies to be effective, CE needs to be valued by all those within the company and importantly leaders of companies need to ensure that appropriate resources, policies and procedures are in place to support CE and encourage employees' commitment.

Acknowledgements

We wish to acknowledge the Cooperative Research Centre (CRC) for Forestry, who provided the funding for this research. The CRC for Forestry provided funding for the operational costs of data collection. The main author is a PhD candidate who received part of her PhD scholarship funding through the CRC for Forestry and the remainder through an Australian Postgraduate Award. We would also like to thank those that participated in the research including the representatives from Company A and B who helped to facilitate data collection by inviting the main researcher for observation opportunities, providing company documents, and providing the opportunity to interview staff.

Chapter Eight: Paper 4 – Being good neighbours: Current practices, barriers, and opportunities for community engagement in Australian plantation forestry

Gordon, M., Schirmer, J., Lockwood, M., Vanclay, F., and Hanson, D (in review)
‘Being good neighbours: Current practices, barriers, and opportunities for
community engagement in Australian plantation forestry’, *Land Use Policy*, paper
submitted July 2012.

This paper builds on from issues raised in the second paper (Chapter Six). Some of the challenges to achieving effective and successful CE are related to the ability of the whole industry to engage effectively as a single entity, i.e. at a broader industry level, rather than on a company by company basis. This paper addresses the following research question:

- What are stakeholder views and understandings of the barriers to community engagement in the Australian forest plantation industry?

The barriers that key stakeholders – both internal and external to the forest industry – believe are limiting CE often can only be addressed through a ‘whole of industry’, rather than company by company approach. Drawing on literature and empirical data, recommendations are made to address some of these barriers, focusing on how an industry-wide approach to CE can be achieved. This paper is applicable to forest industry groups who help co-ordinate strategic industry CE strategies.

I am the primary author of this paper. My co-authors Dr Jacki Schirmer, Dr Michael Lockwood, Prof Frank Vanclay, and Dr Dallas Hanson provided ideas for conceptual development, reviews and edited draft and final versions. Ideas for this paper were also partially developed via a conference presentation given by the authors at the International Symposium on Society and Natural Resource Management, held in Edmonton in June 18-21, 2012.

This paper is the last paper included in the thesis. Previous papers focus on the responsibilities of companies, rather than the need for industry to collaborate to improve CE at an industry-wide scale. This paper is an essential contribution to the thesis, as despite efforts to achieve positive change within companies, the industry's social licence to operate and fulfilment of SFM is largely dependent upon their abilities to fulfil their collective responsibilities.

Being good neighbours: Current practices, barriers, and opportunities for community engagement in Australian plantation forestry

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Abstract

Although community engagement (CE) is widely recognised as an essential element of sustainable management, few studies have evaluated CE at an industry-wide scale, i.e. in terms of the specific CE needs and best practice methods needed when addressing engagement issues that apply across more than one business in an industry. We explored stakeholder views of the barriers to industry-wide CE within the Australian plantation forest industry. Interviews with key informants were conducted in 2010 throughout three major plantation regions in Australia: Tasmania, south west Western Australia, and the Green Triangle region (south west Victoria and south east of South Australia). We found that stakeholders often considered CE implemented by the forest plantation industry ineffective, due to: (a) lack of strong industry voice; (b) issues of trust; and (c) because technical experts in the forest industry lack skills in CE. Measures that are likely to promote more effective CE are discussed, including enhancement of relationships with external stakeholders, and enhancing CE skills of forestry professionals.

Keywords community engagement; sustainable forest management; Good Neighbour Charter; forestry

Introduction

Community engagement (CE) is essential for any industry that has a responsibility to ensure management decisions take into account stakeholder concerns. This includes, amongst others, the forest plantation industry. Several of the common drivers for CE include political and lobbying pressures, legal requirements, and community perceptions that an industry is causing large-scale environmental harm (Whelan & Lyons 2005), or is adversely affecting social values and norms of local communities (Barlow & Cocklin 2003). Such issues require a response at an industry-wide scale (Acutt, Medina-Ross & O’Riordan 2004), rather than at the scale of individual businesses. CE is an essential component of a response strategy to these issues, but may not be effective in addressing the concerns raised if implemented by some businesses but not others.

In this paper we focus on the use of CE to address issues on behalf of a whole industry that is operating at national, state-wide or smaller geographical scales. Industry-wide CE can be differentiated from other types of CE, as it is conducted to address issues requiring collective industry commitment. Industries that are reliant on natural resources such as fisheries, forestry, and mining need to be governed to the extent that each operator or resource user contributes to responsible management at an industry-wide scale (a ‘common pool’ responsibility). A single operator may consider themselves to be operating responsibly, but collectively the industry as a whole may be considered (by their stakeholders) to be operating irresponsibly. This can be due to, for example, a few larger organisations within an industry conducting business in an allegedly irresponsible manner. Legislation alone does not necessarily ensure that social and environmental industry responsibilities are fulfilled, in particular because ethical behaviour (and respecting societal moral norms) may involve operating beyond minimum compliance with regulations (Carroll 1991). To ensure a sector manages natural resources responsibly, industry-wide CE is a tool to

address stakeholder concerns over sectoral issues (Dare, Schirmer & Vanclay 2011a). We focus on the Australian plantation forest industry in this study, as this sector provides a good case for exploring potential barriers to industry-wide CE.

CE or ‘public participation is a process by which public concerns, needs and values are incorporated into governmental and corporate decision-making’ (Creighton 2005: 7). CE is an essential component of sustainable forest management (SFM), which includes balancing economic, social and environmental requirements for sustainability (McDonald & Lane 2002; Wolfslehner & Vacik 2008). SFM is a core component of Australia’s *National Forest Policy Statement* (Commonwealth of Australia 1995) and has been adopted as a guiding protocol for forest management in this country (Gee & Stratford 2001). Engagement with stakeholders is an essential element of a responsible and sustainable management. Stakeholders include any group or individual who may have an interest or who are impacted by an issue (Carroll & Buchholtz 2009). To date the Australian forest plantation industry has been widely criticised by their stakeholders regarding forest management practices and the impact of plantations on rural communities (Dare, Schirmer & Vanclay 2011b; Gritten & Mola-Yudego 2010; Schirmer 2007). Many of these issues are not just associated with the practices of one single forest company and require effective industry-wide CE, where responses to stakeholder concerns are addressed collectively by the industry through the use of CE. There is a need to improve CE by the forest plantation industry to achieve socially acceptable forest management, which is essential for SFM (Wang & Wilson 2007).

A number of mechanisms currently promote effective industry-wide CE within the Australian forest plantation sector. These include forest certification, and initiatives such as Good Neighbour Charters (GNCs), which are voluntary commitments to particular behaviours developed by the forest industry in collaboration with external stakeholders. Industry-wide CE performance is a culmination of the actions of individual forest companies and organisations, co-operative processes such as Regional Plantation Committees (RPCs) (Buchy & Race 2001) and various initiatives such as GNCs. Further, CE within the forest sector has been influenced by legislation, market environments, and corporate cultures (Dare, Schirmer & Vanclay 2011b). Dare, Vanclay and Schirmer (2011) identified the limitations to CE in

Australian forest management including the lack of skills in CE by resource managers, corporate cultures that promote narrow CE benefits, and issues associated with a lack of trust in the forest industry. In this paper we will explore barriers to CE in more detail to develop strategies to improve industry-wide CE.

What constitutes effective CE is context dependent, being influenced by particular political, institutional and geographical situations (Head 2007). CE by an industry sector contains a diversity of interests, a range of contexts and is hard to measure; for example, benefits are not tangible or may be long-term. However, one way to investigate how CE at an industry-wide scale can be improved is to gain an understanding of CE from the perspective of those involved in CE processes including: (a) those involved in industry collaborations; (b) those that are engaging external stakeholders on behalf of the industry; and (c) those stakeholders who are engaged by the industry. Such stakeholders play key roles in determining the effectiveness of industry-wide CE and thus their perspectives can provide insight into the barriers of effective industry-wide CE. Our research investigated a range of stakeholder views of CE from the perspective of those directly associated with CE – this included community members, various external stakeholders, industry associations, and other stakeholders who have been instigating and conducting CE on behalf of the forest industry.

Much of the CE literature that provides insights for improving future CE practice is based on processes undertaken by one organisation, a single case study, or an institution (examples are Johnston 2010; Leys & Vanclay 2011). However very little research focuses on understanding barriers to CE at an industry-wide scale (some limited discussion is included in Buchy & Race 2001; Dare, Schirmer & Vanclay 2011a; Race & Buchy 1999; this principally identified the need for industry-wide CE but does not examine in detail the specific needs of industry-wide CE). We address this gap in the literature by identifying the barriers to industry-wide CE, and how they may be overcome. Interviews were conducted with a range of stakeholders – both internal and external to the forest plantation industry – who play key roles in determining the effectiveness of CE processes. In reflecting on these perceptions, we identify ways to address barriers to industry-wide CE. The paper begins with an overview of the study context and conceptual basis for the research. Then we outline

the methods used to gather and analyse stakeholder perceptions before presenting results. We discuss the implications of our results and outline barriers to industry-wide CE. The paper concludes with strategies to enhance the effectiveness of industry-wide CE by the Australian forest plantation industry.

Study context

Australia's plantation industry has undergone significant change over the past two decades. Recent rapid expansion of the plantation estate occurred under the influence of a number of Australian government initiatives including '*Plantations for Australia: The 2020 Vision*', a document established in 1997 outlining a vision to have three million hectares of timber plantations by the year 2020 (Mercer & Underwood 2002). The *2020 Vision* helped to ensure a supportive policy environment for plantation expansion (URS Forestry 2007). Since the *2020 Vision*, most (over 86%) of the plantations established have been hardwood plantations, many of which were funded by MIS investors (URS Forestry 2007), resulting in 65% of Australia's plantation area being privately owned in 2010 (ABARES 2011). Managed Investment Schemes (MIS), companies establish, manage and harvest plantations on behalf of investors (Mercer & Underwood 2002). During 2009 – 2010 a number of MIS companies went into receivership which resulted in significant community concern. This poor outcome made it all the more challenging to gain acceptability from those investors who lost money, and other members of the public who were impacted by receiverships (Leys & Vanclay 2011). Historically other community concerns are related to issues such as chemical use, plantation impact on water quality, and the social and economic impacts of large-scale plantation expansion on communities (Schirmer 2007). It is essential that the forest industry is committed to effective industry-wide CE, which can help alleviate such community concerns and support strategic industry responses to address legitimate complaints (Alexandra & Campbell 2003). A recent inquiry into the future of the Australian forest industry conducted by the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry, states that 'the [plantation] industry should ensure that it engages flexibly and constructively with local communities to

ensure that it adequately addresses community concerns and builds local support’ (Commonwealth of Australia 2011: sec 5.28).

Elements of effective industry-wide CE

We reviewed key literature on CE to develop a conceptual framework applicable to the needs of industry-wide CE. This literature is cited below. The elements essential for effective industry-wide CE are summarised in Figure 11. These elements are interconnected as for example, CE skills need to be utilised to ensure CE processes are designed to promote trust and inclusivity. Each element of the diagram is discussed further below.

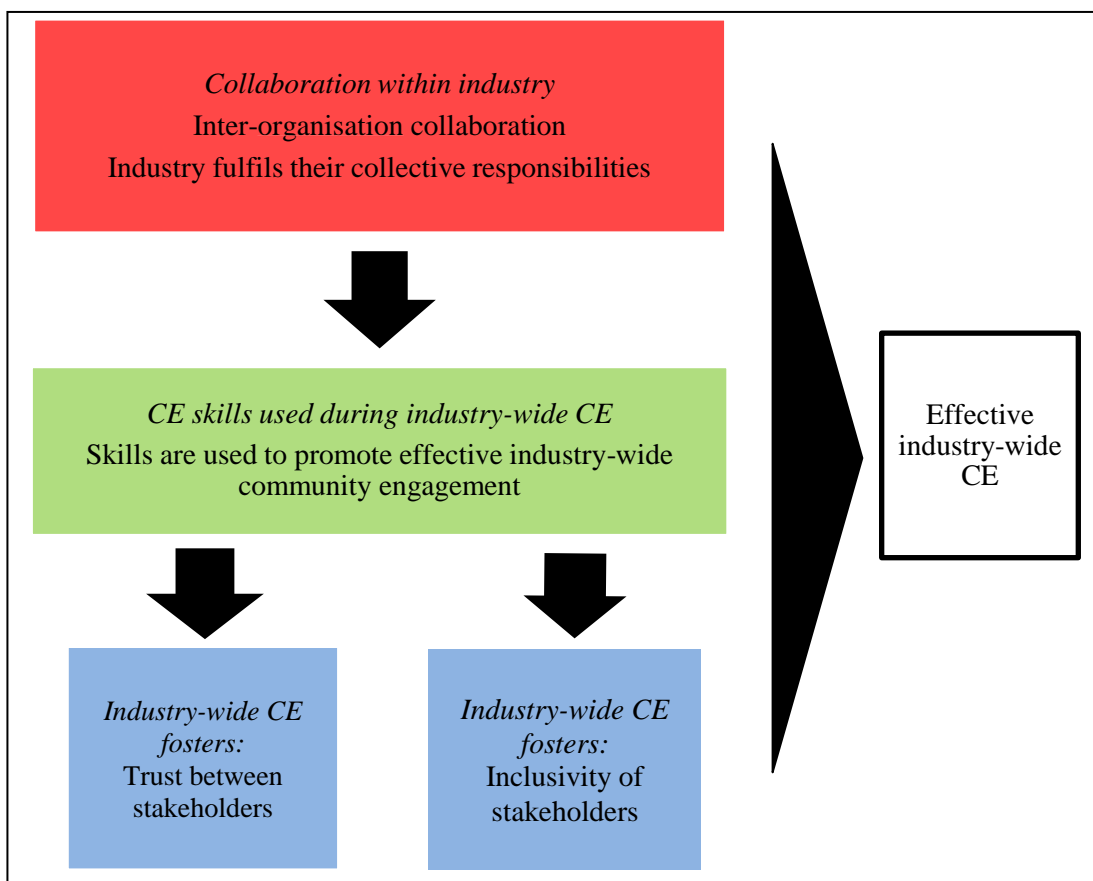


Figure 11: Attributes of effective CE by the forest plantation industry

Industry collaboration

Within-industry collaboration (associated with joint ownership of an activity or initiative) is important for the success of industry-wide CE, as it ensures collective

responsibilities are fulfilled. Collaborative industry processes can improve industry legitimacy, and influence the behaviour of individual forest companies and organisations through co-ordinated response to issues (Winn, MacDonald & Zietsma 2008). However, there a number of barriers to effective collaboration including the issue of ‘free riding’, where some companies rely on other organisations to forge legitimacy of industry (Barnett 2006a). Reputations within an industry sector can be tarnished when one or more companies display irresponsible behaviour (King & Lenox 2000; Lange & Washburn 2012), adversely affecting industry legitimacy (Winn, MacDonald & Zietsma 2008). If a major forest company is operating in a manner that is considered irresponsible, it can impact the way in which the whole forest sector is perceived. This has implications for CE. Stakeholders may not trust organisations associated with the entire industry, if some key members’ past actions have failed to address stakeholder concerns or have caused serious stakeholder concerns (Young & Liston 2010).

Although there have been many cases where CE by an individual business has been adequate in responding to stakeholder concern, especially at an operational scale (Dare, Vanclay & Schirmer 2011), the reputation of the industry as a whole is associated with their collective responsibilities (Wempe 2009), including their commitment to CE (Race & Buchy 1999). Some stakeholder concerns or interests are not specific to the actions of a single company, but encompass the actions of industry as a whole (Young & Liston 2010). Therefore, collaboration can help to ensure industry representatives address stakeholder concerns relating various geographic scales of industry responsibility.

Community engagement skills

Industry-wide CE requires collective commitments from many stakeholders within the industry to be effective. Stakeholders involved in industry-wide CE need relevant skills. These skills must foster the development of trust with stakeholders, and promote fairness and transparency in decision-making to accommodate stakeholder concerns (Dare, Schirmer & Vanclay 2011a; Dare, Vanclay & Schirmer 2012). Some skills can be enhanced through training, whereas other skills such as the ability to

empathise (an important trait for effective CE) can be an individual characteristic that may be influenced by personal experiences – for instance someone may be able to empathise with a person because they have been in a similar situation (Gair 2010). Empathy is ‘perceiving accurately the experiences and emotions of another person’ (Gair 2010: 39). It can be encouraged by developing an individual’s listening skills, and allowing someone else’s story to be deeply embedded into an individual’s subjective feelings.

Skills such as ‘emotional intelligence enable a person’s interpersonal ability to be used to ‘promote connectiveness rather than alienation’ (Dale 2008: 793). This influences the perception of trust and genuineness in CE processes (Dale 2008). If an individual is able to successfully accommodate stakeholder concerns, they can help meet stakeholders’ expectations of trust (Hosmer 1995). Other CE skills relevant to industry-wide CE include an ability to help facilitate industry collaboration, and an ability to plan and evaluate CE processes (Dare, Schirmer & Vanclay 2011a). Those stakeholders who are less skilled in CE still need to at least see a value in industry-wide CE in order to support the allocation of resources devoted to it and support those who are conducting CE on behalf of the industry (Race & Buchy 1999).

Trust

Industry-wide CE should be conducted in a way that helps foster trust between the public and the forest plantation industry. Trust is an essential component of successful CE (Booth & Halseth 2011; Dare, Schirmer & Vanclay 2011a; Davenport et al. 2007; White 2001). In general, trust relates to the expectation that another’s actions will be beneficial (not detrimental), and as such they can be trusted (Bijlsma & Koopman 2003). Stakeholders need to be able to trust that the industry is committed to listening and responding to their concerns (Sethi 2005). Trust can relate to an individual, a company, or an industry sector, but these are somewhat interrelated, as for example an industry dominated by large companies (with which stakeholders are unsatisfied) can generate general distrust in that industry (Young & Liston 2010). Trust needs to be fostered across multiple domains, trusters, and

trustees (Kramer 2010). Managers' behaviour can promote trust between an organisation and their stakeholders (Wicks, Berman & Jones 1999).

As much of Australia's plantation estate is privately managed to produce commercial forest products, the industry can be criticised as being too heavily biased towards improving their financial bottom line and neglecting stakeholder concerns. Where stakeholders perceive equity or fairness in decision-making processes, it increases the acceptability of decisions (Creighton 2005; Lind & Tyler 1988). This also relates to trust, as perceptions of fairness will contribute to participants believing that they can trust long-term outcomes of processes (Smith & McDonough 2001). In the absence of trust, stakeholders may not support decision-making processes and this can contribute to conflict and calls for stricter forest management regulations (Dare, Schirmer & Vanclay 2011a).

Inclusivity

Those implementing industry-wide CE must ensure processes are inclusive of stakeholders and engage them in a way that is constructive i.e. not dismissing stakeholder concerns as irrational or treating them with disrespect. CE can be ineffective when some stakeholders are left out or not adequately included in CE processes (Buchy & Race 2001). When people are excluded, it can result in negative reputation for the sector (Fombrun, Gardberg & Barnett 2000), and reduce the opportunity to incorporate stakeholder concerns or ideas in management decisions (Hardy & Nelson 1998).

A lack of inclusivity can result when there is inadequate CE planning and design to account for issues such as power dynamics, stakeholder expectations, and diversity of stakeholder interests (Dare, Schirmer & Vanclay 2011a). Greater inclusivity can be enhanced when a range of CE opportunities are provided (Dare, Schirmer & Vanclay 2011a). Often however, those implementing CE processes may have limited resources (i.e. time and money) to effectively involve a range of people over a time period suitable to enable constructive CE. This can result in poorly conducted CE

processes and can also tarnish industry reputation for implementing an effective CE process in the future (Craig & Vanclay 2005; Dare, Schirmer & Vanclay 2011a).

Methods

We used an adaptive theory approach (Layder 1998), which recognises that reality can be described through participants' meanings as well as through acknowledging existing structures and processes that have an impact on CE in practice. During 2010, 87 interviews were conducted with a range of stakeholders associated with the forest plantation industry (Table 8). The interviews were conducted in three plantation regions in Australia, which were: the Green Triangle region (southwest Victoria and southeast South Australia), Tasmania, and southwest Western Australia (Figure 8). Some interviewees did not live in these regions, but were interviewed because they provided insight into issues at a national or state-wide scale (e.g. representatives of forest certification auditing organisations, national non-government organisations (NGOs), and forest managers of large companies).

Refer to Figure 8 (Chapter Four)

As described in Table 8, stakeholders interviewed included forest company employees, forest plantation contractors, neighbours to tree plantations, local councils, Indigenous groups, environmental non-government organisations (ENGOS), other NGOs, natural resource management (NRM) groups and forest certification auditors. Forest company employees interviewed included field staff, middle managers and senior management.

Table 8: Informants interviewed for the study

Informant	Scale of interest				Total
	State or national context	Green Triangle	Tasmania	South west Western Australia	
Agricultural group or farmer	1	4	1	2	8
ENGO or NGO	3	3	4	1	11
Forest certification body or auditor	1	0	2	0	3
Forest company employee or contractor	2	10	8	5	25
Forestry group	2	2	4	3	11
Local council	0	3	1	4	8
Other ^a	2	6	3	10	21
Total	11	28	23	25	87

^aIncluded three Indigenous representatives

Those selected for interview were purposively chosen (Patton 2002) providing they met pre-defined selection criteria (Ritchie & Lewis 2003). The selection criteria varied depending on the type of informant being interviewed. For instance, a person representing a forest certification body was only interviewed if they had extensive knowledge of the forest certification process and how guidelines associated with CE are implemented. All interviews lasted for up to a maximum of one and a half hours. The University of Tasmania Human Research Ethics Committee granted ethical approval for the study (approval number H10920). Interviews were recorded, fully transcribed, and interviewees had the opportunity to review transcripts before they were used for analysis.

Interviews were semi-structured and flexible to allow for in-depth exploration of stakeholder perspectives by encouraging a natural flow in the conversations (Minichiello 1995). The semi-structured guide questionnaire developed for interviews varied depending upon the type of informant being interviewed. For example, neighbours living near tree plantations were asked questions in relation to

their interactions with the managers of plantations, while forest managers were asked questions regarding their approaches to CE. All interviews were conducted one-on-one, except for one interview that was conducted with two Indigenous representatives with another Indigenous person in attendance as an observer.

Following the adaptive theory approach (Layder 1998), preliminary analysis was undertaken immediately post interview with learnings used to assist with modifying the subsequent interview question guide. Data was analysed using the assistance of NVivo Version 8 software. An iterative approach to the thematic analysis (Boyatzis 1998) was undertaken with initial descriptive codes progressively becoming more analytic as the study unfolded and key themes emerged (Attride-Stirling 2001; Green et al. 2007; Srivastava & Hopwood 2009). Some codes such as ‘lack of skills’ remained descriptive, while others such as ‘history causing scepticism’ were analytical interpretations of informant’s statements. Phrases, sentences or paragraphs of text could be coded as ‘history causing scepticism’ on the basis of statements that indicated doubt that the industry would consider stakeholder concerns in management decisions because they had a poor engagement experience with the forest industry in the past. Our definition of sceptical for the purpose of this paper was associated with trust – that people were strongly doubting the forest industry’s ability and willingness to deliver on their expectations.

Results

Our interview results provide evidence of the barriers to industry-wide CE and insights into how these might be addressed. The core barriers associated with industry-wide CE included lack of trust, deficiencies in industry collaboration, lack of skills of forestry professionals, and lack of inclusivity.

Industry collaboration

In general stakeholders identified that there was a greater need for industry collaboration to enable effective industry-wide CE. Fifty-seven stakeholders spoke about collaboration within the industry. Of these, 46 specifically mentioned they

believed there needed to be more collaboration within the industry to ensure effective CE. Seventeen stakeholders said that there is sometimes not enough agreement within industry to enable effective industry-wide CE, as there are too many conflicting views, leading to a lack of strong voice by the whole of industry:

One of the issues that I see is that there's too many [industry groups] – or too many industry voices, as in groups. (Interviewee #68, Representative from a forest organisation, Green Triangle region).

Six stakeholders spoke about GNCs. Five of these stakeholders believed that initiatives such as GNCs helped to facilitate better collaboration within industry, as individual forest organisations would have the opportunity to discuss with other companies effective approaches to CE. One respondent believed it would be beneficial to have an industry-wide GNC in Western Australia (WA):

Everybody's probably off doing something a little bit different, and for a good reason, but if everybody's understanding why they're doing it. It would be good if the companies could come together and produce a Good Neighbour Charter. (Interviewee #28, Representative from a forest organisation, southwest WA).

Two stakeholders described some forest companies as 'free riders' or groups that were not 'pulling their weight' because they derived some of the benefits of collaborative industry approaches without having to commit company resources to them:

As far as I'm concerned there's always an issue with some companies who are happy to free-ride on industry associations. So they make a decision not to join an industry association and not to pay a membership fee. But they still benefit from most of the work that we do, because it really isn't possible to restrict the benefits of our work to just our member companies – they really tend to be benefits that accrue to the industry as a whole. (Interviewee #50, Representative from a forest industry group, national context).

Other stakeholders implied that there were some organisations within industry that were negatively influencing industry reputation as they were not adequately engaging with groups such as NGOs:

But it's interesting that ... [a forest company] and ... [another forest company] have chosen not to be members of ... [our organisation], and in fact their only engagement with the community to date has been absolutely woeful. (Interviewee #44, Representative from an NGO, southwest WA).

Forty-three stakeholders believed it was essential to have stakeholders who can speak on behalf of the industry, to enable effective industry-wide CE:

I think it would certainly be beneficial to have some consultation or a discussion forum with people who can speak for the industry. Transport access, protection of the environment, water rights issues, are all things that I'm sure that the plantation industry would want to comment on. (Interviewee #61, Representative from a local council, Green Triangle region)

A belief that it is essential to have industry representatives speak on behalf of the industry may be associated with a concern that industry-wide CE is limiting when an individual is not empowered to respond to a stakeholder concern because it is associated with industry-wide issues. In addition, one person believed there needs to be a long term CE strategy for industry-wide CE:

So we really do need a well funded, long term community engagement strategy at an industry-wide level, and until we get that, the engagement on a one-on-one basis, will be nowhere near as effective as it could be. (Interviewee #8, Representative from a forest industry group, Tasmania)

These results indicated a belief that stakeholders within the forest industry did not all have the same commitment to CE. There was also a belief that industry was

providing disparate messages to the public and thus should collaborate better to ensure effective industry-wide CE. Stakeholders believed conflicting industry messages and a lack of willingness from those representing industry to commit to CE contributed to a negative industry reputation. In addition, a lack of collaboration within industry can reduce the potential for individuals to address stakeholder concerns that need to be acted on at a broader industry-wide level. Further, external stakeholder groups that have concerns associated with the industry may prefer to speak with representatives who can speak on behalf of the industry as a whole, rather than just a particular company.

CE skills of forestry professionals

Industry-wide CE needs to be delivered in a way that effectively responds to and acts on stakeholder concerns. This often requires considerable skill in the form of understanding these concerns, planning CE processes, and at times understanding how to address multiple and sometimes conflicting stakeholder demands. Out of the 87 stakeholders interviewed, 25 spoke about CE skills of forestry professionals. Of these, 17 stakeholders believed that a lack of CE skills amongst relevant staff working in the forest industry was limiting the industry's ability to address criticisms (issues of relevance at an industry-wide scale):

I guess particularly forestry having such a high-profile and attracting such great scrutiny from stakeholders – foresters need to be aware of that and I think those forestry schools need to teach people skills to cope with that, to understand the tools to analyse it and ways to work with communities. (Interviewee #5, Representative from a forest certification body, national context).

The above stakeholder was concerned about the ability of the industry to enact effective industry-wide CE due to a lack of CE skills within the industry. Nine other interviewees believed there were some stakeholders within the industry that are skilled in CE, suggesting lack of skills is not always a critical issue. However, 14

stakeholders mentioned that those working in the forest industry do not always appreciate the need for CE, even where they have the requisite skills:

I think as an industry we sometimes forget that we need to maintain a level of comfort messages and engagement out there. So I think as an industry we tend to, when there aren't immediate issues, we tend to cut back on our engagement. (Interviewee #4, Forester, Tasmania).

Of the nine stakeholders who believed CE skills within the industry was not always a critical issue, two of these believed that there was a cultural shift occurring in the industry where more people were becoming skilled in CE:

Those younger foresters and so forth that are coming through, that are communicating with the public and preparing presentations and working with the students or working with teachers or working with the general community; it's becoming part of their training; it's becoming part of their core business. (Interviewee #52, Representative from a forest industry group, Tasmania).

Those skills that stakeholders believed were lacking in the forest industry were associated with effective communication and an ability to understand the importance CE, which can result in an underutilisation of CE. Those more skilled in CE may recognise its importance and value it at an industry-wide scale (and therefore commit to it).

Some stakeholders believed that those stakeholders within the forest industry may have skills in CE, but are not always applying them. Stakeholders emphasised the need to be proactive with CE, rather than utilising it only when there is a need to address a pressing issue. CE practitioners within the industry need to understand the importance of developing ongoing strategies and have associated skills in program design and selection of engagement methods. These issues relate to industry-wide CE, as success requires the commitment from a broad range of stakeholders within the industry. The present deficit in understanding and skills limits the capacity of the sector to establish and implement industry-wide CE.

Trust in CE processes

A core theme that emerged in the data analysis was that lack of trust between stakeholders and the industry, reduced effectiveness of CE attempts that aimed to address industry-wide issues. This issue of trust had many dimensions, highlighting the importance of understanding how the actions of individuals affect ability to successfully engage at an industry-wide scale.

Twelve stakeholders believed that poor CE practices by some companies tarnished the reputation of other forest companies or organisations, which has led to increased scepticism and therefore presents a challenge for future CE due to a lack of trust more generally with industry:

[A specific forest company], for example – notoriously bad at community consultation, ... [another company] as well, but there's others I'm sure that are much better that actually take into account community concerns. (Interviewee #16, Representative from an ENGO group, Tasmania).

Ten stakeholders were sceptical that the forest industry seeks to address all issues of concern to them, because they believed the industry is focused on achieving business outcomes at the expense of listening and acting on stakeholder concerns:

the problem that the forestry industry has got itself in, ... is that it's viewed it like "*oh you know, well what the community wants isn't what a good business model is, so we're just going to sort of steamroll over the top of the local community.*" (Interviewee #14, Representative from an ENGO group, Tasmania).

Ten stakeholders working within industry believed they were not able to engage effectively with some stakeholders, due to their views being so different to their own. Four stakeholders therefore suggested that industry within different plantation regions needs to engage an impartial third party to assist with some engagement activities and help promote trust between industry and the public:

If the community is not going to listen, then you're wasting your breath. So the message has to be delivered by some entity that the community is prepared to trust and listen. (Interviewee #21, Representative from a forest organisation, Tasmania).

In addition, 40 stakeholders believed that industry at times needed to provide more information to the public to promote trust between the industry and the community:

So the community and probably myself to a huge degree have got lots and lots of question marks ... And I think yeah, the community is sitting back and being fairly sceptical at this stage. (Interviewee #72, Representative from a tertiary institution, Green Triangle region).

Thirty-one stakeholders specifically mentioned that the forest plantation industry needs to make more efforts to build trust and rapport with local communities by improving their capacity to be involved in the community in some way:

So I think local management on the ground is important ... and having people who live in those communities, rather than commute to work, is hugely important. The people that community members can relate to, goes a long way towards smoothing over any waters that rough up. (Interviewee #18, Community member, Green Triangle region).

Ads in the paper or media releases or things that might work in bigger communities – don't work in small communities. You actually have to be a part of the community. (Interviewee #26, Representative from a local council, southwest WA).

The above issues were perceived to relate to perceptions and reputation of the plantation industry as a whole. If more companies were closely involved with local communities, industry representatives may be in a better position to build trust with local stakeholders. Trust in individuals representing the industry can sometimes translate to trust in industry, if stakeholders feel that their concerns relating to

industry-wide issues have been addressed. Three stakeholders believed there were fewer stakeholders working within the forest plantation industry compared with other forms of agriculture, and this meant less opportunity to connect with local communities:

The nature of the industry is that it's not reliant on having – it's not as intensive as [other forms of] agriculture. So you don't necessarily need to have as many people present within a community and that can be an issue ... [We need] community minded people that can relate to other people in those communities. (Interviewee #42, Forester, southwest WA).

Some issues of trust were perceived to be challenging to overcome, due to the cynicism that had formed because of an exposure to poorly conducted CE processes. These issues were perceived to reflect poorly on the industry as a whole. Further, some respondents believed that an apparent inability on the part of industry to devote time to more intensive CE processes (such as face-to-face engagement) meant there were limited opportunities for forest industry representatives to build trust and effectively understand and empathise with stakeholder issues. Some stakeholders believed it was too challenging to conduct better industry-wide CE in the plantation industry (CE that can promote trust between the public and the industry) due to significant resource limitations.

Inclusivity of stakeholders

Industry-wide CE can help to alleviate issues of non-inclusivity. Some groups experienced minimal engagement with the forest industry and expressed disappointment regarding this lack of engagement in a way that reflected on the sector as a whole. Criticism was also evident amongst individuals who worked within the forest plantation industry:

We'd like a level of transparency, as far as the information flow back and forwards is concerned. The decisions that are made by those companies, which have a profound effect on our constituent members, which are

often made in isolation and without any consultation either with us or those constituent members or any real understanding of what those impacts are. (Interviewee #56, Representative from a forest industry group, Tasmania)

There was a link between the need for transparency (in this case related to information being provided through more regular communication) and being included adequately in CE processes. The above informant would like to be included more in industry communications, in order to stay informed and have some voice in decisions that impact their stakeholder group.

There were 41 external industry stakeholders interviewed, some of whom represented stakeholder groups rather than an individual. Of these, eight stakeholders specifically mentioned that there were opportunities for the forest industry or forest organisations to collaborate with their stakeholder group more:

It's always – they've [some forest companies] always looked at me like "*why are you talking to us?*" ... [CE has] been pretty limited, but the desire is certainly there to work with those plantation companies 'cause they own a vast land mass and they can also help us with some of our environmental outcomes. (Interviewee #35, Representative from an NGO, southwest WA).

Two of the stakeholder groups who did not believe they were effectively included in CE processes included representatives of Indigenous groups who believed Indigenous rights and culture were not adequately included in CE processes. These Indigenous stakeholders suggested that it would be good if the forest industry or individual forest companies endorse the United Nations Declaration on the Rights of Indigenous Peoples (2007). In addition, two Indigenous leaders believed that at times engagement by some individual forest companies was paternalistic:

It's a bit paternalistic when they come here and they sit down and say "*oh, well we're going to do this and we're going to sit down and do this and all that kind of stuff*", and those things are most probably they are

not the only options of what we need ... they need to come in with a blank slate really. (Interviewee 1 of 2 #81, Representative from an Indigenous group, Green Triangle region).

The above view can have an impact on industry reputation, as some groups may feel they are not adequately included in CE processes with industry representatives. In addition, two of the Indigenous representatives interviewed believed that some forest organisations do not have a good awareness of Indigenous culture, which limits the ability for the forest industry to adequately include Indigenous groups in CE processes:

But if they [forest industry representatives] come in without a couple of their own onion skins [preconceived ideas], they would be right. It's just better because people in Australia need to know Australia's history and heritage [a greater understanding of Indigenous culture]. (Interviewee 1 of 2 #81, Representative from an Indigenous group, Green Triangle region).

Eleven stakeholders believed it was a challenge to engage those in the community who lacked time or interest to be engaged by the forest plantation industry:

I think forestry people are mainly interested in forestry. Community people are interested in forestry when there's a perceived threat to their livelihood or their well-being or their health or something like that. They're probably not that interested in it intrinsically. (Interviewee #32, Representative from a tertiary institution, southwest WA).

The above issue – the challenge of engaging with those less interested in forestry – was also related to the perception that engaging such an audience effectively requires significant effort and resources from industry. At the time of data collection there was also a period of financial difficulty, with a number of companies who had gone into receivership. Sixteen stakeholders believed a lack of resources was an underlying barrier to being inclusive in industry-wide CE processes:

Within ... [an industry group] we've often struggled with what we should do in the wider community, with relationships and getting our message out there and hearing the messages that come back ... It's always difficult and a lot of it does depend on the resources you have at the end of the day. (Interviewee #48, Representative from a forest organisation, Tasmania).

Disappointment with the minimal interactions with the forest industry may be associated with the feeling that industry representatives do not value engagement with some of their stakeholders, and are excluding stakeholder concerns from their management decisions. However, many of the stakeholders within the industry were concerned about the inability to engage with a broader audience due to resource limitations. This limitation was contributing to a belief that it is often impracticable for industry to be more inclusive of stakeholders in CE processes.

Discussion and implications

This study provided insight into the limitations and opportunities for more effective industry-wide CE by the Australian forest plantation industry. Although there is an essential role for other forms of CE such as individual and company level CE, there are some issues that require a broader collective industry-wide response, where industry-wide CE serves as a tool to facilitate incorporation of stakeholder concerns. Industry-wide CE can address issues of relevance to state-wide, national or smaller geographical scales. A broad range of stakeholder perspectives were analysed in this study and literature was used to identify strategies that could help overcome current barriers to industry-wide CE by the forest plantation industry.

Collaboration within the forest plantation industry is essential to address industry's collective responsibilities (Wempe 2009). A lack of collaboration can result in communication of disparate messages to external stakeholders. Competition between various industry organisations can contribute to this. However, organisations can cooperate with each other on some activities (i.e. strategic alliances), whilst still competing with one another in other activities (Bengtsson & Kock 2000). Some

cooperation is essential for enhancing organisational efficiencies. At times stakeholders external to the forest plantation industry need to be able to speak to representatives who can clearly communicate messages on behalf of the industry, and industry representatives can in turn relay these communications through their own industry networks. Collaboration can result in shared understandings (Crosby & Bryson 2005), strengthening the capacity of the industry to provide clear messages to their stakeholders. In addition, collaboration may reduce the potential issue of ‘stakeholder burnout’ when stakeholder groups are provided with an opportunity to be engaged by one representative or process rather than multiple forest organisations (Dare, Schirmer & Vanclay 2011a).

Stakeholders in our study supported the view that more collaboration is needed to foster a positive industry reputation and engage effectively with a broad range of stakeholders. Existing industry networks such as industry associations, RPCs (or similar committees) should be utilised to help facilitate workshops that foster the development of strategic industry plans for CE. RPCs are stakeholder forums involving the participation of a range of organisations and interests and can be an effective mechanism for resolve industry-wide issues at various geographical scales (i.e. state-wide or smaller geographic scales) (Buchy & Race 2001). In the case of the region of south west WA, part of industry plans for CE could include a development of a GNC. In addition, various organisations should share learnings from their CE activities to encourage constructive dialogue and to adequately prioritise the need for commitment to industry-wide CE. Improved industry collaboration can also have a positive impact on an individual forest company’s CE, for example through raising awareness of the need for CE, and from the sharing of learnings and ideas with regards to CE strategies (Dare, Schirmer & Vanclay 2011a).

Some forest organisations were criticised as not pulling their weight in terms of being involved in industry groups. The issue of the ‘commons’ (where in this case we are referring to all individual actions or choices associated with an industry having some influence on collective industry representation) provides companies with the opportunity to free-ride of other companies efforts to improve industry reputation and legitimacy (Barnett 2006b; King & Lenox 2000; Winn, MacDonald & Zietsma 2008). Organisations will always be motivated to contribute to collaborative

efforts at least partly by self interest regarding perceived benefit of their involvement (Provan & Milward 2001). Organisations need to understand there is a direct benefit for their being involved in one or more industry groups. Improved incentives (or better up-take of existing incentives) for organisations to become active participants in industry-wide CE initiatives would reduce ‘free rider’ issues. However, there are no simple ways to encourage organisations to commit to collaborative efforts as this may require cultural change within the sector.

An incentive for effective industry collaboration also relates to achieving community acceptance (Esteves & Vanclay 2009) and alleviating issues such as lobbyist opposition to forest activities (Gritten & Saastamoinen 2010), which can result in stricter forest policies (Dare, Schirmer & Vanclay 2011a). In addition, collaboration can help to improve information exchange to provide a broader range of ideas and lead to the development of innovative solutions to issues (Dare, Schirmer & Vanclay 2011a). Collaboration provides the opportunity for individual stakeholders within the forest industry to gain a better understanding of issues of relevance to national, state-wide, or smaller geographic scales.

Lack of CE skills can result in poor implementation of CE. A number of stakeholders were concerned that CE skills of forestry professionals were limiting effective industry-wide CE. Dare, Schirmer and Vanclay (2011b) similarly found that some forest managers lacked skills in CE and had little acceptance of engagement processes designed to foster shared understandings that can lead to alternative management practices. Industry-wide CE requires a commitment from a range of stakeholders working within the industry. Those who initiate and implement CE need to be skilled enough to ensure it is constructive, and promotes shared learnings, inclusivity, transparency, and trust (Dare, Schirmer & Vanclay 2011a). Some stakeholders believed CE training should be embedded within forest science education occurring in tertiary institutions. Currently some Australian tertiary institutions offering forest science courses have introduced a component of CE training into their curriculum. However, professionals employed by the forest sector come from a range of backgrounds (not necessarily from a forest science degree) (Vanclay 2007), and possess different CE skill sets. Forest organisations should consider providing their staff with training in CE skills. CE training can improve

and/or build new skills. This training could also be coordinated through industry groups and would benefit from the services of specialist CE training organisations. Improved CE training would help raise awareness within the industry of the need to commit to and ensure effective industry-wide CE.

The lack of trust in the forest industry presents a significant barrier for effective industry-wide CE. CE needs to be undertaken in a way that engenders trust (Davenport et al. 2007; Parkins & Mitchell 2005). Engagement that does not facilitate the development of trust and does not meaningfully consider a range of stakeholder interests risks being interpreted as tokenistic and therefore unconstructive (Measham et al. 2011). Our results indicated that stakeholders both within and external to the forest industry acknowledged trust was a barrier to industry-wide CE. However, there was a sense of frustration that some of these trust issues are challenging to overcome due to: (a) a lack of forest industry representatives that could provide the more intensive forms of CE deemed essential for promoting trust; and (b) due to the overriding cynicism associated with a history of poorly conducted CE processes, influencing collective industry reputation.

Where there has been a history of poorly conducted CE, an impartial third party could be employed to facilitate CE processes (Richardson 2010). This is also applicable to situations where industry members hold strongly opposing views to some of their external stakeholders (Miller 1999). Where there is a lack of trust, individuals and institutions will want to be involved in decision making processes and influence outcomes (Parkins & Mitchell 2005). However, some stakeholders may be reluctant to engage or raise complaints if they believe their concerns will not be considered in decisions (Booth & Halseth 2011). A skilled facilitator should ensure that power issues or ideological differences do not undermine the ability for participants to have a meaningful voice in CE processes. CE processes should provide participants with reassurance that their concerns will not be ignored, but addressed. Further, as the industry is somewhat reliant on less personalised engagements (not one-one-one engagement) to communicate with broader audiences, trust can be fostered by involving external stakeholders (whom other stakeholders trust) in industry-wide communications (Morsing & Schultz 2006), such as information bulletins.

Lack of inclusivity resulted in stakeholders becoming sceptical that the forest industry is committed to engaging with all of their stakeholders. It is important that stakeholder groups are provided with multiple opportunities to engage with the forest industry. If stakeholders are excluded there will be less opportunity for industry to effectively acknowledge and address stakeholder issues, which can lead to distrust in industry (Young & Liston 2010). ‘Alienating stakeholders results in reputational loss’ (Fombrun, Gardberg & Barnett 2000). The forest industry should utilise existing structures and community groups to engage more effectively with a broader population. We found that in some cases there are opportunities to engage better with various groups in the community including local councils. Forest industry groups should consider how they can better facilitate greater information exchange between local councils and the forest industry, as this would provide opportunities to reach a broader audience through local councils’ connections with local populations.

In addition, Indigenous informants commented that engagement by forest companies was paternalistic. Failure to understand or respect cultural differences will compromise industry capacity to effectively engage with Indigenous groups (Lane 1997; Lloyd, Van Nimwegen & Boyd 2005). Industry groups could help co-ordinate Indigenous cultural awareness training, which is tailored for different localities. This approach may be more efficient than a number of organisations all separately approaching Indigenous groups. Further, the forest industry may benefit from endorsement of existing non-binding texts such as the United Nations Declaration on the Rights of Indigenous Peoples (2007). Such symbolic initiatives, if backed up by substantive action, would help to ensure Indigenous groups feel respected and meaningfully included in CE processes.

Some external stakeholders that we interviewed believed there were opportunities for the forest industry to cooperate or collaborate with them more. These stakeholders were disappointed with the limited engagement they had with industry and believed developing cooperative relationships could lead to ‘win-win’ outcomes. Stakeholders expressing a desire to partner more with the forest plantation industry included NGOs. Forest industry groups should explore the possibility of such partnerships, but

these must take into account issues such as power and accountability to ensure one party's interest does not unfairly take advantage of a situation (Singleton 2000).

Industry stakeholders believed there were limited resources to engage with the broader public. Improved collaborations may encourage industry to identify innovative ways of improving industry integration into the community, such as through developing volunteering programs (Fombrun, Gardberg & Barnett 2000). Some stakeholders we interviewed believed that forest plantation companies need to invest more effort into their integration with local communities, where for example, more local people are provided with employment in industry. Reinicke et al. (2000) suggest that inclusion is critical to legitimacy, and in the face of limited resources sector-wide pooling can provide greater opportunities for access to technology, expertise, and direct funding. Greater availability of resources can also help overcome issues associated with the challenge of engaging the less 'interested', some of whom may be time poor.

In addition to our recommendations, we suggest that further research could investigate barriers to industry-wide CE in other industry sectors to provide more comparative data. Further, more research could provide more in-depth information on existing forest industry networks in various plantation management regions in Australia, to provide more insight into the opportunities for improving industry collaboration.

This study has provided insight into what strategies can be implemented to improve the effectiveness of CE by the forest plantation industry. We found it is possible to enhance relationships within the forest industry and between the forest industry and their external stakeholders through improved industry-wide CE. A lack of resources can often be blamed for a lack of effective CE. However, effective collaboration can help alleviate resource constraints and establish more efficient and innovative approaches to industry-wide CE. In addition, the capacity for more effective CE to occur within the forest plantation industry can be improved through measures such as more skill training in CE and encouraging individuals to support industry-wide CE. Any improvements depend upon the collective and ongoing willingness of stakeholders working within the forest industry.

Acknowledgements

We would like to acknowledge all those that participated in the study. We would also like to thank the Cooperative Research Centre for Forestry, for providing funding for the study (project 4.3.3). In addition, thank you to Dr Lain Dare who provided input into draft versions. Ideas for this paper were partially developed via a conference presentation given by the authors at the International Symposium on Society and Natural Resource Management, held in Edmonton in June 18-21, 2012.

Chapter Nine: Conclusion

In this study I investigated ‘*what can be done to enhance the adoption of community engagement in the corporate culture of Australian forest plantation companies?*’ The aim of the study was to identify ways to improve the adoption of community engagement, and through this, corporate social responsibility practices by forest companies in Australia, in order to achieve sustainable forest management outcomes. This research contributed to the discipline of forest management, as previous research had failed to provide empirical data to understand the relationships between CE, CSR, and corporate culture and practices and how these link to SFM. In addition, the research provided practical insight into how to enhance adoption of CE within corporate culture, thereby helping to advance achievement of social SFM outcomes. The research focused on the role of corporate culture in investigating the adoption of CE. This was achieved through a literature review, gathering of empirical data, and analysis of findings to develop recommendations to enhance adoption of CE and thereby commitment to CSR.

There is a need for the plantation industry to improve their CE practices and commitment to CSR. The plantation industry in Australia receives criticism from a range of groups, and consequently often has a poor social reputation (Dare, Schirmer & Vanclay 2011b; Gritten & Mola-Yudego 2010). Concerns over plantation forestry are associated with a number of issues including the social and economic impacts of large-scale plantation development on rural communities (Gerrand et al. 2003), and in more recent times the impacts of failed Managed Investment Schemes (MISs) (Leys & Vanclay 2011). Improved CE and, through this, improved commitment to CSR can be used as a means to help address such concerns. There is an opportunity for forest companies to achieve the social requirements of SFM and this requires adoption of effective CE.

Based on a literature review, I identified that CE and CSR are essential for SFM. These concepts and the concept of a social licence to operate were developed into a conceptual framework (Chapter Two), which was subsequently further explored via qualitative data collection. Corporate culture was identified as the foundation that

influences a commitment to CE and CSR. However, a number of external influences such as technology, government influences, markets, stakeholder and societal expectations, industry co-operation, and voluntary processes also influence the internal culture of a company.

The methods deployed in the study generated empirical data presented in Chapters Five to Eight. Using an adaptive theory approach (Layder 1998), the research process was reflective and iterative. I used two case studies to investigate corporate culture and its impact on CE adoption. Multiple methods were used to explore these case studies including interviewing, observation, and document analysis. I used thematic analysis (Boyatzis 1998) to analyse data.

As there was no clear definition of what CSR constitutes in the Australian forest plantation industry, I analysed my empirical data to explore this. The results are provided in Paper 1 (Chapter Five), which examines stakeholder conceptualisations of CSR. As discussed in Chapter Five, an all-inclusive definition of CSR would be too vague to be useful. However, in Chapter Five I provide a broad overview of what CSR means for the Australian plantation industry. In the context of the Australian plantation forest industry, CSR should be considered a multifaceted concept entailing social, economic, and environmental dimensions where it explicitly involves a company operating in a way that contributes positively to society, and this may mean that companies need to operate beyond minimum legislative requirements.

Initiatives that stakeholders believed should be a part of CSR included CE, contribution to community development and wellbeing, and operating beyond minimum legal requirements, since not all responsible behaviour is legislated. Activities that could fall into these categories can include engagement with community members to consult them before it is decided that large areas of plantations will be developed. Further, operating beyond the requirements of law could mean that companies are donating resources to community groups to achieve positive socio-economic contributions. In addition, partnerships with stakeholders such as ENGOs would be considered a CSR activity because the company is not obliged (under law for example) to partner with the ENGO, but does so for a range of reasons such as being able to contribute positively to society.

Further, employees believed that members of the community such as neighbours of tree plantations should be informed of operations occurring nearby, and that this was a basic courtesy or ‘good manners’ and these actions were consistent with what it means to be a responsible corporation. In general, CSR was viewed as a multi-faceted concept where a large range of activities (which contribute positively to society and to the well-being of employees themselves) could form part of a company’s approach to CSR. As explained further through Chapter Six (and below), some employees provided limited detail about the activities conducted by their company as part of their commitment to CSR, suggesting that the concept of CSR was sometimes only vaguely understood and institutionalised.

Chapter Five also provided insight into the reasons why there continues to be stakeholder conflict. The paper recommends companies enhance their commitment to CSR by deploying better mechanisms to understand the essence of stakeholder concerns. In particular, the paper explored divergent views and revealed differences in ideologies between stakeholders. Due to issues such as a lack of trust, third party facilitation would help forest companies understand the essence of stakeholder concerns better and help provide ideas as to how these concerns could be addressed. A facilitator would need to be impartial (whom many stakeholders feel they can trust) to gather in depth information from specific groups. Further, as expressed throughout the thesis, companies often lack resources to engage more effectively with a broad range of stakeholders. Third party facilitation to gather views from a range of stakeholder groups should alleviate time pressures on company employees to allow them more time to devote attention to engaging with a broader range of stakeholders.

Internal company stakeholders were also concerned that CE could raise stakeholder expectations or that CE would be unsuccessful at resolving disagreements because for example, differing stakeholder expectations cannot all be accommodated. Further, internal stakeholders believed that accommodating for some stakeholders’ expectations would lead to unsustainable outcomes. The expressions of frustration within companies that CE with certain stakeholders was a waste of time or would contribute to undermining the legitimacy of the forest plantation industry, further

supports the recommendation that companies would benefit from third party involvement to help improve their CE practices, and through this, enhance their commitment to CSR.

Chapter Five reported that stakeholders can potentially perceive that companies are operating irresponsibly if companies are not understanding and addressing stakeholder concerns through CE. Thus Chapter Five also reinforced the idea that CE is a critical tool for CSR, as CE helps companies to understand how they can operate in order to stay committed to CSR and better meet the expectations of their stakeholders. CSR is a concept that should not be understood through only the perspective of internal company stakeholders, but through understanding a wide range of stakeholder needs. Therefore, CE is required to ensure CSR is understood and enacted effectively.

Paper 2 (Chapter Six) focused on forest company employee perceptions of the purpose and limitations to CSR. Similar to the findings presented in Chapter Five, CSR was considered a multi-faceted concept. However, some employees provided limited detail regarding what CSR constitutes and therefore limited information on the specific activities that fall within the scope of the company's commitment to CSR. This suggested that companies need to take action to improve employee awareness and understanding of what CSR means, and what specific actions should be taken by individuals and the company as a whole to ensure ongoing commitment to CSR.

Many representatives from the two case study companies believed CSR was important for community acceptance of a company's operations. But many believed CSR by one company could not accommodate a broader industry 'social licence to operate' or social acceptance. In addition, employees of both companies believed their company's commitment to CSR and CE was sufficient, despite ongoing stakeholder concerns about their operations.

Both case study companies implemented a range of policies and procedures to help achieve CSR and CE. These included policies focused on internal company stakeholders such as those to ensure the ethical treatment of employees and a number

of policies focused on ensuring positive contribution and mitigating negative impacts within society. This included stakeholder consultation policies, and procedures to understand the socio-economic impacts of their operations in the community. Activities or initiatives that employees believed were consistent with CSR and CE included company philanthropy, collaborative activities with stakeholder groups (examples of these are indicated in Table 4 in Chapter Four), and other activities (such as community involvement activities) that some employees believed could ultimately make a positive contribution to society. Such activities were also assessed and audited by a third party in order to meet forest certification requirements, where both companies needed to prove they had met certification standards based on social, environmental, and economic (SFM) criteria. However, there were some areas where companies could improve their practices to operate more responsibly and in particular (as mentioned above) companies could encourage greater institutionalisation of CSR, as not all employees had a comprehensive understanding of what CSR constituted and what specific activities fell within the scope of their company CSR strategy.

Paper Six provides recommendations for enhancing company commitment to CSR, including: (a) improving the ability to measure company social licence to operate; (b) enhancing relationships with a broader range of stakeholders; and (c) improving collaborations with other forestry organisations. These recommendations are further discussed below.

Measurement of a company social licence to operate would involve gathering more in depth feedback from a wide range of stakeholders. Some issues however, relate to a broader industry social licence to operate and this is why companies would benefit from collaboration with other forest organisations to gather feedback from stakeholders – so they can understand and ensure social acceptance at a wider scale. Gathering feedback from a broad range of stakeholders would help the industry to understand stakeholder concerns better and work towards addressing these. Addressing these concerns may or may not involve changing practices. For example, a stakeholder's concern could be related to a desire to receive more information about forest management practices, whilst other stakeholders may wish to see forest practices change in response to their concern.

Some stakeholder grievances rest with the industry as a whole rather than with a single company, and some stakeholders may not differentiate between companies to know which company they should contact to address their concern. Employees were able to help address concerns associated with company level issues, but many commented that they were not able to effectively address stakeholder concerns associated with the industry. This can be alleviated when there is greater collaboration within industry to facilitate individuals' ability to follow up and help address concerns rather than dismissing them as beyond the scope of their duties.

Chapter Six identified that there are a broad range of stakeholders that impact a company's social licence to operate indicating that a social licence to operate would be improved if companies engaged better with a broader range of stakeholders. However, employees believed that aside from resource constraints, there was a limited impact their single company could have on a broader social licence to operate. Improved industry collaboration coupled with using more innovative means to interact positively with a broader range of stakeholders would help improve a social licence to operate at a broader scale. More innovative forms of CE could include a new method of partnering with a stakeholder or the forming of alliances with NGOs.

Chapter Six also supported the idea that change within the industry (to better address the industry social licence to operate) can only occur if corporate cultures are supportive of this. For example, employees need to be supported by company leadership, so they know their actions to enhance relationships with a broader range of stakeholders would be encouraged and within the scope of their roles. This relationship between corporate culture and more effective CE was further discussed in Chapter Seven.

Chapter Six supported the theory (provided in Figure 4 of the conceptual framework) that CE and CSR does contribute to a social licence to operate. This is because where stakeholders are engaged effectively and are supported by a company in terms of that company providing positive contribution to society (e.g. socio-economic benefit, protection of the environment) they will be in a stronger position to accept the

company and informally grant them a social licence to operate. An example of this was when a number of employees had received positive feedback (and/or the company had received community awards for contributions in the community) from community members living in their local geographic area of operations. I noted this positive feedback myself during observation opportunities, where, for example, I attended community meetings with two community groups Company A had been interacting with. Company A had provided these groups with an opportunity for members to comment on the company's Forest Management Plan, and had donated resources to these groups to support some of their activities. The positive feedback and the community groups' expressions of acceptance seemed to be related to the interactions and the nature of the relationship between the stakeholders and the company. In addition, as there was an opportunity for community members to understand a company's practices and form personal relationships with company employees, people had expressed acceptance for the standards of practice the company abided by. Conversely, employees indicated that many of the stakeholders that were opposed to their company tended to have limited or no interactions with their company. Therefore, data from Chapter Six suggested that effective CE and commitment to CSR does help to achieve a social licence to operate.

Ineffective CE was identified as a major barrier to ensuring forest companies were committed to CSR and fulfilling a SFM agenda. While the literature has examined requirements for good-practice CE, less attention has been given to the processes needed for a culture conducive to successful internal adoption of CE within a business environment such as the plantation industry. Paper 3 (Chapter Seven) examined strategies to enhance the adoption of CE within the corporate culture of the two case study companies. CE was influenced by attributes of culture such as employees believing in the values their company espouses, the extent to which employees valued and were committed to CE, the amount of resources devoted to CE and the company policies and procedures related to CE. Employees' inherent beliefs about the usefulness of CE and why it was important to carry out as part of their usual work requirements, seemed to have an effect on overall company adoption of CE. Chapter Seven used empirical data to highlight how corporate culture can influence CE adoption. Chapter Seven supports the conceptual framework outlined in

Figure 4 in the thesis, where I indicate that corporate culture is a basis for ensuring companies have adopted CE.

In Chapter Seven I indicated that at times employees' beliefs around the importance of CE influenced CE in practice. For example, sometimes CE with a specific stakeholder group was considered a waste of time, if it would not result in resolution of the concern (for example, due to the stakeholder having an ideological objection to plantations). The taken-for-granted beliefs about who should be engaged, when they should be engaged, and why it was important, did influence how CE was embedded within company culture. The way in which company leadership supported commitment to CE through, for example, allowing employees to spend time on CE activities and dedicating resources to CE activities, had profound impacts on individual commitments to CE. These issues all relate to corporate culture and they had an impact on a company's ongoing commitment to improving CE practices. Improving practices should consider the nature of the day-to-day working environment of employees and the scope for making improvements considering what initiatives will be supported by company employees and considering their beliefs around the purpose of CE and how it should be conducted.

Although there was evidence the two case study companies had adopted CE, there was scope for improving practices. Both of the case study companies could better embed CE in their corporate culture by changing organisational practices, particularly through: (a) providing more incentives for individual employees to engage with a broad range of stakeholders; (b) developing better tools to gather feedback from their stakeholders and measure their social licence to operate; and (c) developing more effective stakeholder identification and engagement strategies. I also discussed these results during Cooperative Research Centre (CRC) for Forestry, CE workshops held in May 2012. These workshops were held in four locations across four states in Australia to present the research to forest managers and other forest industry stakeholders.

More specifically, companies can provide additional incentives for individuals to engage with stakeholders when leadership encourages and/or rewards individuals' contribution to CE. For example, allocating specific time for staff to attend

community events or meetings would be a means by which leaders could encourage individuals to engage with specific stakeholder groups. Further, gathering feedback from a broader range of stakeholders was also discussed in Chapter Six. It is an area that companies could improve on in order to better understand their stakeholders and identify opportunities for improved relations. It will help employees to better recognise the value of CE and enable them to make better assessments as to their company's approximate level of acceptance within the broader community. Stakeholder identification and engagement strategies could also be improved in both companies. To help employees identify their stakeholders better, staff such as those responsible for implementing engagement strategies could be provided with specific training in how to identify and profile various stakeholder groups.

Overall, Chapter Seven contributed to theory by providing empirical data to support the relationship between corporate culture and CE adoption. The empirical data suggested that attributes of corporate culture such as employee beliefs about the importance of CE, and the extent to which company policies, procedures and resources were devoted to CE, influenced overall company commitment to it. The data suggested that employee behaviour (with regards to CE) was guided by embedded assumptions within culture such as CE being considered an inherent part of an employee's role and that at times CE was considered essential not only to meet requirements of legislation of forest certification, but was also considered 'basic manners'. Chapter Seven therefore provided greater insight into the nature of the relationship between corporate culture and CE adoption within forest companies. Based on these insights, the paper in turn provides practical recommendations for enhancing the adoption of CE within corporate culture.

The corporate culture-CE dynamic should be a major focus when considering how to continuously improve a company's practices. For example, if employees believe that engaging with a certain stakeholder group will only result in negative consequences, it is not enough to change procedures to ensure effective engagement occurs, but it would be more suitable to address the underlying reasons (inherent within corporate culture) for a lack of willingness to engage with certain stakeholders. At times it may be more appropriate to engage a third (and trusted) party to facilitate better relationships between internal and external stakeholders. Further, if employees do

not believe engagement with specific groups will be worthwhile, procedures to better understand the benefits, outcomes and cost of CE activities could provide the evidence employees might need to influence some of these beliefs. Understanding the reasons why companies choose to undertake CE can be gauged through an understanding of corporate culture.

At times it may only be necessary to change procedures or processes in order to impact culture in a positive way. For example, both companies were considering introducing means to evaluate their company's CE. If procedures are introduced that help employees better understand the value of CE and the areas where they may be able to improve, this can have tangible impacts on company culture. Evaluation of CE could be undertaken by means of gathering feedback from all parties involved in CE process to review the outcomes of processes, which can lead to shared learning and stronger relationships (Dare, Schirmer & Vanclay 2011a). Evaluating CE can help employees to understand how a certain CE technique was useful and contributes to ongoing improvement.

However, any procedures (such as evaluating CE) introduced are more likely to become adopted within a company if the corporate culture is accepting of this. For example, employees within both companies expressed interest in supporting better evaluation of company CE practices, but stressed that it should not involve excessive paperwork. Therefore, if employees believe the procedures are going to be too time intensive, they may not be willing to implement them. However, if they believe the procedures do not involve much additional effort and they start to see a benefit to these, they may be more willing to endorse the new procedure.

Achieving effective use of CE to support SFM also depends on effectiveness of collective industry-wide CE processes, rather than CE conducted by individual companies. Companies need to collaborate and develop cross-industry CE approaches in addition to their existing, company-specific CE activities. A social licence to operate at a broader industry-wide level is reliant on the forest plantation sector as a whole addressing stakeholder needs and concerns. As this was only briefly discussed in Chapter Six, and it is an important issue for the industry, Paper 4 (Chapter Eight) investigated barriers to industry-wide CE. Industry-wide CE is

conducted on behalf of an entire industry to address issues of relevance to an industry (and this can apply to different geographical scales such as national and state-wide areas). In the Australian plantation industry this would include addressing community perceptions associated with the industry causing environmental harm, and disruption to the social norms of local communities (Barlow & Cocklin 2003). Such stakeholder concerns at times need to be addressed through representatives who can speak on behalf of the sector as a whole.

In particular, Chapter Eight emphasises that despite CE efforts at a company level, negative reputation and loss of social licence to operate can still have implications for a single company if for example, another forest company (especially a large and prominent one) is operating in a manner that stakeholders believe is irresponsible. Further, I explain that it can be more resourceful if companies are able to pool their resources to contribute to industry-wide CE efforts (Reinicke et al. 2000). As most CE literature tends to focus on the actions of a single operator in terms of impact on reputation or social licence to operate, this chapter contributes to the literature in emphasising the importance of industry-wide CE and how it may be improved. A broader industry social licence to operate could have definite impacts on one company as a result of another company or a number of companies operating in an irresponsible manner, where strong stakeholder activism or opposition may arise. A company who is not involved in such irresponsible practices may also receive greater criticism from their stakeholders – criticism which they may not be able to address at a company level. It is therefore important that all companies contribute to effective industry-wide CE that will listen and respond to stakeholder concerns. However, individuals within the industry need to recognise the benefits of their involvement in effective industry-wide CE, which as I discuss in Chapter Eight was one of the barriers to industry-wide CE.

The findings presented in Chapter Eight alluded to the idea, presented through the conceptual framework in Chapter Two (Figure 4), that a social licence to operate is important for achieving SFM. For example, stakeholders may perceive that the industry is causing environmental harm, which is an outcome that is contrary to SFM objectives. The concept of SFM entails a social dimension, where addressing community concerns and gaining community support is a component of this. If

stakeholders believe a company or the forest industry is operating irresponsibly, and the industry lacks a social licence to operate (or acceptance), claims that a company is achieving SFM will be unsupported by some stakeholders and this will therefore compromise the legitimacy of SFM. Further, internal industry stakeholders may argue that they are operating under best practice guidelines and mitigating negative socio-economic impacts and contributing positively to the community. But if, for example, there is community angst against the forest industry, this has a negative social impact, which is converse to meeting the social outcomes of SFM.

Barriers to industry-wide CE identified in Chapter Eight included: (a) a lack of strong industry voice; (b) lack of public trust in industry; and (c) lack of CE skills amongst technical experts within the industry, combined with a lack of appreciation of the need to commit to industry-wide CE. A lack of strong industry voice was considered a significant barrier, as aside from issues such as stakeholder burnout (where stakeholder groups are engaged by multiple forest companies and sometimes on the same issues), some stakeholders preferred to be able to interact with a representative who could speak on behalf of the industry, especially if their concerns were associated with an industry-wide issue. Individuals within the forest industry were often unable to address concerns by stakeholders that related to industry-wide issues. Therefore, some stakeholders believed they were not engaged effectively as their concerns could be left unresolved.

A lack of public trust in industry was an issue discussed by a wide range of stakeholders both internal and external to the industry. Some suggestions posed by informants to improve trust included improving industry capacity to be more involved in local communities for example, through volunteering time to contribute to community events, and engaging impartial third parties to assist with some CE activities. The issue of how to achieve greater trust between the general public and the forest industry takes progressive improvement in industry-wide CE. Some stakeholders may trust the industry more if they believe the industry treats their concerns as legitimate and/or they can see tangible evidence that their concerns have resulted in changes to practice (Young & Liston 2010; Hosmer 1995). Other stakeholders may already trust the industry, but this trust needs to be maintained through ongoing contributions and effective engagement in the community, which

promotes CE principles such as transparency and inclusivity (Dare, Schirmer & Vanclay 2011a). Perceptions of fairness of CE process and outcomes can also influence trust (Smith & McDonough 2001). Further, improving skill sets of people working in the industry (e.g. their abilities to discern the need for CE and ability to facilitate effective CE) should result in increased trust, as stakeholders may be less willing to dismiss stakeholder concerns once skills in facilitating effective CE have been enhanced.

It was evident that there were a number of stakeholders working within the forest industry that would like to see technical experts in the industry become more skilled in effective CE. Lack of skills amongst technical experts within the industry can impact trust, ability to be inclusive of stakeholders and abilities to effectively understand and address stakeholder concerns. Further, if industry representatives lack skills in CE they may not appreciate the need to commit to industry-wide CE efforts. The industry as a whole needs to provide the support needed to ensure effective industry-wide CE. Therefore my recommendations to enhance collaborations, and increase the frequency of discussions and strategising around industry-wide CE would help encourage a more supportive environment that emphasises the need to engage stakeholders more effectively.

If people working within the industry have an opportunity to voice their concerns about the need for more effective industry-wide CE it may help to promote their views and encourage others within the industry that are less supportive of greater CE efforts to be more supportive. This comes back to the concept of culture, as when an individual is surrounded by other individuals who all share the same values (different to their own), such as situation can challenge that individual's own values (Schein 2010). Further, if supporters for improved industry-wide CE are able to provide evidence for the value of CE (such as narratives of successful cases of CE), this can increase the chance non-supporters will be influenced by supporters.

Those stakeholders who have strong views about the need for industry-wide CE may not be more proactive in contributing to improving it since there is a lack of opportunity to do so. Such opportunities could be facilitated through existing networks within the industry, such as Regional Plantation Committees (RPCs),

where industry could also collaborate to provide specific training in CE tools and techniques, and discuss industry-wide strategies for CE. In addition, improved collaboration and industry-wide CE can have a positive impact on individual company or organisational practices. For example, industry collaborations can foster exchange of CE knowledge and learning (Dare, Schirmer & Vanclay 2011a). Industry collaborations should have impacts on both company-level and industry-wide CE.

Overall, each of the publications included in the thesis helped support the conceptual framework presented in Chapter Two (Figure 4). Chapter Seven provided empirical data to support the relationship between corporate culture and adoption of CE. Further, Chapter Five provides grounding to emphasise that CSR requires CE and that the two concepts are interlinked. Additionally, Chapter Six indicated that CE and CSR are critical for helping to achieve a social licence to operate, which Chapter Eight suggests is critical for achieving SFM. These linkages and relationships between concepts are important in that they demonstrate that each concept should not be thought of in isolation when trying to enhance social outcomes of SFM. It is hoped that future company practice will be improved through considering how underlying influences (i.e. corporate culture) can be addressed to adopt CE that is appropriate for the context and operating environment in which companies are embedded.

The single over-arching contribution of this research to literature is that it provides a strong basis for future research, and insights for improving the social outcomes of business operations. This research should change the way the concepts of corporate culture, CSR, CE, and a social licence to operate are viewed. They should be considered as a dynamic and interlinked system (embedded within a range of external influences) where each concept has the potential to influence socially-orientated SFM outcomes. As forest operations continue to evolve and other external influences such as technology change, ongoing assessments in corporate culture and ongoing improvements to company procedures need to be implemented whilst considering all these relationships. Forest managers will need to continue to improve their CE practices and commitment to CSR if they are to ensure they achieve socially-orientated dimensions of SFM. Forest companies will need to recognise that

effective CE is paramount for ensuring company commitment to CSR. They will also need to understand the wider context of the society in which they operate to help develop innovative means to engage effectively with all their stakeholders.

Improvements in CE practice should not occur by means of implementing procedures and initiatives simply because they work well in theory, but by implementing procedures that will also be supported by corporate culture. Leaders of companies need to ‘manage culture’ so as to enhance effective CE adoption.

Although this study provided insight to help improve forest plantation management, it has some important limitations. Some of these are discussed in Chapter Three. For example, study results are primarily applicable to the cases investigated and the people interviewed. The extent to which they can be extrapolated to the plantation industry throughout Australia, or to similar industries elsewhere, is uncertain. Other notable limitations included:

- practical limitations that prevented a detailed exploration of the concerns stakeholder groups, such as Indigenous groups and other community members;
- limited discussion of CSR as it relates to internal company issues (e.g. fairness of remuneration, and workplace health and safety), as the research was focused on addressing external stakeholder needs as a necessary component of SFM – although these issues are important for CSR and SFM it was beyond the scope of the study to deal with these; and
- limited attention to existing networks within the forest plantation industry that could have strengthened the recommendations for improving industry collaboration.

Further, data from local community members (e.g. those living within close geographic proximity to tree plantations) were used to a limited extent in Chapter Five and Eight. In Chapter Five this mainly consisted of views from dissatisfied community members and views from community members outlining what they believe CSR should constitute in the context of forest management. In Chapter Eight, views from a broad range of stakeholders were presented and this included

community members. This captured varying perspectives on what the forest industry could do to engage better with the community. However, the views from community members were not used as widely as the views from company personnel throughout the publications, as they did not fit within the scope of each of the publications, especially since Chapter Six and Seven focused on internal company stakeholders. Thus, in terms of the wider interpretation of these specific results, my thesis did not present enough detail to provide a broader understanding of community views on company CSR and CE practices. In addition, as limited findings on community views were presented, it did not make it possible to indicate how CE and CSR varied according to local context.

Nonetheless, these limitations of the research were inevitable considering the thesis scope and resources available to conduct the research, and they did not prevent me from achieving the aim and answering the associated questions outlined in Chapter One.

Overall, this thesis has led to the development of a number of recommendations for improving future commitment to CSR and CE adoption in the Australian plantation industry in order to contribute to SFM outcomes. A summary of these recommendations (which have been abridged mainly from Chapters Five to Eight) are shown in Table 9.

The context of this study focused on the private forest plantation sector, which accounts for a large proportion of Australia's plantation estate. An overview of the research context and the development of a conceptual basis for the study provided guidance for the approach taken. I analysed empirical data to provide insights into what can be done to enhance the adoption of CE in the corporate culture of Australian forest plantation companies. I made a number of recommendations as a result of this research and it is hoped that this will inspire forest managers and forest industry groups to make changes in their organisations to further commit to CSR and embed CE in their company culture. This research should also be useful to other natural resource sectors that need to enhance effectiveness of CE and commitment to CSR. Overall, I hope that this research will help the forest industry achieve SFM.

Table 9: A summary of recommendations made in various thesis chapters and an explanation of how each recommendation would help improve practice

Recommendations		Why this would help improve practice	Source of recommendation
To help enhance company commitment to CSR	<ul style="list-style-type: none"> • Forest companies should address their stakeholder's needs by better understanding the essence of stakeholder concerns 	<ul style="list-style-type: none"> • This will help address stakeholder concerns 	<ul style="list-style-type: none"> • Chapter Five (see page 115)
	<ul style="list-style-type: none"> • Where there exist ideological differences in perspectives, forest companies could employ a third party facilitation to help promote constructive dialogue 	<ul style="list-style-type: none"> • Issues such as a lack of trust between parties hampers effective engagement 	<ul style="list-style-type: none"> • Chapter Five (see page 113 and 115)
	<ul style="list-style-type: none"> • The two case study companies investigated could develop better mechanisms to help measure their 'social licence to operate' 	<ul style="list-style-type: none"> • This will help employees to understand their stakeholders better and address their concerns 	<ul style="list-style-type: none"> • Chapter Six and Seven (see page 138 and 172)
	<ul style="list-style-type: none"> • The two case study companies investigated would benefit from enhancing their relationships with a broader range of stakeholders 	<ul style="list-style-type: none"> • Being inclusive of stakeholders is important for responsible management as well as ensuring a social licence to operate 	<ul style="list-style-type: none"> • Chapter Six and Seven (see page 139 and 172)
	<ul style="list-style-type: none"> • Companies should clearly communicate to their employees how CSR should be implemented and better engage employees in the development and implementation of CSR 	<ul style="list-style-type: none"> • This will help ensure greater employee recognition and thus greater institutionalisation of CSR 	<ul style="list-style-type: none"> • Chapter Six (see page 136)
For enhancing CE adoption in corporate culture	<ul style="list-style-type: none"> • Forest managers need to be encouraged to acknowledge the role corporate culture plays in supporting CE adoption 	<ul style="list-style-type: none"> • Any initiatives to improve practice must be compatible with corporate culture 	<ul style="list-style-type: none"> • This chapter
	<ul style="list-style-type: none"> • Forest managers need to acknowledge the various external influences having an impact on their business 	<ul style="list-style-type: none"> • This is especially important for trans-national companies, as they need to appreciate the context in which the company operates in, as for example, this can impact how CE should be undertaken 	<ul style="list-style-type: none"> • Chapter Two (see page 26)
	<ul style="list-style-type: none"> • Management needs to involve employees in discussions related to company vision and goals 	<ul style="list-style-type: none"> • To help ensure employee values are aligned with company values to the extent that employees will represent their company in a positive way 	<ul style="list-style-type: none"> • Chapter Seven (see page 169)
	<ul style="list-style-type: none"> • The two case study companies investigated should enhance the adoption of CE in their cultures by ensuring company policies and procedures better facilitate effective CE strategies e.g. developing better procedures to identify and understand stakeholders to tailor engagement strategies 	<ul style="list-style-type: none"> • This will help ensure effectiveness of CE and also raise awareness on how CE is beneficial 	<ul style="list-style-type: none"> • Chapter Seven (see page 171 and 172)

Recommendations		Why this would help improve practice	Source of recommendation
For enhancing CE adoption in corporate culture	<ul style="list-style-type: none"> Both case study companies should train their staff to utilise CE skills that will help to engage a broader range of stakeholders 	<ul style="list-style-type: none"> This could help staff utilise more innovative approaches to enhance relationships with a broader range of stakeholders 	<ul style="list-style-type: none"> Chapter Seven (see page 171)
	<ul style="list-style-type: none"> Managers of companies must actively engage their staff to promote CE values (e.g. inclusivity, transparency, mutual sharing of knowledge and learning) and ensure effective CE processes are adopted throughout their company 	<ul style="list-style-type: none"> To encourage compliance with best practice CE principles 	<ul style="list-style-type: none"> Chapter Seven (see page 170)
	<ul style="list-style-type: none"> Companies should develop a means to evaluate their company's approach to CE, so that performance against goals is measured 	<ul style="list-style-type: none"> This will help employees understand if objectives for CE have been met. Further, it will help reinforce why CE is important 	<ul style="list-style-type: none"> Chapter Seven (see page 172)
For improved industry-wide CE	<ul style="list-style-type: none"> Stakeholders within the forest industry need to recognise the important role industry-wide CE has in enhancing responsible forest management 	<ul style="list-style-type: none"> This will help to encourage individual commitment to industry-wide CE 	<ul style="list-style-type: none"> Chapter Eight (see page 177 to 178)
	<ul style="list-style-type: none"> Improved collaboration within the forest plantation industry is needed to help to address resource limitations to industry-wide CE 	<ul style="list-style-type: none"> Pooling of resources can be more efficient and provide greater access to expertise and funding 	<ul style="list-style-type: none"> Chapter Eight (see page 202)
	<ul style="list-style-type: none"> Improved collaboration within the forest industry is needed to help improve industry representation and deliver industry-wide CE effectively 	<ul style="list-style-type: none"> To help empower individuals to be more responsive to stakeholder concerns related to an industry-wide issues 	<ul style="list-style-type: none"> Chapter Eight (see page 198)
	<ul style="list-style-type: none"> CE skills of forestry professionals can be enhanced through industry co-ordinated CE training 	<ul style="list-style-type: none"> Industry co-ordinated training will help to pool resources and promote collaboration within industry 	<ul style="list-style-type: none"> Chapter Eight (see page 199 to 200)
	<ul style="list-style-type: none"> Conduct similar research in other industry sectors 	<ul style="list-style-type: none"> To gain more appreciation of how differences between sectors can impact on CE practices and provide further insight into the relationship between corporate culture and CE 	<ul style="list-style-type: none"> This chapter
	<ul style="list-style-type: none"> Gather more in-depth information about existing networks within the forest industry to understand how to enhance opportunities for industry collaboration 	<ul style="list-style-type: none"> To provide more specific recommendations for enhancing industry collaboration 	<ul style="list-style-type: none"> Chapter Eight (see page 202)
	<ul style="list-style-type: none"> Conduct more research on the measurement of a social licence to operate 	<ul style="list-style-type: none"> To provide more specific recommendations for measuring and monitoring a social licence to operate 	<ul style="list-style-type: none"> Chapter Six (see page 140)

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Appendix A: Research information sheet for interviews



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PARTICIPANT INFORMATION SHEET – INTERVIEW

Adoption of community engagement by Australian plantation forest companies

You are invited to participate in research into the adoption of community engagement practices by Australian forest plantation companies. The study is part of PhD research being conducted by Melissa Gordon, who is supported by the CRC Forestry. Her supervisors are Dr Michael Lockwood and Dr Dallas Hanson from the University of Tasmania, Dr Jacki Schirmer from the Australian National University and Prof Frank Vanclay from the University of Groningen.

1. What is the purpose of this study?

The purpose is to enhance the utilisation of community engagement by Australian plantation forest companies.

2. Why have I been invited to participate in this study?

A range of key participants will be sought from industry, forest certification bodies, NGOs and community members. Your input will help gain insight into the way the role of community engagement is viewed and approached, and what factors may impact on its adoption. This will help to identify what the key factors are for increasing the adoption of community engagement by Australian forest plantation companies.

3. What does this study involve?

The research will examine the extent to which plantation companies undertake community engagement at all levels of their operations. It will explore what factors influence the utilisation of community engagement and how it relates to sustainable forest management. The research will help understand what current community engagement processes are like and what the attitudes of key stakeholders are towards these processes.

Information will be collected primarily through interviews with key informants. Questions to be asked include: 'What do you think the purpose of community engagement is?'; and 'Are the community engagement practices being employed useful?' The interviews will take approximately one hour.

Your permission will be requested to record the interview. A written transcript of the interview will be produced. You will be sent a transcript after the interview to provide you with the opportunity to edit the information. Your name will not be

included on the transcript, but instead your name will be assigned a number, which will be kept on a separate document. Your name will not be included in any written publications or other material. Following publication of the research, the interview material will be kept for at least five years, after which it will be destroyed.

Your involvement in this study is voluntary. While we would be very pleased if you agree to participate, we respect your right to decline. There will be no consequences to you if you decide not to participate. You may discontinue participation at any time, and you may do so without providing an explanation. All information will be treated in a confidential manner. All of the research will be kept in a locked cabinet in the Tasmanian Institute of Agricultural Research.

4. Are there any possible benefits from participation in this study?

This research will provide you with the opportunity to provide your feedback on the process of community engagement that is currently operating in Australian plantation forest companies. Towards the end of this research we will be holding workshops to provide an opportunity to present the research and seek further feedback. If you would like to receive written feedback on the research please contact Melissa Gordon by email on mjgordon@postoffice.utas.edu.au with your contact details so that she can email results to you. You can also contact her by phone if you have any other questions in relation to this study.

5. Are there any possible risks from participation in this study?

We believe that there are no risks from your participation. Although we will respect any commercial-in-confidence information we are given, perhaps you should limit what commercially sensitive information is provided.

6. What if I have questions about this research?

If you would like to discuss any aspect of this study please feel free to contact Melissa Gordon. Alternatively, you can contact Dr Michael Lockwood on (03) 6226 2834 or email Michael.Lockwood@utas.edu.au.

This study has been approved by the Tasmanian Social Science Human Research Ethics Committee. If you have concerns or complaints about the conduct of this study you should contact the Executive Officer of the HREC (Tasmania) Network on (03) 6226 7479 or email human.ethics@utas.edu.au. The Executive Officer is the person nominated to receive complaints from research participants. You will need to quote [*HREC project number* **H10920**].

Thank you for taking the time to consider this study.

If you agree to take part, please sign the attached consent forms.

This information sheet and one of the copies of the Consent Form is for you to keep.

Appendix B: Research consent form



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CONSENT FORM

Adoption of community engagement by Australian plantation forest companies

1. I have read and understood the 'Information Sheet' for this project.
2. The nature and possible effects of the study have been explained to me.
3. I understand that the study involves interviews which may last one hour or so. The interview will explore the utilisation of community engagement by forest plantation companies.
4. I understand that the interview may be recorded, and that I have the option of declining to be recorded. I understand that the transcript will be provided to me for review and that I have the opportunity to edit the interview transcript.
5. I understand that all research data will be securely stored on the University of Tasmania premises for at least five years, and will be destroyed when no longer required.
6. Any questions that I have asked have been answered to my satisfaction.
7. I agree that research data gathered from me for the study may be published provided that I cannot be identified as a participant.
8. I understand that the researchers will maintain my identity confidential and that any information I supply to the researcher(s) will be used only for the purposes of the research.
9. I agree to participate in this investigation and understand that I may withdraw at any time without any consequences to me, and if I so wish, may request that any data I have supplied to date be withdrawn from the research.

Name of Participant:

Signature:

Date:

Statement by Investigator

☐

I have explained the project and the implications of participation in it to this volunteer, and I believe that the consent is informed and that he/she understands the implications of participation.

If the Investigator has not had an opportunity to talk to participants prior to them participating, the following must be ticked.

☐

The participant has received the Information Sheet where my details have been provided so participants have the opportunity to contact me prior to consenting to participate in this project.

Name of Investigator

Signature of
Investigator

Date:

Appendix C: Indicative questions for interviews

PLANTATION COMPANIES

1. What is your role and please describe what you do?
2. How long have you been in that role for and how long in the industry?
3. What does community engagement mean to you?
4. How would you describe the importance of community engagement?
5. What can you say about how your company engages with the community?
6. What do you think motivates your company's employees to incorporate community engagement in what they do?
7. Does forest certification impact the way your company does their community engagement?
8. How are community engagement practices monitored and evaluated in plantation forest management?
9. How do you know how much is enough or how worthwhile previous community engagement has been?
10. What role do you think corporate culture has in incorporating community engagement initiatives in the operation of the organisation you belong to?
11. What influence do you believe KPIs and job descriptions have on employee behaviour?
12. How do you think community engagement relates to sustainable forest management?
13. What does corporate social responsibility mean to you?
14. What do you think the difference is between 'social licence to operate' and corporate social responsibility?
15. What do you think are the main barriers or limitations to implementing broad-scale community engagement initiatives?

COMMUNITY PARTICIPANTS

1. What is your role and please describe what you do?
2. How long have you been in that role for and how long in the industry?
3. What are the stakeholders that you deal with and what stakeholders do you mainly interact with?
4. What does community engagement mean to you?
5. How important do you feel community engagement is?
6. What can you say about how forest companies or organisations engage with the community?
7. Do you think there could be any improvement to current community engagement practices by forest organisations? Are you satisfied with how much they have interacted with you?
8. What do you think motivates forest companies to include community engagement in what they do?
9. What role do you think corporate culture has in incorporating community engagement initiatives in their operations?
10. How do you think community engagement relates to sustainable forest management?
11. What does corporate social responsibility mean to you?
12. What do you think are the main barriers or limitations to a company's community engagement?
13. Do you feel there could be any improvement to the way you were engaged by the forest company?

NON GOVERNMENT ORGANISATIONS

1. What does community engagement mean to you?
2. Do you think community engagement is important?
3. What can you say about how forest companies or organisations engage with the community?
4. Do you think there could be any improvement to current community engagement practices by forest organisations?
5. What do you think motivates forest companies to include broad scale community engagement initiatives in their operations?
6. What role do you think corporate culture has in incorporating community engagement initiatives in their operations?
7. How do you think community engagement relates to sustainable forest management?
8. What does corporate social responsibility mean to you?
9. What do you think are the main barriers or limitations to implementing broad-scale community engagement initiatives?

CERTIFICATION BODIES AND AUDITORS

1. What is your role and please describe what you do?
2. What does community engagement mean to you?
3. Do you think community engagement is important?
4. What can you say about how forest companies or organisations engage with the community?
5. Do you think there could be any improvement to current community engagement practices by forest organisations?
6. How are community engagement practices incorporated into certification guidelines?
7. How are community engagement practices monitored and evaluated in plantation forest management?
8. Is there a difference between the two certification bodies in Australia, if so what is it?
9. Are certification guidelines that relate to community engagement implemented in similar ways for forest companies?
10. What do you think motivates forest companies to include broad scale community engagement initiatives in their operations?
11. What motivates forest certification bodies to incorporate community engagement activities in their guidelines?
12. How do you think community engagement relates to sustainable forest management?
13. What does corporate social responsibility mean to you?
14. What do you think are the main barriers or limitations to implementing broad-scale community engagement initiatives?