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Exploring the Corporate Community Engagement- Competitive Advantage Relationship

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Thesis submitted to the School of Business, Economics
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for the degree of Doctor of Philosophy

Birkbeck College, University of London

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Declaration

I, *Jacinth Boudier*, confirm that the work presented in this thesis '*Corporate Community Engagement and Competitive Advantage*' is my own. Where information has been derived from other sources, I confirm that this has been indicated in the thesis.

Jacinth Boudier

October 2023

Acknowledgement

Although this thesis is the result of my own work, it would not be possible without the help and support of others.

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Dedication

I dedicate this thesis in memory of my dear mother, Mary Elizabeth. Gone to heaven twenty-eight years ago, but you continue to inspire me.

Abstract

The empirical evidence to support the corporate community engagement-competitive advantage relationship, so far has been inconclusive. The *purpose* of this thesis is to explore this relationship through the relational resource theory of competitive advantage lens. The thesis responds to calls for research in the corporate community engagement literature to include underexplored “*micro foundation*” level issues such as the morals, the identity, and influence of business and the community. It focuses on corporate community engagement models and the underlying business-community mechanisms that can lead to competitive advantage based on relational models theory from the field of social psychology.

Interpretivist perspectives inform the thesis, and the empirical analysis is based on an embedded comparative case study. It draws on primary and secondary data collected from multinational companies based in the United States of America. The thesis links the communal sharing corporate community engagement model to competitive advantage. It also identifies several business-community relational resource mechanisms that can lead to competitive advantage, including, long-term business-community relations, a mix of community projects with human resource development opportunities, and regular meetings with employees embedded in community-partners organisations. Hence the thesis clarifies the corporate community engagement-competitive advantage relationship. It also provides a new classification of four discrete models of corporate community engagement namely *the market pricing*, *the authority ranking*, *the equality matching*, and *the communal sharing*. This new classification is more relevant to explore the corporate community engagement-competitive advantage relationship than the existing classifications in the literature.

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1 Chapter: Introduction

1.1 Background and Motivations

Corporate community engagement “can determine access to markets, ... (*and*) give companies real competitive advantage” (Zadek, 2001, p. 18).

This view of corporate community engagement in the global context is as relevant now as it was twenty years ago. Corporate community engagement continues to be of strategic importance for more companies particularly multinationals operating in the global space as they seek to manage their global image and reputation as well as to gain and maintain competitive advantage. Corporate community engagement is that part of the activities that business undertakes in relation to its responsibility to the society that specifically relates to the local community (Bowen, et al., 2010). The existing strategic management literature defines the competitive advantage of business as:

“When its value creating approach is not being simultaneously implemented by a current or a potential competitor” (Barney, 1991, p. 102).

However, the empirical evidence to support the corporate community engagement-competitive advantage relationship, so far is inconclusive (Coelho, et al., 2023). Some studies suggest a positive relationship (Wang & Jia, 2016; Orlitzky, et al., 2011; Surroca, et al., 2010). However, the positive relationship may be indirect and moderated by the intangible resources of business including factors such as innovation, reputation, human capital, and culture (Surroca, et al., 2010), and stronger for companies in developed economies (Wang & Jia, 2016). Other studies suggest the relationship is curvilinear (Hillman & Keim, 2001; Berman, et al., 1999). Hence, the empirical evidence to support the relationship is inconclusive.

One reason for the inconclusive empirical results to support the corporate community engagement-competitive advantage relationship is how the corporate community engagement variable is operationalised. For example, some studies including Krüger (2015), Hillman & Keim, (2001), Berman, et al., (1999), and Waddock & Graves, (1997) operationalise corporate community engagement as strengths and concerns. This position assumes that all corporate community engagement expenditures lead to competitive advantage. Some expenditures, for example, community investments that are associated with compliance with corporate community engagement standards may only support temporary advantage (Falkenberg & Brunsæl, 2011). Other expenditures that are associated with transactional business-community relations, for example, charitable donations may add to the cost of business without the commensurate benefits and may not lead to competitive advantage (Hillman & Keim, 2001). So, not all corporate community engagement expenditures and not all types of corporate community engagement initiatives create value and can lead to competitive advantage. Hence, the corporate community engagement model may be important to the analysis of the corporate community engagement-competitive advantage relationship.

One of the limitations of the existing corporate community engagement literature, is the absence of an approach to classify corporate community engagement models on which to build sound theory. Different approaches of classifying corporate community engagement models underscore different factors that distinguish these models. These include the utilisation of core resource (Freeman, et al., 2010; Valente & Crane, 2010), community-participation (Bowen, et al., 2010; Freeman, et al., 2010), and time (immediate or long-term corporate community engagement solutions) (Bowen, et al., 2010; Valente & Crane, 2010). No one existing approach accounts for all three factors and the existing types of corporate community engagement initiatives. The position of the thesis is that the existing approaches are inadequate to explore the corporate community engagement-competitive advantage relationship. The thesis is a

response to this gap in the literature by providing an approach to classify corporate community engagement models relevant to explore the relationship.

The existing corporate community engagement literature suggests that the value creation proposition for corporate community engagement aligns business and community interests with relational and not transactional business-community relationships (Kurucz, et al., 2008; Porter & Kramer, 2006, Hillman & Keim, 2001). Business creates value from corporate community engagement by accessing and internalising knowledge of community interests based on trust between business and the community (Porter & Kramer, 2006; Hillman & Keim, 2001). Trust between business and the community ensures that neither party take advantage of the other and increases with familiarity and interactions (Dyer & Singh, 1998).

The strategic management literature suggests that the transactional/relational distinction of business-community relations may not fully explain the corporate community engagement-competitive advantage relationship (Bridoux & Stoelhorst, 2016). Frequent business-community interactions may enable the development of trust to support the internalisation of community-knowledge and create value for both business and the community (Hillman & Keim, 2001). Frequent relational business-community interactions may yield some immediate or even recursive benefits in relation to trust between business and the community, but it is time dependent (Falkenberg & Brunsæl, 2011). The rare value creation proposition for corporate community engagement may also be time dependent (Falkenberg & Brunsæl, 2011). With time, the competition can develop similar relationship with the community (Falkenberg & Brunsæl, 2011).

Other factors including personal relationships and mutual understanding are also important dimensions of trust, business-community relations, and the alignment of business and community interests (Bridoux & Stoelhorst, 2016). Micro foundational factors such as the morals, identity, and influence of business and the community may be relevant to the alignment of business-community interests, value creation, and the corporate community engagement-

competitive advantage relationship (Bridoux & Stoelhorst, 2016; Aguinis & Glavas, 2012). So far, the empirical studies have not included these micro foundation factors in the analysis of the corporate community engagement-competitive advantage relationship. The thesis is a response to Aguinis & Glavas, (2012) call to apply psychological theories to business-community relations to explore micro level issues that can help to better explain the corporate community engagement-competitive advantage relationship.

1.2 The Research Purpose and Question

The purpose of this thesis is to explore the corporate community engagement-competitive advantage relationship through the relational resource theory of competitive advantage lens. It seeks to add to the existing corporate community engagement-competitive advantage relationship knowledge and investigate the corporate community engagement model(s) and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The thesis combines corporate community engagement theory, relational models theory from the social psychology domain, and relational resource theory of competitive advantage theory. *Relational models theory* focuses the analysis of the corporate community engagement-competitive advantage relationship at the micro foundation level. It assumes:

“That all people are fundamentally social and organise their lives in terms of their relationship with others” (Fiske, 1992, p. 689).

The divides all social interactions in four discrete models and include communal sharing, equality matching, authority ranking, and market pricing (Fiske, 2004; Fiske, 1992). For the *business-community relation* and based on the relational models theory dimensions of the morals, decision-making, exchange, work, influence, identity, and distribution and use, there are four discrete corporate community engagement models (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). These are communal sharing, equality matching, authority ranking, and market pricing corporate community engagement models. Each model is associated with differences in distinct

levels of trust between business and the community (Bridoux & Stoelhorst, 2016; Blois & Ryan, 2012; Sheppard & Sherman, 1998) and differences in the levels of knowledge-exchange between business and the community. This in turn translate into differences in the internalisation of community-knowledge to create value from corporate community engagement initiatives for each model (Bridoux & Stoelhorst, 2016).

From the relational resource theory perspective of competitive advantage, the *business-community relation* is a resource that can lead to competitive advantage (Dyer & Singh, 1998). For example, long-term business-community relations can support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage (Dyer & Singh, 1998). In addition, superior knowledge sharing routines between business and the community based on frequent and intense business-community interactions can also lead to competitive advantage (Dyer & Singh, 1998). However, there is a gap in the literature to link these dimensions of the *business-community relational resource* to the corporate community engagement model(s) and in turn competitive advantage. There is also a gap in the literature to identify and explain the underlying *business-community relational resource mechanisms* that can lead to competitive advantage. So, the thesis seeks to address the following research question:

How can corporate community engagement lead to competitive advantage?

1.3 The Research Method

To address the research question, the interpretivist paradigm guides a qualitative study. Consistent with the purpose of the thesis to add to the existing theory of how corporate community engagement can lead to competitive advantage. The thesis is guided by the “Eisenhardt method”, an inductive approach to build theory from case study. It utilises a multiple comparative case study design based on Eisenhardt’s ‘*matched pairs*’ to identify the corporate community engagement model(s) and the underlying business-community relational resource

mechanisms that can lead to competitive advantage. The communal sharing corporate community engagement model is theoretically selected as a “positive case” that supports the corporate community engagement-competitive advantage relationship and the equality matching corporate community engagement model case as a “possible case” that may support the corporate community engagement-competitive advantage relationship (Blatter & Haverland, 2012).

The study collects and analyses primary data from seventeen (17) semi-structured interviews from corporate community engagement professionals at seventeen (17) publicly listed multinational companies included in the MSCI USA ESG Index as of October 2021. The study also utilises secondary data from the companies’ environmental, social and governance and sustainability reports (2018-2020), annual reports (2018-2020), and company websites.

1.4 Main Findings and Contributions of the Thesis

This section presents a summary of the main findings and contributions of the thesis.

1.4.1 The Main Findings of the Thesis

Firstly, the thesis links the communal sharing corporate community engagement model to competitive advantage and finds that the link to the equality matching corporate community engagement model is a moderated one. The ‘*collective*’ business-community relations of the first model provides several resources that can lead to competitive advantage, but the reciprocal arrangements of the second model moderates these resources. Secondly, based on the relational resource theory dimensions, the thesis links several business-community relational resource mechanisms that can lead to competitive advantage. These include long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, founding member or leadership roles in network alliances, shared interests between business and the community, long-term

commitment to community projects, and shared ownership/control of community resources(see box 1A)..

Box 1A

Summary of the Main Findings of the Thesis

1. The thesis links one model, the communal sharing corporate community engagement model to competitive advantage.
2. The thesis links several business-community relational resources and mechanisms to competitive advantage including:
 - Long-Term Business-Community Relations
 - A mix of Community Projects with Human Resource Development Opportunities
 - Regular Meetings with Community-Partners
 - Leadership Roles or Founding Member in Network Alliances
 - Long-Term Commitment to Community Projects
 - Shared Business-Community Interests
 - Shared ownership/control of Community Resources

Long-term business-community relations provide business with the accumulation of specialised corporate community engagement knowledge and access to community engagement expertise. Leveraging this knowledge across different corporate community engagement projects can lead to competitive advantage. The engagement with the community provides opportunities for employees to develop their human resource development capabilities such as leadership, engaging in dialogue with diverse populations and learn many other managerial skills and experience in the community. These opportunities are not available within the business. Regular meetings with these employees support specialised corporate community engagement knowledge exchange and early access to emerging community interests that can lead to competitive advantage.

Founding member or leadership roles in network alliance are information rich positions that can provide access to community-knowledge to identify potential partners with complementary resources. Business can proactively implement new corporate community engagement solutions to emerging social issues that can lead to competitive advantage. The common ownership of community resources is a capability resource which can provide business with access to valuable resources and expertise that can lead to competitive advantage. A combination of direct informal safeguards such as long-term business-community relations and shared business-community interests can protect and maintain business-community relational resources that can lead to competitive advantage. Section 6.2 presents a more comprehensive discussion of these findings.

1.4.2 The Main Contributions of the Thesis

The thesis make several contributions to the corporate community engagement-competitive advantage literature with practical implications (see box 1B). Firstly, the thesis links the communal sharing corporate community engagement model to competitive advantage and identifies several business-community relational resource mechanisms that can lead to competitive advantage. These mechanisms provides new insights for future research.

Secondly, the thesis provides a new classification of corporate community engagement models more relevant to explore the corporate community engagement-competitive advantage relationship. It applies relational models theory from the field of social psychology (Fiske, 2004; Fiske, 1992) to corporate community engagement and presents an integrated approach of four (4) corporate community engagement models. Thus, contributing to the existing literature by offering a more holistic classification of the different models to corporate community engagement employed by multinational companies nowadays. Section 6.3 presents a more comprehensive discussion of the contribution of the thesis.

Box 1B

Main Contributions of the Thesis

Theoretical

- Provides a New Classification of Corporate Community Engagement Models
- Links the Collective Communal Sharing of Corporate Community Engagement Model to Competitive Advantage
- Identifies Several Corporate Community Engagement Mechanisms that Can Lead to Competitive Advantage

Empirical

- Provides New Insights for Future Research of the Corporate Community Engagement Model-Competitive Advantage Relationship
- Micro-Foundation Level of Analysis of the Corporate Community Engagement Model-Competitive Advantage based on Relationship Relational Models Theory

Practical

- Identifies a Specific Corporate Community Engagement Model that Can Lead to Competitive Advantage

1.5 The Structure of the Study

The thesis is organised into six chapters including the introduction, a review of the corporate community engagement literature, the research framework, the research methodology, the research findings, and the research discussions and conclusions.

Chapter 2: Literature Review

The purpose of Chapter two, the literature review is to provide a critical analysis of the theoretical and empirical corporate community engagement-competitive advantage literature to clarify the research gap. The review is in three parts. The first part discusses the corporate community engagement literature. This includes definitions of corporate community engagement, types of corporate community engagement, the motivation of business to engage the community, the conceptual approaches to classifying different corporate community engagement models, the benefits of corporate community engagement, and how corporate community engagement performance is measured.

The second part discusses competitive advantage literature relevant to corporate community engagement. It defines competitive advantage, discusses the four main theories of competitive advantage relevant to corporate community engagement, and the perspectives of each theory to corporate community engagement. Other institutional and organisational factors that can affect corporate community engagement and in turn the corporate community engagement-competitive advantage relationship are also discussed.

The final part of the review discusses the empirical evidence to support the corporate community engagement-competitive advantage relationship, identifies and discusses the research gap, the underexplored business-community relational resource. It also discusses relational models theory, the most relevant relational theory to identify the business-community relational resource mechanisms that can lead to competitive advantage.

Chapter 3: The Research Framework

The purpose of chapter three is to develop the research framework to address the research questions based on relational models theory of social psychology, and relational resource theory of competitive advantage. The framework has two parts. The first part of the framework combines the main aspects of corporate community engagement identified in the literature review and the dimensions of relational models theory to account for micro-level issues of the morals, identity, and influence of the business-community relationship:

MODEL 1: The market pricing corporate community engagement model is based on the principle of proportionality of benefits received (Fiske, 2004; Fiske, 1992) and trust is based on transactional and dependent business-community relations (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998).

MODEL 2: The authority ranking corporate community engagement model is based on the principle of benevolent hierarchy and superior-subordinate relationship (Fiske, 2004;

Fiske, 1992) and trust is based on relational and dependent business-community relations (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998).

MODEL 3: *The equality matching corporate community engagement model* is based on reciprocity (Fiske, 2004; Fiske, 1992) and trust is based on interdependent and shallow business-community relations (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998).

MODEL 4: *The communal sharing corporate community engagement model* is based on common values (Fiske, 2004; Fiske, 1992) and trust is based on interdependent and deep business-community relations (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998).

The second part of the research framework expands the first part to include relational resource theory perspectives of competitive advantage to address the research question. This part of the framework adds Dyer & Singh, (1998) dimensions of relational resource theory of competitive advantage to the new models and theoretically assess the corporate community engagement-competitive advantage relationship for each model. The results of the theoretical analysis are as follows:

- 1) The communal sharing corporate community engagement-competitive advantage relationship is supported based on long-term business-community relationships.
- 2) The equality matching corporate community engagement-competitive advantage relationship is moderated based on business-community reciprocal arrangements. These arrangements moderate long-term business-community relationships
- 3) The authority ranking corporate community engagement-competitive advantage relationship is not supported based on superior-subordinate business-community relations. These relations do not support efficient knowledge exchange between business and the community and the value creation proposition for corporate community engagement.

- 4) The market pricing corporate community engagement-competitive advantage relationship is not supported based on “*arms’ length*” transactional business-community interactions. These interactions do not support efficient knowledge exchange between business and the community and the value creation proposition for corporate community engagement.

Chapter 4: Methodology

Chapter four accounts for the methodological underpinnings of the empirical study to address the research question. The aim of the study is to add to the existing corporate community engagement knowledge and help to clarify the inconclusive empirical evidence. To support the corporate community engagement-competitive advantage relationship, the thesis utilises a comparative case research design. It mostly follows the “*Eisenhardt method*” of building theory from case study. The last sections of the chapter discuss the quality issues relevant to the study, the ethical consideration pertaining to the study and the limitations of the study.

Chapter 5: Findings

Chapter five presents the findings of the empirical analysis of the comparative case study of the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The first part of the chapter presents empirical evidence and highlights the *similarities* of the organisational dimensions of corporate community engagement for the two cases. These organisational factors include how business determines ‘*the community*,’ the use of the core resources of business for corporate community engagement, the level of oversight of corporate community engagement, linking corporate community engagement to highest material social risks, and the alignment of corporate community engagement with the United Nations Sustainable Development Goals.

The second part of the chapter presents the empirical evidence and highlights the *differences* of the business-community relational resources for the two cases. The discussions are based on Dyer & Singh, (1998) relational resource theory dimensions of competitive advantage. They include relation specific assets, knowledge sharing routines, complementary resources, an effective governance system, and the ownership and control of community resources.

Chapter 6: Discussions and Conclusions

Chapter six presents the discussions and conclusions in relation to the findings and contributions of the comparative case study exploring the corporate community engagement-competitive advantage relationship. The chapter also includes the implications and limitations of the thesis as well as the possible direction of future research.

1.6 Summary

The thesis presents a qualitative study of how corporate community engagement can lead to competitive advantage. The purpose of the thesis is to explore the corporate community engagement-competitive advantage relationship. The empirical evidence to support the relationship has so far been inconclusive. The thesis explores the relationship by shifting the focus of the research to the *micro foundation* level to identify the corporate community engagement model and several business-community relational resource mechanisms that can lead to competitive advantage. This chapter outlines the underpinnings and structure of the thesis. The next chapter reviews the literature relevant to corporate community engagement-competitive advantage relationship.

2 Chapter: Literature Review

2.1 Introduction

The thesis is about how corporate community engagement can lead to the competitive advantage of business by creating value that is difficult to imitate. This chapter reviews the theoretical and empirical literature on the relationship between corporate community engagement and competitive advantage. The purpose of the review is to highlight the research gap in this literature. The next section (2.2) discusses definitions of corporate community engagement, types of corporate community engagement, the motivation of business to engage the community, the conceptual approaches to classifying different corporate community engagement models, the benefits of corporate community engagement, and how corporate community engagement performance is measured.

The following section (2.3) links corporate community engagement to competitive advantage. It defines competitive advantage, discusses the four main theories of competitive advantage relevant to corporate community engagement, and the perspectives of each theory to corporate community engagement. Other institutional and organisational factors that can affect corporate community engagement and in turn the relationship are also discussed in section (2.4).

Section (2.5) discusses the empirical evidence to support the corporate community engagement-competitive advantage relationship. Section (2.6) identifies and discusses the research gap, the underexplored business-community relational resource. It also discusses relational models theory, the most relevant relational theory to identify corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The final section (2.7) summarises the main arguments of the review and highlights the research gaps the thesis seeks to address.

2.2 Corporate Community Engagement

The section defines corporate community engagement and discusses types of corporate community engagement initiatives. It also discusses the motivation of business to engage the community types of corporate community engagement, the motivation of business to engage the community, the conceptual approaches to classifying different corporate community engagement models, the benefits of corporate community engagement, and how corporate community engagement performance is measured.

2.2.1 Defining Corporate Community Engagement

Much has been written about community engagement by both academics and practitioners. Academics from different fields including anthropology (Coumans, 2011), geography (Prno & Slocombe, 2012), law (Laplante & Spears, 2008), and management (Bowen, et al., 2010) have contributed to this field of knowledge. However, the focus of the thesis and the literature review is corporate community engagement, a part of the broader corporate social responsibility (CSR) domain in the business management literature. In this regard, corporate community engagement is viewed as:

“a subset of the CSR activities that are directed toward individual citizens and community groups” (Bowen, et al., 2010, p. 297).

Accordingly, some of the issues the corporate community engagement literature seeks to address are: which corporate community engagement model should business pursue, what are the benefits of corporate community engagement and how these benefits are derived? (Bowen, et al., 2010).

How corporate community engagement is defined affects how business engages the community and how it creates value. In the literature, corporate community engagement is sometimes narrowly defined and restricted to the actions of business to mitigate and manage the risk of the

social and environmental consequences of their operations in the community (Frasen, 2013). In this regard, corporate community engagement may include transactional charitable donations and long-term community investments. These corporate community engagement initiatives may only improve the image and reputation of business (Bowen, et al., 2010).

Corporate community engagement is also more broadly defined, to align with Aguinis (2011) *conception of corporate social responsibility* as:

“The context-specific organisational actions and policies that take into account *stakeholders expectations*” (p 855).

Corporate community engagement in this case is defined as:

“The context-specific organisational actions and policies that account for *the expectations of the community*” (Aguinis, 2011, p. 855).

This broader conceptualisation of corporate community engagement may include commercial community initiatives that creates value for business as well as the community.

The term *corporate community engagement* is sometimes used interchangeably with community involvement, community investment and community participation. Specifically, community involvement is used as a synonym for corporate community engagement (Muthuri, 2007; Seitanidi & Ryan, 2007; Brammer & Millington, 2005) whereas both community investment and community participation may only refer to aspects of corporate community engagement. Community investments are corporate community engagement initiatives that are associated with the long-term commitment of business to the community (Valente & Crane, 2010). While community participation refers to the level of involvement of the community in corporate community projects including the decision-making process (Muthuri, et al., 2009). Corporate community engagement

used in this thesis is concerned with all these aspects above, that is both long-term and short-term initiatives, and the level of involvement of the community.

An important aspect of corporate community engagement is the identification of “*the community*” that business should engage (Luning, 2012). The geographical surroundings alone may not be enough to identify the community that business must engage (Luning, 2012). Understanding the internal dynamics of different community-groups is important to determine not only who benefits from corporate community engagement initiatives but also who can negatively impact the operations of business (Luning, 2012). Therefore, the term “*community*” does not necessarily refer to “a unified organic whole” (Bowen, et al., 2010, p. 297).

In the literature, the term is used in relation to geographical space, homogenous social structure or common interest and shared norms (Bowen, et al., 2010; Agrawal & Gibson, 1999). Academics use three factors to characterise “*the community*”: geography, interaction, and identity (Lee and Newby (1983) in Bowen et al 2010). Communities that are characterised by interaction and identity, are not necessarily place-bound but are identified by regular interactions in the first case or by shared norms and beliefs in the second case (Bowen, et al., 2010). Alternately, communities characterised by geography represent people living in the immediate or surrounding areas who are affected by or can affect the activities of business whether socially, economically, or environmentally (Harvey & Brereton, 2005), but not necessarily interacting nor sharing beliefs and values (Bowen, et al., 2010). The use of the term “*the community*” in the thesis is limited to geographic location.

2.2.2 Types of Corporate Community Engagement Initiatives

There are two main dimensions to the value creation proposition for corporate community engagement. Firstly, corporate community engagement initiatives create value for business when they reflect business and community interests (Kurucz, et al., 2008; Porter & Kramer, 2006). These initiatives are associated with relational and not transactional business-community

relationships (Hillman & Keim, 2001). Secondly, corporate community engagement initiatives are managed to create value for business the community (Eccles, et al., 2014; Freeman, et al., 2010). Corporate community engagement initiatives that are associated with the core resources of business are better managed with Board of Directors oversight in their overall responsibility for the core resources of the business (Eccles, et al., 2014). However, not all corporate community engagement initiatives can create value that is sustainable over the long-term. Some initiatives are easily copied. For example, initiatives that are associated with the implementation of a global or industry standard may only create value in the short-term (Falkenberg & Brunsæl, 2011).

There are different types of corporate community engagement initiatives. Not all types of corporate community engagement initiatives can create value that is sustainable over the long-term. The corporate community engagement academic and professional literature identifies three main types of corporate community engagement initiatives: *charitable donations*, *community investments*, and *commercial community initiatives*. (Bowen, et al., 2010; Freeman, et al., 2010; Kurucz, et al., 2008)

Charitable donations are :

“Intermittent support to a wide range of good causes in response to the needs and appeals of charitable and community organisations.”¹

These donations are:

¹ Business for Social Impact (formerly London Business Group) <https://b4si.net/framework/community-investment/> last accessed January 2023

“one-off or occasional support to good causes in response to the needs and appeals of charitable and community organisations, requests from employees, or in reaction to external events such as emergency relief situations” (RobecoSam, 2015, p. 76).

Charitable donations may include:

- “Donations of cash, products, services, or equipment to local, national, and international charitable appeals; social ‘sponsorship’ of causes or arts / cultural events with name recognition for the company that is not part of a marketing approach.
- Grants from corporate foundations that are not linked to a core community approach; matching of employee donations and fundraising; costs of facilitating donations by customers and suppliers; costs of employees volunteering during working hours, if not part of a core community approach
- Gifts of products from inventory at cost, occasional use of company premises and other resources” (RobecoSam, 2015, p. 76).

Community investments are associated with:

“Longer term involvement in community partnerships to address a limited range of social issues, chosen by the company in order to protect its long-term corporate interest and to enhance its reputation.”²

However, *community investments* may also reflect business:

“Strategic involvement in, and partnership with, community organisations to address a limited range of social issues chosen by the company to protect its long-term corporate interests and enhance its reputation” (RobecoSam, 2015, p. 77).

² Business for Social Impact (formerly London Business Group) <https://b4si.net/framework/community-investment/> last accessed January 2023

Accordingly, *community investments* may include:

- “Membership of, and subscriptions to, charitable organisations that help to deliver the corporate community engagement model.
- Donations (cash, product, services, or equipment) to community-partner organisations, secondments to a partner community organisation and other staff involvement, such as technical and managerial assistance to a partner organisation.
- Time spent supporting in-house training and placements, such as work experience.
- Use of company premises/other resources by partner organisations; Costs of supporting and promoting employee volunteering programs” (RobecoSam, 2015, p. 77).

Commercial community initiatives are:

“ business-related activities to support the success of the company and promote the brand. They are usually undertaken by departments outside the community function and often involve partnerships with not-for-profits”³.

These commercial community initiatives are:

“business-related, usually undertaken by commercial departments to directly support the success of the company, promoting its corporate and brand identities and other policies, in partnership with charities and community-based organisations” (RobecoSam, 2015, p. 77).

Commercial community initiatives may include:

- “The sponsorship of events, publications and activities that promote corporate brands or corporate identity.
- Cause-related marketing and activities to promote sales (e.g., making donations for each item bought).

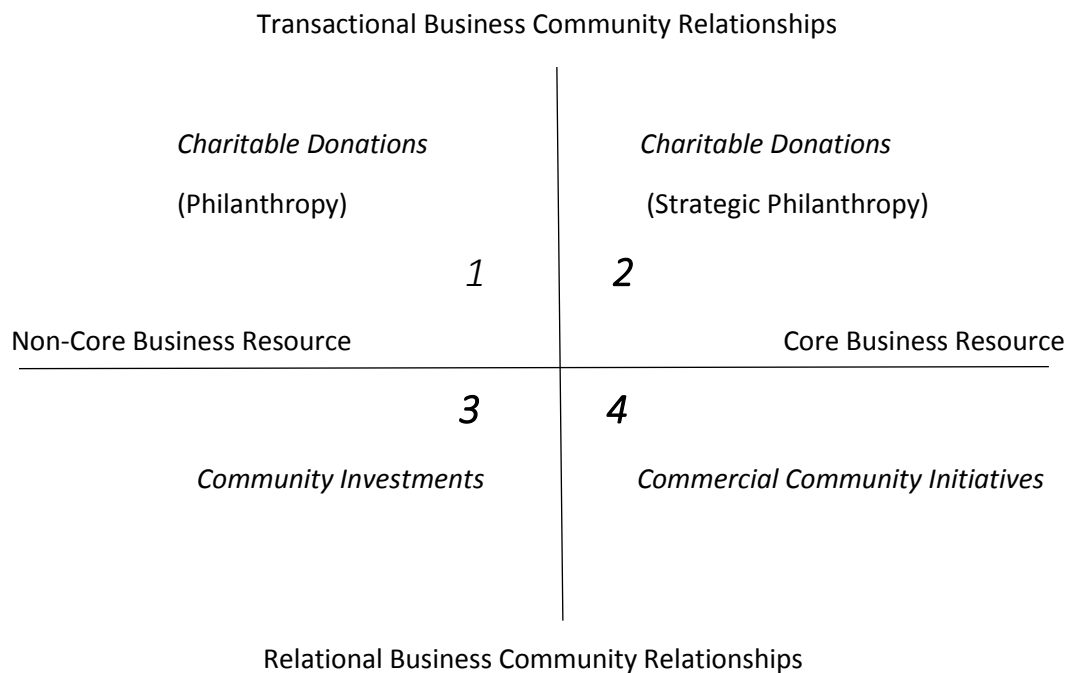
³ Business for Social Impact (formerly London Business Group) <https://b4si.net/framework/community-investment/> last accessed January 2023

- Support for universities, and research and other charitable institutions related to the company’s business or to improve the image of the brand or perception of the company” (RobecoSam, 2015, p. 77).

Commercial community initiatives are better managed because they benefit from the management oversight at the level of the Board of Directors (Eccles, et al., 2014). The level of oversight is associated with corporate community engagement initiatives that include the core resources of business, *commercial community initiatives* (Eccles, et al., 2014).

The existing literature suggests that the value creation proposition for corporate community engagement is supported by the use of the core resources of business and relational business-community interactions (Eccles, et al., 2014; Porter & Kramer, 2006; Hillman & Keim, 2001). Figure 2.1 illustrates the value creation proposition for the different types of corporate community engagement initiatives based on these two dimensions.

Figure 2.1 Types of Corporate Community Engagement Initiatives and Value Creation



Source: Author based on Eccles, et al., (2014), Porter & Kramer,(2006) and Hillman & Keim, (2001)

Generally, charitable donations tend to be associated with transactional business-community relations (Bowen, et al., 2010). In these instances, (see figure 2.1 sector 2).

Unlike charitable donations, community investments are associated with relational business-community relationships. These investments are not associated with the core resources of the business and so may not benefit from the level of oversight by the Board of Directors. They may only improve the image and reputation of business and may not directly impact business performance (Bowen, et al., 2010). In some instances, *community investments* initiatives may reflect community-interests associated with community engagement standards or best practices. For example, the Global Reporting Initiative (GRI) Standard 413-2 requires business to manage and report operations with significant actual and potential negative impacts on local communities⁴.

These *community investments* that are associated with the implementation of a corporate community engagement best practice may only create value in the short-term (Falkenberg & Brunsæl, 2011). The increased disclosure of these *community investments* initiatives, a higher level of transparency may positively affect the value creation proposition for corporate community engagement in the short term (Cheng, et al., 2014; Falkenberg & Brunsæl, 2011). However, the positive impact on business performance with the initial implementation of these corporate community engagement initiatives is unlikely to be sustainable over the long-term because they are easy to copy (Falkenberg & Brunsæl, 2011) (see figure 2.1 sector 3).

Commercial community initiatives are associated with the core resources of business and benefit from the oversight at the level of the Board of Directors. These initiatives are more likely to deliver their objectives, create value for both business and the community (see figure 2.1 sector 4).

⁴ Page 780 Consolidated Set of the GRI Standards available at www.globalreporting.org. Last accessed September 2023.

However, business generally engages with the community using different types of corporate community engagement initiatives, whether simultaneously or sequentially. For example, the percentage of total investment spent for each type of corporate community engagement initiative for members of the Business for Social Impact (B4SI) for 2020 was charitable donations 29%, community investments 61%, and commercial community initiatives 10%⁵. In this regard, business may leverage its corporate community engagement relational resources, including corporate community engagement competencies across different types of corporate community engagement initiatives (Porter & Kramer, 2006). For example, the community-knowledge associated with charitable donations is not necessarily limited to transactional business-community interactions. These charitable donations may also reflect community-knowledge based on business-community relational interactions.

Since business utilise a mix of the corporate community engagement initiatives, the corporate community engagement model may be important. But the corporate community engagement model may be affected by the motivation of business to engage the community.

2.2.3 The Motivation of Business to Engage the Community

The motive of business may determine how corporate community engagement initiatives are managed to create value for business. The motive of business to engage the community may be neither singular nor static but may be varied and dynamic to reflect different theories about the role of business in society. Historically, the motive of business to engage the community was based on ethical reasons, a sense of stewardship, duty, or justice, “it is the right thing to do” (Aguinis & Glavas, 2012; Kurucz, et al., 2008; Aguilera, et al., 2007). Initially, the ethical motive was based on Adam Smith’s broad vision of business with economic and social goals reinforcing each other (Lee, 2008; Bowen, 1953). Later, the ethical motive of business to engage the community was based on managers serving the interest of society as well as the interests of

⁵ Source: Business for Social Impact 2021 Annual Report page 16. The comparative figures for 2019 are charitable donations 17%, community investments 72%, and commercial community initiatives 11%.

owners (Lee, 2008; Bowen, 1953). Business pursued policies, made decisions, and acted in ways that were desirable in terms of the objectives and values of the society (Lee, 2008; Bowen, 1953). Managers may serve not only its shareholders but the community as well (Bowen, 1953; Berle & Means, 1932).

When corporate community engagement is solely based on the ethical motive of business to engage the community, it is a discretionary cost to business that recognises the dominance of the responsibility of business to its shareholders (Kurucz, et al., 2008; Porter & Kramer, 2006). In addition, corporate community engagement is conditional on business-performance, the availability of slack resources (Kurucz, et al., 2008). The ethical motive of business to engage the community is associated with the residual model of corporate community engagement (Freeman, et al., 2010). Business “gives back” to the community after profits are made (Freeman, et al., 2010). The business model is reactive to claims from the community, corporate community engagement processes are restricted to public relations, and corporate community engagement initiatives are limited to charitable donations (Freeman, et al., 2010). These corporate community engagement initiatives tend to be associated with transactional business-community relations and may not reflect the community-interests (Bowen, et al., 2010; Hillman & Keim, 2001). They also may not benefit from the oversight of the Board of Directors if they are not associated with the core resources of the business to support value creation (Eccles, et al., 2014).

Over time, business recognised that they could make more efficient contributions through more “active corporate community engagement” (Schwab, 2008, p. 113), an instrumental motive based on self-interest, “it is good for business” (Aguinis & Glavas, 2012; Kurucz, et al., 2008; Aguilera, et al., 2007). Initially, the instrumental motive of business to engage the community was to address social impacts (Drucker, 1954). However, the social impacts-instrumental motive was conditional. Firstly, business engages the community to address their compulsory social impact responsibilities (Drucker, 1954). Secondly, business engages the community to address

discretionary social problem responsibilities if they do not impair performance, exceed their competence, or usurp legitimate authority (Drucker, 1954).

With the liberalisation of the 1970s, the instrumental motive of business to engage the community reflects an 'enlightened self-interest view' of business and society, to safeguard profits and protect shareholders value (Jensen & Meckling, 1976). The community is seen as a threat to the operations of business and business engages the community to manage these threats and reputational risks (Minor & Morgan, 2011; Frynas, 2005). For this perspective of corporate community engagement, business is seen as having social duties and rights and participates in the social aspects of the community to secure and maintain "social licence to operate" (Garriga & Mele', 2004).

For the enlightened value maximisation motive of business to engage the community, shareholder's rights are still dominant, but community-demands are not dependent on slack resources, as the purpose of corporate community engagement is to mitigate threats and protect shareholders' value (Jensen, 2002). The associated corporate community engagement initiatives may include implementing standards to resolve potential conflicts, the recruitment of local talent, the use of community suppliers and community investments in physical and social structures (Bowen, et al., 2010). As business manages community-concerns, corporate community engagement activities may also include monitoring, and reporting performance against these standards. These activities give assurances to the community and build their confidence in the operation of business, and to avoid boycotts and legal prosecutions, a compliance model of corporate community engagement (Kurucz, et al., 2008).

The compliance model to corporate community engagement may be embodied in a corporate community engagement policy, but the integration of corporate community engagement into the operations of business may be restricted to the department level (Boehe & Cruz, 2010). These corporate community engagement initiatives may not benefit from the oversight of the Board of Directors nor support the value creation proposition for corporate community

engagement (Eccles, et al., 2014). While these initiatives are reputation building, over time their value creation potential is reduced as they can be copied (Falkenberg & Brunsæl, 2011).

The instrumental motive of business to engage the community may also be to contribute to its overall success (Freeman, et al., 2010). For stakeholder theory, the role of business in society is to create value for all stakeholders (Freeman, et al., 2010). The stakeholders are those who are affected or can affect the operations of business (Freeman, et al., 2010). The community is a stakeholder of business providing critical support structure and customer base (Lee, 2008). The community also has equal standing with all other stakeholders, including shareholders, employees, customers, and suppliers (Freeman, et al., 2010; Freeman, 1984). Similar to investors and suppliers, the community is a primary stakeholder external to the business (Lawrence & Weber, 2020). But, unlike investors and suppliers, the community is not in direct economic exchange with business, a nonmarket stakeholder (Lawrence & Weber, 2020). While there is no suggestion that the community is a lesser stakeholder, these differences may affect how business engages the community to create value.

With the value-creation proposition for corporate community engagement, business leverages community-interests as a resource to build brand, enhance reputation, manage risks, and reduce costs (Kurucz, et al., 2008). Community-interests provide opportunities for business to leverage core resources for the benefit of all stakeholders (Kurucz, et al., 2008). For example, with cause-related marketing business links community-interests to the marketing of products to differentiate its brands from the competition (Kurucz, et al., 2008). For the stakeholder theory value creation proposition, business maximises its return on investments by managing stakeholder trade-offs including the community (Freeman, et al., 2010). Corporate community engagement competes for core resources and must provide business with competitive returns. To create value and competitive returns, corporate community projects are strategically aligned with the core resources of business, are cost effective, and benefit the community (Mackey, et al., 2007; Husted, 2003).

While the instrumental stakeholder theory perspective is for corporate community engagement to create value for all stakeholders, it is debatable whether the value creation proposition for corporate community engagement is sustainable over the long-term (Weitzner & Deutsch, 2019; Bowen, et al., 2010). The full potential of the value creation proposition for corporate community engagement projects needs to be accounted for in the trade-offs between different stakeholder claims on the core resources of the business (Weitzner & Deutsch, 2019). Otherwise, some viable projects may be excluded in error.

Where the trade-offs between different stakeholder claims are limitedly assessed on an economic basis alone, the true potential value creation of corporate community engagement may be understated (Weitzner & Deutsch, 2019). This may negatively affect the creation of value for all stakeholders. But, if the potential value creation of corporate community engagement is assessed on ethical as well as economic bases, the value creation proposition for corporate community engagement may be sustainable over the long-term (Weitzner & Deutsch, 2019).

The motive of business to engage the community may be to create value from corporate community engagement initiatives at the societal level, *“beyond the boundaries of the firm”* (Wheeler, et al., 2003, p. 16). The stakeholder theory perspective of the value creation proposition for corporate community engagement is restricted to the level of *‘the firm’* (Wheeler, et al., 2003). It may not fully account for the value creation proposition for corporate community engagement that *“resides beyond the boundaries of the single firm”* (Wheeler, et al., 2003, p. 16). Hence, the motive to create value from corporate community engagement may be linked to sustainable development (Wheeler, et al., 2003). There are varying definitions of sustainable development in the literature. One of the most widely used is that of paragraph 27 of the World Business Council for Sustainable Development (WBCSD) *“Brundtland Report”* which defines sustainable development as

“Development that meet the needs of the present without compromising the ability of future generations to meet their needs” (WBCSD, 1987).

The term includes a range of issues, pillars: environmental, social, and economic.

With this broader societal perspective of the value creation proposition for corporate community engagement, business is a citizen in the community (Kurucz, et al., 2008). Business engages with multiple stakeholders including the community to contribute to the overall success of the society (Kurucz, et al., 2008). Both business and the community benefit from the success of the society. For this model of corporate community engagement, business participates into something ‘bigger’ than itself and is itself a stakeholder in a “community of commons” (Kurucz, et al., 2008). For this value creation proposition of corporate community engagement, business creates values with multiple stakeholders with common values from sustainable solutions to social problems, synergistic value creation or “win-win” outcomes (Kurucz, et al., 2008). The unmet social needs of the community are economic opportunities for business. The value creation proposition for this model includes business modelling an aspect of its operation, commits capital, expertise, and global reach to contribute to the scale and sustainability of initiatives to meet community-needs (Kurucz, et al., 2008). For example, PepsiCo’s agricultural project partnership with the Inter-American Development Bank in Mexico (Kanter, 2011).

The motive of business to engage the community and create value ‘*beyond the boundaries of the single firm,*’ associates corporate community engagement with the core resources of business relevant to provide sustainable solutions to the unmet social needs of the community (Kurucz, et al., 2008). Hence, the core resources and the shared interest of business with ‘multiple stakeholders’ provide economic opportunities for business to create value from corporate community engagement on multiple fronts (Kurucz, et al., 2008). The leadership of these corporate community engagement initiatives may not rest with business. This requires high levels of trust between business and community-partners to protect the integrity of the initiative and the creation of value for business (Wheeler, et al., 2003). The use of the core resources to

create these corporate community engagement initiatives indicates high level monitoring by the Board of Directors (Eccles, et al., 2014). With the shared interests of business and the community and the high level of oversight, the value creation proposition for these corporate community engagement initiatives may be supported.

While the motives of business to engage the community are associated with different types of corporate community engagement initiatives, these different motives of business to engage the community are not mutually exclusive. Business may engage the community for ethical as well as for instrumental reasons (Kurucz, et al., 2008). This supports the view that business utilises a mix of corporate community engagement initiatives and situates the analysis of the corporate community engagement-competitive analysis beyond the initiative level to the model of corporate community engagement. In addition, the impact of the motive of business to engage the community on the value creation proposition for corporate community engagement may be associated with the extent to which the community demands it (Quairel-Lanoizelee, 2011; Kurucz, et al., 2008).

Supply and Demand Theory

Supply and demand theory suggests that business will supply corporate community engagement initiatives in response to the demand for them (Kurucz, et al., 2008). The source of the demand for business to engage the community may differ. This will not only determine how business responds in terms of the type of initiatives but also how business manages the initiatives and if they can create value. The demand for corporate community engagement initiatives may be external to the business, *institutional and society-based*, from consumers or non-governmental organisation for charitable donations and sponsorships of community events (Aguinis & Glavas, 2012; Aguilera, et al., 2007). As discussed, these charitable donations do not of themselves create value for business because of the transactional business-community interactions. While the community demands the specific initiative and business responds, the competition may easily copy them, and the value created may be limited to the short-term and so may not support the corporate community engagement-competitive advantage relationship.

Society-based demands for corporate community engagement may also be codified by governments or industry bodies in the form of government regulation or industry standards (Aguinis & Glavas, 2012; Aguilera, et al., 2007). These community investments may require managerial decision to comply, monitor and report corporate community engagement performance. While these initiatives may affect the image and reputation of business, they may only indirectly affect business performance or at best is short-lived (Bowen, et al., 2010; Surroca, et al., 2010). So, the impact of these standards-based corporate community engagement initiatives on the value creation proposition for corporate community engagement may only be temporary until copied by the competition (Falkenberg & Brunsæl, 2011).

From the stakeholder theory perspective of managing long-term stakeholder trade-offs, the demand for corporate community engagement initiatives may be *organisational and strategic* to create value from commercial community initiatives. Recognising the community as a stakeholder, and managing stakeholder trade-offs, business makes strategic decisions to create value from corporate community engagement initiatives (Kurucz, et al., 2008). The demand may be associated with a *differential strategy* of corporate community engagement to respond to the competitive context of business (Kurucz, et al., 2008). As discussed, the impact of , the corporate community engagement on business performance is subject to *the trade-off criteria* including both social as well as economic perspectives for community projects (Weitzner & Deutsch, 2019).

The demand for corporate community engagement initiatives may also be *organisational and based on shared interests with other community-stakeholders* to create value for multiple stakeholders (Kurucz, et al., 2008). Business may develop a reputation for their values that are consistent with other community stakeholders and with relevant core resources to provide commercial community solutions to unmet social demands, in community enterprise (Kurucz, et al., 2008). The shared interest of business and the community, the utilisation of the core resource in corporate community engagement initiatives and the Board of Directors level

oversight may support the value creation proposition for corporate community engagement (Eccles, et al., 2014; Porter & Kramer, 2006).

The demand for corporate community engagement may be simultaneous from different sources, and business may respond by engaging the community utilising a mix of corporate community engagement initiatives. Again, underscoring an approach to explore the value-creation proposition for corporate community engagement that accounts for different models of corporate community engagement.

2.2.4 Conceptual Approaches to Classifying Corporate Community Engagement Models

The existing literature identifies three main conceptual approaches that classifies different corporate community engagement models namely, the public responsibility approach (Valente & Crane, 2010), the continuum approach (Bowen, et al., 2010), and the residual-integrated approach (Freeman, et al., 2010). Each approach emphasises different dimensions of corporate community engagement to distinguish the models. These dimensions include the utilisation of the core resource of business, community-participation, and time (immediate or long-term corporate community engagement solutions). These approaches are discussed in turn.

The Public Responsibility Approach

In the context of developing economies with limited institutional capacity and accounting for the use of core resources in corporate community engagement initiatives and the public responsibilities of business, Valente & Crane, (2010) identify four corporate community engagement models. These include the *supplementary, support, substitute, and stimulate models* (see table 2.1). In the multiple case study, the researchers examine thirty companies operating in the developing countries in Asia, Africa and Latin America across different sectors. The *supplementary* corporate community engagement model utilises non-core resources and

provide solutions to immediate social problems by extending or augmenting existing governmental public services (Valente & Crane, 2010).

The support corporate community engagement model also utilises non-core resources to build institutional capacity over the long-term (Valente & Crane, 2010). Alternatively, the *substitute* corporate community engagement model utilises the core resources of business in the direct delivery of public services (Valente & Crane, 2010). Lastly, *the stimulate* corporate community engagement model also utilises the core resources of business to drive new models of social provision through the development of political or economic infrastructure that addresses gaps in public services (Valente & Crane, 2010).

This approach to classify corporate community engagement models accounts for differences in the objectives of corporate community engagement in the developing economy context. The use of the core resources of business to distinguish the models links the stimulate and substitute models with commercial community initiatives. These initiatives are associated with oversight at the level of the Board of Directors (Eccles, et al., 2014). However, as the model fails to account for community-participation to align business and community interest, the value creation proposition for these commercial community initiatives may not be assured. The approach also distinguishes between short-term and long-term corporate community engagement solutions in relation to the models that do not utilise core resources. The short-term support model is associated with philanthropic charitable donations and long-term supplement model is associated with community investments. In addition, the approach also fails to extend the concept of time to corporate community engagement models that utilise core resources. So, it fails to distinguish between short-term commercial community initiatives of strategic philanthropy and long-term commercial community initiatives (Porter & Kramer, 2006). Hence it does not account for all the different types of corporate community engagement initiatives in the literature.

This approach to classify corporate community engagement models that fails to account for the impact of different levels of community-participation, an important factor for the alignment of

business and community interests to support value creation would be inadequate to explore the value creation proposition for corporate community engagement.

Table 2.1 The Public Responsibility Approach of Classifying Corporate Community Engagement Models

	Non-Core	Core
Provision of Infrastructure for Public Goals	<i>Support</i>	<i>Stimulate</i>
Scope	Government capacity building Intervention on government activity/policy	Alternative economic model Market knowledge to influence government.
Examples	Building municipal government capacity, Influencing international labour regulations	Alternative agricultural system, Commercial microfinance
Provision of Public Service	<i>Supplement</i>	<i>Substitute</i>
Scope	Direct public service provision	Privatisation of government services
Examples	Building schools and hospitals, Laying physical infrastructure	Provision of military service Policing of labour practice

Source: Adapted from Valente and Crane (2010:59)

Corporate Community Engagement Continuum Approach

The level of community-participation is an important factor that determines differences in Bowen, et al., (2010) continuum approach to classify different models of corporate community engagement. The level of community-participation increases along a continuum and is determined by the frequency of the interaction, the direction of communication, the nature of trust, opportunities for learning, and the control over the corporate community engagement process (Bowen, et al., 2010). As the level of community-participation increases, the level of trust also increases to support different models of corporate community engagement namely,

transactional, transitional, and transformational. Business is motivated by “giving back,” “building bridges,” or “transforming society” respectively (Bowen, et al., 2010) (see table 2.2).

Table 2.2 The Continuum Approach of Classifying Corporate Community Engagement Models

	Transactional	Transitional	Transformational
Corporate Stance	Community Investment information “Giving back”	Community investment ‘Building bridges’	Community integration ‘Changing society’
Illustrative Tactics	Charitable donations Building local infrastructure Employee Volunteering Information sessions	Stakeholder dialogues public consultations Town hall meetings Cause-related marketing	Joint project management Joint decision-making Co-ownership
Nature of Trust Communication	Limited One-way: firm-to Community	Evolutionary Two-way: more from firm to community than from community -to- firm	Relational Two-way Community to- firm as much as firm -to-community
Frequency of Interaction Number of Community- Partners	Occasional Many	Repeated Many	Frequent Few
Control over Process Learning	Firm Transferred from firm.	Firm Most transferred from firm, some transferred to firm	Shared Jointly Generated.

Source: Adapted from Bowen et al (2010:305)

For the transactional corporate community engagement model, community participation may be limited to community-awareness, business informs the community of its ethical actions (Bowen, et al., 2010; IAP2, 2007). For example, the publicity of its charitable donations (Bowen, et al., 2010). Business maintains control over the corporate community engagement process with limited trust between business and the community based on transactional interactions and mostly one-way communication from the business to the community (Bowen, et al., 2010). Knowledge is mostly transferred from the business to the community and community-

participation is limited to community-awareness (Bowen, et al., 2010). Corporate community engagement is limited to philanthropy and include charitable donations and employee volunteering schemes (Bowen, et al., 2010). These corporate community engagement initiatives may not reflect community-interests and result in a cost to the business without commensurate benefits, and negatively impact business performance (López Fernández & Rajagopal, 2013; Porter & Kramer, 2006).

For the transitional corporate community engagement model, community-participation includes community-consultation as business listens and acknowledges community-concerns to manage risks (Bowen, et al., 2010; IAP2, 2007). For example, community consultations to manage risk of potential conflicts (Bowen, et al., 2010). For this model, corporate community engagement includes community-stakeholders dialogues, public consultations, town hall meetings and cause-related marketing (Bowen, et al., 2010). Business maintains control supported by ‘evolutionary’ trust between business and the community based on repeated interactions and two-way communication; but more from business to the community than from the community to business (Bowen, et al., 2010). Knowledge is mostly transferred from business, with some transferred to business (Bowen, et al., 2010). Corporate community engagement initiatives include community investments as business manages potential community-conflicts by “building bridges” with the community (Bowen, et al., 2010).

For the transformational corporate community engagement model, community-participation includes community collaborations, business works directly with the community in partnership to ensure that their concerns and aspirations are reflected in corporate community engagement initiatives (Bowen, et al., 2010; IAP2, 2007). Corporate community engagement includes joint project management and decision-making as well as co-ownership of corporate community projects (Bowen, et al., 2010). Business and the community have shared responsibility for corporate community projects supported by relational trust based on two-way communication and joint knowledge generation (Bowen, et al., 2010).

The main strength of the continuum approach to classify models of corporate community engagement is the inclusion of the dimension of community participation to align business and community interests to support the value creation proposition. The inclusion of the dimension of trust between business and the community is also an important factor to support knowledge-exchange between business and the community to align business and community interests to support the value creation proposition (Porter & Kramer, 2006). However, categorising trust as limited, evolving, or relational is general and may be incomplete to explore the value creation proposition for corporate community engagement. Social relations literature provides other classifications that may be more specific and relevant to business-community relationships. In this literature trust may be based on regulatory or normative institutional structures and include contracts, systems, goodwill, and thick trust (Blois & Ryan, 2013). So, trust is not only based on the frequency of the interactions but also on the depth of the interactions (Sheppard & Sherman, 1998).

Another limitation of the approach is that it fails to account for the impact of the use of the core resources of business on the different corporate community engagement models. This is an important aspect of the value creation proposition for corporate community engagement. Because this approach fails to account for the impact of core resources, it also fails to account for some popular types of corporate community engagement initiatives such as commercial community initiatives or strategic philanthropy. The existing literature differentiates transactional charitable donations from charitable donations that are linked to strategic philanthropy that leverages the business capabilities to improve competitive context (Porter & Kramer, 2006). These strategic charitable donations are supported by relational and not transactional business-community interactions as business leverages core resources with community-interest (Kurucz, et al., 2008; Porter & Kramer, 2006). The omission of the core resources in the classification of corporate community engagement models limits the usefulness of the approach to explore the value creation proposition for corporate community engagement.

The Residual-Integrated Approach

For Freeman, et al., (2010), there are two models of corporate community engagement, “*the residual*” and “*the integrated*” models (see table 2.3). “*The residual*” corporate community engagement model aligns with the shareholder-profit maximisation business model (Freeman, et al., 2010). The responsibility of business to the community is purely ethical, as reflected in Carroll’s pyramid of economic, legal, and ethical responsibilities (Carroll, 1991; Carroll, 1979). Corporate community engagement is a discretionary cost, as business voluntarily “*gives back*” to the community (Freeman, et al., 2010).

Table 2.3 The Residual-Integrated Approach of Classifying Corporate Community Engagement Models

	<i>“The Residual”</i> Corporate Community Engagement Model	<i>“The Integrated”</i> Corporate Community Engagement Model
Definition	<i>“Giving back”</i> to the community (after profits are made)	Integration of economic with ethical, social, and environmental decision-making criteria
Stakeholder Focus	Shareholder first, then communities or other stakeholders	All stakeholders including the community has moral standing.
Economic Focus	Profit redistribution (after profits are maximised)	Value creation
Corporate Community Engagement Business Model	Being responsive to societal claims	Building partnerships with the community
Corporate Community Engagement Processes	Communication; public relations	Community engagement
Corporate Community Engagement Activities	Corporate philanthropy; Sponsorships	Integration of corporate community engagement initiatives into traditional corporate reporting

Source: Adapted from Freeman et al (2010:258)

“*The integrated*” corporate community engagement model is stakeholder theory based. It creates value for all stakeholders, including shareholders (Freeman, et al., 2010; Freeman, 1984). For this model, the community is a stakeholder of business that is affected and can affect the

operations of business and have equal standing with all other stakeholders, including shareholders (Freeman, et al., 2010; Freeman, 1984).

The community affects the operations of business by providing a safe and supportive environment including being a “*talent pool*” (Carroll & Shabana, 2010). Business provides jobs, supports local business, and contributes to local services by paying taxes (Carroll & Shabana, 2010). For this model, corporate community engagement contributes to the overall success of business, is integrated into the business model, and include building partnerships with community-groups (Freeman, et al., 2010). The purpose of corporate community engagement is for the benefit of all stakeholders and not shareholders alone (Freeman, et al., 2010). Consequently, corporate community engagement is not discretionary, and corporate community engagement initiatives have commercial implications, to create value.

With “*the integrated*” model of corporate community engagement, community-interests provide opportunities for business to leverage resources in commercial community initiatives for the benefit of all stakeholders (Kurucz, et al., 2008). Business collaborates directly with the community in partnership arrangement to convert community-interests into opportunities to create value from these initiatives (Freeman, et al., 2010; Kurucz, et al., 2008). Community-interest is a resource that enhances brand, for example social cause-related marketing links commercial community initiatives to the marketing of products (Kurucz, et al., 2008). The brand is aligned with community-interest to differentiate it from that of the competition (Kurucz, et al., 2008). The increased cooperation with the community also reduces conflicts between business and the community further building trust, which in turn minimises costs, and supports the creation of value (Kurucz, et al., 2008).

To make the best overall return, business manages stakeholder trade-offs and “community expenditure is like any other expenditure” (Mackey, et al., 2007, p. 828). Corporate community engagement initiatives compete with other stakeholders’ engagements for the core resources of business (Freeman, et al., 2010). Commercial community initiatives are “cost effective and

produce a clear return on investment” (Husted, 2003, p. 282). As these commercial community initiatives are strategically aligned with the core business operations, they are managed at the level of the Board of Directors to ensure business achieve the expected outcomes (Eccles, et al., 2014; Husted, 2003).

To facilitate the level of oversight, these commercial community initiatives are integrated into the business model, as business strategically and proactively accounts for issues relating to the community (Freeman, et al., 2010). The proactive engagement of the community to support these commercial community initiatives also supports risk management, reduces potential regulatory and legal actions, and in turn reduces transaction costs (Kolk & Lenfant, 2010). The increased monitoring and reporting of the performance of these commercial community initiatives increases transparency and builds trust between business and the community (Eccles, et al., 2011) and:

“Improves reputation and legitimacy as well as enabling benchmarking against competitors and signalling competitiveness” (Hahn & Kühnen, 2013, p. 5).

The main strength of the residual-integrated approach to classify corporate community engagement models, is the use of the core resources of business as the basis to distinguish the two models. The use of the core resources of business is an important aspect of the value creation proposition for corporate community engagement. Utilising core resources is associated with Board of Directors level oversight, the integration of corporate community engagement into the business model and the creation of value for all stakeholders (Eccles, et al., 2014; Freeman, et al., 2010). Corporate community engagement initiatives that do not utilise core resources, may be peripheral to the business model, and may be a cost to the business without commensurate benefits (Eccles, et al., 2014; Freeman, et al., 2010).

A limitation of this approach is that it does not fully explore nor fully account for the impact of community-participation on the value creation proposition for corporate community engagement. The assumed two-level community-participation, transactional versus relational is

a corollary of the residual-integrated distinction, compared with three levels of the corporate community engagement continuum approach. Accordingly, the weakness of the approach is that it fails to adequately account for the relational dimension of corporate community engagement.

Another shortcoming of the residual-integrated approach is that it fails to properly account for community investments. These corporate community engagement initiatives are different from transactional charitable donations because of the long-term nature of the business-community relationship. They do not necessarily include the core resources of the business as with commercial community initiatives. These limitations of the residual-integrated approach to classify corporate community engagement models suggest that the approach may also be inadequate to explore the value creation proposition for corporate community engagement.

Limitations of The Existing Classifications of Corporate Community Engagement Models

The three main approaches to classify different corporate community engagement models are based on corporate community engagement dimensions and include: the utilisation of the core resources of the business (Freeman, et al., 2010; Valente & Crane, 2010), the level of community-participation (Bowen, et al., 2010; Freeman, et al., 2010), and time (immediate or long-term corporate community engagement solutions) (Bowen, et al., 2010; Valente & Crane, 2010). No one of the existing approach accounts for all three dimensions.

Freeman, et al.,(2010) dichotomous classification of residual *versus* integrated corporate community engagement models accounts for charitable donations (residual) and strategic philanthropic charitable donations associated with core resources as well as commercial community initiatives. However, because the impact of time, short-term versus long-term corporate community engagement solutions is not explicitly addressed, the category of *community investment* is omitted. This is an important category included in both Bowen, et al., (2010) and Valente & Crane,(2010) classifications. So, the approach would be incomplete to explore the value creation proposition for corporate community engagement.

Bowen, et al., (2010) corporate community engagement continuum approach of classifying corporate community engagement models for transactional charitable donations, and transitional community investments. The transformational corporate community engagement model have features associated with commercial community initiatives including joint-project management and decision-making. The failure of the approach to explicitly account for the utilisation of the core resources of business makes it incomplete to explore the value creation proposition for corporate community engagement.

Valente & Crane,(2010) public responsibility approach to classify corporate community engagement models accounts for the use of core resources in relation to substitute and stimulate models, *commercial community initiatives*. This approach accounts for the short-term and long-term impact on the corporate community engagement models. Unfortunately the analysis is restricted to the non-core supplement model (short-term) *charitable donations* and support model (long-term) *community investments*. In this regard, the approach does not account for the ability of business to leverage community-knowledge obtained over long-term business-community relationship that target philanthropic charitable donations to areas that affect the competitive context of business (Porter & Kramer, 2006). In addition, the approach does not account for the different levels of community-participation to support the internalisation of community-knowledge. Therefore, this approach would be also incomplete to explore the value creation proposition for corporate community engagement.

Table 2.4 shows the factors used in the conceptual approaches to classify the models against resource utilisation. No approach fully matches this map. In this regard, the existing approaches to classify corporate community engagement models may be incomplete to explore the value creation proposition for corporate community engagement. To use any of the existing classification to explore the relationship may risk the misspecification of the corporate community engagement variable and the validity of the thesis. So, the first gap the thesis seeks to address is to develop a viable classification of corporate community engagement models to explore the value creation proposition for corporate community engagement.

Table 2.4 The Three Main Factors that Distinguish the Different Conceptual Approaches of Corporate Community Engagement Versus Resource Utilisation

Distinguishing Factors	No Core Resource Utilised	Core Resource Utilised
1) Short-term	<i>Charitable Donations-Philanthropy</i>	<i>Charitable Donations: Strategic Philanthropy</i>
2) Long-term	<i>Community Investments</i>	<i>Commercial Community Initiatives</i>
3) Community-Participation	Community awareness or community consultation	Community involvement or Community collaborations

Source: Author (based on Freeman, et al., (2010); Bowen, et al., (2010), and Valente & Crane, (2010))

To explore the value creation proposition for corporate community engagement to competitive advantage, identifying specific and measurable benefits of corporate community engagement are also important.

2.2.5 The Benefits of Corporate Community Engagement

The literature suggests different benefits of corporate community engagement. These different benefits may also suggest different measures of corporate community engagement. One of the debates in the corporate community engagement literature is whether the business benefits of corporate community engagement are direct or indirect. Some scholars suggest that:

“The primary benefit to firms from engaging with the community is indirect and include enhanced legitimacy and reputation management rather than direct competitive benefit” (Bowen, et al., 2010, p. 312).

The corporate community engagement literature includes various benefits, based on the three approaches: the corporate community engagement continuum approach (Bowen, et al., 2010),

the public responsibility approach (Valente & Crane, 2010), and the residual-integrated approach (Freeman, et al., 2010).

Each classification of the models addresses a different aspect of corporate community engagement. For example, the emphasis of the continuum model is community participation. For the public responsibility model, the emphasis is on the developmental role of corporate community engagement. While for the residual-integrated approach the emphasis is on how business manages corporate community engagement.

For the corporate community engagement continuum approach, benefits of corporate community engagement may include contributing to the legitimacy of business, improved risk management, increased employer attractiveness, shared accountability and ownership of solution, or joint learning and sense-making (Bowen, et al., 2010). These benefits to the business are general and may be difficult to measure and link to the value creation proposition for corporate community engagement .

For the public responsibility approach, the business benefits of corporate community engagement include improving public relations, gaining local capabilities, obtaining licence to operate, or direct and include improving market/revenue opportunities as well as value chain measurable benefits (Valente & Crane, 2010). These benefits to the business are also general and may also be difficult to measure and link to the value creation proposition for corporate community engagement.

For the residual-integrated approach, there are two benefits to the business of corporate community engagement, contributing to the legitimacy of business or to the overall success of business, business success (Freeman, et al., 2010). The term business success is an omnibus construct that include:

“Revenue growth and market access; cost savings and productivity; access to capital; risk management and licence to operate; human capital; brand value and reputation”
(Weber, 2008, p. 249).

These are specific benefits that may be measured and linked to the value creation proposition for corporate community engagement.

Drawing from the broader social performance domain literature, the business benefits of corporate community engagement may include both direct financial performance such as cost reduction and increase revenue but also indirect business benefits such as loyalty and building reputation (Carroll & Shabana, 2010; Kurucz, et al., 2008). The benefits of corporate community engagement may be monetary and non-monetary as well as they may be quantitatively or qualitatively measured (Weber, 2008).

Monetary business benefits measured quantitatively include revenue increases, cost decreases, risk reduction, and increase in brand value. Non-monetary business benefits measured qualitatively include improved access to capital and secured licence to operate (Weber, 2008). While non-monetary business benefits measured quantitatively include improved customer attraction and retention, improved reputation, and improved employee recruitment, motivation, and retention (Weber, 2008). The thesis draws on the monetary/non-monetary dimension of benefits to explore the value creation proposition for corporate community engagement (see table 2.5 for a comparison of the business benefits of corporate community engagement).

Table 2.5 Corporate Community Engagement Benefits to Business

<i>Corporate Community Engagement Continuum Model (Bowen et al 2010)</i>	<i>Public Responsibility Model (Valente & Crane 2010)</i>	<i>Residual-Integrated Model (Freeman et al 2010)</i>	<i>Impact Model (Weber 2008)</i>
<p><i>Transactional,</i> <i>Transitional.</i> <i>Transformational</i></p> <ul style="list-style-type: none"> • improved risk management • gain legitimacy. • increased employer attractiveness <p><i>Transformational</i></p> <ul style="list-style-type: none"> • shared accountability and ownership of solution. • transformation of problem domain • joint learning and sensemaking 	<p>Support</p> <ul style="list-style-type: none"> • Relinquishes public service role. • Costs diverted to public bodies. • Gain local capabilities. <p><i>Supplement</i></p> <ul style="list-style-type: none"> • Licence to operate, • Supportive competitive context, • Public relations <p><i>Stimulate</i></p> <ul style="list-style-type: none"> • Taps into entrepreneurial spirit of poor. • Ensures full diffusion of alternative strategy. <p><i>Substitute</i></p> <ul style="list-style-type: none"> • Market/revenue opportunities • Critical step in the value chain 	<p><i>Residual Integrated</i></p> <ul style="list-style-type: none"> • Sustains the legitimacy of business. <p><i>Integrated</i></p> <ul style="list-style-type: none"> • Contributes to the Overall success of business 	<p><i>Monetary- Quantitative</i></p> <ul style="list-style-type: none"> • Revenue increases • Cost decreases • Risk reduction • Increase in brand value. <p><i>Non-Monetary-Qualitative</i></p> <ul style="list-style-type: none"> • Improved access to capital • Secured licence to operate. <p><i>Non-Monetary-Quantitative</i></p> <ul style="list-style-type: none"> • Improved customer attraction, retention • Improved reputation • Improved employee recruitment, motivation, retention

Source (Bowen, et al., 2010; Freeman, et al., 2010; Valente & Crane, 2010; Weber, 2008)

2.2.6 Measures of Corporate Community Engagement Performance

How is corporate community engagement performance measured? Should it even be measured?

One view is that where the motive of business (discussed in section 2.2.3) to engage the community is strictly driven by moral determination, there is no need to measure it (Wood, 2008). But when corporate community engagement is driven by instrumental motives, there is a need to measure it to respond to the question as to whether it pays to engage the community (Wood, 2008). The measures of corporate community engagement performance may differ as the instrumental motive to engage the community differs. For the instrumental compliance model of corporate community engagement with the focus of the management of community

threats and protecting shareholder's interest, performance may be defined by compliance with global standards (Slack, 2012) or enforceable agreements (O'Faircheallaigh, 2008).

The instrumental value creation proposition for corporate community engagement, links corporate community engagement performance to business performance and corporate community engagement performance measures become more complex. Over the years various rankings and ratings schemes have emerged, notable examples, the Dow Jones Sustainability Index (DJSI) and the Kinder, Lydenburg, Domini (KLD) index. Different rating schemes and studies may use different aspects of corporate community engagement to include in the indices and the measure of corporate community engagement performance may even vary to reflect the context of the study. For example, Hillman & Keim, (2001) study of a wide industrial context, use aspects of the KLD index such as areas of concerns including community-conflicts, civil penalties, and major litigation; and areas of strength including generous and innovative giving as well as long-term commitment to social programs to measure corporate community engagement performance. Lin, et al., (2015) study of the extractive industry, the measure of corporate community engagement performance is based on previous studies. It includes bribery, corruption and control, business ethics, fair competition, political contribution, indigenous people affair, indirect economic impact, community reputation monitoring, company foundation, company responsibility awards, crisis management system, donations, and employee engagement in voluntary work to measure corporate community engagement performance.

2.2.7 Summary

This section discussed the definition of corporate community engagement. It recognised corporate community engagement as a subset of corporate social responsibility, the thesis draws from (Aguinis, 2011) to define corporate community engagement as:

“The context-specific organisational actions and policies that account for *the expectations of the community*” (p. 855).

The section also discussed types of corporate community engagement initiatives, namely: charitable donations, community investments, and commercial initiatives. The important point of the discussion is that it links the value creation proposition of corporate community engagement to the use of the core resources of business and the type of business-community relations. While not all types of corporate community engagement initiatives creates value for business, the conclusion is that business uses a mix/portfolio of initiatives to engage the community. Hence, the examination of the value creation proposition for corporate community engagement should move beyond the type of the corporate community engagement initiative.

Next the section discussed different classification of corporate community engagement models, namely: the public responsibility approach (Valente & Crane, 2010), the continuum approach (Bowen, et al., 2010), and the residual-integrated approach (Freeman, et al., 2010). Each approach emphasises different important dimensions of the value creation proposition for corporate community engagement to distinguish the models. These dimensions include the utilisation of the core resource of business, community-participation, and time (immediate or long-term corporate community engagement solutions). No one classification of the of the model included all the dimensions, rendering the existing approaches to classifying the models of corporate community engagement inadequate to explore the the value creation proposition for corporate community engagement.

Lastly, the section discussed different benefits of business to engage the community. The literature include both general and specific benefits. However, for the examination of the value creation proposition for corporate community engagement, it is important to include measurable benefits.

The next section discusses the literature linking corporate community engagement to competitive advantage.

2.3 Competitive Advantage

The section starts by defining competitive advantage relationship. This because it is based on the value-creation proposition that corporate community engagement is:

“Good for business and is likely to lead to increased competitiveness” (Aguinis & Glavas, 2012, p. 941).

It then discusses the different theories of competitive advantage and the theoretical perspectives of these theories on corporate community engagement. Finally, the section discusses the empirical evidence to support the relationship.

2.3.1 Defining Competitive Advantage and Theories of Competitive Advantage

There are various definitions of competitive advantage in the literature. The most common and comprehensive definition is:

“When the value creating strategy of a business is not being simultaneously implemented by a current nor potential competitor” (Barney, 1991, p. 102).

There are different theories of competitive advantage. These different theories focus on different sources or determinants of competitive advantage. They include the internal source resource-based theory (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991) and the external source cluster theory (Porter, 1990; Porter, 1980). Other theories of competitive advantage address the limitations of these two main theories including the relational resource theory (Dyer & Singh, 1998) and the dynamic capabilities theory (Teece, et al., 1997).

2.3.1.1 The Resource-Based Theory

For the resource-based theory, it is the internal resources of business that are valuable, rare, inimitable, and non-substitutable that give business competitive advantage (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991). It is the internal resources that are “heterogeneous and immobile” and give business “firm-specific advantages” (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991). The internal resources include not only the tangible assets of business but its capabilities, processes, and knowledge (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991). That is, it is the endowment of rare resources, including both tangible and intangible assets, capabilities, processes, and knowledge that supports superior products or lower costs and in turn can lead to competitive advantage (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991). For this view, the efficient combination and management of these internal corporate community engagement resources can lead to competitive advantage (Meyskens & Paul, 2010).

The resource-based theory of competitive advantage has limitations. It ignores resources that are external to the business that can lead to competitive advantage (Dyer & Singh, 1998). It also assumes a constant business environment, so that the sustainability of the competitive advantage of business is not explicitly explored (Teece, et al., 1997). In the literature, there are two variations to the resource-based theory of how business derives competitive advantage to address these limitations: the relational resource theory and the dynamic capabilities theory.

2.3.1.2 The Cluster Theory

The other main view of how business derives competitive advantage, cluster theory, argues that the external context determines the performance of the company (Porter, 1990; Porter, 1980). Competitive advantage is defined by the quantity and quality of the inputs, the rules and incentives for competition, local demand and supporting industries (Porter, 1990; Porter, 1980). In this regard, business gains competitive advantage from physical location, access to good staff, suppliers, infrastructure, insights, and more information than their competitors, adopting

superior technology as well as learning and implementing innovations before the competition (Porter, 1990; Porter, 1980).

The success of the business, and its future growth and development is linked to its external context, including the community. The competitive advantage of business is defined not only by the quality of the business inputs but includes the social dimension as well (Porter & Kramer, 2006). Therefore, to gain competitive advantage, business implements corporate community engagement initiatives that improve their competitive context and benefit the community and they focus on social issues that impact the value chain and/or affect their competitive context (Porter & Kramer, 2006).

2.3.1.3 The Dynamic Capabilities Theory

The dynamic capabilities theory also extends the resource-based theory and accounts for the constantly changing business environment, including intense competition, as business is forced to constantly search for new ideas to succeed by expanding, refining, and modifying existing knowledge (Teece, et al., 1997). The flexibility of the existing resource capabilities and competencies is important to integrate, build and manage added resources to respond to changing context that can lead to competitive advantage (Teece, et al., 1997). These corporate community engagement capabilities are the organisational processes that results from business learning from achieving their objectives (Branco & Rodrigues, 2006). They also include its intellectual properties, its reputation which results from its trustworthiness driven mainly by its relationship the community (Branco & Rodrigues, 2006). While the focus of the resource-based theory is on the combination and management of existing corporate community engagement resource, the dynamic capabilities theory looks at new corporate community engagement capabilities to integrate into the business to address the changing external context (Teece, et al., 1997).

2.3.1.4 The Relational Resource Theory

The relational resource theory extends the resource-based theory, to include relation-specific assets, knowledge sharing routines, and complementary resources or capabilities as factors that can lead to competitive advantage (Dyer & Singh, 1998). Therefore, business creates corporate community engagement relational resources when they collaborate with external community-partners which they would not otherwise be able to create by themselves. While the criteria for the creation of competitive advantage are the same as the resource-based theory, that the relational assets are valuable, rare, and not easily copied by the competition, for these theorists, there are additional criteria for relational resources to be 'heterogeneous and immobile' (Dyer & Singh, 1998).

Firstly, relational resources require frequent interactions to allow the creation and sharing of knowledge where partners have the relevant absorptive capacity, there is transparency and reciprocity (Dyer & Singh, 1998). In addition, the partners have assets that complement each other to create synergistic resources which are difficult to imitate (Dyer & Singh, 1998). Finally, there is a system of governance to support the relational resource which includes formal as well as informal safeguards resulting from long-term interactions and personal ties (Dyer & Singh, 1998). Therefore, close collaborations between business and the community can lead to access to new resources including community-knowledge and competitive advantage (Jamali, et al., 2009). From the relational resource theory perspective of how corporate community engagement can lead to competitive advantage, the focus is on relational resources from collaborations with external community-partners that would not otherwise be available to business (Dyer & Singh, 1998).

2.3.1.5 Summary

Based on these theories, the corporate community engagement-competitive advantage relationship is conditional on the internal organisational resources of business (Barney, et al., 2021; Barney & Hesterly, 2012; Meyskens & Paul, 2010; Barney, 1991), its external context (Porter & Kramer, 2006; Porter, 1990; Porter, 1980), business-community relational resource (Jamali, et al., 2009; Dyer & Singh, 1998), and the dynamic corporate community engagement

capabilities to respond to the ever-changing business environment (Delmas, et al., 2011; Reuter, et al., 2010; Teece, et al., 1997).

The corporate community engagement-competitive advantage relationship is also affected by how competitive advantage is measured. The next section discusses how competitive advantage is measured.

2.3.2 Measures of Competitive Advantage

An important aspect of evidence to support the corporate community engagement-competitive advantage relationship is how researchers measure competitive advantage. In the strategic management literature, there are various metrics of how researchers measure competitive advantage. Firm-level measures of competitive advantage include financial, operational, and overall effectiveness dimensions (Hult, et al., 2008). Financial measures of profits, earnings, and growth are most common (Hult, et al., 2008). Profitability measures may include accounting ratios such as return on assets (ROA), return on equity (ROE), and return on sales (ROS) (Hult, et al., 2008).

This literature review indicates that financial measures are less popular than non-financial measures when examining the corporate community engagement-competitive advantage relationship. The empirical studies utilising financial measures of competitive advantage include Flammer, (2015) and Liu & Wu, (2015). Both studies use a measure of profitability, return on asset (ROA), a common accounting measure of business performance that is the ratio of income before extraordinary items to the book value of assets (Geringer, et al., 1989). Both studies also use another financial measure of growth opportunity, market-to-book, the ratio of the market value of equity to the book value of equity.

Financial measures may reflect differing accounting periods and standards and make comparisons between different empirical results difficult (Hult, et al., 2008). In addition, the use

of asset-based accounting measures to explore the corporate community engagement-competitive advantage relationship may also be problematic. For example, differences in methods of depreciation, local tax regulations, domestic inflation, and foreign exchange fluctuations may distort these measures (Geringer, et al., 1989). For this reason, return on sales is a better accounting measure of business performance than return on assets (Geringer, et al., 1989). Hillman & Keim, (2001) study also uses financial measures and acknowledges that the inconclusive result in relation to the examination of the corporate community engagement-competitive advantage relationship could be attributed to the operationalisation of the accounting measures.

Apart from the possibility that financial measures of performance may not always be readily available, they may not fit all business situations, and they may only account for past performance (Sigalas, et al., 2013). Financial measures alone are not considered adequate to explore the corporate community engagement-competitive advantage relationship, since the benefits of corporate community engagement may include direct financial benefits as well as indirect non-financial benefits (Carroll & Shabana, 2010; Kurucz, et al., 2008). In addition, corporate community engagement performance is more closely associated with non-financial benefits for the business and financial measures alone may not fully reflect the total effect on the business performance (Vilanova, et al., 2009). Consequently, financial performance measures alone of earnings, growth, and profits may be inadequate to account for the total effect of corporate community engagement performance (Vilanova, et al., 2009).

Not surprising, the literature review indicates that non-financial measures are more popular to explore the corporate community engagement-competitive advantage relationship. There is a variety of these measures and there is no consistency in their use across the studies. For example, Delmas, et al., (2011) empirical study measures competitive advantage in relation to comparative cost benefits, reputation, customer relations, and innovation. Gallardo-Vázquez & Sanchez-Hernandez, (2014) empirical study combines both financial and non-financial measures of competitive advantage. The latter study includes financial performance profits, sales, margins,

market share, customer satisfaction and loyalty, employee satisfaction and retention, market positioning, image, and reputation (Gallardo-Vázquez & Sanchez-Hernandez, 2014). For the non-financial measure of competitive success, this study includes: the quality of human resource management, the training and empowerment of personnel, leadership capabilities, marketing capabilities, the quality of products and services, the organisational and administrative management quality, technological resources and information systems, the transparency of financial management systems, and the cohesiveness of corporate values and culture (Gallardo-Vázquez & Sanchez-Hernandez, 2014).

For the Marín, et al., (2012) empirical study focussing on the resource-based perspectives , competitive advantage is conceptualised as a four-dimensional construct and include internal processes, open systems, rational goals, and human relations. While the Battaglia, et al., (2014) empirical study focussing on the relational resource theory perspectives of competitive advantage uses a three dimensional construct and include market performance, innovation capabilities, and intangible assets. The Battaglia, et al., (2014) study further defines these measures to include market performance: turnover, demand by traditional clients, demand by new clients, and business attraction; innovation capabilities: technical and organisational innovation; and intangible assets: personnel motivation, personnel productivity, reputation, relation with stakeholders and relations with credit institutions. So, differences in the measures used to operationalise competitive advantage may affect the empirical evidence to support the corporate community engagement-competitive advantage relationship.

The next section discusses theoretical literature that supports the corporate community engagement-competitive advantage relationship based on these four theories of competitive advantage.

2.3.3 Theoretical Perspectives of the Corporate Community Engagement-Competitive Advantage Relationship

To examine the status of the theoretical literature to support the corporate community engagement-competitive advantage relationship, the section also draws on corporate social responsibility-competitive advantage literature. This is a plausible position as corporate community engagement is a part of the corporate social responsibility domain (Bowen, et al., 2010). The position is further supported as the thesis also draws from Aguinis, (2011) definition of corporate social responsibility to define corporate community engagement as:

“the context-specific organisational actions and policies that *account for the expectations* of the community” (Aguinis, 2011, p. 855).

2.3.3.1 Resource-Based Theory Perspectives of the Corporate Community Engagement-Competitive Advantage Relationship

For the resource-based theory, the corporate community engagement-competitive advantage relationship is supported by corporate community engagement internal resources that are valuable, rare, inimitable, and non-substitutable (Barney, et al., 2021; Barney & Hesterly, 2012; Barney, 1991). With continuous corporate community engagement management processes including the defining, redefining, and embedding of corporate community engagement policies and practices, business develops expertise in the management of community-interests through learning and innovation (Harrison, et al., 2010). The expertise in engaging with the community through long-term quality relationships is a business resource that is difficult to imitate (Harrison, et al., 2010; Hillman & Keim, 2001; Barney, 1991). The continuous management of community engagement by assessing and addressing community-claims in a fair, rational manner also reduces conflicts, and transaction costs as well as builds trust between business and the community, and in turn can lead to competitive advantage (Orlitzky, et al., 2003).

The resource-based theory of the corporate community engagement-competitive advantage relationship is associated with a differentiation strategy (Flammer, 2015; McWilliams & Siegel, 2011). The corporate community engagement actions and attributes add value to the business,

where the products of business reflect community-interests (McWilliams & Siegel, 2011). For example, the sourcing of supplies from local community such as agricultural products in processing consumable sectors whether for local consumption or the export market, is a corporate community engagement action that provides economic benefit to the local community. It also provides an attribute for the business and its products, of supporting local business (McWilliams & Siegel, 2011). In this way, the corporate community engagement action is linked to increased customer value which in turn can lead to competitive advantage (Flammer, 2015).

The corporate community engagement-competitive advantage relationship seen through the resource-based theory is positive only if business adopts a proactive strategy in relation to corporate community engagement (Marín, et al., 2012) and the corporate community engagement model is integrated into the business model (Freeman, et al., 2010). A corporate community engagement proactive strategy reflects the interest of the community beyond current business responsibilities, it preempts future responsibilities compared with a reactive strategy that only responds to current responsibilities (Marín, et al., 2012; Muthuri, 2007). An example of the negative impact of a reactive corporate community engagement model was the business-community conflict in El Pangui in southeast Ecuador (Warnaars, 2012). The corporate community engagement initiatives that the company designed and implemented post-conflict had the unexpected result of contributing to the further polarisation of the community rather than helping with the resolution of the conflict (Warnaars, 2012). The company had already lost a great deal of its legitimacy (Warnaars, 2012).

The community considers a proactive strategy to be more sincere than a reactive one and rewards the sincere business with its support (Marín, et al., 2012; Muthuri, 2007). A proactive corporate community engagement strategy is linked to a perception of the sincerity of business evidenced by the existence of corporate community engagement policies to indicate the commitment of business to the community (Eccles, et al., 2014; Chang, 2011). A business with a corporate community engagement policy is likely to design and implement processes that reflect

these policies which in turn build resources for learning (Branco & Rodrigues, 2006). To lead to competitive advantage, business integrates these corporate community engagement policies into the business model to support the development of long-term corporate community engagement goals (Vilanova, et al., 2009).

The integration of the corporate community engagement policies into the business model also enables the business to acquire and develop the necessary expertise that supports the corporate community engagement process (Vilanova, et al., 2009). To lead to competitive advantage, business not only reflect the corporate community engagement values in the mission and value statements of the company but also in employee relationships, operational practices and the management systems (Marín, et al., 2012). When business fails to integrate corporate community engagement policies into the business model in a meaningful way, corporate community engagement is peripheral or is merely ‘window dressing.’ It may only become an added cost to the business without any associated value such as the perception of sincerity and community support that can lead to competitive advantage (Aguinis & Glavas, 2012).

Therefore, according to resource-based theory, the corporate community engagement-competitive advantage relationship is positive if based on proactive corporate community engagement strategy that is integrated into the business model. A proactive strategy can lead to sincere perceptions by the community regarding the motives of business and result in valuable resources such as community support. But the impact of the proactive corporate community engagement strategy on the relationship is moderated by the absorptive capacity of business (discussed below) (Delmas, et al., 2011). The assumption is that business has the competencies to drive the proactive strategy and to integrate it across the business that can lead to competitive advantage (Delmas, et al., 2011).

2.3.3.2 Cluster Theory Perspectives of the Corporate Community Engagement-Competitive Advantage Relationship

Cluster theory perspective of competitive advantage focuses on the external context of business. The competitive advantage of business is defined by the quantity and quality of the inputs, the rules and incentives for competition, local demand and supporting industries (Porter, 1990; Porter, 1980). The corporate community engagement-competitive advantage relationship is based on business implementing corporate community engagement initiatives that improve its competitive context and benefit the community. Business focuses on social issues that impact the value chain and/or affect their competitive context and benefit the community (Porter & Kramer, 2006). Philanthropic charitable donations can even lead to competitive advantage when these initiatives are directed at causes where there is the alignment of business and community interests between the economic gains and the social benefits (Porter & Kramer, 2002).

The competitive context of business may affect the corporate community engagement-competitive advantage relationship (Liu & Wu, 2015; Falkenberg & Brunsæl, 2011). In a competitive environment, business constantly and proactively pre-empts the competition by redefining and implementing new corporate community engagement initiatives to compete with their peers (Falkenberg & Brunsæl, 2011), the “*peer effect*” (Liu & Wu, 2015, p. 3). The corporate community engagement performance of business is positively affected by the corporate community engagement performance of the competition (Liu & Wu, 2015). When corporate community engagement initiatives lead to the economic advantage for one business, another business may copy them to remain competitive which makes the initiative no longer an advantage but a strategic necessity (Falkenberg & Brunsæl, 2011). However, the competitive environment also provides opportunities for business to develop corporate community engagement competencies which are difficult to imitate (Liu & Wu, 2015; Harrison, et al., 2010).

In the competitive context, the assumption is that business has the requisite corporate community engagement competencies to respond to the corporate community engagement initiatives of the competition (Delmas, et al., 2011). Different intensity of competition may produce various levels of moral legitimacy (Van de Ven & Jeurissen, 2005). When the society converts ethical values into consumption, the intensity of the competition moderates the

corporate community engagement-competitive advantage relationship (Quairel-Lanoizelee, 2011). Alternatively, when the society fails to convert their ethical values into consumption, the competitive context will not affect the relationship (Quairel-Lanoizelee, 2011).

2.3.3.3 Dynamic Capability Theory Perspectives of the Corporate Community Engagement-Competitive Advantage Relationship

The dynamic capabilities theory of the corporate community engagement-competitive advantage relationship is associated with a combination of access to the community and learning economies that can lead to better risk management and can lead to competitive advantage (Reuter, et al., 2010). The application of the dynamic capabilities theory to the analysis of how business derives competitive advantage from social issues extends the use of the concept from the technological domain (Delmas, et al., 2011; Reuter, et al., 2010). In relation to corporate community engagement, the absorptive capacity of business is the ability to receive, process and transform new community-knowledge (Delmas, et al., 2011).

The corporate community engagement dynamic capabilities are the existing corporate community engagement capabilities and competencies that support the integration of new corporate community engagement knowledge (Branco & Rodrigues, 2006). These capabilities include the access of business to the community (Reuter, et al., 2010) and corporate community engagement organisational processes that result from the business learning from achieving corporate community engagement objectives (Branco & Rodrigues, 2006). The capabilities also include access to community-knowledge networks and research alliances that complement the internal corporate community engagement competencies (Delmas, et al., 2011). So, a combination of learning economies and access to community stakeholders and alliances can lead to better risk management, innovative community engagement solutions to community-needs and competitive advantage (Delmas, et al., 2011; Reuter, et al., 2010).

2.3.3.4 Relational Resource Theory Perspectives of the Corporate Community Engagement-Competitive Advantage Relationship

The relational resource theory perspective of how business derives competitive advantage from engaging the community is that the business-community relationship is a valuable resource that is as important as any other resource for the success of business (Branco & Rodrigues, 2006). According to this perspective, to create value that can lead to competitive advantage, corporate community engagement initiatives reflect both business and community interests (Porter & Kramer, 2006). The rare and immobile value creation proposition for corporate community engagement is associated with the business-community relational resource. The relational resource includes the business-community knowledge sharing routines, and other complementary resources or capabilities, based on transparency, reciprocity, long-term interactions, and strong ties between business and the community that are not easily imitated (Dyer & Singh, 1998).

To support the corporate community engagement-competitive advantage relationship, the business-community relational resource is linked to continuous and collaborative processes (Hillman & Keim, 2001), the strong integration of business into local communities (Jamali, et al., 2009), as well as close business-community interactions (Battaglia, et al., 2014; Tantalò, et al., 2012). These factors build trust between business and the community, support the internalisation of community-knowledge to align corporate community engagement initiatives to community-interests and create value that can lead to competitive advantage.

The relational resource theory perspectives of the corporate community engagement-competitive advantage relationship, suggests four main dimensions: business-community relation-specific asset, business-community knowledge sharing routines, business-community complementary resources, and business-community effective governance mechanism (Dyer & Singh, 1998).

The relational resource theory perspectives of the corporate community engagement-competitive advantage relationship recognise that the assets to support rare value creation do not all reside within the firm, 'firm specific assets.' They may also reside outside the boundaries of the firm, '*relation specific assets*, for example, in business-community relationships. For corporate community engagement, the relation specific assets are:

"The community engagement specific know-how accumulated through *long-term* business-community relationships of corporate community engagement systems and procedures that support the effective and efficient communication between business and the community and improve the quality and the speed of implementing corporate community engagement innovations" (Dyer & Singh, 1998, p. 662).

The corporate community engagement relation specific assets are supported by *long-term* business-community relationship. Longer business-community relationships increase opportunities to gain corporate community engagement '*relation specific know-how*' (Dyer & Singh, 1998). Business may gain competitive advantage by leveraging corporate community engagement '*relation specific know-how*' across corporate community engagement projects and across different types of corporate community engagement initiatives (Dyer & Singh, 1998).

For multinational corporations, business can also increase competitive advantage by leveraging corporate community engagement '*relation specific know-how*' across their global network (Dyer & Singh, 1998). For example, one competitive multinational in the food industry and in a particular network for over forty years working in a food security network, leverage their '*corporate community engagement 'relation specific know-how*' across their global network (included in this study). Another competitive multinational in the extractive industry, listed for over ten years in the top ten of the Dow Jones Sustainability Index, working in a global network to manage impacts on local community for over thirty years have dedicated routines to leverage '*corporate community engagement 'relation specific know-how*' across their global network (Boudier, 2013).

Relation resource theory perspectives of the corporate community engagement-competitive advantage relationship also include *superior knowledge sharing routines*. These routines are based on regular business-community interactions that transfer corporate community engagement 'know-how' (Dyer & Singh, 1998). Corporate community engagement 'know-how' is tacit complex knowledge that is not easily coded and transferred and is difficult to imitate (Dyer & Singh, 1998). The impact of the business-community knowledge sharing routines on the corporate community engagement-competitive advantage relationship is moderated by the absorptive capacity of business and the community. The ability of business and the community to receive, process and transform the new community-knowledge. The impact of the knowledge sharing routines is also moderated by the frequency and intensity of the business-community interactions and knowledge sharing incentives that include trust based on reciprocity and personal bonds (Dyer & Singh, 1998).

Complementary corporate community engagement resources also support the corporate community engagement-competitive advantage relationship (Dyer & Singh, 1998). These complementary business-community resources that support the relationship generate synergistic corporate community engagement outcomes. Both business and the community must recognise the potential of the complementary resources to create the synergistic outcomes, the complementary resources should be indivisible, and business and the community have different experience, capabilities, and ability to acquire information (Dyer & Singh, 1998). The network ties or network alliances of business and the community support the identification of complementary corporate community engagement resources (Dyer & Singh, 1998). The information rich positions in these network alliances give business and the community access to reliable information on potential complementary resources that can lead to competitive advantage (Dyer & Singh, 1998).

The business-community relational resource is a long-term phenomenon requiring significant investment (Jones, et al., 2018; Dyer & Singh, 1998). The fourth relational dimension of the corporate community engagement-competitive advantage relationship is an effective

governance system to ensure the business-community relational resource can lead to competitive advantage (Dyer & Singh, 1998). These safeguards may include third party legal contracts or informal self-enforcing safeguards based on goodwill trust, personal trust relations, associated with direct experience, or reputation associated with indirect experience (Dyer & Singh, 1998).

As business gains competitive advantage from corporate community engagement '*relation specific know-how*,' to remain competitive business must continue to invest in the long-term business-community relationship (Dyer & Singh, 1998). Business may also maintain and increase competitive advantage based on corporate community engagement '*relation specific know-how*' with continued investment in the long-term business-community relationship in a specific area, for example women's health, science education or food security. In addition, the common ownership of corporate community resources provides business and the community with further opportunities to increase corporate community engagement '*relation specific know-how*' that can create value and in turn can lead to competitive advantage (Jones, et al., 2018; Dyer & Singh, 1998).

2.3.4 Summary

The corporate community engagement-competitive advantage is conditional on the different theoretical perspectives of competitive advantage. From the internally focused resource-based perspective, the efficient combination and management of the internal corporate community engagement resource can lead to competitive advantage (Meyskens & Paul, 2010). For example, a proactive corporate community engagement strategy that integrates the values of corporate community engagement throughout the business and gains the support of the community can lead to competitive advantage (Marín, et al., 2012).

Alternatively, from the externally focussed cluster theory perspective, business implements corporate community engagement initiatives that improve their competitive context and benefit the community (Porter & Kramer, 2006). They focus on social issues that impact the value chain

and/or affect their competitive context (Porter & Kramer, 2006). The competitive context also encourages business to constantly define and redefine the corporate community engagement model and gain corporate community engagement expertise which is difficult to imitate (Liu & Wu, 2015; Harrison, et al., 2010).

However, the competitive advantage linked corporate community engagement based on perspectives of both the resource-based theory and the cluster theory is moderated by the absorptive capacity of business. That is, the ability to receive, process and transform new community-knowledge (Delmas, et al., 2011). For the dynamic capabilities theory, access to new corporate community engagement capabilities to integrate into the business can lead to competitive advantage (Teece, et al., 1997).

For the relational resource theory, the business-community relation is a resource, and the efficient management of this resource can lead to competitive advantage (Jamali, et al., 2009). The business-community relation resource is a rare and immobile based on “*close*” long-term business-community relations that integrates business into the community, builds trust between business and the community, and supports the internalisation of community-knowledge to creates value that can lead to competitive advantage (Battaglia, et al., 2014; Jamali, et al., 2009; Branco & Rodrigues, 2006; Hillman & Keim, 2001). These concepts of “efficient management of the business-community relations,” and “*close* long-term business-community relations” are yet undefined, an important gap in the literature the thesis seeks to address. This also suggests a more fine-grained approach to explore the corporate community engagement-competitive advantage relationship.

2.4 Determinants of the Corporate Community Engagement-Competitive Advantage Relationship

The institutional and organisational contexts of business also affect the value creation proposition of corporate community engagement and in turn the corporate community

engagement-competitive advantage relationship. The next section discusses the impact of these contexts.

2.4.1 The Institutional Context

The institutional context also affects the corporate community engagement-competitive advantage relationship. Firstly, the institutional context of business plays a significant role to explain not only why business engages with the community, but also why they choose different types of corporate community engagement initiatives (Frasen, 2013). As discussed in section 2.2, not all corporate community engagement initiatives create value that can lead to competitive advantage. The fundamental principle of institutional theory is that a nexus of formal and informal rules, the institutional context, affect the corporate community engagement decisions and actions of business (Porter & Kramer, 2006; North, 1990). This also in turn affects whether corporate community engagement can lead to competitive advantage. Formal institutions including the laws, business associations, civil society groups as well as informal institutions such as religious norms, customary practices or traditions may affect how business engages the community (Brammer, et al., 2012; Porter & Kramer, 2006). These institutional factors may also affect the value creation proposition for corporate community engagement and in turn the competitive advantage of business.

There are different dimensions of the institutional theory to understand the motivation of business to engage the community, how business engages the community, and the value creation proposition for corporate community engagement. These include normative, cognitive, and regulatory dimensions (Scott, 2001). The normative dimension forms the moral basis for corporate community engagement and specifies the roles, rights, and responsibilities of business and the community (Scott, 2001). This suggests an ethical dimension of corporate community engagement.

The regulative dimension of corporate community engagement are the rules and sanctions that determine the behaviour of business and the community including the laws, regulations, and standards that affects how business engages the community, the compliance or instrumental risk management dimension of corporate community engagement (Scott, 2001). Business is more likely to engage their communities where there is strong enforced state regulation, collective self-regulation, independent organisations that monitor them and a normative environment that encourage them to engage the community (Campbell, 2006). These rules, and norms that monitor and encourage business to engage the community may differ across national and cultural context. Differences in these contexts may not only support different types of corporate community engagement initiatives but also to support the competitive advantage of the business.

The cognitive dimension of institutional theory, the shared realities of business and the community determine corporate community engagement (Scott, 2001). The society including consumers and other stakeholders shape these shared realities (Aguinis & Glavas, 2012). It is this aspect of institutional theory that the value creation proposition of corporate community engagement finds common ground with the alignment of business and community interests.

To summarise, the regulatory, normative, or cognitive contexts of business affect corporate community engagement and its effect on competitive advantage. These contexts may include the national, industry, global or organisational. The following sections discusses the impact of these institutional contexts on the corporate community engagement and competitive advantage relationship.

2.4.1.1 National Context

The existing empirical literature suggests that the national context affects the corporate community engagement-competitive advantage relationship (Ioannou & Serafeim, 2012; Jackson & Apostolakou, 2010). The foundation of cluster theory is that the external context of business including input conditions, demand conditions, the rules of competition rivalry, related and

supporting industries provide the competitive advantage (Porter, 1980). The national context of corporate community engagement determines why and how business engages the community (Frasen, 2013; Herrera Madueno, et al., 2015). It also affects the competitive advantage business may derive from engaging the community (Porter & Kramer, 2006). State regulation, industry self-regulation, independent organisations as well as markets, business associations and political rules encourage and monitor business to engage the community (Brammer, et al., 2012; Campbell, 2006).

For business in liberal market economies or the Anglophone model, corporate community engagement is explicit and voluntary in nature and embedded through mimetic isomorphism (Herrera Madueno, et al., 2015; Perez-Batres, et al., 2010). Corporate community engagement compensates for the absence of institutional solidarity and stringent public regulation and is the private instead of the public domain (Frasen, 2013; Herrera Madueno, et al., 2015). The Liberal concept of corporate community engagement is voluntary as there is no explicit obligation to comply with any corporate community engagement requirement (Frasen, 2013), but risk management and value creation drives competitive forms of corporate community engagement (Brammer, et al., 2012).

Business in coordinated market economies develop more extensive corporate community engagement practices, as state-centred forms of social solidarity strongly influence the emergence of corporate community engagement (Brammer, et al., 2012). Business in these economies develop more extensive corporate community engagement initiatives with stringent policies (Brammer, et al., 2012). In these economies, corporate community engagement is implicit, non-voluntary and embedded in formal institutions (Brammer, et al., 2012). For example, corporate community engagement includes compliance with corporate community engagement programs and rating schemes, including the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact, it is required (Frasen, 2013; Gjolberg, 2009).

As discussed, these corporate community engagement initiatives that are associated with compliance with corporate community engagement standards and rating schemes may only create temporary advantage (Falkenberg & Brunsæl, 2011). The empirical evidence suggests a stronger relationship between corporate community engagement and competitive advantage relationship for companies in liberal markets than for those in coordinated markets (Jackson & Apostolakou, 2010). For corporate community engagement in liberal markets is more about risk management and value creation and less about substitution for lack of regulations (Jackson & Apostolakou, 2010).

Apart from the impact of the differences in market orientation on the corporate community engagement-competitive advantage relationship, the level of development of the country is also important (Idemudia, 2011). The institutional environment of developed economies encourages and enforces compliance with corporate community engagement standards including effective capital market, educated labour force and competitive domestic markets (Slack, 2012). These formal institutions support a more effective corporate community engagement process where the community is supported in its negotiations with business enabling the development of a more trusting relationship between business and the community to support the agreement of common corporate community engagement goals (Boudier, 2013). More legislation relating to corporate community engagement in developed economies including dispute management and grievance mechanisms support a more effective corporate community engagement process (Boudier, 2013; Slack, 2012). In contrast, developing economies lack systematic, focused, and institutionalised approach to corporate community engagement (Jamali & Mirshak, 2007). A lower degree of institutional enforcement and sanctions are less likely to encourage and support effective corporate community engagement in developing economies (Jamali & Mirshak, 2007). Where the institutional structure in the developed economy encourages community-participation the corporate community engagement initiatives are more reflective of community-interests to support value creation. The corporate community engagement-competitive advantage relationship will also be stronger for companies in the developed economies than for those in developing economies (Wang & Jia, 2016).

In weak institutional economies, lack of developed institutions and infrastructure may blur the lines between the public and the private responsibility of business (Valente & Crane, 2010). Business may use corporate community engagement initiatives to augment existing public services by providing solutions to social problems or to build institutional capacity (Valente & Crane, 2010; Garvin, et al., 2009). Business may need to contribute to the provision of basic services to the community required for its own core operations, for example water or access roads (Valente & Crane, 2010). Corporate community engagement may also include purposive corporate action to build local community capacity to participate in societal governance (Muthuri, 2007). Hence corporate community engagement initiatives may change from mitigating negative impacts to contributing to the development of the community (Idemudia, 2011). These community investment initiatives may improve the image and reputation of business, but they may not directly affect competitive advantage (Bowen, et al., 2010).

In weak institutional economies, the community may be at a disadvantage in negotiations with business. They may lack access to information from business that may result in misunderstandings when corporate community engagement initiatives do not meet community expectations (O’Faircheallaigh, 2008). In these economies, corporate community engagement may recognise the underlying weaknesses in the bargaining position between business and the community, to protect the community and compensate for lack of institutional structures. In some instances, corporate community engagement standards and regulation may require business to engage in consent processes with communities that are directly affected by their operations to obtain ‘*free prior and informed consent*’ (FPIC), as opposed to community consultation (Laplante & Spears, 2008). Enforceable contracts may also determine how business engages the community (O’Faircheallaigh, 2008). For these community investment initiatives, business may see them more as part of the normal investment costs of doing business, even though they relate to the community (O’Faircheallaigh, 2008).

2.4.1.2 Global Context

Another dimension of the impact of the institutional context on the corporate community engagement-competitive advantage relationship is the global context of business. In global markets, business may gain access to new markets, increased competition, and access to both tangible and intangible resources, including corporate community engagement resources and expertise (Bhagwati, 2004). The global context may provide opportunities for business in home countries to benefit from scaling their corporate community engagement resources across their global networks and benefit from cost savings and lead to competitive advantage (Perkins & Neumayer, 2009). Business in host countries may benefit from accessing proven corporate community engagement resources in their global networks and benefit from cost savings and competitive advantage as well (Boudier, 2013). So, the global context may positively affect the corporate community engagement-competitive advantage relationship.

The mode of entry into the global market may moderate the benefits of the leveraging of corporate community engagement resources in global networks (Pla-Barber, et al., 2010). For example, equity-based modes of entry are more efficient in globalising corporate community engagement knowledge than non-equity-based modes (Pla-Barber, et al., 2010). The institutional distance between home and host economies may also moderate these benefits and competitive advantage (Aguilera-Caracuel, et al., 2013). Greater differences in institutional context between home and host country, for example “*the demand for virtue*”, may encourage the global business to pursue different corporate community engagement models with no benefit from economies of scale and competitive advantage (Aguilera-Caracuel, et al., 2013). The global business may ignore these differences in corporate community engagement requirements and pursue their own global agenda (Aguilera-Caracuel, et al., 2013; Runhaar & Lafferty, 2009).

In global markets, business may experience increased competition. Firstly, business may use corporate community engagement as a *differentiation* strategy, where corporate community engagement initiatives add value to the product that is not easily copied (Flammer, 2015). Over time the competitive global context may also enable business to develop corporate community engagement expertise to keep up with its competition, the “*peer effect*.” This expertise may

support the corporate community engagement-competitive advantage relationship (Liu & Wu, 2015; Harrison, et al., 2010) . But the positive impact of the competition in global market on the corporate community engagement-competitive advantage relationship is moderated by “the *demand for virtue*” in the global marketplace (Quairel-Lanoizelee, 2011).

The global context may be associated with global corporate community engagement standards, monitoring, and reporting performance (Brammer, et al., 2012). For example, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Although performance measured by compliance with these standards may improve, any benefit or competitive advantage is unlikely to be sustainable as these initiatives are easily copied and implemented by the competition (Falkenberg & Brunsæl, 2011; Perez-Batres, et al., 2010).

Corporate community engagement for business operating in global markets, may also be a challenge. The global market may complicate the corporate community engagement process as there is a need to account for a diversity of norms, laws, and interests in the decision-making process (Perkins & Neumayer, 2009). The challenge of business in a global context, is how to translate global corporate community engagement commitments into the specific contexts of host communities (Kapelus, 2002). The importance of managing the challenge is highlighted in the case study of the conflict in Papua New Guinea (Gilberthorpe & Banks, 2012). Although corporate community engagement initiatives reflected global standards, the specificities of the local context including land tenure, group membership, and socio-political factors were ignored (Gilberthorpe & Banks, 2012). This resulted in ill-conceived corporate community engagement initiatives with negatives benefits associated with the costs expended (Gilberthorpe & Banks, 2012).

2.4.1.3 Industrial Context

The industrial context of business also influences corporate community engagement (Herrera Madueno, et al., 2015). For example, businesses in the high-impact industries such as the oil and

gas and mining sectors are heavily exposed to key environmental, social and governance (ESG) risk areas such as climate change, human rights, and environment are most likely to be adopt corporate community engagement (EIRIS, 2012; Jackson & Apostolakou, 2010). The corporate policies of business in these sectors often explicitly address a range of social justice objectives, including environmental, human rights, local and indigenous employment, sustainable livelihoods, culture and heritage, social impact assessment, ethical procurement, and community consultation (Kemp, et al., 2006). These policies not only focus on mitigating the negative impacts of business in these sectors on the environment and people, but also include delivering sustainable benefits to local communities (Kemp, et al., 2006). In these sectors there is a growing emphasis on a more participatory and inclusive process to interact with local communities to ensure the delivery of sustainable benefits to the community (Kemp, et al., 2006). In some sectors industry standards may take priority over other corporate community engagement standards, for example global standards as business in these sectors may perceive global standards as the minimum (Runhaar & Lafferty, 2009). However, these higher levels of corporate community engagement may only lead to temporary advantage, as the competition may easily copy these corporate community engagement initiatives (Falkenberg & Brunsæl, 2011).

2.4.2 The Organisational Context

Corporate community engagement efforts are related not only to institutional structures and political-economic factors at the national and international levels, but also to business-specific, organisational factors. Variations in corporate community engagement may be associated with variations in business strategies (Hoejmose, et al., 2013). Business pursuing a differentiation strategy are more engaged with corporate community engagement issues. For this strategy corporate community engagement add value to the brand (Flammer, 2015) and better processes are associated with the strategy (Hoejmose, et al., 2013). On the other hand, business pursuing low-cost strategy may neglect corporate community engagement because of their goal to keep cost down (Hoejmose, et al., 2013). The decisions as to which strategy to pursue is based on the *tone at the top*, the system of corporate governance (Lin, et al., 2015; Eccles, et al., 2014; Ntim & Soobaroyen, 2013; Harjoto & Jo, 2011). The next section discusses the system of

corporate governance and the impact on the corporate community engagement-competitive advantage relationship. The section also discusses the impact of other organisational factors on the relationship including: the leadership of corporate community engagement, material social risks, corporate community engagement capabilities, and the impact of the size of the business.

2.4.2.1 The System of Corporate Governance

The system of corporate governance is important to determine *why* and *how* business engages the community. There are two main perspectives of the corporate community engagement-corporate governance relationship. Firstly, the narrow view of corporate governance, the agency theory perspective, where social considerations are low, as corporate governance is a system of mechanisms to monitor and restrain managers on behalf of shareholders (Jamali, et al., 2008; Jensen & Meckling, 1976). In this regard, good governance is defined by the protection of shareholders rights and the equity of shareholders (OECD, 1999). The shareholder dominance model of corporate governance suggests a residual corporate community engagement model (Freeman, et al., 2010; Freeman, 1984). Corporate community engagement is a cost that may reduce shareholders' benefits, incurred on ethical grounds and corporate community engagement initiatives include charitable donations to various causes (Freeman, et al., 2010; Freeman, 1984).

With the narrow perspective of corporate governance, the corporate community engagement model, is reactive and peripheral to the business model and does not support the value-creation proposition for corporate community engagement (Freeman, et al., 2010). For the peripheral model, corporate community engagement initiatives are not associated with the core resources of business and are not integrated into the business model (Freeman, et al., 2010). In addition, they do not benefit from the oversight of the Board of Directors (Eccles, et al., 2014). Managers' incentives may be more aligned with shareholders' interest (Harjoto & Jo, 2011). Less monitoring by the Board of Directors may provide scope for managers to divert corporate community engagement initiatives to enhance their own reputation and negatively affect competitive advantage (Harjoto & Jo, 2011).

Alternatively, with the broad view of corporate governance, the stakeholder theory perspective, social considerations are high. Corporate governance is a system that supports business in satisfying its obligation and responsibilities to all stakeholders, including the community (Freeman, et al., 2010; Freeman, 1984). Good governance includes not only the protection of shareholders rights and the equitable treatment of shareholders, but also the careful consideration and management of all stakeholders' interest including the community (OECD, 1999). Consequently, the broad view of corporate governance that supports value creation for all stakeholders, provides an effective system of governance to integrate corporate community engagement into the business model (Freeman, et al., 2010). This suggests a positive impact of the broad view of corporate governance on the corporate community engagement-competitive advantage relationship.

The positive impact of the broad view of corporate governance on the corporate community engagement-competitive advantage relationship is supported, as the view is associated with strong monitoring by the Board of Directors (Lin, et al., 2015; Ntim & Soobaroyen, 2013). Strong monitoring is in turn associated with larger number of directors (Lin, et al., 2015; Ntim & Soobaroyen, 2013). Stronger monitoring by the Board of Directors provides less scope for managers to divert corporate community engagement initiatives to enhance their own reputation (Harjoto & Jo, 2011). Larger number of directors on Boards also supports the corporate community engagement-competitive advantage relationship (Lin, et al., 2015). The larger Board of Directors tend to meet frequently and may include a committee with oversight of corporate community engagement (Lin, et al., 2015). This may provide business with more opportunities to focus on community issues and access community-knowledge that can lead to competitive advantage (Lin, et al., 2015).

The broad view of corporate governance is associated with the inclusion of independent directors that supports corporate community engagement (Lin, et al., 2015; Ntim & Soobaroyen, 2013). An independent or outside director is one that is not affiliated to the company (Aguilera, et al., 2008). They are strongly related to stakeholder-interests, including the community (Hillman, 2005). They

connect the company to the community as well as bring to the company information, skills, and access to resources including community-knowledge of the needs and expectations of the community (Hillman, 2005). A higher proportion of independent directors is associated with higher levels of corporate community engagement (Harjoto & Jo, 2011). Although, the effectiveness of corporate community engagement may also depend on other contingencies including the involvement of the community and the strength of the institutional systems that supports community-participation (Aguilera, et al., 2008).

2.4.2.2 Leadership

The leadership of business may affect how business engages the community and the corporate community engagement-competitive advantage relationship (Wilburn & Wilburn, 2014). The leader used in the thesis refers to the manager of the business with the operational responsibility under the management of the Board of Directors (Ntim & Soobaroyen, 2013). Similar to the corporate governance- corporate community engagement relationship, there are two perspectives to the leader-corporate community engagement relationship based on the narrow and broad perspectives. With the narrow perspective, the leader of the business may negatively impact the corporate community engagement-competitive advantage relationship (Jamali, et al., 2008). There is less focus on engaging the community and less monitoring of community engagement (Jamali, et al., 2008). The leader may even divert funds to build his own image and negatively affect the competitive advantage of the business (Harjoto & Jo, 2011).

Alternatively, for the broad perspective of the leader-corporate community engagement relationship there is a strong link between the leader and the Board of Directors and social considerations are high (Jamali, et al., 2008). With the broad view, strong and visionary leadership impacts the community while simultaneously integrating the corporate community engagement throughout the business. This view builds trust and goodwill, protects the intangible assets of business, benefits the community, and can lead to competitive advantage (Wilburn & Wilburn, 2014). In addition, for this perspective, corporate community engagement leadership includes an extensive range of control and authority to support the allocation of resources to

corporate community engagement (Wilburn & Wilburn, 2014). This includes financial resources within the budgetary planning process rather than ad hoc allocations and builds sustainable community partnerships to enable meaningful corporate community engagement that can lead to competitive advantage (Wilburn & Wilburn, 2014). The appropriate level of control and authority allows the leader to command the appropriate structure to support the delivery of corporate community engagement initiatives that benefits the community and simultaneously creates value for the business (Wilburn & Wilburn, 2014; Nijhof, et al., 2006). So, the type of leadership consistent with the broad corporate governance perspectives may positively affect the corporate community engagement-competitive advantage relationship.

The positive impact of the leadership of corporate community engagement that can lead to competitive advantage is conditional on:

“The necessary capabilities/competencies to understand the changing business context, emerging social trends affecting the business, to lead in the face of complex emerging issues, and to connect with the community in dialogue and partnership” (Lawrence & Weber, 2020, p. 26).

This supports business to respond in a timely and effective manner with innovative solutions to emerging issues affecting the community, builds trust, and increases access to community-knowledge that can lead to competitive advantage.

2.4.2.3 Material Social Risks

How business manages material social risk may affect competitive advantage. The performance of business may be affected by various environmental, social, and governance (ESG) risks including environment, social capital, human capital, business model and innovation, and leadership and governance dimensions (SASB,2018)⁶. For corporate community engagement,

⁶ Sustainability Accounting Standards Board

these risks mostly relate to possible impacts on social capital and include human rights and community relations, access and affordability, product quality and safety, data security, customer privacy, customer welfare, and selling practices and product labelling (SASB,2018).

Managing social risks is not limited to managing the image or reputation of business (Khan, et al., 2015). From a stakeholder theory perspective of corporate community engagement to create value for all stakeholders, as business manages stakeholder trade-offs, seeks the best returns from engaging the community, business also address the highest material social risks that can affect its performance (Khan, et al., 2015; Freeman, et al., 2010). Otherwise, based on the risk assessment, community engagement may not be able to access the necessary core resource to create value and business would not make the best returns for stakeholders (Khan, et al., 2015). The assumption is that business is rational, and the goal is to optimise value creation for all stakeholders (Khan, et al., 2015).

Business may also benefit from reporting these corporate community engagement initiatives with the '*knock on*' effect of improved access to capital (Cheng, et al., 2014). The increased disclosure, a higher level of transparency may positively affect the corporate community engagement-competitive advantage relationship (Cheng, et al., 2014). Linking corporate community engagement to address highest material social risk is an important issue in the global economy. This is evidenced by recent standards issued by the Sustainability Accounting Standards Board (2018) and the European Union (2020). Similar to the benefits associated with the implementation of other corporate community standards, any competitive advantage gained may only be temporary until comparative initiatives are implemented by the competition (Falkenberg & Brunsæl, 2011).

2.4.2.4 Corporate Community Engagement Capabilities

Another aspect of the responsibility of the Board of Directors and the leadership of business is to ensure that there are appropriate capabilities including corporate community engagement

capabilities to deliver expected business outcomes (Ntim & Soobaroyen, 2013; Wilburn & Wilburn, 2014). The corporate community engagement capabilities may affect the corporate community engagement-competitive advantage relationship. That is, whether business has the requisite capabilities to deliver the objectives of corporate community engagement (Muthuri, 2007). For example, the resources required by business to support charitable donations is different from that required for community investments or commercial community initiatives (Husted, 2003). These corporate community engagement capabilities such as community-knowledge, technical and administrative support may reside in the community relations department, a committee of the Board of Directors, or non-profits organisations.

For the shareholder dominance model to corporate community engagement, business may “*give back*” to the community with transactional philanthropic charitable donations. This model is mostly managed by the public relations department based on limited communication between business and the community (Freeman, et al., 2010; Bowen, et al., 2010). For this model, limited corporate community engagement capability is required to deliver the objectives (Bowen, et al., 2010; Freeman, et al., 2010).

For the enlightened, risk management compliance model, community investments are mostly managed by community relations departments (Boehe & Cruz, 2010). Corporate community engagement capabilities are required to manage community risks affecting the business, including community consultations, monitoring and reporting community programs (Bowen, et al., 2010). Although, the communication between business and the community is mostly one-way from business to the community (Bowen, et al., 2010), community consultation may require some corporate community engagement capabilities on the part of the community. This may be necessary as the community participates in free prior informed consent (FPIC) processes (Laplante & Spears, 2008) or exercise their rights in relation to enforced contracts (O’Faircheallaigh, 2008). These initiatives do not necessarily include the core resources of business and they may not benefit from the Board of Directors level supervision (Eccles, et al.,

2014). They may only support enhanced legitimacy and reputation, but they may not create value that is rare (Bowen, et al., 2010).

For the value creation model to corporate community engagement that is based on stakeholder theory, business-community interactions are relational with two-way communication (Bowen, et al., 2010). Corporate community engagement initiatives utilise core resources, commercial-based initiatives, with Board of Directors level oversight (Eccles, et al., 2014). A collaborative approach that involves the alignment of business and community interests, joint decision-making, and project management of corporate community projects, suggest internal and external capabilities (Bowen, et al., 2010). The rare value creation proposition for these corporate community engagement initiatives assumes that business has the capabilities to properly account for the social and economic benefits of community projects (Weitzner & Deutsch, 2019).

The value creation proposition for corporate community engagement may reside beyond the boundaries of the company, in community enterprise with other community-stakeholders with common or shared interests (Kurucz, et al., 2008; Wheeler, et al., 2003). Although the oversight of these initiatives are at the Board of Directors level (Eccles, et al., 2014), the rare value creation relies on the corporate community engagement capabilities outside of the business including the management and leadership of the community projects (Kurucz, et al., 2008; Wheeler, et al., 2003).

2.4.2.5 The Size of the Business

The impact of the size of the business to explain *why and how* business engages the community is a contested one (Battaglia, et al., 2014; Tantalo, et al., 2012; Marín, et al., 2012; Jamali, et al., 2009). One view is that the size of the business affects the decision of business to engage the community because the larger business has more resources and higher visibility for their corporate community engagement initiatives (Marín, et al., 2012). This means that the larger

business not only benefit more from successful corporate community engagement initiatives, including economies of scale, but the larger business also has more to lose from the potential transaction costs associated with business-community conflicts (Marín, et al., 2012). Because of their resources, and the business-community power-dynamics, the larger business may also resist the community to address their concerns (O’Faircheallaigh, 2008).

How the size of the business impacts the corporate community engagement-competitive advantage relationship is also contested (Battaglia, et al., 2014; Tantalo, et al., 2012; Marín, et al., 2012; Jamali, et al., 2009; Nunez, 2008). One view is that the larger business may be able to manage their corporate community engagement initiatives better to ensure the materialisation of expected outcomes for business and the community than the smaller business (Marín, et al., 2012). The larger business has more formal corporate governance structures including a larger Board of Directors as well as more independent members than the small business to support the effective management of corporate community engagement initiatives (Marín, et al., 2012). However, this analysis is limited to the internal resource-based aspect of the corporate community engagement-competitive advantage relationship.

The small business is less formal in its allocation of financial resources to corporate community engagement and more ad hoc in its approach to corporate community engagement initiatives than the larger business (Nunez, 2008) . So, the small business may be more reactive and less proactive to community-concerns. However, the smaller business may have more relational resource than the larger business as the former tends to be more integrated in the local community (Jamali, et al., 2009; Nunez, 2008). They may also have closer business-community interactions than the larger business and are better able to internalise community-knowledge to create value that can lead to competitive advantage (Battaglia, et al., 2014; Tantalo, et al., 2012)

2.4.3 Summary of the Institutional and Organisational Contexts

The section discussed how different institutional and organisational factors affect the value creation proposition for corporate community engagement and in turn the corporate community engagement-competitive advantage relationship. In different national context, corporate community engagement may take on different roles. It may be a part of a normal investment cost of the business, may have a development role, state-centered, a part of risk management, or value-creation. However, business in global networks operates across national boundaries, the global context.

Business operating in the global market may experience different challenges and opportunities that may either deter or support competitive advantage in relation to their corporate community engagement. The larger markets provide opportunities for scaling corporate community engagement initiatives across global networks with associated costs benefits that can lead to competitive advantage (Aguilera-Caracuel, et al., 2013). But differences in the level of development of countries in the global market may reduce the opportunities to scale corporate community engagement initiatives and may moderate the associated cost benefits, and competitive advantage.

The corporate community engagement-competitive advantage relationship may be stronger for companies operating in liberal markets than for those operating in coordinated markets (Jackson & Apostolakou, 2010). As the companies in liberal markets may be more driven by the value creation proposition for corporate community engagement than their counterparts in coordinated markets. The relationship may also be stronger for companies in the developed economies than for those in less developed economies (Wang & Jia, 2016). Companies in developed economies have more advanced institutional context to encourage and support corporate community engagement (Wang & Jia, 2016; Boudier, 2013; Jamali & Mirshak, 2007).

In addition, the corporate community engagement-competitive advantage relationship may be stronger for companies operating in a competitive industry than for their counterparts in less competitive industries (Liu & Wu, 2015). As the companies in competitive industries are forced

to constantly developed corporate community engagement innovations, they develop corporate community engagement expertise that can lead to competitive advantage (Liu & Wu, 2015; Harrison, et al., 2010). In addition, the global context may provide opportunities for companies to scale corporate community engagement initiatives across their global networks and benefit from cost savings that can lead to competitive advantage (Aguilera-Caracuel, et al., 2013).

The organisational context is an important determinant of the corporate community engagement-competitive advantage relationship. The broad view of corporate governance aligns with stakeholder theory. The Board of Directors level oversight for corporate community engagement initiatives, and larger Boards with more independent directors that reflect community-interests support the relationship (Harjoto & Jo, 2011). Strong leadership that commands the necessary resources to integrate corporate community engagement into the business model, ensures the initiatives deliver expected benefits, and identifies emerging social issues also supports the relationship (Lawrence & Weber, 2020; Lin, et al., 2015; Ntim & Soobaroyen, 2013).

2.5 The Empirical Evidence of the Corporate Community Engagement-Competitive Advantage Relationship

There is a paucity of empirical studies to support the corporate community engagement-competitive advantage relationship. The empirical evidence to support the relationship include studies that “*disaggregate*” the community stakeholder from the other stakeholders of business to examine how the management of different stakeholders can lead to competitive advantage. These studies include Kruger, (2015), Barnett & Salomon, (2006), Brammer, et al., (2006), Hillman & Keim, (2001), Berman, et al., (1999), and Waddock & Graves, (1997). Based on these studies, the empirical evidence to support the relationship is inconclusive.

The empirical evidence from Hillman & Keim, (2001) seminal study, is inconclusive to support the corporate community engagement-competitive advantage relationship. One of the earlier studies to “*disaggregate*” the community from the other stakeholders of business to examine the

relationship between corporate community engagement and business performance, this study produces mixed results. A quantitative study, using a sample of 308 companies for the period 1995 to 1996 from the S&P 500 index, assesses the impact of managing five primary stakeholders' relationships including the community on shareholder's value. This study provides some evidence to support a significant and positive relationship between corporate community engagement and business performance. However, the study measures business performance as market value-added which captures the future value of income streams more appropriately, but it is an older measure of business performance. When the study measures business performance with the accounting measures of return on assets (ROA), return on equity (ROE), and the ratio of market to book assets, that approximates of the more current and popular Tobin's Q, the relationship between corporate community engagement and business performance is not supported (Hillman & Keim, 2001).

A limitation of this study is how it operationalises the corporate community engagement variable. The study measures corporate community engagement performance with the Kinder, Lydenburg, Domini (KLD) index, areas of concerns including community-conflicts, civil penalties, and major litigation; as well as areas of strength including generous and innovative giving and the long-term commitment to social programs (Hillman & Keim, 2001). Current literature suggests that this approach would be a misspecification of corporate community engagement to explore the corporate community engagement-competitive advantage relationship. As discussed in section 2.2, not all corporate community engagement expenditure will lead to competitive advantage, at best some only lead to temporary advantage (Eccles, et al., 2014; Falkenberg & Brunsæl, 2011; Freeman, et al., 2010; Porter & Kramer, 2006).

While this study recognises the community as an equal primary stakeholder, it fails to account for the external community-stakeholder that is not in direct economic exchange with business, a nonmarket stakeholder (Lawrence & Weber, 2020). Although the community is not less important than other stakeholders, how business engages the community is different and the value creation proposition is also different. While it may be plausible to operationalise all

employee or supplier costs as relevant to examine the management of these stakeholders relationships with competitive advantage, doing the same for the community may be problematic. As discussed in section 2.2, not all corporate community engagement expenditure will create value for business.

Other studies that “*disaggregate*” the community and operationalise corporate community engagement using the Kinder, Lydenburg, Domini (KLD) index include Krüger (2015), Waddock & Graves, (1997), and Berman, et al., (1999). The discussed in relation to the operationalisation of the corporate community engagement variable is also relevant to these studies.

Waddock & Graves, (1997) quantitative study of 469 companies for the period 1989 to 1990 from the S&P 500 Index suggests a positive bidirectional corporate community engagement-competitive advantage relationship. For this study, corporate community engagement is an intangible resource that supports the effective use of the resources of business that creates value that can lead to competitive advantage (Waddock & Graves, 1997). The available resources of business to engage the community support more corporate community engagement that creates value that can lead to competitive advantage (Waddock & Graves, 1997). However, another limitation of this study is that it operationalises business performance with the accounting-based ratios of return on assets, return on equity, and return on sales. Existing perspectives on these measures are that they may be inadequate to reflect the effect of corporate community engagement on business performance which is more associated with intangible non-financial benefits (Vilanova, et al., 2009). Hence financial measures alone may not fully reflect the effect of corporate community engagement on business performance (Vilanova, et al., 2009).

Berman, et al., (1999)⁷ quantitative study of 81 companies for the period 1991 to 1996 from the Fortune 500 Index suggests no relationship between corporate community engagement and

⁷ Also cited in the literature as Kotha and Jones (1999)

competitive advantage. This study also operationalises corporate community engagement as strengths and concerns based on the Kinder, Lydenburg, Domini (KLD) index and measure business performance with a single accounting-based ratio of return on assets. In addition to the issues of the operationalisation of corporate community engagement, and the limitation of using financial measures alone to reflect its effects, the use of a single measure of financial performance is also problematic. Existing literature suggests the use of multiple measures to reflect both tangible and intangible perspectives of corporate community engagement (Chen, 2008).

The empirical evidence from Krüger (2015) is also inconclusive to support the corporate community engagement-competitive advantage relationship. A more recent “*disaggregating*” quantitative study of 745 United States companies for the period 2001 to 2007 from the KLD Socrates database to examine the relationship between corporate community engagement and business performance produces mixed results. This study operationalises corporate community engagement based on the Kinder, Lydenburg, Domini (KLD) index and business performance as market-based cumulative abnormal returns and produces mixed results. Bad news relating to the community may negatively impact competitive advantage. Good news about the community may not have the opposite effect. While the suggestion of the agency problem may be valid to explain the mixed results (Krüger, 2015), another explanation could be the misspecification of corporate community engagement, to differentiate between corporate community engagement that contributes to business success and creates value for all stakeholders including the shareholders and those initiatives that do not.

The empirical evidence from the Barnett & Salomon, (2006), and Brammer, et al., (2006) studies suggests a positive relationship between corporate community engagement and competitive advantage. These “*disaggregating*” studies examine the corporate community engagement-business performance relationship in relation to the effect of the corporate community engagement screening on investment funds. While the empirical evidence from the Barnett & Salomon, (2006) quantitative study of 61 Mutual Funds for the period 1972 to 2000 indicates a

positive relationship based on the risk-adjusted performance of the fund, the empirical evidence from the Brammer, et al., (2006) quantitative study of 451 United Kingdom companies for the period 2002 to 2004 suggests a weak positive relationship based on the market capitalisation ratio. Although the differences in how the two studies operationalise business performance may explain the differences in the empirical results, the specification of the screens to include community investments and/or community relations would also be limited to explore the corporate community engagement and competitive advantage relationship.

To summarise, the empirical evidence to support the corporate community engagement-competitive advantage relationship, so far is inconclusive. Notwithstanding the issues of the operationalisation of the variables, the empirical evidence of the studies to support the relationship includes mixed results (Krüger, 2015; Hillman & Keim, 2001), no relationship (Berman, et al., 1999), positive and bidirectional (Waddock & Graves, 1997), positive (Barnett & Salomon, 2006), and weak positive (Brammer, et al., 2006). These inconclusive results may be the result of several factors including how competitive advantage is measured, how corporate community engagement is operationalised, and the differences in business-community relations.

2.6 The Research Gap - The Business-Community Relational Resource

While differences in the measures of competitive advantage may account for aspects of the inconclusive empirical evidence to support the corporate community engagement-competitive advantage relationship, the operationalisation of corporate community engagement is also a problem. To create value from corporate community engagement, business internalise community-interests and aligns them with the interests of its own (Porter & Kramer, 2006). This emphasises business-community relations. Hillman & Keim, (2001) study makes an important distinction of the relational versus transactional business-community relations as a relevant dimension of the corporate community engagement-competitive advantage relationship. However, based on the existing literature, the dichotomy of the transactional versus relational business-community relations to support the corporate community engagement-competitive advantage relationship may be incomplete (Jones, et al., 2018; Bridoux & Stoelhorst, 2016).

As discussed in section 2.2, the existing corporate community engagement literature identifies different types of business-community relations (Bowen, et al., 2010). Some business-community relations are supported by mostly one-way communication from business to the community (Bowen, et al., 2010). These relations may not support efficient knowledge-exchange and the internalisation of community-knowledge that can lead to competitive advantage (Bridoux & Stoelhorst, 2016). They are more likely to be associated with a corporate community engagement compliance model in the context of industries with high community impacts and the implementation of best practice corporate community engagement industry standards, which may only lead to 'first mover' advantage (Falkenberg & Brunsæl, 2011). So, not all business-community relations can lead to competitive advantage. This is an important gap that the thesis seeks to address by exploring the underlying business-community relational resource mechanisms that can lead to competitive advantage. For example, we do not know yet what are the business-community knowledge sharing routines that business utilise to internalise community-interests that can lead to competitive advantage.

The relational resource theory perspectives of the corporate community engagement suggest that the business-community relation is a resource that can lead to competitive advantage (Branco & Rodrigues, 2006). Transparent, reciprocal, long-term interactions, and strong ties between business and the community can lead to efficient knowledge sharing between business and the community and in turn competitive advantage (Dyer & Singh, 1998). However, the current transactional-relational distinction of the business-community relational interactions do not fully account for differences in the power dynamics between business and the community. Differences in the power/influence dynamics of business and the community may affect the transparent, reciprocal, long-term interactions, and the strength of the ties between business and the community to create value that can lead to competitive advantage. This shifts the level of analysis to a more fine-grained approach to explore micro level business-community relational issues such as the morals, influence and identity of business and the community that affect the internalisation of community-knowledge to create value from corporate community engagement

that can lead to competitive advantage (Jones, et al., 2018; Bridoux & Stoelhorst, 2016; Aguinis & Glavas, 2012).

To explore micro level business-community relations that can impact the corporate community engagement-competitive advantage relationship, it is important to apply the most relevant relational theory.

2.6.1 Different Relational Theories

The purpose of the thesis is to explore the business-community relational resource at the *micro foundation* level to understand how corporate community engagement can lead to competitive advantage. There are few theories that are potential candidates to include in the framework to explore the relationship such as network theory, social capital theory, and relational models theory.

Network theory is used in the literature to examine the diffusion of competitive advantage (Greve, 2009) and may provide some understanding of the business-community relational resource. For example, how business-community ties may support the internalisation of community-knowledge to create value that is rare. However, this theory does not account for the impact of the possible differences in the power of business and the community in the relationship and it limits the definition of the strength of the business-community relation to the proximity and frequency of the interactions (Boer, 2005). So, network theory would be inadequate to explore how the business-community relational resource can lead to competitive advantage.

Social capital theory may also provide useful perspectives to explore how the business-community relational resource can lead to competitive advantage. This is a plausible choice of theory to explore the business-community relational resource since one view of the corporate community engagement-competitive advantage relationship is that it is mediated by social

capital (Surroca, et al., 2013). Social capital is broadly defined to include a range of actual and potential resources embedded and derived through a network of business-community relationships (Branco & Rodrigues, 2006). Hence, social capital theory can provide useful perspectives on the impact of business-community exchange and business-community learning on the relationship (Adler & Kwon, 2002). However, social capital theory may be inadequate to explore how the business-community relational resource can lead to competitive advantage because the theory limits the different types of business-community relations to market and hierarchical, when the social psychology literature recognises other types of social relations (Bridoux & Stoelhorst, 2016; Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

Relational models theory from the field of social psychology may provide useful perspectives to explore how business manages the business-community relational resource to lead to competitive advantage. The theory recognises four discrete types of social relations market pricing, authority ranking, equality matching, and communal sharing. These different types of social relations are based on seven dimensions including morals, decision-making, exchange, work, influence, identity, and distribution and use. This theory can provide useful insights in assessing how corporate community engagement can lead to competitive advantage. For example, how business internalises community-knowledge, knowledge sharing routines (Boer, 2005). It also can be useful in understanding how business and the community create value from corporate community engagement initiatives, joint value creation (Bridoux & Stoelhorst, 2016).

The models only assess the interaction of two or more members in a relationship (Fiske, 1992) and can be accepted as a valid and valuable interpretation of social relations (Blois & Ryan, 2012). In the literature, they are used to examine relations between individuals or between groups of individuals within organisations (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). For example, the models are used to assess interfirm relationships between business and suppliers (Sheppard & Tuchinsky, 1996). Closer to the corporate community engagement domain, the models are used to evaluate the impact of the social practices of business on prospective employees (Sorenson, et al., 2010).

The models have been used to examine how individual stakeholders contribute to joint value-creation in the context of the dual objectives of economic and social benefits in the social welfare domain (Bridoux & Stoelhorst, 2016). Some relations may be more conducive to joint value-creation (Bridoux & Stoelhorst, 2016). For example, greater coordination among members in communal sharing relations due to higher levels of cooperation enhanced by common values supports knowledge-exchange and value creation (Bridoux & Stoelhorst, 2016). On the other hand, market pricing relations with least cooperation among its members motivated by self-interest are least likely to create joint value (Bridoux & Stoelhorst, 2016).

The main strengths of relational models theory to explore the corporate community engagement-competitive advantage relationship is that it is relatively simple to assess the complex corporate community engagement relational aspects discussed in the literature review (Boer, 2005). The models are applicable for different levels of analysis and so it supports the micro foundation level of analysis required to address the research question and to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage (Boer, 2005). In addition, the theory has been validated with a confirmatory factor analysis (Haslam & Fiske, 1999).

The relational models theory also has weaknesses. Firstly, it is not always easy to empirically identify the relational model or models in use (Boer, 2005). The basis of the discussions of the thesis is the dominant model used, as business may use different models to engage different communities. Secondly, although the theory does not explicitly address the sharing of knowledge (Boer, 2005), it is plausible for the thesis to assume that knowledge sharing between business and the community is indirectly addressed with the exchange dimension that may include the exchange of both tangibles and intangibles.

2.6.2 Relational Models Theory

Relational models theory from the field of social psychology draws on a wide range of literature in sociology and psychology including Vodosek, 2009, Tetlock et al., 2000, Clark and Mills, 1979, Durkheim 1966, Polanyi, 1957; Polanyi et al., 1957 (Blois & Ryan, 2012). The theory identifies four discrete models or forms of sociality that governs all social relations, informs social interaction, evaluation and effect (Fiske, 1992). Accordingly, the theory assesses social interactions based on several dimensions including: morals, decision-making, exchange, work, influence, and identity, distribution and use to identify four discrete models of social relations. These social relations models are the market pricing, the authority ranking, the equality matching and the communal sharing (Fiske, 1992). These models are discussed in turn.

“Market pricing relationships are based on a model of proportionality in social relations people attend to ratios and rates” (Fiske, 1992, p. 691).

This model is associated with rational, self-interest decision-making based on cost-benefit analysis but coordinated by the market and contributions based on reward (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). The proportional feature of this model relates to a merit-based system of reward and punishment and efficient contribution (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

“Authority ranking relationships are based on a model of asymmetry among people who are linearly ordered along some hierarchical social dimension. The salient fact in *this* relationship is whether a person is above or below the other person” (Fiske, 1992, p. 691).

This model is defined by decision-making based on power and contributions based on ‘noblesse oblige’ (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). The hierarchical feature of this model is more about leadership and protection of subordinates by the superior, but not necessarily about control nor exploitation (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

“Equality matching relationships are based on a model of even balance and one-for-one correspondence, as in turn taking, egalitarian distributive justice...or compensation by equal replacement” (Fiske, 1992, p. 691).

For this model, decision-making and contributions are based on the principle of equality, ‘equal say and equal pay’ ((Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). The reciprocity feature of this model emphasises the equality of contributions and benefits, which may not necessarily occur simultaneously and may result in ‘taking turns’ (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

“Communal sharing relationships are based on a conception of some unbounded group of people as equivalent and undifferentiated. In this kind of relationship, the members of the group or dyad treat each other as all are the same” (Fiske, 1992, p. 690).

For this model, decisions are based on consensus, and community members contribute as needed (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). In addition, the connectedness of the members of the model is grounded by their common values, group identity and collective responsibility (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

The four relational models can be used to explain:

“social life as a process of seeking, making, sustaining, repairing, adjusting, judging, construing and sanctioning . Understanding social actions, explaining why people cooperate and how they coordinate” (Fiske, 1992, p. 689).

The models can be used to assess all forms of sociality including work, decision-making or the use of resources, as well as across cultures (Fiske, 1992). The cultural context completes the models by defining the specifics of the dimensions namely, morals, decision-making, exchange, work, influence, identity, and distribution and use (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). For example , the classification of a marriage may differ in different cultural context as to whether it is based on reciprocity, proportionality, commonality or hierarchy (Fiske, 2004; Fiske,

1992). Within each social unit, different models may be applied based on the situation. For example, within a family unit the parents may make some decisions based on the authority ranking model, and other times, all family members including the children may have equal vote based on the equality matching model (Fiske, 2004; Fiske, 1992). Table 2.6 summarises the main features of the models.

Table 2.6 Main Features of Relational Models Theory

Relational Models	Main Features
Market Pricing	Proportionality: Relations based on proportions including rational, self-interest decision-making based on cost-benefit analysis but coordinated by the market and contribution based on reward
Authority Ranking	Hierarchical: Relations based on 'ordered differences' and defined by decision-making based on power and contributions based on "noblesse oblige"
Equality Matching	Reciprocity: Relations based on the principle of equality - 'equal say and equal pay', decision-making and contribution are based on the principle of equality
Communal Sharing	Connectedness: Relations, based on the common interests and decisions are based on consensus and conformity and community members contribute as needed

Source: Author from Fiske (2004, 1992), Haslam and Fiske (1999)

Trust

Trust between business and the community is an important aspect of the corporate community engagement-competitive advantage relationship. It supports the internalisation of community-knowledge to create value from corporate community engagement (Porter & Kramer, 2006; Hillman & Keim, 2001). Higher levels of trust between business and the community relationship support greater and more efficient knowledge-exchange that can lead to competitive advantage as business and the community align interests (Bridoux & Stoelhorst, 2016; Porter & Kramer, 2006; Hillman & Keim, 2001). However, as discussed above, the classification of trust in the existing corporate community engagement literature as limited, evolving, or relational has been

assessed as general and incomplete to explore the corporate community engagement-competitive advantage relationship.

The thesis applies relational models theory perspectives of trust to explore the corporate community engagement-competitive advantage relationship. Relational models theory associates different levels of trust and risk with each model based on the depth of the interaction (shallow or deep) and the direction of the interaction (dependent or interdependent) (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998). The level of trust and risk associated with the models are ordered and additive, as trust and risk at each level increases and include the trust and risk of the previous level (MP < AR < EM < CS) (Sheppard & Sherman, 1998).

Trust for the market pricing model is shallow and dependent (Sheppard & Sherman, 1998). The interactions associated with the model are transactional and limits knowledge-exchange with the risk of unreliability (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998). This level of trust may be aligned with contract trust that is based on formal or informal contractual obligations (Blois & Ryan, 2013). Trust is deep but dependent for the authority ranking model (Sheppard & Sherman, 1998). The relational interactions support knowledge-exchange, but the benevolence values are associated with the risk of abuse and neglect (Bridoux & Stoelhorst, 2016; Sheppard & Sherman, 1998). This level of trust may be aligned with systems trust that is based on institutional arrangements (Blois & Ryan, 2013).

Trust is shallow but interdependent for the equality matching model (Sheppard & Sherman, 1998). The relational interactions and the equality of the members in the relationship for this model support knowledge-exchange, but the reciprocal morals of the model limit the knowledge-exchange (Bridoux & Stoelhorst, 2016). There is the risk of poor coordination resulting from inconsistencies and lack of predictability associated with this model (Bridoux & Stoelhorst, 2016, Sheppard & Sherman, 1998). This level of trust may be aligned with goodwill trust that is based on repeated interactions and mutual understanding (Blois & Ryan, 2013).

Trust is deep and interdependent for the communal sharing model (Sheppard & Sherman, 1998).

The relational interactions and common values associated with the model support knowledge-exchange (Bridoux & Stoelhorst, 2016). However, there is the risk of mis-anticipation associated with this model based on the assumed perfect asymmetry of information (Sheppard & Sherman, 1998). This level of trust may be aligned with thick trust that is based on personal bonds and familiarity (Blois & Ryan, 2013).

This application of relational models theory perspectives of trust and risk to corporate community engagement, will clarify *close business-community relations* (Battaglia, et al., 2014; Tantalo, et al., 2012) that support the internalisation of community-knowledge to create value and accounts for not only the direction of business-community interactions, but also the depth of the interactions (see table 2.7).

Table 2.7 Business-Community Relations and Corporate Community Engagement Models

Direction of Business-Community Relations	Depth of Business-Community Relations	
	Shallow	Deep
Interdependent	Equality Matching (<i>Goodwill Trust</i>)	Communal Sharing (<i>Thick Trust</i>)
Dependent	Market Pricing (<i>Contract Trust</i>)	Authority Ranking (<i>Systems Trust</i>)

Source: Author based on Bridoux & Stoelhorst, (2016), Blois & Ryan, (2013), and Sheppard & Sherman, (1998)

2.7 Summary of the Literature Review

The review indicates that the corporate community engagement-competitive advantage relationship is a complex one. Business generally utilises a mix of different types of corporate community engagement initiatives to engage the community. But not all types of corporate community engagement initiatives can lead to competitive advantage. For example, charitable donations may not reflect community-interests nor create value to support the corporate community engagement-competitive advantage relationship (Hillman & Keim, 2001). However, some charitable donations, strategic philanthropy, where business leverages its capabilities to

contributes to corporate community projects based on their direct interests can create value and support the corporate community engagement-competitive advantage relationship (Porter & Kramer, 2006). So, *the corporate community engagement model* may be more relevant to assess the corporate community engagement-competitive advantage relationship.

The current classifications of corporate community engagement model in the existing literature may be problematic to explore the corporate community engagement-competitive advantage relationship. As discussed in section 2.2, there are three main conceptual approaches to classify corporate community engagement models: the residual-integrated approach (Freeman, et al., 2010), the corporate community engagement continuum approach (Bowen, et al., 2010) and the public responsibility approach (Valente & Crane, 2010). The review identifies the main factors that the approaches use to distinguish the different corporate community engagement models: short versus long-term, the utilisation of core resource as well as community-participation (Bowen, et al., 2010; Valente & Crane, 2010; Freeman, et al., 2010). Unfortunately, none of the existing approaches adequately accounts for all these factors nor fully explains differences in the types of corporate community engagement initiatives. The position of the thesis is that the current approaches to classify models of corporate community engagement are inadequate to explore the corporate community engagement-competitive advantage relationship. This is one gap in the current literature that the thesis seeks to address.

The review also indicates that the corporate community engagement-competitive advantage is conditional on the different theoretical perspectives of competitive advantage. For the internally focused resource-based theory, the efficient combination and management of the internal corporate community engagement resource can lead to competitive advantage (Meyskens & Paul, 2010). For the externally focussed cluster theory, business implements corporate community engagement initiatives that improve their competitive context and benefit the community (Porter & Kramer, 2006). For the dynamic capabilities theory, access to new corporate community engagement capabilities to integrate into the business can lead to competitive advantage (Teece, et al., 1997). Lastly, for the relational resource theory, the

business-community relation is a resource, and the efficient management of this resource can lead to competitive advantage (Jamali, et al., 2009). However, the specifics of this relational resource is not fully explored. Another gap in the current literature that the thesis seeks to address.

One objective of the thesis is to identify specific business-community relational resource mechanisms that can lead to competitive advantage. For example, the knowledge sharing routines between business and the community that creates value that can lead to competitive advantage. In so doing, it seeks to clarify *how Close business-community interactions* (Battaglia, et al., 2014; Tantaló, et al., 2012) and *strong community integration* (Jamali, et al., 2009) support the internalisation of community-knowledge that can lead to competitive advantage.

For this, the thesis focuses at the *microfoundation* level of the corporate community engagement-competitive advantage relationship to identify the specific corporate community engagement model(s) and the underlying business-community relational resource mechanisms that can lead to competitive advantage. Consequently, the thesis draws on relational models theory from social psychology (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992) and develops four discrete models of corporate community engagement which emphasises the business-community resource and is more relevant to explore the corporate community engagement-competitive advantage relationship.

The thesis also uses relational resource theory perspective of competitive advantage to develop the framework, as the objective is to further understand the underlying business-community relational resource mechanisms. The objective is to understand the intangible business-community relational resource to identify some of the knowledge sharing routines that can lead to competitive advantage. Neither the internally focussed resource base view of competitive advantage nor the externally focussed cluster theory of competitive advantage would be appropriate. Although, the absorptive capacity of the dynamic capabilities theory of competitive

advantage is relevant to the analysis, the relational resource theory offers a broader perspective and is more appropriate for the thesis.

The next chapter applies relational models theory and relation resource theory of competitive advantage to corporate community engagement to develop the framework to explore the corporate community engagement-competitive advantage relationship and address the research question.

3 Chapter: The Research Framework

3.1 Introduction

This chapter develops the framework to address the research question. The purpose of the first part of the chapter (section 3.2) is to develop a classification of corporate community engagement models to better explore the corporate community engagement-competitive advantage relationship based on relational models theory perspectives. It applies the dimensions of relational models theory to the main dimensions of corporate community engagement discussed in section 2.2 of the literature review to identify four discrete models of corporate community engagement.

The second part of the chapter extends the framework developed in the first part of the chapter based on relational resource theory perspectives of competitive advantage to explore how corporate community engagement can lead to competitive advantage. Section 3.3 summarises relational resource theory perspectives of corporate community engagement discussed in section 2. 3.3.4. Section 3.4 presents the framework for the research by linking these perspectives to the four corporate community engagement models developed in section 3.2. The final section (3.5) presents the conclusions of the main issues discussed in the chapter.

3.2 Models of Corporate Community Engagement Based on Relational Models Theory Perspectives

The thesis applies Haslam & Fiske, (1999) seven main dimensions of relational models theory most relevant to corporate community engagement including: morals, decision-making, exchange, work, influence, identity, and distribution and use to identify four discrete corporate community engagement models: market pricing, authority ranking, equality matching and communal sharing.

The dimension morals determine the standards and values of the business-community relationship and decision-making determines who makes the decisions in relation to corporate community engagement initiatives. Work determines who is involved in the delivery of corporate community projects. The dimension influence determines the power relationship between business and the community, and identity determines how business and the community view their position in the relationship. Exchange determines how objects, tangible or intangible pass between business and the community. It may be one directional or two-way and may or may not involve money. The exchange process may be completed immediately or over time. The dimension distribution and use, determines how the corporate community engagement resources are distributed and used by business and the community.

The thesis adopts Haslam & Fiske, (1999) relational models statements (see appendix A) based on the above seven (7) dimensions of relational models theory to develop corresponding corporate community engagement relational statements (see tables 3.2, 3.4, 3.6, and 3.8). The corporate community engagement relational statements are then used to derive four discrete corporate community engagement models based on the dimensions of corporate community engagement discussed in section 2.2 of the literature review. These dimensions include the use of the core resources of business, control over the corporate community engagement process, the level of oversight, the level of community-participation, the types of corporate community engagement initiatives and the level of trust between business and the community.

3.2.1 The Communal Sharing Corporate Community Engagement Model

Applying the communal sharing relational model to corporate community engagement, altruism defines the morals of business-community relations and decision-making among community-stakeholders including business and the community is by consensus. The exchange of resources between business and the community, including intangible resources such as knowledge is based on business and the community giving in accordance with each one's ability and the other's need without expecting anything in return. Hence, the exchange of resources becomes an altruistic process. For the dimension work, both business and the community pitch in with the other

community-stakeholders to get the job done in relation to corporate community engagement projects.

The influence of business and the community in the relationship is determined by the need to belong, to conform to the values of the community collective. Both business and the community as well as the other community-stakeholders fear embarrassment if they do not conform to the professed values of the relationship. Business and the community identify with each other based on the common values of the relationship, that which unites them. For this model, there is no distribution of community resources as business and the community, as well as the other community-stakeholders own the community resources together and business and the community are entitled to use community resources as needed (see table 3.1).

The altruistic morals, and the common ownership of corporate community engagement resources, make business a citizen in a '*community of commons*' to create "*win-win*" outcomes with other community-stakeholders, beyond the boundaries of business into a community collective, a community enterprise (Kurucz, et al., 2008; Wheeler, et al., 2003). The focus of the initiatives is still to create value for the community but by combining resources and management with other community-stakeholders, including other businesses, and non-governmental organisations (Kurucz, et al., 2008). This gives both business and the community access to resources outside their own. The demand for these initiatives recognises not only the limited resources of business and the community but also the interconnection and interdependence within the economy, even globally (Kurucz, et al., 2008). By cooperating with community-stakeholders, business can create value while supporting long-term corporate community engagement initiatives.

Table 3.1 The Communal Sharing Corporate Community Engagement Relational Statements

Communal Sharing Relational Models Theory Original Statements	Communal Sharing Relational Statements as can be Applied to Corporate Community Engagement
<p>Morals You feel a moral obligation to feel kind and compassionate to each other.</p> <p>Decision-Making You make decisions together by consensus.</p> <p>Exchange If either of us needs something, the other gives it without expecting anything in return.</p> <p>Work You share many important responsibilities jointly, without assigning them to either of you alone.</p> <p>Influence The two of you tend to develop similar attitude and values.</p> <p>Identity You feel that you have something unique in common that makes the two of you essentially the same.</p> <p>Distribution and Use Many important things you use belong to the two of you together, not to either one of you separately. Source: (Haslam & Fiske, 1999, p. 249)</p>	<p>Morals An amoral obligation to show kindness and compassion defines the business-community relationship.</p> <p>Decision-Making Business and the community make decisions collectively, by consensus.</p> <p>Exchange The Exchange of resources including intangible resources such as knowledge between business and the community involves giving in accordance with one’s ability and the other’s need without expecting anything in return.</p> <p>Work Both business and the community pitch in to get the job done.</p> <p>Influence The influence of business and the community on corporate community engagement projects is determined by the need to belong.</p> <p>Identity Both business and the community identify with each other based on the common values of the relationship, and the common project /social purpose which unites them.</p> <p>Distribution and Use Many important resources used during the corporate community engagement projects belong to both business and the community.</p>

The management of corporate community engagement outcomes within the community collective suggests a long-term value creation proposition for these corporate community engagement initiatives. Firstly, in the normal process of stakeholder trade-offs for business to create value for all stakeholders, the value creation proposition for corporate community engagement is a long-term phenomenon (Freeman, et al., 2010). Business requires a long time to assess and implement innovations in relation to the value creation proposition for the different stakeholder groups to create value that supports business success (Eccles, et al., 2014;

Freeman, et al., 2010). Secondly, within the community collective, consensus decision-making may also take a long time (Bridoux & Stoelhorst, 2022). So, for this model the value creation proposition for corporate community engagement and in turn the corporate community engagement-competitive advantage relationship is a *long-term* phenomenon.

For this model of corporate community engagement and based on the exchange dimension, business commits resources including the core resources to commercial community initiatives based on its ability (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). For these commercial community initiatives, the core resources including the capabilities and competencies of business are matched to the needs of the community, the unmet social needs (Kurucz, et al., 2008). The commitment of the core resources of business to corporate community engagement projects suggests that the initiatives have *oversight* at the level of the Board of Directors and community engagement is integrated into the business model and business proactively allocates budgetary resources to engage with the community (Eccles, et al., 2014; Freeman, et al., 2010).

Managers may not be motivated to focus on the long-term in relation to corporate community engagement (Eccles, et al., 2014). As a part of the monitoring role of the core resources of the business, the Board of Directors may include a community engagement performance criterion in the determination of manager's compensation to encourage managers to focus on the long-term and create value from these initiatives (Eccles, et al., 2014). With the Board of Directors overall responsibility for risk management, the corporate community engagement initiatives for this model are also associated with the highest material social risks that may affect the operations of business (Khan, et al., 2015).

The level of community-participation for this model is linked to business and the community making decisions in relation to corporate community engagement projects based on consensus. Business and the community make decisions collectively to find common ground in relation to community projects. Community-participation is also linked to work in relation to the projects and is based on the needs of the projects and the ability of business and the community. This

gives both business and the community more time in close proximity and supports the internalisation of community-knowledge as well as building trust between business and the community.

The model is linked to deep interdependent business-community relations (Sheppard & Sherman, 1998) that is associated with high levels of trust or else 'thick trust' (Blois & Ryan, 2013). *Thick trust* is based on the respect, personal bonds and familiarity of business and the community (Blois & Ryan, 2013). Both business and the community identify with each other based on the altruistic morals, and the shared influence in belonging to the community collective that which unites them (Blois & Ryan, 2013; Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

Thick trust between business and the community based on deep and interdependent business-community relations supports the efficient exchange of community-knowledge to create value from commercial community initiatives (Bridoux & Stoelhorst, 2016; Blois & Ryan, 2013; Hillman & Keim, 2001). Business may leverage community-knowledge gained based on thick trust between business and the community across different types of corporate community engagement initiatives including charitable donations and community investments (Porter & Kramer, 2006). However, there is the risk of mis-anticipation associated with the assumed perfect asymmetry of information and may affect the value creation proposition for this model (Sheppard & Sherman, 1998).

To summarise, applying communal sharing relational model to corporate community engagement suggests a communal sharing corporate community engagement model that business is integrated into a community collective with other community-stakeholders. Business has access to community-knowledge based on common values and relational capital associated with the common ownership of community resources. For this model, the Board of Directors level oversight ensures that the commercial community initiatives create value for business as well as the community. The focus is on long-term sustainable value creation associated with a business-community relationship based on thick trust (see table 3.2).

Table 3.2 Summary of the Communal Sharing Corporate Community Engagement Model

Corporate Community Engagement Dimensions	Communal Sharing Model characteristics
Core Resource Used	Based on the Ability of Business and the Need of the Community, the Exchange Dimension.
Control over the Corporate Community Engagement Process	Collectively by Community-Stakeholders including Business and the Community
Level of Oversight	Board Level Integrated and Proactive Pre-assigned Budget based on needs of community. Social Performance Tied to Managers Compensation Community Engagement Initiatives Address Highest Material Social Risk
Community Participation	Planning & Delivery of Corporate Community Engagement Initiatives Based on Decision-Making and Work Dimensions
Trust	<i>Thick Trust</i> Based on Respect, Personal Bonds and Familiarity- Based on Deep interdependent Business-Community Relations.
Type of Corporate Community Engagement Initiative	Commercial Community Initiatives Community Investments Charitable Donations

3.2.2 The Equality Matching Corporate Community Engagement Model

Applying the equality matching relational model to corporate community engagement, the equality morals define the business-community relationships and decision-making in relation to corporate community projects is based on the equal say of business and the community. For the dimension exchange, both business and the community commit to community engagement projects on the basis that each give and receive the same things but not necessarily at the same time. Based on reciprocal arrangements, over time business and the community contribute equally to work in relation to corporate community projects. The influence of business and the community reflects a process of balancing based on the dominant principle of reciprocity and the reality that the equality principle may not be simultaneous. Business and the community identify with each other as peers and the distribution and use of community engagement

resources is based on equal shares, although this equality of shares is only achieved over time (see table 3.3).

Table 3.3 The Equality Matching Corporate Community Engagement Relational Statements

Equality Matching Relational Models Theory Original Statements	Equality Matching Relational Statements as can be Applied to Corporate Community Engagement
<p>Morals You have a right to equal treatment.</p> <p>Decision-Making One person, one vote is the principle for making decisions with this person.</p> <p>Exchange We keep track of what we give to each other, in order to try to give back the same kind of things in return eventually; we each know when things are uneven.</p> <p>Work If you have work to do, you usually split it evenly.</p> <p>Influence If one person does what the other wants, next time the second person do what the first person wants.</p> <p>Identity The two of you consider yourselves peers, fellow-workers, and co-partners.</p> <p>Distribution and Use You typically divide things into shares that are the same size. Source: (Haslam & Fiske, 1999, p. 249)</p>	<p>Morals Both business and the community have a right to equal treatment.</p> <p>Decision-Making Both business and the community have equal say about community engagement projects.</p> <p>Exchange Both business and the community exchange things give and receive the same things but not necessarily at the same time.</p> <p>Work Business and the community contribute equally, over time.</p> <p>Influence The influence of business and the community reflects a process of balancing based on the dominant principle of reciprocity and the reality that the equality principle may not be simultaneous.</p> <p>Identity The identity of business and the community is determined by feelings of being peers.</p> <p>Distribution and Use The distribution and use of corporate community engagement resources is based on equal shares, although equality of shares is only achieved over time.</p>

For corporate community engagement that is based on the equality matching relational model, business commits resources according to the exchange dimension that business and the community give and receive the ‘*same things*’ over time. While there is no immediate suggestion from the exchange dimension of the utilisation of the core resources in corporate community engagement initiatives, the equal positioning of business and the community based on the

morals, identity, influence, and work in relation to corporate community engagement (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992), aligns the model to stakeholder theory. For this model, this equal positioning of business and the community based on stakeholder theory perspectives associates corporate community engagement with the success of the business and the use of the core resources in commercial community initiatives (Freeman, et al., 2010).

The use of the core resources in corporate community engagement, is associated with *oversight* at the level of the Board of Directors, community engagement is integrated into the business model, and business proactively allocates budgetary resources to engage the community (Eccles, et al., 2014; Freeman, et al., 2010). As part of the Board of Directors overall responsibility for risk management, the model also associates corporate community engagement initiatives with the highest material social risks that may affect the operations of the business (Khan, et al., 2015).

The equality of business and the community including the equality in the decision-making process, and the equal influence of business and the community on community projects (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992), supports efficient knowledge-exchange between business and the community (Bridoux & Stoelhorst, 2016). This in turn supports the internalisation of community-knowledge, the alignment of business and community interests, and in turn the value creation proposition for corporate community engagement (Bridoux & Stoelhorst, 2016; Porter & Kramer, 2006; Hillman & Keim, 2001). However, based on normal stakeholder trade-offs, the value creation proposition for corporate community engagement that is linked to business success is a *long-term* phenomenon, as business assesses and implements innovations between stakeholder groups to create value for all stakeholders (Eccles, et al., 2014; Freeman, et al., 2010).

As a part of its monitoring role and to achieve its community engagement objectives, the Board of Directors may include a community engagement performance criterion in the determination of manager's compensation to encourage managers to focus on the long-term (Eccles, et al.,

2014). For this model, the reciprocal arrangements between business and the community may moderate the time factor of the value creation proposition for corporate community engagement in comparison with that of the communal collective model, but the accuracy of the value creation proposition for this model may be less than for the communal collective model (Bridoux & Stoelhorst, 2022).

For this model, the community participates in corporate community engagement projects as business and the community make decisions and share work in relation to community projects equally over time. This builds trust between business and the community and supports the internalisation of community-knowledge to create value from commercial community initiatives (Porter & Kramer, 2006; Hillman & Keim, 2001). The equal exchange including knowledge sharing provides further opportunities for business and the community to work closely together to ensure equity in the relationship and further builds trust between business and the community, (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992) and in turn the internalisation of community-knowledge to create value from corporate community engagement initiatives (Hillman & Keim, 2001).

The model is based on business-community relations that are close and interdependent but shallow (Sheppard & Sherman, 1998) and is associated with *goodwill trust* (Blois & Ryan, 2013). *Goodwill trust* is based on frequent interactions and mutual understanding (Blois & Ryan, 2013). Business and the community reciprocate not only in relation to the decision-making and work in relation to corporate community projects, but also in relation to exchange including community-knowledge. Both business and the community rely on trust based on the goodwill of each other and in turn support the internalisation of community-knowledge to create value from commercial community initiatives (Blois & Ryan, 2013; Hillman & Keim, 2001). Business may also leverage community-knowledge across different types of corporate community engagement initiatives including charitable donations and community investments (Porter & Kramer, 2006).

To summarise, applying the equality matching relational model to corporate community engagement suggests an equality matching corporate community engagement model with the equality of business and the community (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business internalises community-knowledge, aligns business and community interests and creates value from corporate community engagement initiatives based on close business-community relationship and reciprocal arrangements between business and the community. For this model, Board of Directors level oversight and the integration of corporate community engagement into the business model ensure that the corporate community engagement initiatives create value for business as well as the community (see table 3.4).

Table 3.4 Summary of the Equality Matching Corporate Community Engagement Model

Corporate Community Engagement Dimensions	Corporate Community Engagement Model Characteristics
Core Resource Used	Based on Equality of Business and the Community in the Community Engagement Process
Control over the Corporate Community Engagement Process	Equally by Business and the Community
Level of Oversight	Board Level Integrated and Proactive Pre-assigned Budget based on equal contribution to projects. Social Performance Tied to Managers Compensation
Community Participation	Planning & Delivery of Corporate Community Engagement Initiatives Based on the Decision-Making and Work Dimensions.
Trust	<i>Goodwill Trust</i> Based on frequent Interactions and Mutual Understanding
Corporate Community Engagement Initiatives	Commercial Community Initiatives Community Investments Charitable Donations

3.2.3 The Authority Ranking Corporate Community Engagement Model

Applying the authority ranking relational model to corporate community engagement, the benevolent morals define business-community relationships. Business has a benevolent pastoral

responsibility to the community, a leader-follower relationship. Business generally makes decisions about corporate community engagement projects with minimal input from the community. For the dimension exchange, business, the superior in its pastoral role commits to corporate community engagement for the benefit of the community, the subordinate. Work relating to corporate community projects is mostly performed by the community and directed by the business. The dimensions of influence and identity of business and the community in the business-community relationship are defined by the superior-subordinate dynamics. For this model, the distribution and use of corporate community resources is based on the superior entitlement of business (see table 3.5).

For corporate community engagement that is based on the authority ranking relational model, business, the superior commits to engage the community, the subordinate based on its pastoral role, without necessarily expecting to receive anything in return. With the benevolent superior—subordinate relational positioning of the model, business *controls* the corporate community engagement process.

This model of corporate community engagement is linked to Bowen, et al.,(2010) transitional model associated with *community investments* to manage reputation. Business may leverage this corporate community resource to include charitable donations. There is no indication from the dimensions to suggest the inclusion or exclusion of core resources into the community engagement process. In any case the value creation proposition would be limited as business controls the process with little or no input from the community. This suggests an enlightened risk management view of corporate community engagement that is mostly managed by community relations departments (Boehe & Cruz, 2010). While budget allocation may be reactive or proactive, the integration of these community investment initiatives at the departmental level may moderate the value creation proposition (Eccles, et al., 2014).

Table 3.5 The Authority Ranking Corporate Community Engagement Relational Statements

Authority Ranking Relational Models Theory Original Statements	Authority Ranking as can be Applied to Corporate Community Engagement
<p>Morals In some respects, one of us is entitled to more than the other and should be treated with special respect.</p> <p>Decision-Making One of us makes the decision and the other generally goes along.</p> <p>Exchange One of us sometimes must turn over things to the other, who does not necessarily have to give them back.</p> <p>Work One of us directs the work you do together – the other pretty much does what they are told to do.</p> <p>Influence One of us is the leader, the other loyally follows their will.</p> <p>Identity One of us looks up to the other as a guide and role model.</p> <p>Distribution and Use One of us is entitled to more than the other.</p> <p>Source: (Haslam & Fiske, 1999, p. 249)</p>	<p>Morals Business has a benevolent pastoral responsibility to the community, a leader-follower relationship.</p> <p>Decision-Making Business makes the decisions with minimal input from the community.</p> <p>Exchange Business, the superior in their pastoral role gives to the community, the subordinate.</p> <p>Work The work relating to corporate community projects is mostly performed by the community and directed by the business.</p> <p>Influence The influence of business and the community is defined by the superior-subordinate dynamics.</p> <p>Identity The leader-follower relationship defines identity of business and the community.</p> <p>Distribution and Use Business, the superior is entitled to more than the community, the subordinate.</p>

The control by business over the corporate community engagement process for this model, limits the participation of the community. Business unilaterally makes decisions about community engagement initiatives based on their superior entitlement (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). In addition, community-participation in relation to work on corporate community engagement projects is mostly performed by the community and directed by the business (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). The superior-subordinate business-community relationship limits knowledge exchange (Bridoux & Stoelhorst, 2016). Therefore,

corporate community engagement initiatives may not reflect the interest of the community and may not create value for business nor the community.

Trust associated with this model is *systems trust* (Blois & Ryan, 2013). *Systems trust* is based on institutional arrangements including the legal, and regulatory structures (Blois & Ryan, 2013) to give the community the assurance that *business 'do the right thing.'* In addition, business-community relations are deep and dependent (Sheppard & Sherman, 1998) and the exchange of information between business and the community is inefficient (Bridoux & Stoelhorst, 2016). The community is dependent on business to implement community solutions that they are interested in, but they have little or no input in the community engagement process. The community is dependent on the benevolence of business, the depth of business-community relations (Sheppard & Sherman, 1998). These relations may be exposed to the risks of business in their superior role neglecting community-interests resulting from the lack of 'real concern' for the community and where the interest of business may only be to mitigate loss (Sheppard & Sherman, 1998).

To summarise, applying the authority ranking relational model to corporate community engagement suggests an authority ranking corporate community engagement model based on superior-subordinate business-community relationships (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business unilaterally controls the corporate community engagement process, community-knowledge is limited to align business and community interests and create value from corporate community engagement. The oversight of corporate community engagement is limited to the departmental level and further moderates the value creation proposition for the model (see table 3.6).

Table 3.6 Summary of the Authority Ranking Corporate Community Engagement Model

Corporate Community Engagement Dimensions	Corporate Community Engagement Model Characteristics
Core Resource Used	Possible Based on Benevolence and Exchange Dimension
Control over the Corporate Community Engagement Process	By Business based on Superior Benevolent Entitlement
Level of Oversight	CSR/Community Relations Pre-assigned Budget to manage risks.
Community Participation	Limited: Delivery of Corporate Community Engagement Initiative based on Work Dimensions
Trust	System Trust Based on Institutional Arrangements including Legal and Regulatory Structures
Corporate Community Engagement Initiatives	Community Investments Philanthropic Charitable Donations

3.2.4 The Market Pricing Corporate Community Engagement Model

Applying the market pricing relational model to corporate community engagement, self-interest defines the morals of the business-community relationship based on cost-benefit analysis. Business generally makes decisions to engage the community based on the dictates of the markets and to the extent it is cost effective and provides the business with similar returns that other investors get. For the dimension exchange, business and the community exchange of resources including information based on the cost to business and the benefit it derives from them in terms of improvements to its image. Work for corporate community engagement projects is based on reward, the person who performs the work, whether it is by business or the community, it is compensated.

The influence of business and the community on corporate community engagement projects is determined by the ability to pay. Business influences the community with its corporate community engagement initiatives. In turn, the community uses its loyalty and purchasing power to influence the business to engage the community. In addition, the identity of business and the

community in the business-community relationship is determined by transactional contracts, whether current or in the future. The community may buy the business' product based on its corporate community engagement initiatives because the community identifies with the social causes which business supports (see table 3.7).

Table 3.7 Market Pricing Corporate Community Engagement Relational Statements

Market Pricing Relational Models Theory Original Statements	Market Pricing as can be Applied to Corporate Community Engagement
<p>Morals You have the right (you are entitled) to a fair rate of return for what you put into this interaction.</p> <p>Decision-Making With this person, you make decisions according to the ratio of the benefits you get and the costs to you.</p> <p>Exchange What you get from this person is directly proportional to how much you give them.</p> <p>Work If one of you worked for the other, they would be paid in proportion to how long they worked or how much they did.</p> <p>Influence One of you often pays the other to do something.</p> <p>Identity You expect to get the same rate of return on your effort and investment that other people get.</p> <p>Distribution and Use You divide things up by how much each of you have paid or contributed.</p> <p>Source: (Haslam & Fiske, 1999, p. 249)</p>	<p>Morals Self-interest defines the morals in relation to corporate community engagement projects based on cost-benefit analysis.</p> <p>Decision-Making Business makes the decisions based on the dictates of the markets and engages the community to the extent it is cost effective.</p> <p>Exchange The exchange of resources including information between business and the community is based on the cost to business and the benefit derived from them in terms of improvements to its image.</p> <p>Work The work for corporate community engagement projects is based on reward-, the person who performs the work is compensated.</p> <p>Influence The influence of business and the community on corporate community engagement projects is determined by the ability to pay.</p> <p>Identity The identity of business and the community in terms of corporate community engagement projects is determined by transactional contracts, whether current or in the future.</p> <p>Distribution and Use The distribution and use of corporate community engagement resources is based on proportionality, what is contributed by business and the community</p>

Accordingly, for corporate community engagement that is based on the market pricing relational model, business commits to engage the community based on the cost of the corporate community engagement project and the benefit derived from them in terms of improvements to its image. The transactional cost-benefit positioning of the model, where business controls the corporate community engagement process including decision-making and work relating to corporate community engagement projects, may be linked to Freeman, et al., (2010) residual model to corporate community engagement associated with charitable donations to manage the image of business.

For this model, corporate community engagement is a discretionary cost to the business. It is conditional on business-performance, the availability of slack resources, a residual model to corporate community engagement as business “*gives back*” to the community after profits are made (Freeman, et al., 2010). The business model is reactive to claims from the community, corporate community engagement processes are restricted to public relations, and corporate community engagement initiatives are limited to charitable donations (Freeman, et al., 2010). These corporate community engagement initiatives that are associated with transactional business-community relations may not reflect community-interests and in turn may not support the value creation proposition for corporate community engagement (Bowen, et al., 2010; Hillman & Keim, 2001).

Community participation for this model is limited, as business alone makes the decisions in relation to corporate community engagement projects and when the community works on projects it is based on market conditions (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). This transactional market driven business-community relationship limits knowledge exchange (Bridoux & Stoelhorst, 2016). So, corporate community engagement initiatives are unlikely to reflect the interest of the community and will neither create value for business nor the community, nor build trust between business and the community.

Contract trust is associated with this model (Blois & Ryan, 2013). Contract trust is based on formal or informal contractual obligations (Blois & Ryan, 2013). The safeguards that business will

'do the right thing' are embedded in the market. In addition, business-community relations are shallow and dependent (Sheppard & Sherman, 1998), and may not support knowledge-exchange between business and the community (Bridoux & Stoelhorst, 2016) to support the internalisation of community-knowledge and create value from community engagement initiatives (Hillman & Keim, 2001). Business lacks information on community-interests, with the risk of the unreliability to deliver effective community solutions (Sheppard & Sherman, 1998) and corporate community engagement costs may not be associated with commensurate benefits.

To summarise, applying the market pricing relational model to corporate community engagement suggests a market pricing corporate community engagement model based on transactional market driven business-community relationships (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business unilaterally controls the corporate community engagement process, community-knowledge is limited to align business and community interests and to create value from corporate community engagement. For this model, corporate community engagement forms part of public relations and further moderates the value creation proposition (see table 3.8).

Table 3.8 Summary of the Market Pricing Corporate Community Engagement Model

Corporate Community Engagement Dimensions	Corporate Community Engagement Model Characteristics
Core Resource Used	Minimal -Based on Cost-Benefits -Exchange Dimension
Control Over the Corporate Community Engagement Process	Business
Level of Oversight	Public Relations Department Peripheral and Reactive Ad Hoc Budget Allocation based on Market decisions.
Community Participation	Minimal: Delivery Based on the Work Dimension.
Trust	Contract Trust Based on Formal or informal Contractual Obligations
Corporate Community Engagement Initiatives	Charitable Donations

3.2.5 Summary

This first section of the research framework developed four discrete corporate community engagement models based on relational models theory perspectives. The new classification of corporate community engagement models includes the communal sharing corporate community engagement model, the equality matching corporate community engagement model, the authority ranking corporate community engagement model, and the market pricing corporate community engagement model.

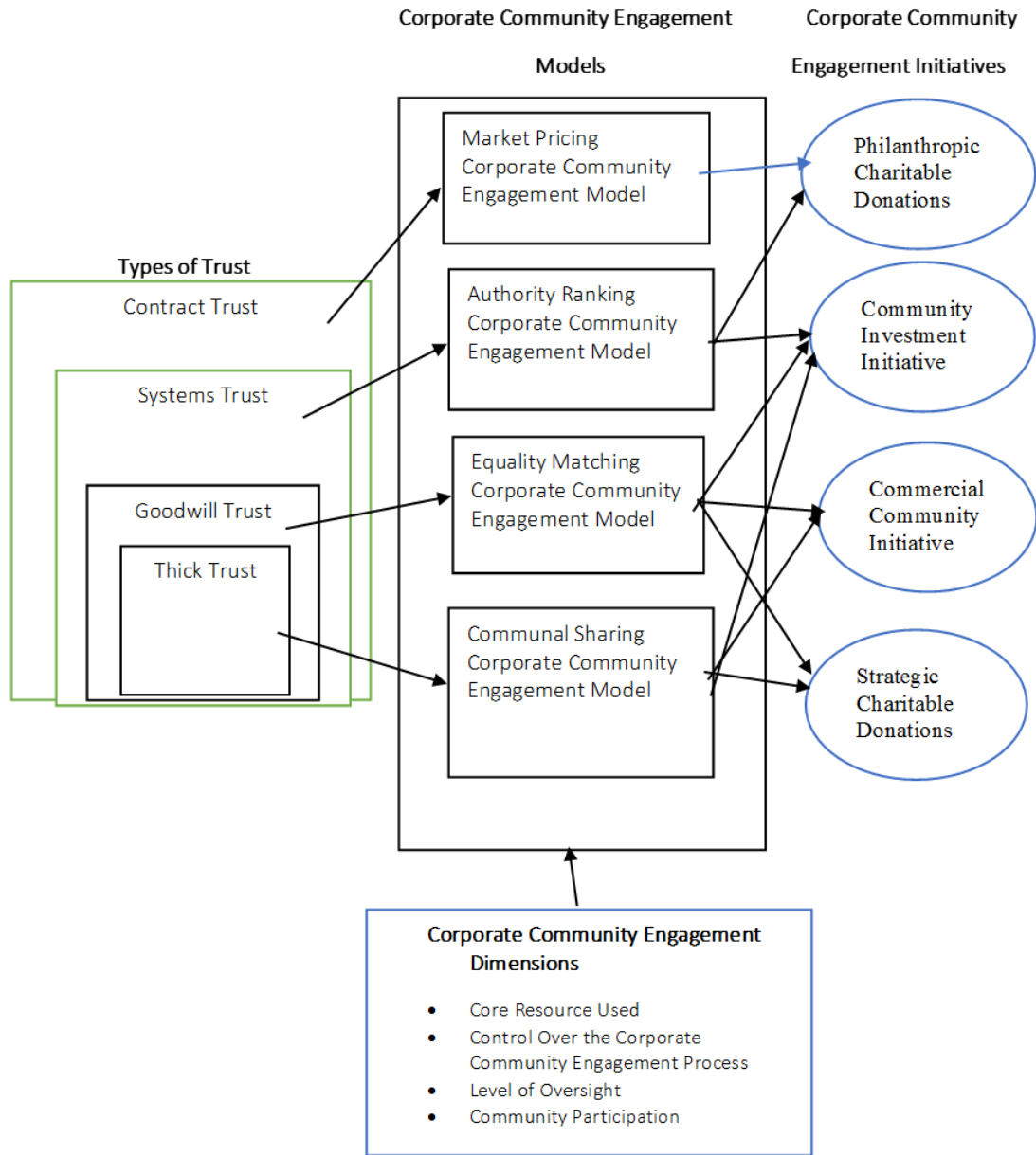
This new approach to classify different models of corporate community engagement based on relational models theory perspectives also accounts for all three types of corporate community engagement initiatives discussed in section 2.2 of literature review. These include charitable donations, community investments, and commercial community initiatives. Applying relational models theory to corporate community engagement, business-community relational resource is defined not only by the frequency of interactions and community-participation in the decision-making process but also by the morals, influence and identity of business and the community. The resulting new classification of corporate community engagement models also accounts for the impact of the power dynamics between business and the community that can affect the internalisation of community-knowledge to create value that can lead to competitive advantage. The main strength of the model is that it is relatively simple to understand but comprehensive enough to include the range of complex relational resource issues discussed in the literature review relevant to explore the corporate community engagement-competitive advantage relationship (see figure 3.1).

The corporate community engagement dimensions used in the new classification of the models also accounts for the dimensions used in the classifications of models in the existing literature. For example, the new approach accounts for the use of core resources which also distinguishes the models for the public responsibility approach (Valente & Crane, 2010) and the residual-integrated approach (Freeman, et al., 2010). In addition, the new approach accounts for the relational dimensions used the continuum approach (Bowen, et al., 2010) including community

participation, the control over the corporate community engagement process , and trust. However, trust is linked with the relational models theory perspective and include contract, systems, goodwill, and thick trust and aligns with the relational resource theory perspective of competitive advantage (Blois & Ryan, 2013; Dyer & Singh, 1998). So, this new approach is a better classification to explore the relationship between corporate community engagement and competitive advantage.

The next sections of the chapter extends the framework to address the research question by applying the dimensions of relational resource theory of competitive advantage to the new corporate community engagement models.

Figure 3.1 Corporate Community Engagement Models



Thick Trust- Personal Bonds and Familiarity, Goodwill Trust- Repeated Interactions and Mutual Understanding, Systems Trust- Institutional Arrangements, Contract Trust-Contractual Obligations

3.3 Relational Resource Theory Perspectives of How Corporate Community Engagement Can Lead to Competitive Advantage

The previous section developed a model of four discrete corporate community engagement models based on relational models theory perspectives: the communal sharing corporate community engagement model, the equality matching corporate community engagement model, the authority ranking corporate community engagement model, and the market pricing corporate community engagement model (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). The main objective of this section is to develop a framework to guide the empirical work of this thesis to identify potential corporate community engagement model(s) and the underlying business-community relational resource mechanisms that can lead to competitive advantage.

To explore how corporate community engagement can lead to competitive advantage, the section extends the research framework with the main dimensions of the relational resource theory of competitive advantage discussed in section 2.3. These include relation specific assets, knowledge sharing routines, complementary resources and capabilities, an effective governance system (Dyer & Singh, 1998). The framework also include the dimension of the common ownership of community resources, a close capability resource that can lead to competitive advantage (Jones, et al., 2018; Dyer & Singh, 1998). This resource is directly linked to the dimension of the distribution and use of community resources of relational models theory.

3.3.1 Relation Specific Assets and Corporate Community Engagement

The relation specific assets of corporate community engagement can support the accumulation of specialised corporate community engagement knowledge and language that can lead to competitive advantage (Dyer & Singh, 1998). The accumulation of specialised corporate community engagement knowledge and language is in turn supported by *long-term business-community relations* (Dyer & Singh, 1998). And leads to efficient and effective business-community communication. Better business-community communication support better corporate community engagement projects that are aligned with business and community

interests (Dyer & Singh, 1998). This can reduce the implementation time for corporate community engagement projects and in turn transaction costs that can lead to competitive advantage. Business may also benefit from economies of scope by leveraging specialised corporate community knowledge across different corporate community engagement projects.

3.3.2 Knowledge Sharing Routines and Corporate Community Engagement

Superior knowledge sharing routines that include frequent and intense business-community interactions support the exchange of specialised corporate community engagement knowledge that can lead to competitive advantage (Dyer & Singh, 1998). These knowledge sharing routines are *institutionalised* and business-community interactions are *regular* and support the transfer, recombination, or creation of specialised corporate community engagement knowledge (Dyer & Singh, 1998). These routines enable business and the community to understand each other's position better and can also give business a superior grasp of emerging issues affecting the community (Eisenhardt, 1999). In turn, this supports a better alignment of business and community interests and can lead to competitive advantage.

3.3.3 Complementary Resources and Corporate Community Engagement

Long-term business-community relations can also provide access to information rich positions in network alliances that can provide reliable information of potential complementary corporate community engagement resources and can lead to competitive advantage (Dyer & Singh, 1998). Working in networks alliances, business can gain access to reliable information about potential complementary resources and can proactively implement new corporate community engagement solutions to emerging social issues.

Membership in network alliances alone may not provide reliable information. For corporate community engagement, business can gain access to reliable information about potential community-partners with complementary resources from *central* positions in network alliances. *Central position* provides:

“Access to more reliable information about potential partners because of trusted informants within the network who may have direct experience with the potential partner” (Dyer & Singh, 1998, p. 668).

Central information rich position may include leadership roles on management committees or founding membership in network alliances. The effectiveness of the information that can lead to competitive advantage is moderated by the compatibility of the organisational systems with the new community-partner as well as their having previous collaboration experience (Dyer & Singh, 1998).

3.3.4 Effective Governance System and Corporate Community Engagement

The business-community relational resource is a long-term phenomenon requiring significant investment (Jones, et al., 2018; Dyer & Singh, 1998). Business must safeguard its investment in the business-community relational resource to ensure it continues to lead to competitive advantage (Dyer & Singh, 1998). The safeguards may include formal third-party legal contracts, informal self-enforcing safeguards based on direct experience, and reputation based on indirect experience (Dyer & Singh, 1998). Informal self-enforcing safeguards are more effective than formal third-party legal contracts (Dyer & Singh, 1998).

3.3.5 The Common Ownership of Corporate Community Resources

The common ownership of community resources provides increased corporate community engagement capability that can lead to competitive advantage. When business and the community own and/or control community resources together and the relationship develops over the long-term, the associated close capability resource may be difficult to imitate (Jones, et al., 2018; Dyer & Singh, 1998).

3.4 The Corporate Community Engagement Models and Competitive Advantage

The section applies the dimensions of relational resource theory of competitive advantage to the four models of corporate community engagement developed in section 3.2. The *relation specific asset* dimension is based on the opportunities of business and the community to interact, the potential duration of these interactions, and the possibility for the accumulation of specialised corporate community engagement knowledge. So, the relational resource dimension is linked to the relation models theory dimensions of *decision-making* and *work*. The Knowledge sharing routines dimension is based on the opportunities to implement these routines. It is linked to the relation models theory dimensions of *morals, decision-making, and exchange*.

The analysis of the *complementary resource* dimension is based on the opportunities for business to access *information rich position in network alliances* based on *the identity and influence* of business and the community in the relationship and the *type of trust* between business and the community. The analysis of the effective *system governance* dimension is based on the type of *trust* between business and the community. Lastly, *the ownership/control* dimension is linked to the *distribution and use* dimension of relational models theory.

3.4.1 Communal Sharing Corporate Community Engagement and Competitive Advantage

Business-community interactions associated with *the communal sharing corporate community engagement model* are long-term, relational, and interdependent based on *consensus decision-making* (Bridoux & Stoelhorst, 2022; Dyer & Singh, 1998). These business-community interactions are likely to support the accumulation of '*specialised*' corporate community engagement knowledge and *relation specific asset* that can lead to competitive advantage (Dyer & Singh, 1998). Accordingly, for this model, business can benefit from the increased efficient and

effective communication to support the quality and speed of the implementation of corporate community engagement projects associated with long-term business-community relations (Dyer & Singh, 1998). Moreover, the *exchange* of information between business and the community is *as needed*. This may include tacit knowledge and may also support the accumulation of specialised corporate community engagement knowledge. Consequently, for this model, the competitive advantage associated with *relation specific asset* is likely.

For *this model*, business-community interactions are relational, and community-participation is based on *collective* business-community relations. These interactions can be associated with *superior knowledge sharing routines* that can lead to competitive advantage. The *consensus decision-making* and *work* on community projects as needed by business and the community may be both frequent and intense. So, the *collective* business-community interactions can be associated with superior knowledge sharing routines that can lead to competitive advantage.

The *access to information rich position* in network alliances of business associated with the *communal sharing corporate community engagement* model may also support business in accessing reliable information to identify potential complementary resources that can lead to competitive advantage (Dyer & Singh, 1998). The *collective* identity and influence of business and the community in the relationship as well as *'thick' trust* between business and the community can give business the necessary support of the community to access information rich positions in network alliances. So, for this model, business can benefit from access to reliable information to identify potential complementary corporate community engagement resources that can lead to competitive advantage (Dyer & Singh, 1998).

The business-community relational resource associated with *the communal sharing corporate community engagement model* is a *long-term* phenomenon, based on the consensus decision-making process (Bridoux & Stoelhorst, 2022; Jones, et al., 2018). For this model, business-community relations is based on *thick trust*. The *shared* interests and the *sense of belonging*

between business and the community can provide *adequate safeguards* for the business-community relational resource (Dyer & Singh, 1998).

In addition, for *the communal sharing corporate community engagement model*, the *distribution and use* dimension of relational models theory entitles business and community to collectively own/control of community resource. This *common ownership* of corporate community resources builds trust between business and the community and close capability resource that can lead to competitive advantage (Jones, et al., 2018; Dyer & Singh, 1998).

3.4.2 Equality Matching Corporate Community Engagement and Competitive Advantage

Business-community interactions associated with *the equality matching corporate community engagement model* are medium-term, relational, and interdependent based on equality of business and the community in making *decision and reciprocal arrangements* (Bridoux & Stoelhorst, 2022; Dyer & Singh, 1998). These arrangements are necessary to achieve equality between business and the community (Bridoux & Stoelhorst, 2022). The accumulation of '*specialised*' corporate community engagement knowledge and *relation specific asset* that can lead to competitive advantage linked to these business-community interactions are likely to be moderated by these arrangements (Bridoux & Stoelhorst, 2022; Dyer & Singh, 1998).

Accordingly, for this model, the benefit from the increased efficient and effective communication to support the quality and speed of the implementation of corporate community engagement projects may also be moderated (Dyer & Singh, 1998). Moreover, the *exchange* of information between business and the community is also based on the equality of business and the community and may also support the accumulation of specialised corporate community engagement knowledge. However, the accumulation of specialised corporate community engagement knowledge may also be moderated by the reciprocal arrangements between business and the community. Consequently, for this model, the competitive advantage linked to relation specific asset may also be moderated.

For *this model*, business-community interactions are relational, community-participation is based on the *equality* of business and the community and may link the model to *superior knowledge sharing routines* that can lead to competitive advantage. The equality of business and the community in *decision-making* and *work* on community engagement projects may support the frequency and intensity of *business-community* interactions and link the model to *superior knowledge sharing routines* that can lead to competitive advantage. However, both *decision-making* and *work* on community engagement projects may be affected by *reciprocal arrangements* between business and the community . These arrangements may also affect the frequency and intensity of *business-community* interactions. Consequently, for this model, linking these business-community interactions that are based on *reciprocal arrangements* with *superior knowledge sharing routines* that can lead to competitive advantage may also be moderated.

The access to *information rich positions* in *network alliances* of business associated with *the equality matching corporate community engagement model* may support business in identifying potential complementary corporate community engagement resources that can lead to competitive advantage (Dyer & Singh, 1998). The *equal identity and influence* of business and the community in the relationship as well as *goodwill-based trust* may provide business with the necessary support of the community to *access information rich positions* in network alliances. So, business may also benefit from access to reliable information to identify potential complementary corporate community engagement resources that can lead to competitive advantage (Dyer & Singh, 1998).

The business-community relational resource associated with *the equality matching corporate community engagement model* is *not* long-term (Bridoux & Stoelhorst, 2022). For this model, the *reciprocal business-community arrangements* moderate the time associated with the business-community relational resource. However, the *goodwill trust* associated with this model can provide an effective *safeguard* for the business-community relational resource (Dyer & Singh, 1998).

For the *equality matching corporate community engagement model*, either business or the community may own the community resources, with equality of ownership taking place over time. These *reciprocal arrangements* between business and the community may moderate the close capability resource that can lead to competitive advantage (Jones, et al., 2018; Dyer & Singh, 1998).

3.4.3 Authority Ranking Corporate Community Engagement and Competitive Advantage

Business-community interactions associated with *the authority ranking corporate community engagement model* are limited based on the *unilateral superior benevolent decision-making* of business. These business-community interactions are unlikely to support the accumulation of specialised corporate community engagement knowledge and *relation specific asset* that can lead to competitive advantage (Dyer & Singh, 1998). Accordingly, for this model, business is unlikely to benefit from the increased efficient and effective communication to support the quality and speed of the implementation of corporate community engagement projects associated with long-term business-community relations (Dyer & Singh, 1998). Moreover, the *exchange* of information between business and the community is mostly one way from business to the community and is unlikely to support the accumulation of specialised corporate community engagement knowledge. Consequently, for this model any competitive advantage related to *relation specific asset* is unlikely.

For *this model*, business-community interactions are relational, and community-participation is based on superior-subordinate business-community relations. These interactions may not be associated with *superior knowledge sharing routines* that can lead to competitive advantage. Interactions are based on *unilateral superior business decision-making* and *work* on community engagement projects linked to *the superiority-subordinate* business-community relations. So, interactions may be frequent but not intense. Consequently, for this model, *the relational but*

benevolent business-community interactions may not be associated with *superior knowledge sharing routines* that can lead to competitive advantage.

The access to *information rich position* in *network alliances* of business associated with *the authority ranking corporate community engagement model* may not support business to identify potential complementary corporate community engagement resource (Dyer & Singh, 1998). The business-community relations based on the *superior-subordinate identity* and *influence* and *system-based trust* may not provide business with the necessary support of the community to *access information rich positions* in network alliances. So, business may also not benefit from reliable information to identify potential complementary corporate community engagement resources that can lead to competitive advantage (Dyer & Singh, 1998).

The business-community relational resource associated with *the authority ranking corporate community engagement model* is limited based on the *superior-subordinate* business-community interactions. For this model, the superiority of business in the relationship and *system-based trust* may not provide *adequate safeguards* for the business-community relational resource (Dyer & Singh, 1998).

In addition, for *this model*, the *distribution and use* dimension of relational models theory gives business the superior entitlement to own/control community resource. This may limit any close capability resource that can lead to competitive advantage for this model (Jones, et al., 2018; Dyer & Singh, 1998).

3.4.4 Market Pricing Corporate Community Engagement and Competitive Advantage

Business-community interactions associated with *the market pricing corporate community engagement model* are limited based on the transactional '*arm's length*' decision-making of business. These business-community interactions are unlikely to support the accumulation of '

specialised corporate community engagement knowledge and *relation specific asset* that can lead to competitive advantage (Dyer & Singh, 1998). Accordingly, for this model, business is unlikely to benefit from the increased efficient and effective communication to support the quality and speed of the implementation of corporate community engagement projects associated with long-term business-community relations (Dyer & Singh, 1998). Moreover, the *exchange* of information between business and the community is also *transactional*, mostly one way from business to the community and is unlikely to support the accumulation of specialised corporate community engagement knowledge. Consequently, for this model any competitive advantage related to relation specific asset is unlikely.

For *this model*, business-community interactions is transactional, associated with minimal community-participation due to *arm's length* business-community relations. These interactions may not be associated with *superior knowledge sharing routines* that can lead to competitive advantage. Interactions are based on *unilateral cost benefit analysis decision-making* by business and *work* on community engagement projects linked to *arm's length reward systems*. So, business-community interactions are neither frequent nor intense. Consequently, for this model, the *transactional 'arm's length'* business-community interactions may not be associated with *superior knowledge sharing routines* that can lead to competitive advantage.

The access to information rich position in network alliances of business associated with *the market pricing corporate community engagement model* may not support business to identify potential complementary corporate community engagement resource (Dyer & Singh, 1998). The *identity and influence* of business based on an *arm's length* reward system and *contract-based trust* business-community interactions may not provide business with the necessary support of the community to *access information rich positions* in network alliances. So, for this model, business may not benefit from access reliable information to identify potential complementary corporate community engagement resources that can lead to competitive advantage (Dyer & Singh, 1998).

The business-community relational resource associated with *the market pricing corporate community engagement model* is limited based on the *transactional arm's length* decision-making process. For this model, the *transactional* business-community interactions and *contract trust* do not provide *adequate safeguards* for the business-community relational resource (Dyer & Singh, 1998).

In addition, for *this model*, the *distribution and use* dimension of relational models theory links the ownership/control of community resource to a transactional reward system. So, for this model, there is no link to close capability resource that can lead to competitive advantage (Jones, et al., 2018; Dyer & Singh, 1998).

3.4.5 Summary

The purpose of this second section of the chapter was to extend the framework to include relational resource theory perspective of competitive advantage as a basis to address the research question of the thesis. The section assessed the four models of corporate community engagement developed in the previous section based on the relational resource theory perspectives of competitive advantage including: relation-specific asset, knowledge sharing routines, complementary resources, effective governance mechanism, and common ownership of resources (Dyer & Singh, 1998).

The framework supports the *communal sharing corporate community engagement model-competitive advantage relationship*. The long-term business-community relations associated with the model support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. In addition, frequent and intense business-community interactions associated with the model also support superior corporate community engagement knowledge sharing routines that can lead to competitive advantage. Collective business-community relations and '*thick*' trust also provide business with access to information rich position in network alliances and reliable information of complementary resources that can

lead to competitive advantage. In addition, long-term business-community interactions and 'thick' trust provide effective safeguards of the business-community relational resource. Also, the collective ownership of community resources provides further opportunities for business-community interactions and relational resource capabilities that can lead to competitive advantage (see figure 3.2).

The framework suggests that the *equality matching corporate community engagement model-competitive advantage relationship* is moderated. For this model, the reciprocal business-community arrangements moderate the duration of business-community relations and the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. These arrangements may also moderate frequent and intense business-community interactions associated with superior knowledge sharing routines that can lead to competitive advantage. However, for this model, access to business information rich position in network alliances and reliable information of potential complementary resources may lead to competitive advantage. In addition, goodwill trust between business and the community can be an effective safeguard of the business-community relational resource.

The framework supports neither the *authority ranking corporate community engagement model-competitive advantage relationship*, nor the *market pricing corporate community engagement model-competitive advantage relationship*. In the first case, the superior-subordinate business-community relations may not support the accumulation of specialised corporate community engagement knowledge, superior knowledge sharing routines nor access to reliable information of potential complementary resources. In the second case, the 'arm's length' business-community relations may not support the accumulation of specialised corporate community engagement knowledge, superior knowledge sharing routines nor access to reliable information of potential complementary resources.

These discussions are summarised in table 3.9.

Figure 3. 2 The Communal Sharing Corporate Community Engagement Model and Competitive Advantage

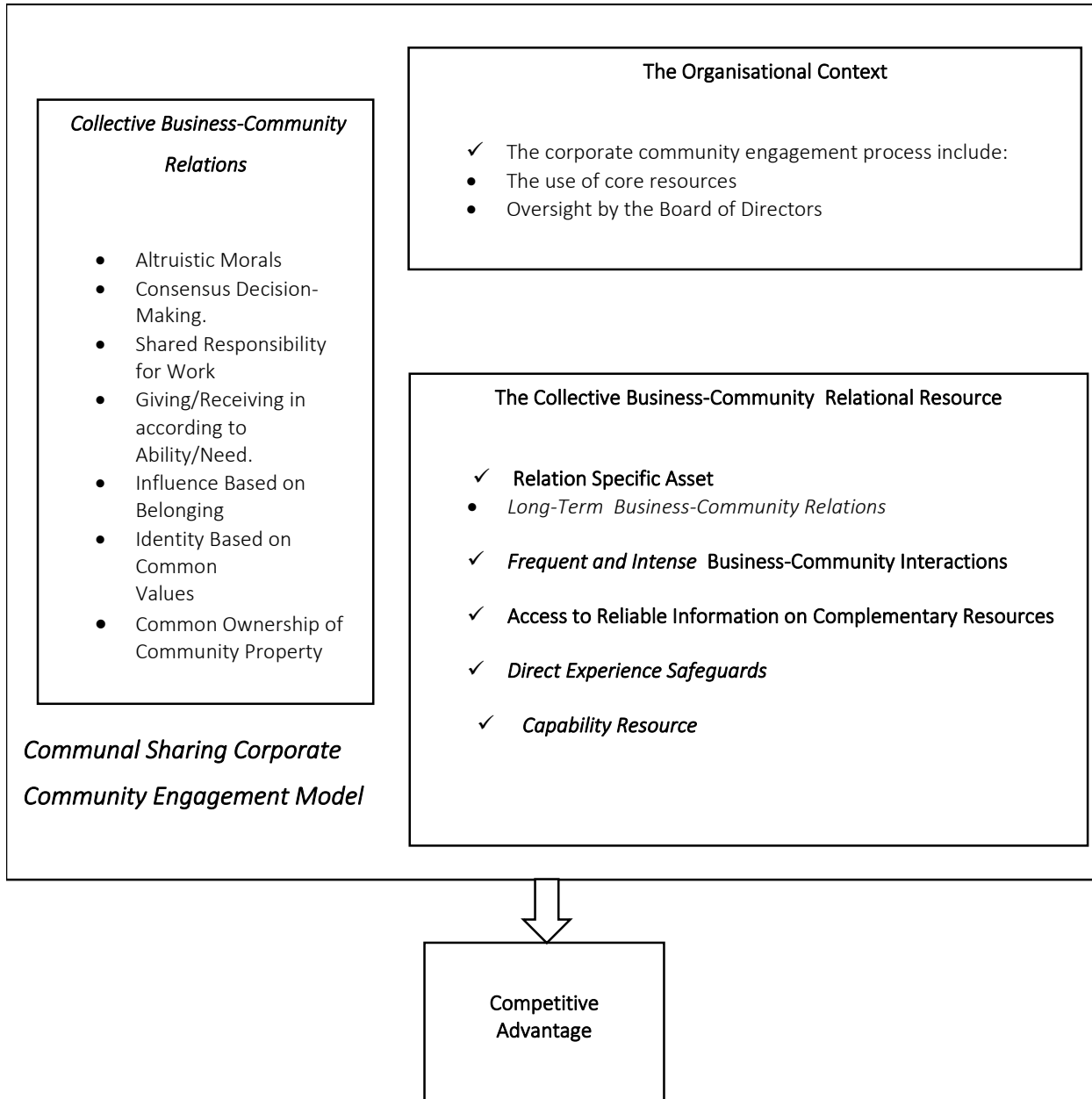


Table 3.9 Corporate Community Engagement Models and Competitive Advantage

Relation Resource Dimensions	Communal Sharing Corporate Community Engagement Model	Equality Matching Corporate Community Engagement Model	Authority Ranking Corporate Community Engagement Model	Market Pricing Corporate Community Engagement Model
Relation Specific Asset	Accumulation of specialised corporate community engagement knowledge supported by <i>long-term, collective</i> business-community relations	Accumulation of specialised corporate community engagement knowledge moderated by business-community <i>reciprocal arrangements</i>	Accumulation of 'unspecialised' corporate community engagement knowledge based on <i>superior subordinate</i> business-community relations	Accumulation of ' <i>unspecialised</i> ' corporate community engagement knowledge based on ' <i>arm's length</i> ' business-community relations
Knowledge Sharing Routines	Frequent and intense routines supported by <i>collective</i> business-community interactions	Frequent and intense routines moderated by business-community <i>reciprocal arrangements</i>	Frequent and intense routines not supported based on <i>superior subordinate</i> business-community interactions	Frequent and intense routines not supported based on ' <i>arm's length</i> ' business-community interactions
Complementary Resources	Access to information rich positions supported <i>collective identity and influence, and 'thick' trust</i>	Access to information rich positions supported by equal identity and influence, and goodwill trust	Access to information rich positions not supported based on <i>superior-subordinate</i> business-community relations	Access to information rich not supported based on ' <i>arm's length</i> ' business-community relations
Effective Governance Mechanisms	Supported by long-term business relations and ' <i>thick trust</i> ' based on shared interests and a sense of belonging.	Supported by <i>goodwill trust</i> but moderated by <i>reciprocal arrangements</i>	<i>Not Supported</i> based on superior subordinate business-community relations and <i>systems trust</i>	Not supported based on ' <i>arm's length</i> ' business-community relations and <i>contract trust</i>
Common Ownership of Community Resources	The common ownership of community resources provides opportunities to increase corporate community engagement capabilities.	Reciprocal arrangements moderates increased corporate community engagement capabilities.	The superior entitlement of business limits corporate community engagement capabilities.	Arm's length business-community relations limit corporate community engagement capabilities.
Business Outcome	<i>Competitive Advantage Supported</i>	<i>Competitive Advantage Moderated</i>	<i>Competitive advantage Not Supported</i>	<i>Competitive Advantage Not Supported</i>

3.5 Conclusions

The main purpose of this chapter was to develop a framework adequate to address the research question. The first part of the chapter developed an approach that classified four discrete corporate community engagement models: the communal sharing corporate community engagement model, the equality matching corporate community engagement model, the authority ranking corporate community engagement model, and the market pricing corporate community engagement model. The main strength of the new classification of the corporate community engagement models is that it is simple to understand but comprehensive enough to include the range of complex relational resource issues discussed in the literature review relevant to explore the corporate community engagement-competitive advantage relationship.

The second part of the chapter applied relational resource theory perspectives of competitive advantage to the newly suggested corporate community engagement models to provide the theoretical underpinnings to address the research question. The framework associates competitive advantage with only one of the suggested corporate community engagement models, that is, the communal sharing corporate community engagement model. The long-term business-community relations in the communal collective support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. The long-term business-community relations also provide business with access to reliable information of complementary resources that can lead to competitive advantage. In addition, the frequent and intense business-community interactions in the communal collective support superior corporate community engagement knowledge sharing routines that can lead to competitive advantage. In the communal collective, the personal bonds between business and the community may also provide an effective safeguard of the business-community relational resource.

4 Chapter: Research Methodology

4.1 Introduction

The thesis explores the corporate community engagement-competitive advantage relationship. The main purpose is to enhance existing theory and to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The chapter presents the methodological choices that guided the research process. It first discusses the interpretivist paradigm that grounds the qualitative study. The chapter then focuses on the research design which includes the selection of a comparative case study and mostly follows the “*Eisenhardt method*” of building theory from case study. The last sections of the chapter discuss the quality issues relevant to the study, the ethical consideration pertaining to the study and the limitations of the study.

4.2 The Philosophical Position of the Thesis

The philosophical position of the thesis is predominantly guided by the interpretivist paradigm. In its simplest sense, a paradigm is a view of the world but in a research sense, it determines the purpose of the research and how knowledge is created. A research paradigm determines the philosophical perspectives from which a phenomenon, the corporate community engagement-competitive advantage relationship, is explored and includes the assumptions, concepts and analytical tools used in the process (Burrell & Morgan, 1979). One definition of a research paradigm is:

“a system of beliefs and practices that influence how researchers select both the questions they study and the methods that they use to study them” (Morgan, 2007, p. 49).

Early perspectives of a paradigm indicated four dimensions, to distinguish two main research paradigms, namely constructivism and positivism including:

“The ontology - the nature of reality, the epistemology – the relationship between the knower and the known, the axiology – the role of values in research, the possibility of causal linkages, and the possibility of generalisation” (Teddlie & Tashakkori, 2009, p. 80).

An interpretive paradigm assumes multiple realities of the corporate community engagement-competitive advantage relationship (Myers, 2011; Burrell & Morgan, 1979). These realities may include that of business or the community. The epistemological assumption is that the understanding the corporate community engagement model and the underlying business-community relational resource mechanisms (*the known*) that can lead to competitive advantage cannot be separated from the perspective of business (*the Knower*). For this research, how corporate community engagement can lead to competitive advantage, it is the experience and interpretations of the business that are important to retain the integrity of the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage (Shah & Corley, 2006).

Consistent with the interpretive perspective, the study does not assume that the process of identifying the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage is value-free. It is the context and experience of business that is important to make the link between the specific corporate community engagement model, the underlying business-community relational resource mechanisms, and the competitive advantage of business. The main objective of this study is to uncover the specific corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. So, generalisations about the specific corporate community engagement model, the underlying business-community relational resource mechanisms and competitive advantage external to the context of this study is not the focus.

To explore the corporate community engagement-competitive advantage relationship and understand *How corporate community engagement can lead to competitive advantage*, the thesis utilises a qualitative methodology.

Qualitative Methodology

One definition of qualitative research is:

“A type of scientific research focused on holistic inquiry; it involves a vast and complex area of methodology that is used to describe a *phenomenon* from the participant’s viewpoint, with rich, descriptive detail of the human context, and preferably it does so by observing subjects in their natural setting” (Groenland & Dana, 2019, p. 2).

This qualitative study seeks to identify the corporate community engagement model and underlying business-community relational resource mechanisms that *can lead to* competitive advantage. It enables the detailed level of information required for a deeper understanding of corporate community engagement, the micro-foundational level and from the perspectives of those directly involved in the process.

The thesis relies on qualitative empirical data. Because of the insufficiency of the existing theoretical information on the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage, the thesis also relies on thick description of patterns based on the meaning of the participants (Teddlie & Tashakkori, 2009). As the qualitative research captures the actual corporate community engagement model and the underlying business-community relational resource mechanisms described by the corporate community engagement professionals, those directly involved in the process, and interpreted by the researcher as leading to competitive advantage, measurement errors are reduced. Hence there is a deeper understanding of the corporate community engagement-competitive advantage relationship (Groenland & Dana, 2019).

To summarise, a qualitative research approach supports the development of theory about the relationship based on in-depth, comprehensive information by accessing corporate community engagement professional knowledge and experience to provide thick description within the natural corporate community engagement setting, and with high levels of external validity (Groenland & Dana, 2019).

Inductive Logic

The thesis utilises an inductive logic to discover and generate meaningful research findings about the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. An *inductive logic*:

“Begins with specific observations and builds towards general patterns” (Patton, 2002, p. 56).

The corporate community engagement model and underlying business-community relational resource mechanisms that can lead to competitive advantage emerge as the researcher identifies and understand these patterns (Patton, 2002).

The objective of the thesis is to *develop* theory about the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage and enhance existing theory about the corporate community engagement-competitive advantage relationship. That is, to generate new insights about the relationship. The *inductive qualitative methodology* provides an ideal approach for the thesis, as it is good for:

“Generating novel ideas, revealing effective processes, coping with complexity” (Eisenhardt & Graebner, 2016, p. 1115).

So, the thesis follows an *inductive* logic based on the corporate community engagement professionals' perspectives but influenced by the researchers interpretation based on the accumulation of knowledge (Teddlie & Tashakkori, 2009).

4.3 Research Design

A research design is a plan for collecting, organising, and integrating data that results in a specific outcome, its findings (Merriam, 1988). There are three main considerations that determine a research design. These include the nature of the research question, the amount of control required by the researcher and the desired outcome (Merriam, 1988). The research question is:

How can corporate community engagement lead to competitive advantage?

The main empirical objective of the thesis is theory-building. That is, to enhance existing theory about the corporate community engagement-competitive advantage relationship by identifying the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The thesis seeks to address the research question using a case study research approach. There are different themes and priorities that influence how case study is defined (Myers, 2011). Various authors including Yin (2009) and Stake (1995) have described case study research in different ways (Thomas, 2011). The thesis adopts Yin (2017: p 50) definition of a case study as

“An empirical analysis that investigates a contemporary phenomenon in a real-life context especially when the boundaries between the phenomenon and its context are not clearly evident.”

The case study strategy differs from other research strategies by the form of the research question, whether the researcher requires control over the events being studied, and whether the research focuses on a contemporary event (Yin, 2017). The method of data collection used in

case study research is different from other research strategies (Yin, 2017). Case study researchers use questionnaires, interviews, observations, and document analysis. In addition, the focus of case study researchers is on how and why questions requiring no control over the context (Yin, 2017).

The case study research is a valid research approach in business research to investigate the corporate community engagement model and the underlying business-community relational resource mechanisms that support the corporate community engagement-competitive advantage relationship (Dul & Hak, 2008). Case studies are most useful as a research approach when the topic is broad and complex, when there is little theory, and when the context is important (Dul & Hak, 2008).

The corporate community engagement-competitive advantage relationship is a complex one based on the numerous antecedents. The relationship may be impacted by several factors including: the type of corporate community engagement initiative, the motivation of business to engage the community, the organisational context of corporate community engagement, the institutional context of corporate community engagement, the theories of competitive advantage, and the measures of corporate community engagement as well as those of competitive advantage.

The research framework based on relational models theory perspectives adds to this complexity with the inclusion of the micro foundational factors that may affect the corporate community engagement-competitive advantage relationship. The complexity of the context of the thesis suggests the case study research approach as a valid approach. In addition, the inclusion of micro foundational factors in the empirical analysis of the corporate community engagement-competitive advantage relationship is a relatively nascent area of research.

The context of corporate community engagement to explore the relationship is important. A liberal market driven context of corporate community engagement would be more relevant than a coordinated market context to the investigation of the corporate community engagement

model and the underlying business-community relational resource mechanisms that support the corporate community engagement-competitive advantage relationship. This is so, as the definition of competitive advantage includes the concept of rare value creation which is more in line with the liberal market driven approach to corporate community engagement.

The value creation proposition for corporate community engagement is a contemporary issue for researchers, as the empirical evidence to support the corporate community engagement-competitive advantage relationship, so far is inconclusive. In addition, there is a paucity of studies examining the corporate community engagement model and the underlying business-community relational resource mechanisms to support the relationship. Corporate community engagement is a contemporary issue for business as more companies respond to the demands of the investors for companies to address their material social risks. The thesis investigates the corporate community engagement model and underlying business-community relational resource mechanisms, the phenomenon, or the object of the case study. The case study is bounded by the value creation proposition and seeks to gain in depth knowledge of the model and mechanisms that can lead to competitive advantage.

The wider context of the case study is the corporate community engagement practices of multinational companies registered in the United States of America. Corporate community engagement in the United States of America is voluntary, there is no requirement to comply with any corporate community engagement standard (Frasen, 2013). Risk management and value creation drive corporate community engagement (Brammer, et al., 2012). Hence, corporate community engagement in the liberal market context of the United States of America would be more helpful than that of the coordinated market context that is less driven by value creation.

Comparative Case Study

The comparative case study is one kind of multiple case study design. The evidence from a multiple case study is usually considered more compelling than from a single case study. On the other hand, the rich description for which case study is known is usually reduced with multiple

case studies (Yin, 2017). This comparative case design used in the thesis is based on a nested, or the embedded design with multiple subunits, the company the subunit of the case is nested or embedded in the case, the corporate community engagement model (Yin, 2017; Thomas, 2011). The nested, embedded case design has the advantage of the rich description of a single case and the robustness of a multiple case design (Thomas, 2011). The nested, embedded design is integral to address the research question that seeks to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage (Thomas, 2011).

The comparative case design is also useful to understand, conceptualise, develop, and test new theories (Eisenhardt, 2021). The main purpose of the case study is to enhance existing theories about the corporate community engagement-competitive advantage relationship by identifying the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The intention of the thesis is to be able to generalise beyond the case to a broader universe. This requires an in-depth understanding of corporate community engagement and its complexities to identify patterns made possible by the comparative case study design.

4.4 Eisenhardt Approach to Theory-Building

The research design is influenced by the "*Eisenhardt method*" of theory-building (so named by Langley and Abdallah (2011)) here after referred to as "*the method*". The study is more aligned with the Eisenhardt inductive approach. It seeks to build theory by addressing the research question that arises from a gap in the literature that is due to inconclusive empirical evidence, a defining feature of "*the method*" (Eisenhardt, 2021; Ridder, 2017). The objective of this study is to enhance existing theory about the corporate community engagement-competitive advantage relationship by building theory about the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage.

The foundation of “*the method*” is to build theories using cases by identifying patterns of constructs within and across cases using replication logic (Yin 1984, 2017) with each case serving as an experiment or an analytic unit (Eisenhardt & Graebner, 2007). Theoretical sampling and within-case and cross-case analyses are key elements that differentiate this method of case analyses (Langley & Abdallah, 2011). “*The method*”

“Relies on Yin’s work (1984) on cases (and replication logic) and Glaser and Strauss’ (1967) iterative process of constant comparison of data and theory (and theoretical sampling and saturation), the Method’s unique contribution is theory building from multiple cases (with particular emphasis on theoretical arguments)” (Eisenhardt, 2021, p. 148).

“*The method*” is an eight-step approach to build theory from case studies. This includes step one which starts the study with the research question, step two selects the cases, step three crafts instruments and protocols, step four is entering the field, step five analyses the data, step six shape the hypotheses, step seven enfolds the literature with the data, step eight is the end of the research process.

There are several defining features of “*the method*.” This includes the research questions that are based on little or no theory and/or empirical evidence and provides opportunities for theory-building (Eisenhardt, 2021). Case selection is based on theoretical sampling and the researcher select cases where the phenomenon is likely to occur and a case study design where similarities and differences may support theory-building (Eisenhardt, 2021). Another feature of “*the method*” is that it allows for the explicit development and definition of constructs and measures during analysis to ensure that the emerging theory is well-grounded and testable (Eisenhardt, 2021). It also allows for boundary conditions and possible alternate explanations to clarify the scope and strengthen the internal validity of the emerging theory (Eisenhardt, 2021). The emphasis is on the analysis using constant comparison between the theory and data, replication logic, and cross-case analysis (Eisenhardt, 2021). These features impact different stages of the

research process and their impact on the thesis is discussed below in the recommended steps of *“the method,”* where applied (shown in table 4.1 on page 145).

“The method” has credibility in qualitative research, especially in relation to building theory. The impact of *“the method”* is substantial (Ravenswood 2010). *“Building Theories from Case Study Research”* has over 70000 citations on google scholar June 2023, exponential growth since the end of March 2013 with 3541 citations on ABM/Global database⁸. Citation data from Web of Knowledge database showed 2509 citations at the end of 2008 which far exceeded other articles appearing in the same journals in 1989 (Ravenswood 2010).

Although initially the use of *“the method”* was concentrated in management research, extensively used by Eisenhardt and her colleagues in strategic management research (Langley and Abdallah 2011), it has spread to other domains including economics and information system (Ravenswood, 2010). This indicates a broad pattern of acceptance and ‘embeddedness’ in business research (Ravenswood, 2010). *“The method”* is used in its entirety as well as used extensively for various reasons including justifying the selection of a qualitative approach for the case study, the use of multiple researchers, or the choice of theoretical sampling (Ravenswood, 2010).

One of the strengths of *“the method”* is it can generate new/novel theory (Eisenhardt, 2021; Ridder, 2017; Langley & Abdallah, 2011; Ravenswood, 2010; Eisenhardt, 1989). The emergent theory is likely to be testable with constructs that can be readily measured and generate hypotheses that can be proven false (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). In addition, the resultant theory is likely to be empirically valid since the theory and the data are closely matched (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). *“The method”* is also suitable for situations in which little is known about the phenomenon or where there is conflicting perspectives (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). *“The method”* may be used with an embedded design (Eisenhardt, 2021). Hence *“the method”* is

⁸ Qualitative Research Module Assignment

suitable for this thesis that utilises an embedded comparative case study design, where the corporate community models are the cases, and the associated companies are the subunits. The steps that guided the study include selecting cases, creating instrument and protocols, entering the field, data analysis, enfolding literature, reaching closure (see table 4.1).

Table 4.1 The Research Steps Based on Eisenhardt Method of Theory-Building

Step	Methods Section	Activity	Reason
Getting Started	Apriori Constructs		Provides better grounding of construct and measures
Selecting Cases	Case Selection	Neither theory nor hypotheses	Retains theoretical flexibility.
		Theoretical, not random sampling Specified population	Constrains extraneous variation and sharpens external validity. Focuses efforts on theoretically useful cases. those that replicate or extend theory by filling conceptual categories.
Creating Instrument and Protocols	Data Collection	Multiple data collection methods	Strengthens grounding of theory by triangulation of evidence
		Qualitative and quantitative data	Synergistic view of evidence
Entering the Field	Data Collection	Overlap data collection and analysis, including field notes.	Speeds analyses and reveals helpful adjustments to data collection.
		Flexible and opportunistic data collection methods	Allows investigators to take advantage of emergent themes and unique case features
Data Analysis	Data Analysis	Within-case analysis	Gains familiarity with data and preliminary theory generation
		Cross-case pattern search using divergent techniques.	Forces investigators to look beyond initial impressions and see evidence through multiple lenses.
Enfolding Literature	Report	Comparison with conflicting literature	Builds internal validity, raises theoretical level, and sharpens construct definitions.
		Comparison with similar literature	Sharpens generalisability, improves construct definition, and raises theoretical level
Reaching Closure		Theoretical saturation.	Ends process when marginal improvement becomes small

Source: Eisenhardt (1989, p 533)

4.4.1 Getting Started

“The method” recommends identifying the apriori constructs of the study. The first set of apriori constructs for this study relates to the organisational factors of corporate community engagement discussed in the research framework. These include the use of the core resources of business, the Board of Directors level oversight, and the management of highest material social risks. To add a new perspective to research examining the corporate community engagement-competitive advantage relationship, the thesis identifies a second set of apriori constructs drawing on the dimensions of the relational resource theory of competitive advantage from the strategic management research domain. These apriori constructs include long-term business-community relations (the duration factor), frequent and intense knowledge sharing routines, information rich positions, effective safeguards of competitive advantage, and common ownership and control of community resources.

4.4.2 Case Selection

The next step of the study and consistent with *“the method”* is to select the cases. However, prior to the selection of the cases for the study, and also consistent with *“the method,” the researcher* specify the population of the study to constrain extraneous variations and sharpen external validity. The population of this study is the four discrete corporate community engagement models discussed in chapter three, namely communal sharing, equality matching, authority ranking, and market pricing.

Typology Cases

The cases of this comparative case study are typological cases. A typological case is appropriate for the purpose of this empirical study to enhance the existing theory of how corporate community engagement can lead to competitive advantage (Blatter & Haverland, 2012; Eisenhardt, 1989). A comparative study with typological cases supports the identification of causal patterns and the corporate community engagement model and the underlying business-

community relational resource mechanisms that can lead to a phenomenon, competitive advantage (Blatter & Haverland, 2012; Eisenhardt, 1989). A most similar typological, comparative case allows for the identification of the causal patterns, and the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage (Blatter & Haverland, 2012; Eisenhardt, 1989).

Theoretical sampling is the preferred method of case selection to support theory building. For this study, the cases are purposefully and theoretically selected to best address the research question with emphasis on their similarities and differences. This improves theory-building about the corporate community engagement-competitive advantage relationship (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). To identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage, the selection of the cases are based on Eisenhardt's "*matched pairs*". This supports the identification of clear patterns of the central constructs, can lead to new findings, and build theory (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). "The *matched pair*" for this study includes a "*positive case*" that best support the expected outcome of competitive advantage and a "*possible case*" that may support the expected outcome (Blatter & Haverland, 2012).

Based on relational models theory and the relational resource theory of competitive advantage, the research framework conceptualised similar organisational context for the communal sharing corporate community engagement model and the equality matching corporate community engagement model. The framework also conceptualised differences in the business-community relations and in turn business-community *relational resources* for the models.

"Positive Case"

The communal sharing corporate community engagement model is selected as a "*positive case*" that best support the expected outcome of competitive advantage (Blatter & Haverland, 2012).

The research framework (section 3.4) suggests a positive link between this model and competitive advantage. For the value creation proposition of corporate community engagement, the framework links the organisational context of this model with the use of core resource, the Board of Directors level oversight, and corporate community engagement Initiatives that address highest material social risk.

The *business-community relation* of communal sharing corporate community engagement model case based on relational models theory perspective include: i) altruistic *morals*, ii) consensus *decision-making* iii) *exchange* of resources according to one party's ability and the other's need, iv) both business and the community pitching in as needed for work on community projects, v) *influence* in the relationship is determined by the need to belong, vi) *identity* is based on the common values, and vii) business and the community own the community resources together and are entitled to use community resources as needed.

The *positive link* of this model to competitive advantage is defined by the business-community *relational resource* based on relational resource theory and include: i) long-term business-community relations that support the accumulation of specialised corporate community engagement, ii) frequent and intense business-community interactions that support superior corporate community engagement knowledge sharing routines, iii) the collective business-community relations and '*thick*' trust that provide business with access to information rich position in network alliances and reliable information of complementary resources, iv) long-term business-community interactions and '*thick*' trust that provide effective safeguards of the business-community relational resource, and v) the collective ownership of community resources that provide close capability resource.

"Possible Case"

The equality matching corporate community engagement model is also selected as a "*possible case*" that may support the expected outcome. The research framework (section 3.4) suggests a

moderated link between this model and competitive advantage. The framework also suggests a similar organisational context of this model to that of the communal sharing corporate community engagement model. This includes the use of core resource, the Board of Directors level oversight, and corporate community engagement Initiatives that address highest material social risk.

The *business-community relation* of equality matching corporate community engagement model case based on relational models theory perspective include: i) equality morals, that defines all the other dimensions of the theory including decision-making, exchange, work on community projects, influence of business and the community, and the distribution and use of community, and ii) the equality of business and the community takes place over time based on *reciprocal arrangements*.

The moderated link of this model to competitive advantage defined by the *business-community relational resource* and based on relational resource theory include: i) medium-term business-community relations that *may not* support the accumulation of specialised corporate community engagement, ii) frequent and intense routines moderated by business-community reciprocal arrangements that *may not* support superior knowledge sharing routines, iii) access to information rich positions that provides reliable information of potential complementary resources, iv) goodwill trust as an effective safeguard for the business-community relational resource, and v) the equality of the distribution and use dimension *may not* provide a close capability resource associated with the ownership and control of community resources.

The Omitted Cases

Both *the authority ranking corporate community engagement model* and *the market pricing corporate community engagement model* are excluded from the investigation as based on the research framework they are unlikely to support the expected outcome of competitive advantage (Blatter & Haverland, 2012). This position is taken based on the *transactional arm's*

length nature of *business-community relations* of the former model and the *relational superior-subordinate* of business-community relations of the latter model. They are not expected to support efficient knowledge exchange, the alignment of business and community interests, and in turn to support value creation that is rare (Bridoux & Stoelhorst, 2016; Porter & Kramer, 2006; Dyer & Singh, 1998).

4.4.2.1 The Embedded Design

Nested or embedded case studies have multiple levels of analysis (Eisenhardt, 2021). The corporate community engagement model is the main unit of analysis. The embedded comparative case study design includes different levels of analysis, the case/model level, and the subunit/company level. The companies associated with a specific model is an instance of the case, subunits, or subclass, another level of analysis (Yin, 2017). So, the thesis collects data from the company which is amalgamated to generate data for the model level. But, to arrive at the level of analysis of the model and to identify the differential underlying business-community relational resource mechanisms that can lead to competitive advantage, it is necessary to first analyse the data at the subunit level and then to do the analysis for the model level.

Subunit Selection

The subunits/ companies of the study are purposefully selected from the MSCI USA ESG Index. The researcher selected the MSCI USA ESG Index, as the context of the study is the United States of America, and the researcher had previous experience of working with participants from this Index.

One concern about variability of the subunits of the study was to ensure that both “*large*” and “*small*” companies were included in the study to reduce any related bias as much as possible. This was important as the question of the size of business is still an unsettled matter in the corporate community engagement-competitive advantage debate. Different theories of competitive advantage yield different results in relation to the impact of the size of the business

on the corporate community engagement-competitive advantage relationship. For a resource-based theory perspectives, the size of business moderates the relationship, the smaller business has fewer tangible resources to engage the community (Marín, et al., 2012). However, from the relational resource theory perspectives, the small business may have more relational resources than the large business that compensate for the lack of tangible resources (Jamali, et al., 2009). These relational resources may include close business-community interactions (Battaglia, et al., 2014; Tantalo, et al., 2012), or strong business-community integration (Jamali, et al., 2009). To address this concern, the MSCI USA ESG Index list was divided in two based on the mean level of capitalisation and companies chosen from both halves to ensure that both “*large*” and “*small*” companies were included in the study.

Another concern about variability of the subunits of the study was the selection of companies from different industries. This is important, as the impact of the industrial context on the corporate community engagement-competitive advantage relationship is a complex one and the empirical evidence so far, has been inconclusive. Corporate community engagement performance may differ across industry, driven by industry standards (Runhaar & Lafferty, 2009) and the “*peer effect*” (Liu & Wu, 2015). Compliance with industry standards alone only yield temporary advantage (Falkenberg & Brunsæl, 2011). While business in highly competitive industries is more likely to use corporate community engagement initiatives to differentiate their products from the competition (Bai & Chang, 2015; Fernández-Kranz & Santaló, 2010; Van de Ven & Jeurissen, 2005). But, where “*the demand for virtue*” is weak, the level of competition may negatively affect the corporate community engagement-competitive advantage relationship (Quairel-Lanoizelee, 2011). For this study, an effort was also made to ensure that companies from different industrial sectors were represented in the sample of subunits.

The age of the subunits included in the study is also a variability concern. The duration of business-community relationship is important for the relational resource perspectives of the corporate community engagement-competitive advantage relationship (Dyer & Singh, 1998).

The study also includes a mix of older and recent companies to provide further theoretical grounding for the thesis (Eisenhardt, 2021).

Participants - The Communal Sharing Corporate Community Engagement Model Case

The communal sharing corporate community engagement model case includes nine nested subunits (see table 4.2). Seven of the subunits are listed on the New York Stock Exchange and two listed on the NasdaqGS. They are multinational companies operating in between a modest eighteen countries and extensively over two hundred countries with six of them operating in over one hundred countries. In addition, the subunits are both “*large*” and “*small*” companies relative to the average capitalisation of the MSCI USA ESG Index. The age of the subunits varies from a low of twenty-two years to a high of over one hundred and fifty years with three companies over one hundred years.

Participants associated with the communal sharing corporate community engagement model, generally perform better than their industry peers. As table 4.3 illustrates, six of the nine participants associated with this model, are ESG leaders in their respective industries based on the MSCI USA ESG index for the review period (2018-2020), and three participants (companies CS4, CS6 and CS9) are average performers in their respective industries. For this model, three participants (companies CS2, CS6., and CS9) perform better than the average of their industry in relation to the financial market-based measure of the price earnings ratio. For the accounting measure of the return-on-investment five participants (companies CS2, CS3, CS4, CS7, and CS9) perform better than the average of their industry peers. Five participants (companies CS2, CS3, CS6, CS7, and CS8) also perform better than the average of their industry in relation to improved access to capital, measured as interest on *long-term debt*.

Table 4.2 Participants - The Communal Sharing Corporate Community Engagement Model Case

Participants	Industry Sector	Size of the Business ⁹	Number of Countries (2020)	Number of Employees (2020) ¹⁰	Age of Business (2020) ¹¹
CS1	Materials	Below	100+	Low	Older
CS2	Finance	Above	100+	Low	Older
CS3	Information Technology	Above	<100	Low	Recent
CS4	Finance	Above	100+	High	Recent
CS5	Information Technology	Below	<100	Low	Recent
CS6	Transportation	Above	100+	High	Mid-Range
CS7	Health	Above	100+	Low	Mid-Range
CS8	Consumer Staple	Below	<100	Low	Older
CS9	Transportation	Above	100+	High	Older

Table 4.3 Industry Comparative Business Performance - Communal Sharing Corporate Community Engagement Model

Participants	Industry Sector	ESG Performance 2018-2020	Financial Performance 2018-2020			
			P/E Ratio	ROE	ROI	Interest on Long-Term Debt
CS1	Materials	Leader	Below	Below	Below	Worse
CS2	Finance	Leader	Below	Above	Above	Better
CS3	Information Technology	Leader	Above	Above	Above	Better
CS4	Finance	Average	Below	Below	Above	Worse
CS5	Information Technology	Leader	Below	Above	Below	Worse
CS6	Transportation	Average	Above	Below	Below	Better
CS7	Health	Leader	Below	Above	Above	Better
CS8	Consumer Staple	Leader	Below	Above	Below	Better
CS9	Transportation	Average	Above	Below	Above	Worse

⁹ Size in relation to MSCI USA ESG Mean Capitalisation of 0.017% at October 2021

¹⁰ Low 5000-100000 number of employees, High 101000+ number of employees

¹¹ Recent companies 10-30 years, Mid-Range companies 31-60 years, Long-Range companies 61+ years

Participants - The Equality Matching Corporate Community Engagement Model

The equality matching corporate community engagement model case includes eight nested subunits (see table 4.4). Three of the subunits are companies listed on the New York Stock Exchange and five listed on the NasdaqGS. They are also multinational companies operating in between a modest nine countries and extensively over two hundred countries with three of them operating in over one hundred countries. In addition, the subunits are both “*large*” and “*small*” companies relative to the average capitalisation of the MSCI USA ESG Index. The age of the subunits varies from a low of twenty-two years to a high of over one hundred and fifty years with three companies over one hundred years.

Based on different business performance measures, the participants associated with the equality matching corporate community engagement model do not generally perform better than their industry peers for the review period (2018 to 2020) (see table 4.5). In relation to social performance based on the MSCI USA ESG, only two of the eight participants associated with this model (companies EM1 and EM4) are ESG leaders in their respective industries. In relation to the financial market-based measure of the price earnings ratio and accounting measure of return on assets, the participants associated with this model, generally performed less than their industry peers. For price earnings ratio all eight participants performed below their industry peers, while for return on investment only two participants (companies EM1 and EM7) performed better than their industry peers. For the review period, the participants associated with this model generally did not benefit from better interest rates for long-term debt compared with the industry average. Only two participants (companies EM2 and EM8) benefitted from better rates than their industry average.

Table 4.4 Participants – The Equality Matching Corporate Community Engagement Model Case

Participants	Industry Sector	Size of the Business ¹²	Number of Countries (2020)	Number of Employees ¹³ (2020)	Age of Business ¹⁴ (2020)
EM1	Information Technology	Above	<100	Low	Mid-Range
EM2	Telecommunications	Above	100+	High	Long-Range
EM3	Consumer Discretionary	Above	100+	Low	Long-Range
EM4	Business Services	Below	100+	Low	Recent
EM5	Information Technology	Below	<100	Low	Recent
EM6	Information Technology	Below	<100	Low	Recent
EM7	Information Technology	Above	<100	High	Mid-Range
EM8	Business Services	Below	<100	High	Recent

Table 4.5 Industry Comparative Business Performance- Equality Matching Corporate Community Engagement Model

Participants	Industry Sector	ESG Performance 2018-2020	Comparative Financial Performance 2018-2020			
			P/E Ratio	ROE	ROI	Interest on Long-Term Debt
EM1	Information Technology	Leader	Below	Above	Above	Worse
EM2	Telecommunications	Average	Below	Below	Below	Better
EM3	Consumer Discretionary	Average	Below	Above	Below	Worse
EM4	Business Services	Leader	Below	Above	Below	Worse
EM5	Information Technology	Average	Below	Below	Below	Worse
EM6	Information Technology	Average	Below	Below	Below	Worse
EM7	Information Technology	Average	Below	Above	Above	Worse
EM8	Business Services	Average	Below	Above	Below	Better

To summarise, there are clear differences in comparative industry business performance based on different measures for the two corporate community engagement model cases. For all the measures, the number of participants associated with the *equality matching corporate community engagement model* that *underperforms* their industry peers is high (table 4.6). In the majority of instances, the participants associated with this model consistently performed below their industry peers across all measures including market-based price-earnings, return on asset, access to finance, and ESG performance. This suggest that as conceptualised, the reciprocal

¹² Size of the business in relation to MSCI USA ESG Mean Capitalisation of 0.017% at October 2021

¹³ Low 5000-100000 number of employees, High 101000+ number of employees

¹⁴ Recent companies 10-30 years, Mid-Range companies 31-60 years, Long-Range companies 61+ years

arrangements between business and the community, although speeding up the time to implement corporate community engagement initiatives may result in less-than-optimal outcomes and may not significantly affect business performance (Bridoux & Stoelhorst, 2022).

Table 4.6 Business Performance - Comparison of Corporate Community Engagement Models

Corporate Community Engagement Theme	Corporate Community Engagement Sub-Themes	Corporate Community Engagement Model <i>(Number of Participants)</i>	
		Communal Sharing	Equality Matching
Business Performance	ESG Measure	High	Low
	Return on Investment (2018-2020)	Moderate	Low
	Price Earnings Ratio (2018-2020)	Low	Low
	Improved Access to Capital <i>(Measured as interest on long-term debt 2018-2020)</i>	Moderate	Low

4.4.2.2 Saturation

While saturation is not relevant at the case selection level, because of the comparative two-case approach, saturation at the subunit level is relevant. The thesis used the criteria for saturation in each case of when there was a good representation of both large and small companies as well as a representation of different industries, and different ages of companies. For the communal sharing corporate community engagement model case, the participants included are from six industries with six above the average capitalisation of the index and three below. While for the equality matching corporate community engagement model case, the participants included are from five industries with four above the average capitalisation of the index and four below. In addition, there is a good mix of participants of different age ranges for both cases (see table 4.2 page 153 and table 4.4 page 155).

4.4.3 Crafting the Instrument and Protocols

The next step is that the researcher decides the methods to be used in data collection and the suggestion is that multiple methods be used to enable data triangulation of the evidence and strengthen the theory. "*The method*" recommends the use of both qualitative and quantitative data and multiple investigators to enable a synergistic view of the evidence and divergent perspectives (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). Although not a requirement of "*the method*," many multi-case theory-building studies use interviews and archival data (Eisenhardt, 2021). Similarly, the thesis uses both methods to collect qualitative and quantitative data to explore the corporate community engagement-competitive advantage relationship. Multiple data collection methods give credibility to the research findings and strengthens the new theory by the triangulation of the evidence (Eisenhardt, 2021).

4.4.3.1 The Interviews

Interviews allow the thesis to reflect the perspectives of corporate community engagement professionals since the thesis is interested in theorising about the existing social reality of corporate community engagement (Langley, 2009; Patton, 2002). The interviews are semi-structured based on the seven main dimensions of relational models theory relevant to corporate community engagement and include: morals, decision-making, exchange, work, influence, identity, and distribution and use (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992) (see appendix B). Semi-structured interviews were utilised as they allowed further questions where necessary to ensure the adequacy of the data collected (Gray, 2011).

The researcher recruited persons for interviewing from LinkedIn based on the listing of companies on the MSCI USA ESG Index at the end of October 2021. The researcher sent over two hundred invitations and twenty-one executives favourably responded. The database of the empirical evidence for the comparative case study includes the transcript of seventeen of the twenty-one interviews the researcher conducted. The other four transcript did not meet the criteria for case selection (discussed in the case selection).

The researcher shared interview questions with the interviewees prior to the interviews. The researcher also examined the relevant ESG 2018-2020 and financial reports for 2018-2020 prior to the interviews. This allowed for clarification of questions based on examples of the corporate community engagement initiatives included in the ESG reports, where necessary. It also allowed for the development of rapport between the interviewer and the interviewee which made the interviewee more willing to share. Because of the geographical location of the participants, the researcher conducted the interviews using Microsoft Teams between November 2021 and March 2022. The interviews lasted on average between forty-five minutes to one hour and were timely transcribed (Hartley, 2004).

The executives interviewed were directly involved in the corporate community engagement process. This ensured that they had the depth of knowledge required to answer the interview questions and in turn for the researcher to address the research question. They were all at the managerial level to ensure that they could contribute at both the operational and strategic levels. For the communal sharing corporate community engagement model case, the participants include three senior managers, three middle managers, and three heads of foundations (see table 4.7).

For the equality matching corporate community engagement model case, all but one of the executives interviewed were directly involved in the corporate community engagement process including four senior managers and three heads of foundation. The executive interviewed for company EM1 is a vice president working closely with the corporate community engagement department and involved with the leadership of one of the employee resource groups (see table 4.8).

Table 4.7 *Management Level of Executives Interviewed- Communal Sharing Corporate Community Engagement Model Case*

Participants	Job Title of Respondent
CS1	Head of Foundation
CS2	Senior and Middle Managers
CS3	Head of Foundation
CS4	Middle Manager
CS5	Middle Manager
CS6	Senior Manager
CS7	Senior Manager and Head of the Foundation
CS8	Senior Manager
CS9	Middle Manager

Table 4.8 *Management Level of Executives Interviewed- Equality Matching Corporate Community Engagement Model Case*

Participants	Job Title of Respondent
EM1	Senior Manager
EM2	Senior Manager
EM3	Senior Manager
EM4	Foundation Manager
EM5	Foundation Manager
EM6	Senior Manager
EM7	Foundation Manager
EM8	Senior Manager

4.4.3.2 The Archival Data

The thesis uses archival data available in the public domain to provide additional empirical evidence to better assess the corporate community engagement-competitive advantage relationship and to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage (Shah & Corley, 2006). The archival data is the sole source of evidence for some organisational factors including business performance and material social risk. But archival data also supplemented interview evidence. The thesis triangulates the archival data with the interview data and visa-versa to ensure the accuracy and consistency of the empirical evidence (Gray, 2011). Hence, the archival data gives credibility to the interview data and visa versa (Langley, 2009). For this study, the archival data also supported the preparation of the interview. The researcher was able to particularise the interview questions to the participating company which enabled the collection of more accurate data.

4.4.3.3 Quantitative Data

“The method” encourages the researcher to use a mix of qualitative and quantitative data to give a synergistic view of the evidence. This study uses quantitative data to assess the business performance of the two cases to adequately identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The source of the information includes company websites, ESG 2018-2020 reports, financial reports for 2018-2020, and Stern Business School New York University Industry Financial Performance Database.

4.4.4 Entering the Field

On entering the field, *“the method”* recommends a flexible approach to data collection, overlapping data collection and data analysis. This not only speeds up the analysis but also allows the researcher to take advantage of emerging themes. For this study, data collection began with

the ESG/sustainability reports and company website to inform the interview process. After the interviews and coding were done, the researcher returned to the ESG/sustainability reports and company websites to find additional evidence for the emerging themes.

4.4.5 Data Analysis

To analyse the data, “*the method*” recommends within-case and cross-case analysis using divergent techniques to search for patterns. This enables the researcher to familiarise with the data and theory generation and forces the researcher to look beyond initial impression and view the data through multiple lenses (Eisenhardt, 2021; Langley & Abdallah, 2011; Eisenhardt, 1989). For this study, the purpose of qualitative data analysis was to make sense of the massive data that has been collected, to transform the data into findings, and to address the research question.

The main themes from the research framework informed data collection and the semi-structured interviews which is supplemented and triangulated with the ESG reports and information to ensure a fuller account of the corporate community engagement practices for each company. The transcribed interviews for the participants of approximately seventeen thousand words is supplemented and cross check with archival data of 51 ESG reports. (For a list of the corporate community engagement mechanisms, measures and data sources (see table 4.9 and table 4.10).

Classification of the Participants

The classification of the participants to the corporate community engagement model was based on the overall assessment of the responses to interview questions five, six, seven, and eight (see appendix B). The items considered included how decisions are made, how information is shared, control over the allocation of work, as well as control over the distribution and use of community resources. Participants associated with the equality matching corporate community engagement

model generally indicated equal responsibility over these processes. While participants associated with the communal sharing corporate community engagement model generally indicated a shared responsibility, a collective approach.

Table 4.9 Corporate Community Engagement Themes *Status and Data Source*

Corporate Community Engagement Factors	Corporate Community Engagement Themes	Status	Data Source
Organisational Factors	Core Resources	Apriori	Interviews
	Board Level Oversight	Apriori	Interviews and ESG reports
	Alignment with Material Social Risk	Apriori	ESG Reports
	Alignment with UN SDGs	Apriori	Interviews and ESG Reports
	Corporate Foundations	Apriori	Interviews and ESG Reports
Perceived Business Benefits	Business Success, Increased Brand Value, Improved Reputation, Access to Capital, Licence to Operate, Employee Cost Savings	Apriori	Interviews
Business Performance Measures	ESG Measure	Apriori	MSCI Website
	Return on Investment (2018-2020)	Apriori	Company Financial Statements Stern Business School New York University Industry Financial Performance database.
	Price Earnings Ratio (2018-2020)	Apriori	Company Financial Statements Stern Business School New York University Industry Financial Performance database.
	Improved Access to Capital (<i>Measured as interest on long-term debt 2018-2020</i>)	Apriori	Company Financial Statements Stern Business School New York University Industry Financial Performance database

Table 4.10 Relational Resource Themes Status and Data Source -

Themes	Status	Source of Data
Duration of Corporate Community Engagement Safeguards	Apriori	Interviews
Scope of Corporate Community Engagement Projects	Second Level Apriori	ESG Reports Company Website
Frequent and Intense Business-Community interactions	Second Level Apriori	Interviews
Information-Rich Corporate Community Engagement Position	Second Level Apriori	ESG Reports
Third-party Corporate Community Engagement Enforcement	Second Level Apriori	Interviews
Informal Direct Self-Enforcement	Second Level Apriori	Interviews
Informal Indirect Self-Enforcement – Reputation Indices listings	Second Level Apriori	ESG Reports Third Party Website
Ownership and/or Control of Corporate Community Engagement Resources	Apriori	Interviews
Leveraging Community-Knowledge Across Community Projects	Emergent	Interviews ESG reports
Learning Community Projects	Emergent	Interviews ESG Reports
Shared Interests Safeguards	Emergent	Interviews

Pattern matching was the main data analysis tool for this comparative case study to develop theory concerning the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. Pattern matching is useful to identify the differences and similarities for the two corporate community engagement models cases (Eisenhardt, 1989). In addition, within-case and cross-case analyses were also used in this study. They are suitable for case studies with no apriori hypotheses (Eisenhardt, 1989).

Subunit Level Analysis

The data for each participants were *coded* based on organisational factors, perceived business benefits, business performance, and business-community relations. In addition, the business-community relations were further coded based on the dimensions of relational resource theory of competitive advantage second level construct.

Within-case analyses were first conducted for the subunits of the two cases to identify the organisational factors and the business-community relational resource dimensions. This was followed by cross-case analyses of the subunits and detailed write-ups for each case.

Case Level Analysis

Cross-case analysis was conducted across the two cases, the equality matching corporate community engagement model case and the communal sharing corporate community engagement model case to identify similarities and differences. The details from this *main* cross-case analysis are presented in data matrices and scoring of the constructs to develop the findings of the embedded comparative case study (Dul & Hak, 2008). Data matrices are utilised to identify necessary conditions to support the corporate community engagement-competitive advantage relationship (Dul & Hak, 2008). The scoring for the constructs in the data matrices was based on three levels low, moderate, or high. A low score indicates that two or less participants of the case are associated with the mechanism. A moderate score indicates three to five participants of the case are associated with the mechanism. A high score indicates six or more participants are associated with the mechanism.

4.4.6 Enfolding the Literature

“The method” encourages the researcher to relate the findings of the research not only with similar literature but also with contradicting literature to raise the theoretical level (Eisenhardt,

2021; Langley & Abdallah, 2011; Eisenhardt, 1989). The findings of this study are enfolded with the corporate community engagement and the broader corporate social responsibility literature, the relational models theory from the social psychology literature and the relational resource theory of competitive advantage from the strategic management literature.

4.4.7 Reaching Closure

The process ends with theoretical saturation when marginal improvement becomes small. The purpose of this study was to explore the corporate community engagement competitive advantage relationship and to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The study was based on the corporate community engagement practices of public corporations in the United States of America for a specified period. This bounded the study and ended when no new finding was possible from the data set.

4.5 Quality Issues

Although case study research has its advantages including to examine a complex, contemporary phenomenon when the context is important, it has limitations (Myers, 2011). The main concern being lack of rigour caused from equivocal evidence or biased views influencing findings and conclusions (Yin, 2017). As mentioned before, the main empirical objective of the thesis is theory-building. That is, to enhance the existing empirical and theoretical corporate community engagement-competitive advantage literature by investigating the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. This research is a qualitative research, and the usual methods of evaluating quantitative research may not adequately reflect the issues of qualitative research (Shah & Corley, 2006). The relevant quality issues to evaluate qualitative research are credibility, transferability, dependability, and confirmability to ensure the trustworthiness of the empirical evidence (Lincoln and Guba (1985) in Shah and Corley 2006).

Based on the interpretivist paradigm, the purpose of this multiple case study is to explore how corporate community engagement can lead to competitive advantage relationship. That is, to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The main objective of the study is not to be able to generalise the findings but to provide insights for future studies. The goal is to make each step explicit and a database of transcript (Yin, 2017). For this study, the data collection and data analysis section outline the details of the research actions taken (section 4.4). The record of the case study database is discussed in the interview section. In addition, to improve the reliability, the study triangulated multiple sources of data, including from the interviews and from archival data in company reports and on company websites.

The validity of the case study research indicates that the research phenomenon, and its social reality are accurately reflected (Yin, 2017). The researcher ensured all publicly information available on the corporate community engagement practices of the participants were accessed prior to the interview. This helped to focus the interview and built rapport with the interviewee to support the sharing of the corporate community engagement practices by the interviewee to better identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. For construct validity, each construct, corporate community engagement mechanism that is identified is defined and the finding discussed in relation to the competitive advantage theories in the findings chapter. In addition, the findings of the embedded comparative case study are the result of pattern matching and within and cross-case analysis that supports the internal validity and explain how the underlying corporate community engagement model and the underlying business-community relational resource mechanisms lead to competitive advantage.

4.6 Ethical Considerations

The main ethical considerations of the study are the anonymity of the participants, their confidentiality, and the protection of the data. The interviewing of participants was one of the data collection methods used for the study. Interviews are interventions and the researchers

need to have an ethical framework to ensure that they protect the interest of the participants (Patton, 2002). The right to privacy and confidentiality of the interviewees were the main ethical concerns of this method of data collection. Based on the established guidelines of informed consent, the prospective interviewees were clearly informed via email, as a part of the invitation to participate in the study, of the benefits and risks of the research and were given the opportunity to decide whether to participate (“informed consent”) (Langley & Royer, 2006). In most cases the interviewees participated in the research based on the condition of their own confidentiality as well as that of their companies (see appendix C).

As a further means of protection, the researcher gave the participants pseudonyms that bears no resemblance to their names and the researcher have only shared these with the supervisors to maintain the authenticity of the empirical evidence. The researcher has taken extreme care with the use of the information in the ESG reports to support the interview data while maintaining the anonymity of the interviewees. In addition, the researcher treated all the participants with the utmost respect and the information received as confidential.

The survey data collection method was used in the original study of the corporate community engagement-competitive advantage relationship. Although the survey method of data collection is not as intrusive as interviews, the researcher was still guided by the established ethical framework to ensure that the interests of the participants were protected and not violated (Patton, 2002). The assurances given to the interviewees were also given to the survey participants. In addition, the participants were given the added assurance that their individual data would not be published, and all participants detail and data are kept in a password protected file. Based on the assurances given to both sets of participants, the research complied with the research ethics policy of the Department of Management and Informatics, Birkbeck College University of London. The Department gave approval in November 2021 for the qualitative approach.

4.7 *Limitations of the Research Methodology*

Like any other empirical investigation, this study has certain limitations. The first limitation of the study is that it conceptualised an approach of four models more relevant to explore the corporate community engagement-competitive advantage relationship than other approaches in the existing literature, but two of the models were omitted from the study. The authority ranking corporate community engagement model and the market pricing corporate community engagement model were omitted as they were assessed as less likely to support the corporate community engagement-competitive advantage relationship. Limiting the comparative case study to include only the communal sharing corporate community engagement model, the “*positive case*” and the equality matching corporate community engagement model, a “*possible case*” helped to focus the research efforts and sharpened the external validity of the study (Eisenhardt, 2021; Eisenhardt, 1989). However, a study that includes the omitted models may yet reveal new theories about the relationship.

Another limitation of the case study is that all the participants included in the study are multinationals. Although, each case includes “*small*” and “*large*” multinationals, the size of the business debate is still relevant. So, the findings of the thesis must be read in the context of multinationals.

One of the limitations mentioned in the literature, is the loss of rich description with a multiple case study approach associated with the “*Eisenhardt method*.” However, the embedded multiple case study that is used in this study, compensates for this limitation normally associated with the multiple case study design (Yin, 2017; Thomas, 2011).

Although “*the method*” has gain significant recognition, there are still concerns in the research community. One concern is the emphasis of “*the method*” on ‘*good construct*’ that reduces the rich descriptions/narratives of the “*classic*” case studies (Dyer & Wilkins, 1991). Another concern is that those who would attempt to use “*the method*” are necessarily constrained by the number of cases that will be studied, and the descriptions of the cases will be rather “*thin*” focusing on surface data rather than deeper social dynamics (Dyer & Wilkins, 1991). In addition, “*the*

method” emphasises constructs and testable hypotheses at the expense of highlighting the construct in its ongoing social context which would make it more memorable, coherent, and credible (Dyer & Wilkins, 1991).

The debate on the construct stems from a difference in opinion on the role of the construct in the process of theory building because they differed in the assumptions regarding the role of constructs in the research process (Suddaby, 2010). While Eisenhardt (1989, 1991) views the construct as a lens through which data can be analysed in the theory-building process; Dyer and Wilkins (1991) view the construct as emerging from the data (Suddaby, 2010). The researcher supports the position taken by Langley & Royer, 2006, that:

“There is room for a broad variety of approaches to case study research can thus be recognised as legitimate if done well in their own terms, including those offering rich and insightful stories as well as those aiming to generate strong theoretical propositions” (p. 92).

Corporate community engagement is an overly sensitive area of business. Many businesses, especially large corporations manage their external communication arduously because of the possible reputational damage of “*a misspeak.*” Many of the potential participants told the researcher that they were only allowed to speak about what is in the public domain. Only two of the twenty-one participants were not concerned about confidentiality. To protect the participants, the names of the companies included in the study are anonymised. This limits the face validity of the research as well as the rich descriptions of the examples (Yin, 2017). The general loss of rigor of case study and the quality issues are discussed in the quality issues section of this chapter. This balance is required to not cause harm or damage to the participants (Gray, 2011)). Nevertheless, some element of reliability is regained with the embedded multiple case study design, multiple sources of data that is utilised, and the case study evidence database.

5 Chapter: The Findings

5.1 Introduction

The purpose of the chapter is to present the findings of the comparative case study that explored *how corporate community engagement can lead to competitive advantage*. The findings are structured around three main themes:

1. The organisational context of corporate community engagement discussed in section 2.4.2 of the literature review (section 5.2),
2. The perceived business benefits of corporate community engagement discussed in section 2.2.5 of the literature review (section 5.4), and
3. The business-community relational resource discussed in section 3.3 of the research framework (section 5.5).

For the *organisational context theme* of how business manage corporate community engagement, the findings are based on various sub-themes discussed in the literature review including:

- i. Identifying the community (section 2.2.1 page 15),
- ii. The utilisation of core resource (section 2.2.2 page 17),
- iii. The oversight by the board of directors (section 2.4.2.1 page 73),
- iv. Addressing the highest material social risk (section 2.4.2.3 page 76), and
- v. The alignment with the sustainable development goals (section 2.2.3 page 23).

For the *perceived business benefits theme* to link corporate community engagement to competitive advantage, the findings are based on various sub-themes discussed in section 2.2.5 (page 42) of the literature review including:

- i. Employee Recruitment and Retention Cost Savings,
- ii. Licence to Operate,
- iii. Improved Reputation,
- iv. Increased Brand Value,
- v. Improved Access to Capital, and
- vi. Business Success

An additional sub-theme, *human resource development capabilities*, emerged from the data.

For the *themes of organisational context* and perceived business benefits, the empirical evidence is presented for each corporate community engagement model with a comparative analysis to unpack the similarities and differences.

For the *business-community relational resource theme*, the findings are based on various sub-themes discussed in section 3.3 of the research framework including: i) the corporate community engagement relation specific asset, ii) the corporate community engagement knowledge sharing routines, iii) the corporate community engagement complementary resources, iv) the effective system of governance, and v) the ownership and/or control of community resources. For the business-community relational resource theme, the empirical evidence is presented for each *sub-theme* for each model with a comparative analysis to unpack the similarities and differences at the sub-theme level.

The data to support these findings are from interviews and company reports. Where the sub-themes are supported by *all* the participants of a case, the supporting evidence is presented in a table.

Section 5.5 summarises the findings in relation to the main themes of the corporate community engagement relationship: the organisational context (section 5.5.1), the perceived business benefits (section 5.5.2) and, the business-community relational resource (section 5.5.3). The

penultimate section (5.5.4) link these findings to the two models. Section 5.5.5 presents the conclusions.

5.2 The Organisational Context

This section presents the data for the organisational context of corporate community engagement of the two cases and the comparative analysis. The data relates to the items discussed in the research framework and includes how business defines the community, the utilisation of core resource, the oversight by the Board of Directors, addressing the highest material social risk and, the use of corporate foundations. The data also relates to the alignment of corporate community engagement with the United Nations Sustainable Development Goals that arose from the participants responses.

5.2.1 The Communal Sharing Corporate Community Engagement Model

Organisational Context

This section presents the findings for the organisational context of the communal sharing corporate community engagement model.

Identifying “the Community”

As shown in table 5.1, for the communal sharing corporate community engagement model, the number of participants that identifies “the community” as “where we live and work” is high (all nine participants¹⁵).

Table 5.1 Identifying “the Community” - The Communal Sharing Corporate Community Engagement Model

Participant	Quotes	Source
Company CS1	“Our <u>company</u> promotes the wellbeing of our employees by contributing to programs and initiatives that enhance the quality of life in which they work and live.” (Edited to maintain confidentiality, emphasis added) ¹⁶ .	Interview
	“We strive to make a positive impact in the places where we live, work and play.”	Report
Company CS2	“We aim to make a difference by strengthening the communities where we live and work, create equitable, resilient, and sustainable communities.”	Interview
	“The <u>company</u> supports efforts to improve financial access and social conditions in communities where we live and work.” (Edited to maintain confidentiality).	Report
Company CS3	“Our community is firstly where we do business, so it provides important resources for our business including our employees. It is also where our employees live, it is an important element of our employee’s wellbeing. ” (Emphasis added).	Interview
Company CS4	“Apart from our employees seeing us proactively participating in finding social solutions in the communities where they live and work, they also get an opportunity to participate in these solutions, both with their time and talent.”	Interview

¹⁵ Where all the participants’ responses support a mechanism, all the quotes are included in a table. Where not all the participants’ responses do not support a mechanism, examples of the responses that support the mechanism are quoted.

¹⁶ The underlined quotes indicate edited to maintained confidentiality of the participants. The bold and underlined quotes indicate emphasis.

	"We give back in the communities where we live and work."	Report
Company CS5	"Our objective is to make measurable improvement worldwide in the communities where we live, work and play" (<i>edited to maintain confidentiality</i>).	Report
Company CS6	"We look to enrich economies by investing in people and communities where we live and work."	Report
Company CS7	"Our company contributes to programs and initiatives that enhance the quality of life in the communities where our employees work and live." (<i>Edited to maintain confidentiality, emphasis added</i>).	Interview
	"Our objective is to support strong communities where we live and work." (<i>Edited to maintain confidentiality</i>).	Report
Company CS8	"For us, our community is where we live, work and play. So, our community not only provides us with the economic, social, and political contexts, but also a quality-of-life context that is more than the normal social services, a well-being aspect. " (<i>Emphasis added</i>).	Interview
	"Our company supports programs in the communities where we live and work." (<i>Edited to maintain confidentiality</i>).	Report
Company CS9	"We continue to make strides to improve lives and strengthen communities where we live and work." (<i>Edited to maintain confidentiality</i>).	Report

The value creation proposition for corporate community engagement is supported with the alignment of business and community interests (Porter & Kramer, 2006). Business must first identify the community to be engaged (Bowen, et al., 2010; Harvey & Brereton, 2005). In the existing literature, "the community" is identified based on the geographical location of the operations of the business (Bowen, et al., 2010; Harvey & Brereton, 2005). For the communal sharing corporate community engagement model and based on the data, the identification of "the community" also include where employees "live," and sometimes even where the employees "play." A clear emphasis on the well-being of employees and the well-being of the community in which they work and live. The implication for the value creation proposition for this model, is whether this is a challenge or an opportunity. As will be discussed in section 5.3, for this model, employees are an important aspect of the relational resource of the business that can create value that can lead to competitive advantage.

5.2.1.1 The Use of Core Resources

As shown in table 5.2, for the communal sharing corporate community engagement model, the number of participants that indicated the use of the core resources of their business in corporate community engagement is high (all nine participants). The data identifies the core resources of business to include employee competencies, products, technology, financial resources, or global reach.

Table 5.2 Use of the Core resources of Business - The Communal Sharing Corporate Community Engagement Model

Participant	Industry	Quotes	Source
Company CS1	Materials	"We are involved in the community with <u>our resources, our core business.</u> " (<i>Emphasis added</i>),	Interview
Company CS2	finance	"Strengthening communities and <u>building their financial confidence</u> is good for people and business. We provide grants, programs, and initiatives that <u>support economic empowerment</u> and equity." (<i>Emphasis added</i>).	Report
Company CS3	Information Technology	"We leverage our resources <u>including our finances, our technology, and our employees</u> to drive our community engagement." (<i>Emphasis added</i>).	Interview
		"We address the global <u>information system divide</u> by engaging various communities traditionally underrepresented in technology." (<i>Emphasis added</i>).	Report
Company CS4	finance	"We deploy <u>our products, people, and financial resources</u> to solve problems in our communities, promote economic mobility and create economies in which households at all income levels have the opportunity to succeed." (<i>Emphasis added</i>).	Report
Company CS5	Information Technology	"The community engagement initiatives are the remit of the community partners; we are involved because of the <u>unique competencies we bring.</u> " (<i>Emphasis added</i>).	Interview
Company CS6	Transportation	"We use our core resource for <u>our main initiative</u> . This involves our work in supporting <u>various</u> not-for-profits involved in disaster relief." (<i>Edited to maintain confidentiality</i>).	Interview
Company CS7	Health	"This is the area of our work where we can leverage our resources to impact the pool of future innovators to solve global challenges."	Interview

		“Advancing science education, particularly among low-income and disadvantaged populations and strengthening communities where our employees live and work through corporate philanthropy.”	Report
Company CS8	Consumer Staple	“Our participation in the community is based on what we bring, our core competencies.”	Interview
		“Nourishing people with our foods, feeding people in need, nurturing our planet, and the feeding and nutrition education programs for children across a global network is the main focus of community engagement initiatives.” (<i>Emphasis added</i>).	Report
Company CS9	Transportation	“Our company’s <u>emergency preparedness training</u> is part of a broader portfolio <u>of initiatives</u> that includes learning, training, and sharing our core skills. This partnership is a powerful example of how the private sector can go beyond cash grants to deliver impact around the world” (<i>edited to maintain confidentiality</i>).	Report

This result is consistent with the conceptualisation of the model in section 3.4 and the linking of the use of the core resources of the business in the corporate community engagement process with the value creation proposition for corporate community engagement (Eccles, et al., 2014; Freeman, et al., 2010; Kurucz, et al., 2008). For this model, based on the exchange dimension of relational models theory, business and the community in the community collective contributes to corporate community engagement initiatives based on the ability of one party and the needs of the other (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992).

5.2.1.2 Board of Directors Level Oversight

As shown in table 5.3, for the communal sharing corporate community engagement model, the number of participants that indicated the oversight by the Board of Directors of corporate community engagement is high (all nine participants).

Table 5.3 Board of Directors Level Oversight- The Communal Sharing Corporate Community Engagement Model

Participant	Quotes	Source
Company CS1	“While the full Board of Directors monitors the company’s progress on sustainability, <u>A committee of the Board of Directors</u> has the highest level of direct responsibility for sustainability policies, programs, and practices that affect, or could affect, employees, customers, stockholders, and communities.” <i>(Edited to maintain confidentiality)</i> .	Report
Company CS2	“Our community engagement decision-making process starts at Board level with the ESG sub-committee of the Board of Directors. Understand that we have specific working groups and community engagement comes under the social working group.”	Interview
	“Our executive management holds the ultimate responsibility for our CSR progress and success; these leaders review and evaluate ESG key performance indicators and long-term goals within their business units. At the Board of Directors level, the committee reviews our CSR program, monitors progress against our goals, and provides guidance on our efforts.”	Report
Company CS3	“Guided by the leadership of the Board of Directors, we continue to find new ways to integrate CSR efforts into our business strategy. <u>A committee</u> of our Board of Directors oversees our CSR efforts and keeps current on our execution strategy.” <i>(Edited to maintain confidentiality)</i> .	Report
Company CS4	“ <u>Our company’s Board of Directors</u> determines the broad areas for community engagement initiatives, for example economic opportunities, financial inclusion, and community solutions.” <i>(Edited to maintain confidentiality)</i> .	Interview
	“ <u>A committee of the Board of Directors</u> oversees our citizenship activities. The committee reviews our policies and programs for sustainability, climate change, human rights, and other material citizenship issues, as well as advising on engagement with external stakeholders.” <i>(Edited to maintain confidentiality)</i> .	Report
Company CS5	“A committee of the Board of Directors have oversight of ESG matters including our community relations matters. There is also an executive council that supports the committee in carrying out their responsibility. The council ensures that the strategic focus of the company is maintained.”	Interview

	<p>“Our full board of directors will review ESG matters at least annually, and committees of the board will engage in focused ESG oversight activities on an ongoing basis. The governance structure includes an ESG Leadership Council comprised of executive sponsors and senior leaders.”</p>	<i>Report</i>
Company CS6	<p>“The Board of Directors and its committees oversee our global CSR initiatives. The Board is responsible for reviewing and overseeing our culture and evaluating management’s efforts to align corporate culture with our stated values and long-term strategy. Additionally, the Board has delegated to each of its committees responsibility for the oversight of specific aspects of our corporate culture and other CSR activities that fall within the committee’s areas of responsibility.”</p>	<i>Report</i>
Company CS7	<p>“Our focus is determined by the Board of directors and its sub-committee. Our Foundation have oversight for our corporate philanthropy. The foundation supports the Board. Its members tend to focus on the larger issues. They meet quarterly and make decision based on the values and mission as well as feedback from intermediaries.”</p>	<i>Interview</i>
	<p>“The Board of Directors provides oversight of ESG activities, while <u>a committee of the Board of Directors</u> receives updates on specific ESG and corporate responsibility programs and activities, as well as related compliance activities. The executive management provides the Board and <u>the committee</u> with updates regarding the status and progress of the company’s ESG strategy and priority areas of focus.” (Edited to maintain confidentiality).</p>	<i>Report</i>
Company CS8	<p>“<u>A committee</u> of the Board of Directors oversees the company’s overall CSR strategy.” (Edited to maintain confidentiality).</p>	<i>Interview</i>
	<p>“<u>A committee</u> of the Board of Directors oversees our corporate responsibility strategy.” (Edited to maintain confidentiality).</p>	<i>Report</i>
Company CS9	<p>“At the strategic level, a committee of the Board of Directors determines the focus of sustainability matters. This includes ensuring the company contributes to the well-being of the communities in which we operates. The foundation is responsible for the delivery of the programs.”</p>	<i>Interview</i>

This result is also consistent with the conceptualisation of this dimension in section 3.4 of the framework. It is also not surprising, as the participants are multinational companies, given not only the responsibility of the Board of Directors for the core resources of the business, but also the visibility and magnitude of these operations (Marín, et al., 2012).

5.2.1.3 Majority of Independent Members of the Board of Directors

For this model, the number of participants that indicated that the majority of the members of the Board of Directors are independent is high. With the exception of one participant (company CS5¹⁷) the data for all the other participants of the model indicated that the majority of the members of the Board of Directors are independent. For example, the reports of several participants indicated:

“Our Board of Directors aims to have at least two-thirds of its members as independent. Currently, fourteen of the sixteen members of the Board are independent. Additionally, the Chair of the Board is a nonexecutive independent director” (company CS4, *report*).

“Our company have a highly independent Board of Directors elected annually by a majority of our stockholders, with a lead independent director with robust responsibilities. Only independent Board members serve on key standing committees” (company CS7, *report*).

“The Board is composed of thirteen members, including twelve who are independent, four who are women and two who are minorities. Independent directors chair our four standing committees” (company CS6, *report*).

“We maintain a diverse and independent board; all our directors are independent, other than our Chief Executive Officer” (company CS9, *report*).

¹⁷ Company CS5 is a majority owned subsidiary and indicated that ‘Omega’s ability to control our board of directors may make it difficult for us to recruit independent directors’ (*report, name changed for confidentiality reasons*).

For the collective communal sharing corporate community engagement model, the data associates the Board of Directors oversight with the model that supports the value creation proposition for the model. The data also links the inclusion of the majority of independent members on the Board of Directors with this model that further supports the alignment of business and community interests and the value creation proposition for the model.

5.2.1.4 Linked to Highest Material Social Risks

For the communal sharing corporate community engagement model, the data indicates that the number of participants that links corporate community engagement to managing material social risks is high. As shown in table 5.4, all nine participants associated with this model indicated that they link corporate community engagement initiatives to managing issues of highest material social risks. The process includes consultations with both internal and external stakeholders as well as regular reviews. The linking of the model with the management of the highest material social risks supports the value creation proposition for the model, as business identifies and addresses the relevant social issues affecting the community in a timely manner (Porter & Kramer, 2006).

Table 5.4 Linked to Highest Material Social Risks -The Communal Sharing Corporate Community Engagement Model

Participant	Quotes	Source
Company CS1	“A biannual sustainability materiality assessment informs our corporate sustainability strategy and reporting activities. This process involves a detailed review of industry trends and best practices, peer benchmarking, and internal and external stakeholder engagement with employees, investors, customers, community groups and non-governmental organisations. Topics are ranked and prioritized according to significance of impact and importance to stakeholders to ensure we focus on the most strategic and impactful issues.”	Report
Company CS2	“We seek to identify and respond to issues that could impact our business, our partners, and our communities. We use our comprehensive Enterprise-wide Risk Management program to identify, aggregate, monitor, and manage risks. The program also defines our risk appetite, governance, culture, and capabilities.”	Report
Company CS3	“Each year, we reassess our CSR priorities to inform our strategy. At the helm of this work is a committee of employees that meets regularly and works closely with executive staff. Together, they identify our annual priority issues by integrating feedback from key stakeholders and prioritizing risks and opportunities.”	Report
Company CS4	“Our citizenship approach enables the business to address the risks and opportunities presented by the material issues.”	Report
Company CS5	“Our approach to materiality includes a comprehensive review of potential topics for evaluation. After a thorough analysis of industry trends, investor inquiries, customer insights and peer benchmarking, along with input from external IT sector experts and internal stakeholders, we determined the twelve issues most relevant to our business.”	Report

	The result of this focused engagement is our ESG Strategy, which incorporates material issues into goals that encompass all of the outcomes we are aiming to achieve as a business.”	
Company CS6	“Our most recent materiality assessment re-evaluated the topics previously identified as most important from the business perspective, stakeholder perspective, and societal perspective, and identified new and emerging topics. These were then analysed to determine opportunities to leverage existing CSR activities and guide our CSR and business strategies going forward, while further mitigating risks.”	<i>Report</i>
Company CS7	“Our <u>Risk Management</u> function seeks to deliver world-class solutions that safeguard our people, our patients, and our communities. Using an enterprise-wide management system, we evaluate and mitigate risk; carry out documentation and training; collect, respond to, and analyze incident reports; measure performance; and review trends to determine areas for improvement.” <i>(Edited to maintain confidentiality).</i>	<i>Report</i>
Company CS8	“To determine those items material to our corporate responsibility strategy, a team of senior leaders, with input from internal and external stakeholders, undertook a materiality assessment process to understand the company’s current and potential environmental, social, governance, ethical and economic impacts.”	<i>Report</i>
Company CS9	“Stakeholder groups are defined during our materiality assessment in consultation with senior leadership and industry experts. We identify global stakeholders that can have an impact on our business and global stakeholders that we impact based on our business operations. Regular dialogue with all stakeholder groups through formal and informal channels is essential to conducting our business, as well as developing and implementing our sustainability strategies.”	<i>Report</i>

5.2.1.5 Aligned with United Nation Sustainable Development Goals

For the communal sharing corporate community engagement model, the data indicates that the number of participants that links corporate community engagement to the United Nation Sustainable Development Goals (SDGs) is high. As shown in table 5.5 all nine participants associated with this model indicated that they align corporate community engagement initiatives with the United Nation Sustainable Development Goals (SDGs). The alignment of corporate community engagement with the development goals provides multinational businesses, a clear guide and focus to the areas of greatest unmet social needs within the global community. “*The Goals*” provide opportunities for business to create value for themselves and the community by aligning their corporate community projects with them.

Table 5.5 Aligned with United Nations Sustainable Development Goals- The Communal Sharing Corporate Community Engagement Model

Participant	Quotes	Source
Company CS1	“Our <u>company</u> is committed to partnerships and programs that fulfill the UN Sustainable Development Goals, and believe we are well-positioned today to make our greatest contributions in three areas.” <i>(Edited to maintain confidentiality)</i> .	Report
Company CS2	“After mapping the SDGs to our corporate and ESG initiatives and programs, we believe our work contributes most to the eight global goals.”	Report
Company CS3	“We give priority to the United Nations Sustainable Development goals of zero hunger, quality education, and sustainable cities and communities.”	Interview
	“We continue to align our social impact activities with the United Nations’ Sustainable Development Goals.”	Report
Company CS4	“Many aspects of our business align with the UN SDGs, and we have identified seven SDGs where we believe we can make the greatest contribution toward meeting these goals.”	Report
Company CS5	“The United Nations Sustainable Development Goals (UN SDGs) also informed our Agenda.”	Report
Company CS6	“Our highest-rated material topics are measured and managed across our owned and operated businesses. We mapped these topics – divided into the categories of Global Priorities and Commercially Critical – to our CSR focus areas and approaches. Subsequently, we determined the most relevant SDGs aligned with those topics. This provides a more holistic picture of our progress and allows us to better identify those areas where our approach is effectively addressing	Report

	stakeholder and business needs, as well as those areas where changes might be warranted.”	
Company CS7	“Our reporting also reflects our alignment with the United Nations (UN) Global Compact and Sustainable Development Goals. Through our core business and investments by the Foundation, we believe we can contribute in the most meaningful way to five goals.”	<i>Report</i>
Company CS8	“Although there are myriad important issues facing society today, we focus on the intersection of those that are most material to our business and where we can have the greatest impact given the reach of our operations, supply chain and value chain. In 2018, we conducted a comprehensive mapping exercise to evaluate this intersection against all 17 U.N. Sustainable Development Goals (SDGs). As a result, we expanded our materiality matrix across our value chain and indicated those “Priority SDGs” most aligned with our work. We also identified “Additional SDGs” that are important to our business and that we impact, however, those listed as Priority are where we concentrate our corporate responsibility efforts.”	<i>Report</i>
Company CS9	“Our Foundation’s focused approach aligns closely with five of the SDGs.”	<i>Report</i>

5.2.1.6 Corporate Foundations

For the communal sharing corporate community engagement model, the data indicates that the number of participants that manages aspects of their corporate community engagement process using a corporate foundation is high. Eight of the nine participants (excluding company CS5¹⁸) associated with this model, manage their community engagement through a corporate foundation. The corporate foundation interfaces with community-partners, and the community in general. For example, several participants indicated:

“Our Foundation have day-to-day oversight for our corporate philanthropy. The foundation supports the Board” (company CS7, *interview*).

“Our community engagement initiatives are primarily conducted through our foundation, in existence for over 30 years, in conjunction with our community-partners” (company CS1, *interview*).

“The foundations supports the employees to get involve in their communities in many ways and to a variety of causes” (company CS3, *interview*).

The data on the use of corporate foundation in the corporate community engagement process is consistent with the widespread use noted in the current literature (Gehring, 2021; Monfort & Villagra, 2016).

¹⁸ Company CS5 does not have a corporate foundation but a managed fund and indicated: “A committee of the Board of Directors have oversight of ESG matters including our community relations matters. There is also an executive council that supports the committee in fulfilling their responsibility. The council ensures the strategic focus of the company is maintained” (interview).

5.2.1.7 Summary Organisational Context - The Communal Sharing Corporate Community Engagement Model

The data for the organisational context of the communal sharing corporate community engagement model identifies “*the community*” to include the geographical vicinity of the operations of business and where employees live. Consistent with the value creation proposition for corporate community engagement, the model is also linked to the use of core resources in the corporate community engagement process with oversight by the Board of Directors with the majority of them being independent. For this model, corporate community engagement also addresses the highest material social risks as well as aligns with the United Nations Sustainable Development Goals relevant to the business.

5.2.2 Organisational Context - The Equality Matching Corporate Community Engagement Model

This section presents the findings of the organisational context of the equality matching corporate community engagement model.

5.2.2.1 Identifying “the Community” –

For the equality matching corporate community engagement model, the data indicates that the number of participants that identifies “*the community*” as “*where we live and work*” is high (six of the eight participants). For example, a participant from the information technology industry indicated:

“We live and do business in the community. The community provides the climate (positive or negative) of where we do business and social and economic well-being for our employees, our suppliers, and our customers. So, it makes sense that we participate in the uplift of the community” (company EM4, *interview*).

The report of this participant also indicated:

“ We seek to engage directly with the communities where our associates live and work” (company EM4, *report*).

From an industrial context perspective, it may be important to engage the community at the source of the supply chain to maintain its integrity. For example, a participant from the consumer discretionary industry indicated:

“Yes, source as well as live and work. Live and work we understand quite well with the Covid-19 pandemic and remote working. But the source of our materials is important as well. Although we are not like the extractive industries, **where and how we source our inputs is important. With ESG driving investment and recent events for another industry in Asia, we see that we cannot extricate ourselves from the communities where we source our input**” (company EM3, *interview, emphasis added*).

The report of this participant also indicated:

“We are committed to helping support people in the communities where we live, work, and source our materials” (company EM3, *report*).

In the literature review, “*the community*” is identified based on the geographical location of the operations of the business (Harvey & Brereton, 2005). For the equality matching corporate community engagement model, the data also associates the identification of “*the community*” with where employees *live*, and sometimes also where business sources its inputs. While the employees are important, the value chain is important as well.

5.2.2.2 Use of Core Resources

For the equality matching corporate community engagement model, the data indicates that the number of participants that leverages the core resources of their business in corporate community engagement is high. For this model, as shown in table 5.6, all eight participants indicated that they leverage the core resources of the business in the corporate community engagement process. The linking of the use of the core resources of the business in the corporate community engagement process with the model is consistent with the conceptualised stakeholder theory perspectives. This links the model to the value creation proposition for corporate community engagement.

Table 5.6 Use of the Core resources of Business- The Equality Matching Corporate Community Engagement Model

Participant	Industry	Quotes	Source
Company EM1	Information Technology	"We use our core resource to add unique value through collaborations with our partners." <i>(Emphasis added)</i> .	Interview
		"Through our foundation, we donate software and resources to empower people, and the organisations and communities and create jobs by providing our local businesses and entrepreneurs with support and educational resources from our area of expertise. " <i>(Emphasis added)</i> .	Report
Company EM2	Telecommunications	"Our mission is to leverage our scale and resources to positively impact the communities in which we live and work." <i>(Emphasis added)</i> .	Interview
		"We leverage our network for positive social impact, providing critical connectivity, helping bridge the digital divide and supporting disaster response and recovery."	Report
Company EM3	Consumer Discretionary	"While we have established corporate-wide citizenship and sustainability efforts, we also leverage the power and individuality of each brand as they develop or enhance their own citizenship-and sustainability-driven business practices."	Report

Company EM4	Business Services	“We see our role of more than handing over money. We can do more when <u>we leverage our resources.</u> ” (Emphasis added).	Interview
Company EM5	Information Technology	“Some aspects of the work on the community projects would be done by us, <u>particularly as it relates to our technology</u> and our work development initiative.” (Emphasis added).	Interview
Company EM6	Information Technology	“Our mission is to impact the data divide problem existing in our society. <u>We use our core resource to add unique value</u> through collaborations with our partners.” (Emphasis added).	Interview
		“Firstly, we want to be an asset to the communities where our employees live and work. We do this by <u>using our resources including our employees</u> to make better communities where we live and work. We support our employees to follow their passion and make a difference in their communities.” (Emphasis added).	Report
Company EM7	Information Technology	“We do this by <u>using our resources</u> including our employees to make better communities where we live and work.” (Emphasis added).	Interview
Company EM8	Business Services	“Our <u>technical knowledge and resource</u> is what we bring to the table.” (Emphasis added).	Interview
		“Our <u>company</u> provides financial and technical support to institutions for improving the quality of education, livelihood, and healthcare.” (Edited to maintain confidentiality).	Report

5.2.2.3 Board of Directors Level Oversight

For the equality matching corporate community engagement model and consistent with the value creation proposition, the data shows that the number of participants that indicates Board of Directors oversight of corporate community engagement is high. As shown in table 5.7, all eight participants associated with the model indicated oversight of corporate community engagement by the Board of Directors. The linking of the model with the Board of Directors oversight supports the value creation proposition for the model.

Table 5.7 Board of Directors Level Oversight-The Equality Matching Corporate Community Engagement Model

Participant	Quotes	Source
Company EM1	"The Board of Directors gives the main focus and priorities of community engagement within our mission of supporting global prosperity,"	<i>Interview</i>
	"A <u>committee</u> of the Board of Directors has oversight of environmental, sustainability and social governance matters." (<i>Edited to maintain confidentiality</i>).	<i>Report</i>
Company EM2	"At the strategic level, a sub-committee of the Board sets the policy in relation to community engagement."	<i>Interview</i>
	"Our approach to ESG is integrated into our business through Board of Directors oversight."	<i>Report</i>
Company EM3	" A sub-committee of the Board sets the tone of our initiatives. At the operational level, the Foundation have responsibility for the delivery."	<i>Interview</i>
	"We believe that effectively managing our social impact and sustainability work will be an important part of our future success. These efforts are led by our Executive Chairman and our President and Chief Executive Officer and overseen by the Board of Directors, particularly the ESG committee."	<i>Report</i>
Company EM4	"Our Board gives the focus, and the planners highlights the gaps in relation to the focus."	<i>Interview</i>
	"Our <u>oversight committee</u> of our Board of Directors oversees risks associated with corporate governance and sustainability, including the development and implementation of policies relating to environmental, social and governance ("ESG") issues. The <u>oversight committee</u> also monitors the Company's	<i>Report</i>

	performance against its sustainability and ESG objectives. The <u>oversight committee</u> also evaluates social and environmental trends and issues in connection with the Company’s business activities and makes recommendations to the Board regarding those trends and issues.” (Edited to maintain confidentiality).	
Company EM5	“Our ESG efforts are led by our executive leadership team and are reviewed by a <u>committee</u> of our Board of Directors.” (Edited to maintain confidentiality).	Report
Company EM6	“General oversight of ESG strategy and reporting is the responsibility of the committee. The other Board committees, as well as the full Board, oversee ESG issues associated with their respective areas of responsibility.”	Report
Company EM7	“Community engagement comes under the social aspect of ESG, and a sub-committee of the Board of Directors have oversight of ESG matters. The members have specific interest and knowledge. The Board determines the strategic direction and focus, they set the tone.”	Interview
Company EM8	“A sub-committee of the Board of Directors have the overall responsibility for our corporate citizenship programs.”	Interview
	“The Board oversees ESG directly and through its committees. <u>The sustainability committee</u> oversees public policy and the ESG program as a whole.”	Report

5.2.2.4 Majority of Independent Members of the Board of Directors

As shown in table 5.8, all eight participants associated with this model indicated that the majority of the members of the Board of Directors are independent members. The linking of a majority of independent members on the Board of Directors with the model and the alignment of business and community interest further supports the value creation proposition for the model.

Table 5.8 Independent Board Members Majority - The Equality Matching Corporate Community Engagement Model

Participant	Quotes	Source
Company EM1	"A majority of our Board, and all members of its standing committees, are independent"	Report
Company EM2	"Listing standards require that a substantial majority of our Board of Directors consist of independent Directors."	Report
Company EM3	"A majority of the directors on our Board are independent. As of the end of fiscal 2020, there were sixteen directors on our Board, comprised of our CEO; eleven non-employee directors, ten of whom are independent".	Report
Company EM4	"Except for one member who is an employee, all other members of our Board are independent members. This determination is accordance with our listing requirements."	Report
Company EM5	"Independent directors constitute the majority of our Board. In accordance with listing requirements, all members of our committees are independent members."	Report
Company EM6	"Having an independent board is a core element of our governance philosophy, our corporate governance guidelines provide that a majority of our directors will be independent as defined under the rules of our listing. Eight of our nine members are independent."	Report
Company EM7	"The Board believes that a substantial majority of the Board should be independent of management. The Board's guidelines for director independence conform to the independence requirements in published listing. The Board considers all relevant facts and circumstances in determining independence. The Board has determined that ten of our eleven directors are independent."	Report

Company EM8	“Our Board determines independence in accordance with the rules of our listing. Ten of our eleven directors are considered independent.”	<i>Report</i>
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5.2.2.5 Linked to Highest Material Social Risks

For the equality matching corporate community engagement model, the data indicates that the number of participants that links their corporate community engagement initiatives to managing issues of highest material social risks is high. As shown in table 5.9, all eight participants associated with this model indicated that they link corporate community engagement initiatives to managing issues of highest material social risks. The process includes consultations with both internal and external stakeholders as well as regular reviews. This further supports the value creation proposition for corporate community engagement as business identifies and addresses the relevant social issues affecting the community in a timely manner (Porter & Kramer, 2006).

Table 5.9 Linked to Highest Material Social Risks - The Equality Matching Corporate Community Engagement Model

Participant	Quotes	Source
Company EM1	“ <u>The company</u> undertook an assessment to identify the CR topics that are most significant to the company. The company worked with external experts and internal stakeholders to help define the issues, which formed the foundation for the company’s overall CR strategy.” <i>(Edited to maintain confidentiality)</i> .	Report
Company EM2	“ <u>At regular intervals</u> , we systematically engage a broad sampling of internal and external stakeholders to identify and prioritize the most significant ESG impacts, risks, and opportunities our company should address to help ensure long-term business success. The insights gleaned from stakeholder engagement efforts help guide our corporate responsibility strategy, improve our business operations and policies, ensure transparent reporting, and prioritize programmatic investments and collaboration across the business.” <i>(Edited to maintain confidentiality)</i> .	Report
Company EM3	“As part of our strategic planning process, we continually evaluate areas of risk and opportunity for our business. We also evaluated stakeholder interest through desk research and direct engagement, including extensive internal alignment and outreach to external stakeholders. As part of the assessment, we considered each matter’s relevance to our business strategy and objectives; importance to key stakeholders; and potential impact on the environment, society, and economy. <u>Our priority focus areas are reflected in our corporate goals and commitments and are integrated into our strategic planning and risk management processes.</u> ” <i>(Edited for emphasis)</i> .	Report
Company EM4	“A formal materiality process defines our ESG priorities, shapes our strategy, guides our goal setting, and defines our resource allocation and reporting. We start by reviewing	Report

	our business priorities and conducting a peer analysis. Then, based on both quantitative and qualitative research and feedback from internal and external stakeholders, <u>we identify and capture priority topics in a matrix that provides a snapshot of the ESG challenges and opportunities of highest importance.</u> (Edited for emphasis).	
Company EM5	“We worked with external experts and internal stakeholders to help <u>define our most material issues, which form the foundation of our ESG program.</u> ” (Emphasis added).	Report
Company EM6	“We partnered with <u>an independent expert</u> to lead a comprehensive process to assess the ESG issues that are most material to <u>our</u> stakeholders and core business strategy. As part of this work, <u>they</u> conducted interviews with internal and external stakeholder groups, including our employees, Board of Directors, customers, investors, NGOs, business trade groups and ESG thought leaders.” (Edited to maintain confidentiality).	Report
Company EM7	“We use a range of methods and inputs to identify priority topics and emerging issues from our stakeholders. We review issues and consider both the potential impact on stakeholder decisions and the impact on <u>our</u> business and external systems. <u>We use this information to inform changes to our strategies, goals, and ongoing engagement and disclosure practices.</u> ” (Emphasis added).	Report
Company EM8	“Through a third party, we periodically identify areas of significance to business leaders within <u>our company</u> and external stakeholders. We use this assessment to provide us with an understanding of the perception of ESG issues.” (Edited to maintain confidentiality).	Report

5.2.2.6 Aligned with United Nations Sustainable Development Goals

For the equality matching corporate community engagement model, the number of participants that aligns their corporate community engagement initiatives with the United Nations Sustainable Development Goals is high. Six of the eight participants associated with this model link their corporate community engagement initiatives to the United Nations Sustainable Development Goals. For example, as one participant indicated in the interview and supported in the report:

“The United Nation Sustainable Development Goals is a **good compass for these unmet social needs**” (company EM5, interview, *emphasis added*).

“We see the SDGs as a **powerful tool to demonstrate integrity in our work while enabling better collaboration with our business and civil society partners**. We own our role as well as our limitations in supporting the UN SDGs. As such, we have identified four priority SDGs where we, along with our core partners, are best positioned to make an impact” (company EM5, report, *emphasis added*).

Other examples from the reports of two participants indicated:

“**We support the United Nations’ (UN) Sustainable Development Goals (SDGs)**. We are committed to taking global action and working collaboratively with non-profits, non-governmental organisations (NGOs) and others in the private sector to address pervasive issues that communities face, such as the lack of jobs and career preparation, barriers to equality and justice, and a warming planet” (company EM1, report, *emphasis added*).

“To increase our impact, **we aligned our citizenship targets with four of the United Nation Sustainable Development Goals** — climate action, quality education, zero hunger and **sustainable cities and communities**” (company EM4, *report, emphasis added*).

The data associates sustainable development goals with the equality matching corporate community engagement model. For the participants of this model, multinational businesses, the SDGs provide a clear guide and focus to the areas of greatest unmet social needs within the global community. So, ‘*The Goals*’ provide opportunities for business to create value for themselves and the community by aligning their corporate community projects with them.

5.2.2.7 Corporate Foundations

Six of the eight participants associated with this model indicated that they manage their community engagement through a foundation¹⁹.

The foundations work with the employees, employee resource group, and not for profits to determine the community engagement programs. For example, two participants explained:

“Our Foundation work with our employees in the employees resource groups (ERGs), our champions and our community Allies (this may include other companies or institutions including our major Not for Profits to determine the annual initiatives” (company EM1, *interview*).

“At the strategic level, there is a sub-committee of the Board that sets the tone of our initiatives. **At the operational level, the Foundation has overall responsibility**” (company EM3, *interview*).

For the equality matching corporate community engagement model, the high use of corporate foundations in the operational aspects of corporate community engagement is consistent with the widespread use noted in the current literature (Gehring, 2021; Monfort & Villagra, 2016).

¹⁹ Company EM5 have a ‘tied foundation’ and indicated: ‘We are a donor advice fund, what is called a tied foundation. We work with a specialist intermediary to manage the fund and to do the due diligence on prospective not-for-profits to ensure they are strategic fit with the required capacity and leadership to support the delivery of our community programs’ (*report*).

5.2.2.8 Summary Organisational Context - The Equality Matching Corporate Community Engagement Model

The data for organisational context of the equality matching corporate community engagement model identifies “*the community*” to include the geographical vicinity of the operations of business and where employees live. Consistent with the value creation proposition for corporate community engagement, the model is also linked to the use of core resources in the corporate community engagement process with oversight by the Board of Directors with the majority of them being independent. For this model, corporate community engagement also addresses the highest material social risks as well as aligns with the United Nations Sustainable Development Goals relevant to the business.

5.2.3 Comparative Analysis - Organisational Context

The data for the organisational context indicates compelling similarities for the two models. The section presents the comparative analysis of the two models in relation to the identification of the 'community,' the use of core resources, the oversight by the Board of Directors, corporate foundations, addressing highest material social risk, the alignment with the United Nations Sustainable Development goals and perceived business benefits.

5.2.3.1 *Identifying "the Community"*

For both models, the number of participants that identifies "the community" in relation to the geographic location of the business as well as where employees live is high. This identification of "the community" repositions the community from that of the existing literature of the immediate or surrounding areas of the location of headquarters or installations that can affect or is affected by the operations of the business (Harvey & Brereton, 2005), to include where employees live. The boundary of the "the community" is less defined by a centralised geographic space around business locations and more decentralised and defined by connections, to where employees live. This variation in the identification of the community is important as an increased number of employees are living remotely and commuting to the business location or working from home. Although this broader identification may suggest a challenge for business with a wider coverage, or impact for corporate community engagement initiatives, it may also suggest a wider, diverse area from which to access community-knowledge and more opportunities to create value from corporate community engagement.

5.2.3.2 *Utilise Core Resources*

For both models, the number of participants that link the utilisation of the core resources of business to corporate community engagement is also high. The use of the core resources of business in the corporate community engagement process, supports the value creation

proposition for corporate community engagement in relation to both models. The participants acknowledge that they can make greater impact with their core resources.

. “We can do more when we leverage our resources” (EM, *interview*).

The use of core resources is associated with a high level of oversight by the Board of Directors to deliver expected outcomes (Eccles, et al., 2014).

5.2.3.3 Board of Directors Level Oversight

For both models, the number of participants that link the Board of Directors level oversight, and a majority of independent members is high. With the Board of Directors oversight, corporate community engagement is integrated into the business model to ensure proper monitoring and the delivery of intended outcomes for business and the community (Eccles, et al., 2014; Freeman, et al., 2010). The independent directors are more reflective of community-interests (Hillman, 2005). This supports the alignment of business and community interests and in turn the creation of value from corporate community engagement initiatives (Porter & Kramer, 2006; Hillman, 2005). The independent directors not only connect the company to the community, but they also bring to the company information, skills, and access to corporate community engagement resource and in turn support the value creation proposition for corporate community engagement- (Hillman, et al., 2009). Hence, for both models, the majority of independent directors on the Board of Directors supports the value creation proposition for corporate community engagement.

5.2.3.4 Linked to Highest Material Social Risks

For both models, the number of participants that links corporate community engagement to the highest material social risks is high. The results are not surprising as the participants associated with both models are large multinational corporations. They understand the negative impact on their business of not addressing the highest material social risks that can impact their business. If

they fail to target their corporate community engagement initiatives on the social issues that can have the greatest material impact on business performance, it may affect the business benefits including improved reputation and access to finance. While it is important for the value creation proposition of corporate community engagement to address these highest material social risks, the effect on value creation is *'standard-like'* and early moves in the area may only support temporary advantage (Falkenberg & Brunsæl, 2011).

5.2.3.5 Aligned with United Nations Sustainable Development Goals

For both models, the number of participants that aligns corporate community engagement with the United Nations Sustainable Development Goals (SDGs), is high. As a participant indicated the SDGs present opportunities for business to link the core resources, expertise, and global reach to the unmet social needs of the community.

“We see the SDGs as a powerful tool to demonstrate integrity in our work while enabling better collaboration with our business and civil society partners” (company EM5, *report*).

Similar to the *standardlike* effect of addressing highest material social risks, linking corporate community engagement to the SDGs does create value, but any competitive advantage may only be temporary (Falkenberg & Brunsæl, 2011).

5.2.3.6 Corporate Foundations

With the oversight by the Board of Directors of corporate community engagement, the Board will have a formal structure in place to assist in the monitoring of the corporate community engagement core resources (Eccles, et al., 2014). For both models, the number of participants that indicate the use of corporate foundations as a part of the corporate community engagement process is high. The use of corporate foundation in the corporate community engagement process is consistent with the widespread use noted in the current literature (Gehring, 2021; Monfort & Villagra, 2016).

5.2.3.7 Summary - Organisational Context

The data to support the organisational context of corporate community engagement indicates that there is no difference between two models (see table 5.10). For both models, the organisational context including the use of core resources in corporate community engagement, Board of Directors level oversight for corporate community engagement initiatives as well as the alignment of these corporate community engagement initiatives with areas of greatest material social risks are necessary conditions for the value creation proposition of corporate community engagement.

Table 5.10 Organisational Context - Comparison of Corporate Community Engagement Models

Corporate Community Engagement Theme	Corporate Community Engagement Sub-Themes	Corporate Community Engagement Model (Number of Participants)	
		Communal Sharing	Equality Matching
Organisational Context	Core Resources	High	High
	Board Level Oversight	High	High
	Alignment with Material Social Risk	High	High
	Alignment with UN SDGs	High	High
	Corporate Foundations	High	High

The participants associated with both models are multinational companies registered in the United States of America where value creation drives corporate community engagement (Brammer, et al., 2012). Within the global context where competition is strong, the internal corporate community engagement organisational mechanisms are necessary but not sufficient to lead to competitive advantage, they are insufficient to create value that is difficult to imitate.

To summarise, the similarities of organisational context for the two models discussed, suggest the standards required to support the value creation proposition for corporate community engagement, with one qualification. The complexity of corporate foundation is beyond the current investigation.

5.3 Perceived Business Benefits of Corporate Community Engagement

The section presents the data for the perceived benefits of corporate community engagement. The perceived business benefits include employee recruitment and retention cost-savings, licence to operate, improved reputation, increased brand value, improved access to capital, and business success. An unexpected outcome of the data is the human resource development capabilities for employees of business in community-partner organisations. The data indicates that the engagement of the community provides opportunities for leadership and managerial experience for the employees of the business.

5.3.1 Perceived Business Benefits - Collective Communal Sharing Corporate Community Engagement Model

This section presents the findings of the perceived business benefits of corporate community engagement for the communal sharing corporate community engagement model.

5.3.1.1 Employee Recruitment and Retention Cost Savings

For the collective communal sharing corporate community engagement model, the data indicates that the number of participants that links employee recruitment and retention cost savings to this model is low (one participant). This participant indicated:

“We contribute or participate in this wider definition of community that not only provides us with an immediate licence to operate but also our future growth as we embed in our community. Our employees get opportunities to serve and learn that they would not normally get. This has immediate effects in terms of job satisfaction, and employee retention and recruitment, but also our company benefits from being able to better plan within a more secured, sustainable, and resilient community context” (company CS8, *interview*).

This also emphasises the long-term focus of corporate community engagement for the model. In this regard, the data associates other long-term employee benefits, human resource development capabilities.

5.3.1.2 Human Resource Development Capabilities

As shown in table 5.11, the number of participants that associates human development resource opportunities with the communal sharing corporate community engagement model is high (all nine participants). The human resource development capabilities benefit associated with the model is an unexpected outcome from the data. Based on the long-term business-community relationship (discussed in section 3.4), community-partner organisations may provide opportunities for leadership and managerial experience for the employees of business. The increased capabilities can lead to competitive advantage. In addition, the continuous learning of business in the community provides business with new community-knowledge not only to manage social risks but to identify new opportunities to create value from them as well (Delmas, et al., 2011).

Table 5.11 Human Resource Development Capabilities - The Communal Sharing Corporate Community Engagement Model

Participant	Quotes	Source
Company CS1	"Our employees serve on the Boards and volunteer with these community partners organisations." <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS2	"It (<i>corporate community engagement</i>) enhances our recruitment, training, and development. The employees appreciate our involvement in their communities They also appreciate their opportunities of service and learning. " <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS3	"Our employees get a sense of pride from being involved in these programs. They are allowed to use their talents and get experience in leadership roles. " <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS4	"Apart from our employees seeing us proactively participating in finding social solutions in the communities where they live and work, they also get an opportunity to participate in these solutions, both with their time and talent, giving them experience that they would not normally get. For example, serving on the Boards of local non-profits. " <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS5	"Our employees also benefit as well, with experiential learning, practicing their skills and talents in new systems and cultures. " <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS6	"Our employees participate in the community engagement process, they gain important leadership and managerial experience , supporting their own career growth." <i>(Emphasis added)</i> .	<i>Interview</i>

Company CS7	“Our employees work on our community engagement initiatives through our employee resource groups, <u>they benefit from managerial experience that they would not otherwise gain including leadership experience</u> as they participate in our community engagement initiatives. They also benefit from building their network, this augurs well for their career path and development.” <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS8	“Our employees get <u>opportunities to serve and learn</u> that they would not normally get.” <i>(Emphasis added)</i> .	<i>Interview</i>
Company CS9	“Our employees are an important part of our corporate citizenship. They benefit with the satisfaction of contributing to the programs. They not only <u>use their skills and talent, but they also gain useful managerial experience.</u> ” <i>(Emphasis added)</i> .	<i>Interview</i>

5.3.1.3 Licence to Operate

For the communal sharing corporate community engagement model, the data indicates that the number of participants that perceive licence to operate as a benefit of corporate community engagement is low (two participants). For example, one of the participants indicated:

“The community supports our business by giving us our licence to operate” (company CS6, *interview*).

Although the number of participants that perceive licence to operate as a benefit of corporate community engagement for this model is low, the importance of this business benefit may differ across industry. For this participant from the transportation industry with possible negative environmental impacts on the community, the licence to operate is important for their business.

“One community objected to our expansion into their area because of the impact on their environment, notwithstanding the increased job opportunities for the locals. **They refused our licence to operate. After many negotiations, guaranteeing an approach that would not impact their environment we obtained their agreement** and our licence to operate” (company CS6, *interview, emphasis added*).

The licence to operate business outcome is important for the value creation proposition for corporate community engagement (Kurucz, et al., 2008). The low number of participants that link licence to operate to corporate community engagement suggests the long-term focus of the communal sharing corporate community engagement model. The linking of this benefits with the model may indicate an industrial impact.

5.3.1.4 Improved Reputation

For the communal sharing corporate community engagement model, the data indicates that the number of participants that links improved reputation to corporate community engagement is moderate (three participants). For example, a participant from the information technology industry indicated:

“ We also benefit from improved reputation, particular in science education which is our focus. **A good reputation is also important as we network with other business and community-partners**” (company CS5, *interview, emphasis added*).

Although the number of participants that perceive improved reputation as a benefit of corporate community engagement for the communal sharing corporate community engagement model is moderate, the importance of this business benefit may differ across industry. The business benefit of improved reputation is important for access to business network.

5.3.1.5 Increased Brand Value

For the communal sharing corporate community engagement model, the data indicates the number of participants that perceive increased brand value as a benefit of corporate community engagement is low (two participants). The limited association of this business benefit with corporate community engagement for this model is indicative of one participant's strong declaration to distance their initiatives from branded initiative.

“ Our community engagement initiatives are not company-branded initiatives, we participate in community-networks initiatives as any other community-stakeholder, including other businesses and government bodies” (company CS8, *interview*).

The data indicates a low number of participants linking increased brand value to the communal sharing corporate community engagement model. Further emphasising the long-term focus of corporate community engagement for the model.

5.3.1.6 Improved Access to Capital

For the communal sharing corporate community engagement model, the data indicates that the number of participants linking improved access to capital is low (two participants). For example, one of the participants indicated:

“Our investors and potential investors also see that we are a good corporate citizen supporting the community in which they have their investments, and by extension supporting the sustainability of their investment” (company CS3, *interview*).

The data indicates a low number of participants linking improved access to capital to the communal sharing corporate community engagement model. This may reflect the long-term focus of the participants associated with this model. But this may also indicate that other factors including the industry and the age of the business may be relevant to the relationship between improved access to capital and the model. Both participants are from the information technology industry and recent businesses (under thirty years). Access to capital may be important for them notwithstanding the long-term focus of the model.

5.3.1.7 Business Success

For the communal sharing corporate community engagement model, the data indicates that the number of participants that link business success to corporate community engagement is high (six participants). The success of business is linked to the success of the community. For example, a participant indicated:

“Our connection to the community is important to the success of our business and we want to be a proud contributor to the success of the community. **A successful community, a resilient community supports a successful business**” (company CS5, *interview, emphasis added*).

The embeddedness of business in a resilient community provides:

“A resilient customer base to grow our business” (company CS2 *interview*).

This is confirmed by another participant that indicated the embeddedness of business in a resilient community supports:

“Our future growth, as we *embed* in our community” (company CS8, *interview*).

When business embeds in the community it also supports strategic planning.

“Our company benefit from being able to better plan within a more secured, sustainable, and resilient community context” (company CS6, *interview*).

For the communal sharing corporate community engagement model, as business embeds in the community it gains improved access to community- knowledge of emerging community needs

that supports planning and supports long-term business success.

5.3.1.8 Summary of Perceived Business Benefits - The Communal Sharing Corporate Community Engagement Model

To summarise, for the communal sharing corporate community engagement model, consistent with the literature and based on the data, business success is the main business benefit clearly linked to the model (see table 5.12). This aligns with the conceptualised long-term value creation proposition for the model. However, other factors including the age of the business and the industry of the business may cause other business benefits to be linked to this model. Of note and emerging from the data, is the human resource development capabilities benefit linked to the model. The collective communal sharing corporate community model provides for human resource development capabilities to manage risks and to identify new opportunities to create value from corporate community engagement.

Table 5.12 Perceived Business Benefits - Communal Sharing Corporate Community Engagement Model

Corporate Community Engagement Perceived Business Benefits	Participants								
	CS1	CS2	CS3	CS4	CS5	CS6	CS7	CS8	CS9
Employee Recruitment and Retention Cost Savings								X	
Human Resource Development Capabilities	X	X	X	X	X	X	X	X	X
Licence to Operate		X				X			
Improved Reputation	X		X				X		
Increased Brand Value	X	X							
Improved Access to Capital			X						X
Business Success			X	X	X		X	X	X

5.3.2 Perceived Business Benefits - Equality Matching Corporate Community Engagement Model

This section presents the findings of the perceived business benefits of corporate community engagement for the equality matching corporate community engagement model.

5.3.2.1 Employee Recruitment and Retention Cost-Savings

For equality matching corporate community engagement model, the data indicates that the number of participants that links employee recruitment and retention cost savings to this model is high. As shown in table 5.13, all eight participants. The data links the model to the value creation proposition for corporate community engagement based on cost savings and increased productivity. Consistent with the literature the data links employee satisfaction to corporate community engagement initiatives and in turn the attraction and retention of good talent. This can lead to turnover costs savings as well as increased productivity.

Table 5.13 Employee Recruitment and Retention Cost Savings - The Equality Matching Corporate Community Engagement Model

Participant	Quotes	Source
Company EM1	"We are also seen as a good place to work, attracting new employees <u>while keeping our turnover rate manageable and the cost benefits.</u> " (<i>Emphasis added</i>).	Interview
Company EM2	"There is the important benefit of <u>attracting and retaining talent which can be measured and attributed.</u> Another important benefit relates to investors. In this new world of ESG, you must consider these factors, bad performance indicators in this area will affect our ability to attract good investors who do not see us as likeminded. There can even be a premium on costs for this." (<i>Emphasis added</i>).	Interview
Company EM3	"For our employees, our initiatives, both from the company's undertakings and their participation, <u>support their job satisfaction and the company's recruitment and retention.</u> " (<i>Emphasis added</i>).	Interview
Company EM4	"We would also have to say our initiatives supports our revenue as well as the management of our costs. As I mention the management of our costs, apart from the licence to operate aspect, the involvement of our employees in our initiatives supports our business <u>in this aspect with employee satisfaction and the recruitment and retention of the best talent for business.</u> So, I would end by saying our	Interview

	community engagement initiatives support the profitability of our business.” (<i>Emphasis added</i>).	
Company EM5	“Firstly, employee satisfaction, as employees are involved in the delivery of community initiatives. They are also happy that the company is giving back to the community in which we live and do business. And <u>with employee satisfaction comes improved productivity. We attract new talent with a broader world view</u> who in turn want to give to the community but also are more likely to share the ethos of our business and improve our productivity as well.” (<i>Emphasis added</i>).	<i>interview</i>
Company EM6	“The second benefit would be <u>in talent acquisition and retention</u> . Employees nowadays are not just satisfied with pay and benefits package. They want to feel a sense of pride about their workplace and concrete evidence that their employer care.” (<i>Emphasis added</i>).	<i>Interview</i>
Company EM7	“The first benefit I can think of relates to our talent pipeline. people, especially young people want to work for a company that genuinely cares about the community. Our initiatives are <u>supporting us in attracting and retaining likeminded talent and saving us in recruitment and training costs.</u> ” (<i>Emphasis added</i>).	<i>Interview</i>
Company EM8	“Our employees have a sense of purpose and pride and improves their everyday lives, their well-being. <u>This impacts our employee retention and those costs relating to training and development are saved.</u> ” (<i>Emphasis added</i>).	<i>Interview</i>

5.3.2.2 Human Resource Development Capabilities

The data indicates that the human resource capabilities for the equality matching corporate community engagement model is low (one participant).

“We are committed to **building communities that** help (*employees*) feel respected, supported, and connected. Central to these community-building efforts are our nine ERGs, which promote belonging by **providing opportunities for professional development and leadership**, mentorship and career sponsorship, and a means to network and connect across the organisation” (company EM6, *report, emphasis added*).

Although the human resource development capabilities benefit is unexpected, the low number of participants linking human resource development capabilities to the equality matching corporate community engagement model is expected. This result is consistent with the medium-term nature of business-community relations associated with this model (discussed in section 3.4). These businesses may not have put in sufficient time in the business-community relationships for these opportunities to materialise.

5.3.2.3 Licence to Operate

For the equality matching corporate community engagement model, the data indicates that the number of participants that links licence to operate as a benefit of corporate community engagement is moderate (three out of eight participants). For example, a participant indicated:

“They (the community) give us the licence to operate, in an economic as well as a social sense. Without the community, we would not exist, they are our lifeblood., they can either support or impede our brand” (company EM4, *interview*).

The licence to operate business outcome is important for the value creation proposition for corporate community engagement (Kurucz, et al., 2008). The moderate association of the model with this business benefit may indicate an industrial impact. That is, the importance of the licence to operate as a business benefit, may differ across industry.

5.3.2.4 Improved Reputation

For the equality matching corporate community engagement model, the data indicates that the number of participants that links improved reputation to corporate community engagement is moderate (four participants). For example, a participant indicated:

“Of course, **we also derive reputational benefits with other aspects of our business including our customers and investors.** We are in the business-to-business sector, so other like-minded business, which are the better ones to deal with will be attracted to us, providing revenue opportunities which we might not have gotten from them” (company EM5, *interview, emphasis added*).

In the business-to-business sector, corporate community engagement initiatives operate as an ‘hygiene factor.’ A bad reputation is “almost immutable”²⁰. A participant indicated:

“There is a ‘hygiene factor’ relating to our initiatives, which must be more than window dressing. We are in the service business-to-business sector, some of our partners are well-known brands, known for their corporate citizenship work, they will not partner with us if we do not share their values” (company EM8, *interview*).

Although the number of participants that perceive improved reputation as a benefit of corporate community engagement for the equality matching corporate community engagement model is moderate, the importance of this business benefit may differ across industry. The business benefit of improved reputation is important for access to business network and community-partners.

²⁰ One corporate community engagement professional (not included in the study, the corporate community engagement model of the company is classified as authority ranking) when asked about their average ESG performance responded, ‘It is historic, it takes a long time to go away’.

5.3.2.5 Increased Brand Value

For the equality matching corporate community engagement model, the data indicates the number of participants that perceive increased brand value as a benefit of corporate community engagement is high (six participants). For example, a participant indicated:

“Our initiatives reflect our brand, our values and that we are the employer of choice”
(company EM8, *interview*).

Besides, the perceived improved brand value benefit is not restricted to the business level alone but include the product level as well. Another participant also indicated:

“It supports our branding, not just at a business level but with our various products as well. The initiatives supports our differentiation strategy” (company EM3, *interview*).

The data indicates a high number of participants linking increased brand value to the equality matching corporate community engagement model. This result is expected based on the medium-term focus of corporate community engagement for the model.

5.3.2.6 Improved Access to Capital

For the equality matching corporate community engagement model, the data indicates that the number of participants linking improved access to corporate community engagement is moderate (four participants). For example, a participant indicated:

“From an investor perspective, in a business world where managing ESG risk is a ‘must have,’ our community engagement initiatives are a part of managing these risks and our ability to access finance to grow our business” (company EM3, *interview*).

The link of improved access to capital-to corporate community engagement is not just about good rates and terms, but also about investor relationships. As one participant indicated:

“Another important benefit relates to investors. In this new world of ESG, you must give consideration. Bad ESG and community engagement performance indicators affect our ability to attract good investors who probably do not see us as likeminded. There can even be a premium on cost for this. The opposite is true, then. **Our community engagement initiatives support our ability to get good investors and good rates**” (company EM2, *interview, emphasis added*).

The data indicates a moderate number of participants linking improved access to capital to the equality matching corporate community engagement model. This may also indicate that other factors including the industry and the age of the business may be relevant to the relationship between improved access to capital and the model.

5.3.2.7 Business Success

The literature review links business success to corporate community engagement (Freeman, et al., 2010; Weber, 2008). For the equality matching corporate community engagement model, the data indicates that the number of participants that links business success to corporate community engagement is low (two participants). For example, a participant indicated:

“Our company benefits from business growth and success. Our customers require the commitment to effectively engage with the community” (company EM6, *interview*).

The low number of participants linking business success to the model may reflect the duration factor. Business success is a long-term business benefit and the equality matching corporate community engagement model is linked to a medium-term value creation proposition based on the reciprocal arrangements of business and the community (Bridoux & Stoelhorst, 2022).

5.3.2.8 Summary Perceived Business Benefits - The Equality Matching Corporate Community Engagement Model

The data for perceived business benefits associated with the equality matching corporate community engagement model are clearly linked to employee recruitment and retention cost-savings and increased brand value (table 5.14).

Table 5.14 Perceived Business Benefits - Equality Matching Corporate Community Engagement Model

Corporate Community Engagement Business Benefits	Participants							
	EM1	EM2	EM3	EM4	EM5	EM6	EM7	EM8
Employee Recruitment and Retention Costs savings	X	X	X	X	X	X	X	X
Human Resource Development Capabilities						X		
Licence to Operate.			X	X				X
Improved Reputation	X				X	X		X
Increased Brand Value	X		X	X	X		X	X
Improved Access to Capital		X	X		X		X	
Business Success						X		

5.3.3 Comparative Analysis - Perceived Business Benefits

For perceived business benefits, the data indicates clear differences between the models. The section presents the comparative analysis of the two models in relation to the perceived benefits of the corporate community engagement and include employee recruitment and retention clear cost-savings, human resource development capabilities, licence to operate, improved reputation, increased brand value, improved access to capital, and business success.

5.3.3.1 Employee Retention and Recruitment Costs Savings

The value creation proposition for corporate community engagement is supported when initiatives result in cost savings for business (Kurucz, et al., 2008). Cost savings are associated with recruitment and retention of quality employees when they engage with the community (Greening & Turban, 2000). Better quality employees are attracted to employers that engage with the community resulting in increased productivity (Greening & Turban, 2000).

The data indicates a low number of participants that are associated with the communal sharing corporate community engagement model that links employee retention and recruitment costs savings to corporate community engagement. The data also indicates a high number of participants associated with the equality matching corporate community engagement model that links employee retention and recruitment costs savings to corporate community engagement.

The low number of participants associated with the communal sharing corporate community engagement model linking employee cost savings benefit to corporate community engagement aligns with the long-term focus of the model. While the high number of participants associated with the equality matching corporate community engagement model linking employee cost savings to corporate community engagement aligns with the medium-term focus of the model.

5.3.3.2 Human Resource Development Capabilities

Emerging from the data, is the human resource development capabilities benefit. Community-partner organisations may provide opportunities for leadership and managerial experience for the employees of business. The increased capabilities can lead to competitive advantage. In addition, the continuous learning of business in the community provides business with new community-knowledge not only to manage social risks but to identify new opportunities to create value from them as well (Delmas, et al., 2011).

The number of participants of the collective communal sharing corporate community model that links human resource development capabilities as a benefit to engaging the community is high. While the number of participants of the equality matching corporate community engagement model that links human resource development capabilities as a benefit to engaging the community is low. The high number of participants linking this benefit to engaging the community for the communal sharing corporate community engagement model may be associated with the long-term nature of the business-community relations to support the materialisation and identification of these opportunities. The shared interest and the thick trust associated with the business-community relations for this model may also support business taking the opportunity. The low number of participants linking this benefit to engaging the community for the equality matching corporate community engagement model may be associated with the medium-term nature of business-community relations.

5.3.3.3 Licence to Operate

The data indicates a low number of participants associated with both corporate community engagement models that link the licence to operate benefit with corporate community engagement. A social or legal licence to operate is the ongoing approval and broad acceptance of the operations of business by the community (Prno & Slocombe, 2012). While all companies require some kind of licence to operate, legal or otherwise, the low number of participants for both models that link this benefit to corporate community engagement, may be more about the industrial impact. That is, the majority of the participants mentioning this perceived benefit may be in industries associated with environmental impacts. This perceived benefit may be more

important for them than for participants associated with industries with less environmental impacts.

Another explanation may be that the participants are large multinational companies that are more focussed on the value creation proposition for corporate community engagement associated with stakeholder theory and the licence to operate benefit is implied. This may suggest an ordering or hierarchy of business benefits and licence to operate, although important for value creation and in turn business success, is not the ultimate goal of corporate community engagement, but to support other higher business benefits.

5.3.3.4 Improved Reputation

A good reputation attracts quality customers and investors and support the value creation proposition for corporate community engagement (Kurucz, et al., 2008). A bad reputation has the opposite effect. The data indicates a low number of participants associated with the communal sharing corporate community engagement model that links improved reputation to corporate community engagement. The evidence is consistent with the conceptualised long-term focus of this model. The data also indicates a moderate number of participants associated with the equality matching corporate community engagement model that links improved reputation to corporate community engagement. The moderate link of this benefit to corporate community engagement for this model is also consistent to the conceptualised medium-term focus of the model.

5.3.3.5 Increased Brand Value

Corporate community engagement initiatives can enhance brand value, and may also result in increased sales, profit margins, and lead to competitive advantage (Kurucz, et al., 2008; Barney, 1991). Community-interest is a resource that enhances brand, for example social cause-related marketing links commercial community initiatives to the marketing of products, aligning them with community-interest to differentiate the brand from competitors (Kurucz, et al., 2008).

The data indicates a high number of participants associated with the equality matching corporate community engagement model that links increased brand value to corporate community engagement. The data also indicates a low number of participants associated with the communal sharing corporate community engagement model that links increased brand value to corporate community engagement. The high number of participants associated with the equality matching corporate community engagement model that links increased brand value with corporate community engagement is also consistent to the conceptualised more medium-term focus of the model. The low number of participants associated with the communal sharing corporate community engagement model that links increased brand value with corporate community engagement is also consistent with the conceptualised long-term focus of the model.

5.3.3.6 Improved Access to Capital

The existing literature suggests that the value creation proposition for corporate community engagement is also supported by linking improved access to capital with the management of risks associated with the community-stakeholder (Cheng, et al., 2014). The data indicates a moderate number of participants associated with the equality matching corporate community engagement model that links improved access to capital with corporate community engagement. The data indicates a low number of participants associated with the communal sharing corporate community engagement model that links improved access to capital with corporate community engagement. While this result may be an indication of the duration factor of the business-community relations associated with the models, it may also relate to how the business is financed. In addition, access to finance may be more important for some business than for others.

The actual industry comparative performance for the access to finance benefit for the participants associated with both models, operationalised as cost of long-term debt is not consistent with the results based on the participants perception (see table 4.4 and table 4.5, pages 155, 156) . The evidence based on actual industry comparative performance indicates that

the number of participants associated with the communal sharing corporate community engagement model that performs above their industry peers is moderate. For the participants associated with the equality matching corporate community engagement model, the number of participants that performed better than their industry peer is low. This confirms the view that it is not that the individual benefits are not linked to the communal sharing corporate community engagement model as suggested by the data based on perception, but that the focus of the participants may be on the longer-term business success and less on its component parts.

5.3.3.7 Business Success

The term business success is an omnibus construct that includes:

“Revenue growth and market access; cost savings and productivity; access to capital; risk management and licence to operate; human capital; brand value and reputation”

(Weber, 2008, p. 249).

An important aspect of the business success benefit is that it is *all-inclusive* and *sustained over the long-term* and has significant impact on business performance and in turn competitive advantage (Zadek, 2001). For the individual benefit such as revenue growth, cost savings and improved reputation, although the value creation is immediate it may not be significant to impact business performance nor competitive advantage in the short-term.

Stakeholder theory perspectives of corporate community engagement is that it contributes to the success of the business over the long-term. As business manages different stakeholders' interests including the community to create value for all stakeholders, business makes trade-offs between different stakeholder-interests including the community-interest in the short-term for the benefit of the long-term business success (Freeman, et al., 2010). Improvements in revenue growth, cost savings and improved reputation may materialise, but they may not be significant in the short term.

The data indicates a clear difference between the two models in the number of participants that perceive business success as a benefit of corporate community engagement. The number of participants associated with the communal sharing corporate community engagement model that perceive business success as a benefit is high. While the number of participants associated with the equality matching corporate community engagement model that perceive business success as a benefit is low.

For the equality matching corporate community engagement model, the low number of participants that perceive business success as a benefit may suggest an emphasis on immediate short-term benefits at the expense of long-term business success. The value creation proposition for this model is also associated with a shorter time based on the reciprocal arrangements between business and the community in the decision-making process associated with the equality of business and the community (Bridoux & Stoelhorst, 2022). But the reciprocal arrangements also moderate the value creation proposition for this model as knowledge exchange are moderated by these arrangements (Bridoux & Stoelhorst, 2022). Although the gains from corporate community engagement may materialise earlier, these gains may be limited by lack of community-knowledge based on the reciprocal arrangements.

For the communal sharing corporate community engagement model, the high number of participants that perceive business success as a benefit may suggest an emphasis on long-term business outcomes. The value creation proposition for this model is also associated with a longer time linked to the decision-making process based on consensus (Bridoux & Stoelhorst, 2022). Consensus decision-making may support a stronger alignment of business and community interests and mediates the value creation proposition for this model (Bridoux & Stoelhorst, 2022). The gains from corporate community engagement may take a longer time to materialise, but they are supported by better community-knowledge, and more accurate to deliver expected outcomes.

The focus of the equality matching corporate community engagement model is to internalise community-interests to align with business interests to support the value creation proposition for corporate community engagement “within the boundaries of the *firm*” While the focus of the communal sharing corporate community engagement model is to externalise the business success by linking the success of business to the success of the community. As one participant explained:

“A successful community, a resilient community supports a successful business”
(company CS5, *interview*).

5.3.3.8 Summary - Perceived Business Benefits

For the perceived benefits of corporate community engagement, the data indicates that there are clear differences between the two models (see table 5.15). For the communal sharing corporate community engagement model, business success and human resource development capabilities are clearly linked to this model. These benefits may be linked not only to the long-term business-community relations but also to the shared interest of business and the community and thick trust. For the equality matching corporate community engagement model, and based on the data, employee recruitment and retention cost-savings and increased brand value are the main business benefits clearly linked to the model. This benefit may be linked to the medium-term business-community relations.

Table 5.15 Perceived Business Benefits - Comparison of Corporate Community Engagement Models

Corporate Community Engagement Theme	Corporate Community Engagement Sub-Themes	Corporate Community Engagement Model <i>(Number of Participants)</i>	
		Communal Sharing	Equality Matching
Perceived Business Benefits	Employee Cost Savings	Low	High
	Human Resource Development Capabilities	High	Low
	Licence to Operate	Low	Moderate
	Improved Reputation	Moderate	Moderate
	Increased Brand Value	Low	High
	Access to Capital	Low	Moderate
	Business Success	High	Low

The data for the organisational context of corporate community engagement indicates compelling similarities of both models. However, the data indicates clear differences between the two models in relation to the perceived business benefits of corporate community engagement (see table 5.16).

Table 5.16 Comparison of Corporate Community Engagement Models Organisational Context and Perceived Business Benefits

Corporate Community Engagement Themes	Corporate Community Engagement Sub-Themes	Corporate Community Engagement Model (Number of Participants)	
		Communal Sharing	Equality Matching
Organisational Context	Core Resources	High	High
	Board Level Oversight	High	High
	Alignment with Material Social Risk	High	High
	Alignment with UN SDGs	High	High
	Corporate Foundations	High	High
Perceived Business Benefits	Employee Cost Savings	Low	High
	Human Resource Development Capabilities	High	Low
	Licence to Operate	Low	Moderate
	Improved Reputation	Moderate	Moderate
	Increased Brand Value	Low	High
	Access to Capital	Low	Moderate
	Business Success	High	Low

The next section presents the empirical evidence in relation to the business-community relational resources that may account for these findings and identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead competitive advantage.

5.4 The Business-Community Relational Resource

The section presents the data for the business-community relational resource. It is based on relational resource theory dimensions and include relation specific assets, knowledge sharing routines, complementary resources and capabilities, an effective governance system, and the common ownership of community resources (Dyer & Singh, 1998). For the relation specific asset theme, the data is presented for long-term business-community relations and the scope of corporate community projects, the mix of corporate community projects.

5.4.1 Relation Specific Asset - Long-Term Business-Community Relations

This section presents the data for long-term business-community relations for the two cases and the complementary analysis. It supports the accumulation of specialised corporate community engagement language and know-how, tacit knowledge and in turn support efficient and effective business-community communication. Better business-community communication support better corporate community engagement projects that are aligned with business and community interests (Dyer & Singh, 1998).

5.4.1.1 Long-Term Business-Community Relations -The Communal Sharing Corporate Community Engagement Model

The data indicates that participants associated with the communal sharing corporate community engagement model have longer term relationships with their main community-partners.

Although the data also suggest that time might be a factor that affect business-community relations as participants need time to develop trusting relationships with community-partners.

The data indicates that the older participants, (thirty years or more) associated with this model, have long-term relationships with community-partners (more than ten years). For example, two participants indicated:

“Our community-partners appreciate that we are in this for the long-term. Our main community-partner relationship are over ten years, one is over twenty-five years, others may vary” (company CS7 interview).

“Although we have a few newer partners, two to three years, the average period of engagement with our main community-partners is in the region of 25 years” (company CS1, interview).

The report of another participant further support the long-term business-community relations linked to this model.

“We have collaborated with ‘one global partner’ for the last decade to develop urban mobility solutions in some of the world’s fastest-growing cities through a steadfast focus on improved public transit services” (company CS6, *report*).

Although these participants focus on long-term community-partner relationships, they are also adding new community- partners as well. Two participants indicated:

“We are long-term partners. However, we are constantly adding new partners globally” (company CS8, interview).

“Although this depends on the initiative, I can say that more than 90% of our main community-partners have been with us for more than 15 years. We do have new, what you call main partners. As we bring on new aspects to our priorities. For example, racial equity and social justice is now an important aspect of sustainable and resilient communities. Over the last two years we see the results of lack of diversity and equities sweep across the world. So, we have begun to partner with new community experts in these areas” (company CS2, *interview*).

Recent participants (less than thirty years old) have medium term business-community relationships (three to five years). For example, two participants indicated:

“We have thousands of community-partners with who we work in fifty countries. We monitor major partners annually and there are a few that appears on our global list on an annual basis, but this would be different for each country. I would venture to say three years in some cases. This figure we would use for request for proposals. But for the major partners could be more than five or even ten years” (company CS3, *interview*).

“This depends, over 10 years. For specific programs with NGOs, I would say 3-5 years depending on our formal agreements” (Company CS4, *interview*).

The report of this participants supports the long-term focus of corporate community engagement that is moderated to respond to immediate community needs.

“With the onset of Covid-19 pandemic, **we recognised we had to adjust our strategy to community investing and impact to meet immediate and pressing needs**. As a result, we are now responding to vulnerable populations to support recovery in the short term

while staying focused on our longer-term strategic initiatives” (Company CS4, *report, emphasis added*).

To summarise, the data indicates that the communal sharing corporate community engagement model is more generally associated with long-term business-community relationships that support the accumulation of specialised corporate community engagement language and know-how, tacit knowledge that can lead to competitive advantage (Dyer & Singh, 1998). However, new emerging issues require business to have a mix of long-term and short-term business-community relationships.

5.4.1.2 *Long-Term Business-Community Relations -The Equality Matching Corporate Community Engagement Model*

The data indicates that participants associated with the equality matching corporate community engagement model generally have medium-term relationships with their main community-partners. Although the data also indicates that older participants (thirty years old or more) have long-term business-community relations with their main community-partners. For example, more recent participants (less than thirty years old) are associated with medium term business-community relations, a three-to-five years period for program-based corporate community engagement projects. Two participants indicated:

“Most of our collaborations with our community-partners are multi-year. We are more inclined to support programs rather than just making donations. In terms of years, three-year programs, some of which are renewable” (company EM4, *interview*).

“We do give one-off grants when requested based on allocated resources and our company criteria, but generally when we support programs it is usually for the life of the program, multi-year, which in most case is three years. However, there are times with a new not-for-profit when we start off with a one-year arrangement, to develop that trust and understanding prior to entering a full three-year arrangement” (company EM5, *interview*).

The data also indicates that older participants (over thirty years old) associated with this model have longer-term business-community relationships for main community-partners. Two participants indicated:

“The average period of engagement of some of our main community-partners is decades, in other cases, 3-5 years “(company EM3, *interview*).

“ For some of our main projects up to 20 years. If I was forced to produce an average, probably 3-6 years, on average” (company EM7, interview).

To summarise, the data indicates that the equality matching corporate community engagement model is more generally associated with medium-term business-community relationships and support the accumulation of specialised corporate community engagement language and know-how, tacit knowledge that can lead to competitive advantage (Dyer & Singh, 1998). However, older businesses may have a mix of long-term and short-term business-community relationships.

5.4.1.3 Comparative Analysis Long-Term Business-Community Relations

The data for long-term business-community relations that is linked to relation specific asset that can lead to competitive advantage, indicates clear differences between the two models. For the communal sharing corporate community engagement model, a group, participants have longer term relationships (ten years or more) with their main community-partners than participants associated with the equality matching corporate community engagement model. Although time might be a factor that affect business-community relations as participants need time to develop trusting relationships with community-partners.

For the communal sharing corporate community engagement model, longer-term business-community relations are relations specific assets that support the accumulation of specialised corporate community engagement language and know-how, tacit knowledge and in turn support efficient and effective business-community communication. Better business-community communication support better corporate community engagement projects that are aligned with business and community interests (Dyer & Singh, 1998). In addition, more efficient and effective business-community communication reduces the implementation time for corporate community engagement projects and in turn reduce transaction cost and create value for business and the community that can lead to competitive advantage.

For the equality matching corporate community engagement model, the data indicates that participants generally are associated with medium-term business-community relationships. Although older participants may have long-term business-community relationship. Nevertheless, these longer-term relationships may be affected by reciprocal business-community arrangements associated with the model and moderate the accumulation of specialised corporate community engagement language and know-how that can lead to competitive advantage (Bridoux & Stoelhorst, 2022; Dyer & Singh, 1998).

To summarise, there is a clear difference between the models for long-term business-community relations that is linked to relation specific asset that can lead to competitive advantage. The data links long-term business-community relations the communal sharing corporate community engagement model support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. On the other hand, for the equality matching corporate community engagement model, the reciprocal arrangements between business and the community moderate the development of long-term business-community relations and in turn reduces the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage.

5.4.2 Relation Specific Asset - Scope

This section presents the data for scope of the relation specific asset for the two cases and the complementary analysis. The competitive advantage that is associated with the corporate community engagement relation specific knowledge developed based on long-term business-community relationship is conditional on economies of scale, the volume of corporate community engagement transactions (Dyer & Singh, 1998). Business may also benefit from economies of scope by leveraging the specialised knowledge across different community engagement projects (Dyer & Singh, 1998). The thesis limits the analysis to the scope of business-community interactions based on the different types of corporate community engagement employee projects¹.

The data indicates several types of corporate community engagement employee schemes including cash donations matched, volunteer hours matched, skilled volunteering, and learning volunteering. For cash donations matched employee schemes, business matches employee donations, whether partially or fully and most times capped at a specific amount. For volunteer hours matched employee schemes, business makes specific donations based on employee volunteer hours worked. Skilled volunteering employee schemes, business gives employees paid time-off to volunteer in their communities with their specialist skills. For learning volunteering schemes, employees volunteer in community-partner organisations where they learn. These employee learning volunteer schemes relate to human resource development. Learning volunteering may also include collaborations with the employee resource group. These groups usually support networking and team building for employees, a human resource development innovation. But they are also used in corporate community engagement employee schemes.

5.4.2.1 Employee Community Schemes - Communal Sharing Corporate Community Engagement Model

The data indicates that participants associated with the communal sharing corporate community engagement model utilise different types of employee schemes including cash donations matched, volunteer hours matched, skilled volunteering, and learning volunteering (see table 5.17).

Table 5.17 Employee Community Schemes - Communal Sharing Corporate Community Engagement Model

Participant	Cash Donations (Matched)	Volunteer Hours (Matched)	Volunteer Hours Skilled	Volunteer Hours Learning	Total
Company CS1	X	X	X	X	4
Company CS2	X		X	X	3
Company CS3	X	X	X	X	4
Company CS4	x		X	X	3
Company CS5	X		X	X	3
Company CS6			X	X	2
Company CS7	X	X	X	X	4
Company CS8			X		1
Company CS9		X	X		2
Total	6	4	9	7	

Cash Donations Matched

For this model, the data indicates that the number of participants that use cash donations matched employee schemes is high (six participants). For example, the reports of two participants indicated:

“We amplify personal donations of time and money, up to a maximum amount each year. We welcome new employees with a monetary gift to donate to a charity of their choice and immediately connect them to our broader giving programs “ (company CS3, *report, edited to maintain confidentiality*).

“We match the personal contributions of colleagues and the Company’s board of directors to **qualified non-profit organisations**... We match their contributions to non-profits up to a maximum amount each year” (company CS2, report, emphasis added, edited to maintain confidentiality).

For this model, the number of participants using these cash donations matched employee schemes is high. The literature suggests that cash donations may not support the value creation due to the transactional business-community relations (Hillman & Keim, 2001). Although business may make strategic cash donations based on long-term business-community relations (Porter & Kramer, 2006). These matched cash donation by employee choice, passion-led may not lead to competitive advantage. Where business utilises the specialised corporate community engagement knowledge gained from long-term business-community relations in the approval process of ‘*qualified non-profit*,’ then business may benefit from some economies of scope.

Volunteer Hours Matched

For this model, the data indicates that the number of participants that use matched volunteer hours employee schemes is moderate (four participants). For example, the reports of three participants indicated:

“With our community Leadership programs, employees can apply for grants for **qualifying non-profit agencies** where they undertake eligible hours of **volunteer work annually or board leadership involvement**” (company CS1, report, emphasis added).

“Our company provides micro-grants to organisations where our colleagues volunteer eligible hours within a 12-month period” (company CS2, report, edited to maintain confidentiality)

“Our Foundation supports employees’ commitment to the community and provides monetary donations to organisations in all four of its focus areas where **our employees volunteer with non-profits are eligible for a (grant) once (employees) have contributed**”

qualified hours of group volunteer time to the organisation” (company CS9, report, emphasis added).

Skilled Volunteering

For this model, the data indicates that the number of participants that use skilled volunteering employee schemes is high. As shown in table 5.18, all nine participants indicated that they utilise skilled volunteering in the corporate community engagement process. Skilled volunteering initiatives provide the community with expertise that otherwise might have been very costly. Business also benefit from employees honing their skills in different environment. This in turn may build their confidence, increase their productivity, and support the value creation proposition for corporate community engagement. These initiatives are “win-win” for business and the community. Business may also gain access to specialised community engagement knowledge that can lead to competitive advantage.

Table 5.18 Employee Skilled Volunteer Schemes - The Communal Sharing Corporate Community Engagement Model

Participants	Quotes	Source
Company CS1	“Through the <u>volunteer</u> and community Leadership programs, employees can apply for grants for qualifying non-profit agencies where they undertake paid hours of volunteer work annually or board leadership involvement. ” (Edited to maintain confidentiality, emphasis added).	Report
Company CS2	“In addition to hands-on and mentoring volunteer opportunities, our colleagues can use their professional skills to help non-profits become more efficient and effective via our <u>consulting program</u> , our pro bono volunteer program.” (Edited to maintain confidentiality, emphasis added).	Report
Company CS3	“Through our <u>consulting programs</u> colleagues can apply their expertise in marketing, IT, social media, and other areas to consult with non-profits remotely. This new online platform makes it easy to search for organisations and projects that match our colleagues’ interests. Colleagues can also nominate non-profits that they believe will benefit from the platform.” (Edited to maintain confidentiality, emphasis added).	Report
Company CS4	“We increase our positive impact in the community by encouraging our colleagues to lend their time and talent toward volunteer activities that complement our philanthropic giving. Our colleagues used their professional skills, expertise, and time volunteering. with community organisations to support a range of projects, from traditional hands-on activities to skills-based volunteering.” (Emphasis added).	Report

Company CS5	“Our program strengthens communities with paid hours each year for employees to contribute their skills and talents.”	Report
Company CS6	“ <i>Our company’s</i> coaching and volunteering-based development through <u>one of our citizenship program</u> , is designed for hourly employees who aspire to formal leadership. <u>Our employee engagement initiatives</u> include experiential learning, coaching, core and elective courses, and volunteering-based development opportunities . The program is leveraging <u>our company’s business</u> and coordination expertise and combining it team members’ passion to create opportunities and build more vibrant communities worldwide.” <i>(Emphasis added and edited to maintain confidentiality)</i> .	Report
Company CS7	“The Foundation supports local organisations where employees live and work, as well as employee-driven philanthropy with matching gifts and volunteer service programs .” <i>(Emphasis added)</i> .	Report
Company CS8	<u>We have</u> created a robust culture of volunteerism across our company and our employees are passionate about using their time and talents to our <u>main project</u> in their communities. <i>(Emphasis added and edited to maintain confidentiality)</i> .	Report
Company CS9	“At the heart of that work are the thousands of employees who channel their talents and volunteer their time to support organisations and communities around the world. Driven by their desire to help others,” <i>(Emphasis added)</i> .	Report

Learning Volunteering

For this model, the data indicates that the number of participants that use employee learning volunteer schemes is high (seven participants). For example, the reports of two participants indicated:

“We see community engagement as an opportunity to learn. We differentiate between service learning and volunteering. We empower and provide ‘our people’ to learn in the community. They can practice their skill set in new systems, learn about other cultures, and make connections in diverse ways...Contributing time and talent to non-profits with eligible hours of paid Service Learning each year. Core to our ethos is the belief that we can all learn and grow through service. Service Learning means you are working in service of others, to listen and assist in ways that are welcome, and learning about others from a humble place (company” CS5, report, emphasis added).

“Employees may also engage with their communities and develop leadership experience by serving on non-profit associate boards” (company CS4, *report*).

The data indicates that the volunteer employee learning schemes also extends to new recruits. For example, the report of one the participant also indicated:

“Through a partnership, select eligible recruits have the opportunity to defer their offer for one year to work in a strategic role at a non-profit” (company CS4, *report*).

For this model, the data indicates that the volunteer employee learning schemes that include collaborations with the employee resource group is low (two participants). These participants indicated:

“We partner with managers and ERGs to plan events for groups that strengthen working relationships while giving back to the community. We connect employees with volunteer opportunities that incorporate their professional skills, including short-term consulting events and non-profit board service” (company CS3, *report*).

“Our employees work on our community engagement initiatives through our employee resource groups, they benefit from managerial experience that they would not otherwise gain including leadership experience as they participate in our community engagement initiatives. They also benefit from building their network, this augurs well for their career path and development” (company CS7, *interview*).

Based on the data, the benefits of this learning schemes appears similar to the skilled schemes. Both schemes suggest human resource development and resource capabilities that can lead to competitive advantage.

To summarise, the data indicates that participants associated with the collective communal sharing corporate community engagement model utilise four different types of employees schemes in corporate community engagement. The data also indicates high use of the cash donations matched, skilled volunteering, and learning volunteering schemes. The latter schemes may have greater potential to leverage specialised corporate community engagement knowledge as they may provide greater opportunities for knowledge-exchange. This can lead to competitive advantage. In addition, the joint learning between business and non-profit as business embeds in the non-profits organisation at managerial or leadership levels, may give business early access to emerging community issues that can also lead to competitive advantage.

5.4.2.2 Employee Community Schemes - The Equality Matching Corporate Community Engagement Model

The data shows that participants associated with the equality matching corporate community engagement model utilise different types of employee schemes including cash donations matched, volunteer hours matched, and skilled volunteering, learning volunteering (see table 5.19).

Table 5.19 Employee Community Schemes - Equality Matching Corporate Community Engagement Model

Company	Cash Donations (Matched)	Volunteer Hours (Matched)	Volunteer Hours (Skilled)	Volunteer Hours (Learning)	Total
EM1	X	X	X		3
EM2	X		X		2
EM3	X	X	X		3
EM4	X		X	X	3
EM5	X		X		2
EM6	X		X		2
EM7	X	X	X		3
EM8			X		1
Total	7	3	8	1	

Cash Donations Matched

For this model, the data indicates that the number of participants that use cash donations matched employee schemes is high (seven participants). For example, the reports of three participants indicated:

“We also support the causes our employees are most passionate about through matching gifts. The Foundation provided a significant amount in matching funds to supplement contributions employees made” (company EM6, report, edited to maintain confidentiality).

“To address critical issues in communities including housing and shelter needs, employees volunteered and raised funds which included a company match for every employee donation” (company EM4, *report*, edited to maintain confidentiality).

“Employee giving was amplified by corporate matching. We saw employees spearhead their own giving campaigns for Flood Relief” (company EM5, *report*, edited to maintain confidentiality).

Volunteer Hours Matched

For this model, the data indicates that the number of participants that use matched volunteer hours employee schemes is moderate (three participants). For example, the reports of two participants indicated:

“Our charitable matching gifts and volunteerism program allows eligible employees to create and sign up for volunteer activities, as well as request to have their donations and volunteer hours matched by the Company. Eligible employees can give to qualified non-profits through donations and payroll deductions. Donations are matched dollar-for-dollar, and volunteer time is rewarded with an equivalent” (company EM3, *emphasis added*).

“The company supports employees’ passions through programs that provide paid volunteer time and match the generosity of their contributions. The company provides employees with eligible paid time off to volunteer for charities in their local communities” (company EM1, *report*, edited to maintain confidentiality).

Skilled Volunteering

For this model, the data indicates that the number of participants that use skilled volunteering employee schemes is high. As shown in table 5.20, all eight participants, indicated that they utilise skilled volunteering in the corporate community engagement process. Skilled volunteering initiatives provide the community with expertise that otherwise might have been very costly.

Business also benefit from employees honing their skills in different environment. This in turn may build their confidence, increase their productivity, and support the value creation proposition for corporate community engagement. These initiatives are “win-win” for business and the community. Business may also gain access to specialised community engagement knowledge, but this is moderated by the medium-term business-community relations associated with this model.

Table 5.20 Employee Volunteer Schemes - The Equality Matching Corporate Community Engagement Model Skilled

Participant	Quotes	Source
Company EM1	“We support our employees in a variety of ways they give <u>generously of their time, talent, and resources to the causes</u> they care about, we are helping maximize the impact of doing good. The employees share their knowledge externally, teaching workshops, providing expertise at events and volunteering with various organizations to give back to communities with their accessibility knowledge.” <i>(Emphasis added).</i>	Report
Company EM2	“Each center is housed within a local community organization and provides students and families with free access to high-speed <u>our company’s dedicated technical resources</u> . Our employees volunteer at the centers and through digital platforms to provide learners with tutoring and mentoring opportunities.” <i>(Edited to maintain confidentiality)</i>	Report
Company EM3	“Our employees support a wide variety of causes and organizations with their time and talent, reflecting the diverse population of our organization. Employees also play an active role in supporting nonprofits that <u>our company</u> supports on an enterprise level, and we continue to provide opportunities for them to do so.” <i>(Edited to maintain confidentiality)</i>	Report
Company EM4	“ <u>One of the company’s recent community program was implemented where</u> the need was greatest, and in line with our dealer and distributor network and employee base for volunteerism, fundraising and <u>sharing expertise.</u> ” <i>(Edited to maintain confidentiality, emphasis added).</i>	Report
Company EM5	“We design programs and solutions that <u>leverage technology, expertise,</u> philanthropy, and voice to help meet society’s most important challenges. we <u>provide longer term pro bono consulting support to help our social impact partners solve critical technical and process</u> challenges. We are proud to use our resources to advance the critical work of our nonprofit partners locally and globally.” <i>(Emphasis added).</i>	Report
Company EM6	“The roots of our program map back to volunteer efforts undertaken by individual employees in the early days of the company’s history. Today, the program has a small dedicated fulltime staff focused on coordinating technical assistance and product donations across a variety of nonprofit partner programs. Each employee	Report

	can <u>the approved paid hours per year</u> to support a variety of community programs locally or to participate <u>by providing technical skills and support to one of the larger programs</u> " (<i>Edited to maintain confidentiality, emphasis added</i>).	
Company EM7	"The volunteers invested their talent and leveraging their <u>expertise in various technology-based community projects</u> . We believe that employees' donation of skills they have honed <u>at community-partner organisations</u> is particularly significant because schools and non-profits would have to pay high rates for this type of assistance in the marketplace." (<i>Edited to maintain confidentiality, emphasis added</i>)	Report
Company EM8	"The passion, dedication and support of our <u>employee-volunteers</u> , NGO partners and our team made it possible to promote excellence, and <u>nurture technology-led innovation to maximise impact in all our projects</u> ." (<i>Emphasis added</i>).	Report

Learning Volunteering

For this model, the data indicates that the number of participants that use employee learning volunteer schemes is low (one participants). The report of this participant indicated:

"The Community Impact Grant allows our Employee Resource Groups (ERGs) the unique opportunity to direct corporate social investments and commit volunteer hours to the non-profits that align with the mission and values of the ERGs" (*company EM3, report*).

To summarise, the data indicates that participants associated with the equality matching corporate community engagement model utilises four different types of employees schemes in corporate community engagement. The data indicates high use of the cash donations matched, skilled volunteering, Therefore, participants mainly leverage specialised corporate community engagement knowledge across these two schemes. The low number of participants associated with the use of learning volunteering schemes may be linked to the medium-term business-community relations associated with the model. Hence this model may not benefit from significant improvement corporate community engagement capabilities associated with learning volunteering schemes.

5.4.2.3 Comparative Analysis: Scope of Corporate Community Engagement Projects

The data for the scope of corporate community engagement projects that is linked to relation specific asset that can lead to competitive advantage, indicates differences between the two models. For participants associated with *the communal sharing corporate community engagement model*, the use of company matching cash donations, skilled volunteering, and volunteering associated with learning and development is high. While for participants associated with the *equality matching corporate community engagement model*, the use of matching cash donations and skilled volunteering is high, but the use of volunteering associated with learning and development is low (see table 5.21).

Table 5.21 Comparison of the Models Based on Different Types of Corporate Community Engagement Employee Schemes

Corporate Community Engagement Model	Cash Donations Matched	Volunteer Hours Matched	Skilled Volunteering	Learning Volunteering
Communal Sharing (Number of companies)	6	4	9	7
Equality Matching (Number of companies)	7	3	8	1

There is a clear difference in the relation specific asset scope between the two models for learning volunteering schemes, seven participants versus one participant. The continuous learning in the community for the collective communal sharing corporate community engagement model provides business with new community-knowledge not only to manage social risks but to identify new opportunities to create value from them as well (Delmas, et al., 2011). There is a human resource development capabilities benefit that is significant for the communal sharing corporate community engagement model. This provides increased capabilities for corporate community engagement as well as the business in general and can lead to competitive advantage.

The *opportunities of scope* of corporate community engagement knowledge across different corporate community engagement initiatives that can lead to competitive advantage is also clearer for the *communal sharing corporate community engagement model* than for the *equality matching corporate community engagement model*. The learning volunteering schemes linked to the communal sharing corporate community engagement model provides the development human resource capabilities that can lead to competitive advantage. This benefit may be linked to the long-term business-community relations associated with the model. The learning volunteering schemes is not linked to the equality matching corporate community engagement model. So, the development human resource capabilities that can lead to competitive advantage is not linked to this model.

To summarise, the data indicate clear differences for the business relational resource of *relation specific assets* that can lead to competitive advantage (table 5.22). For the duration of the business-community relation, there is a clear difference between the models. The business-community relations for the communal sharing corporate community engagement model is mostly long-term that supports the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. While the business-community relations for the equality matching corporate community engagement model is mostly medium term that is not efficient in accumulating specialised corporate community engagement knowledge that can lead to competitive advantage.

To benefit from economies of scope from leveraging specialised corporate community engagement knowledge that can lead to competitive advantage, the data also indicates differences between the two models. For the communal sharing corporate community engagement model, the different types of employee community engagement initiatives to leverage corporate community engagement knowledge include volunteer hours matched, skilled volunteering, and learning volunteering. For the equality matching corporate community engagement model, the different types of employee community engagement initiatives to leverage corporate community engagement knowledge include volunteer hours matched and

skilled volunteering. The employee learning volunteering schemes is not linked to this model. So, this model does not benefit from the human resource development benefit linked to learning volunteering schemes that can lead to competitive advantage.

Table 5.22 Relation Specific Assets Mechanisms–Comparison of the Models

Business-Community Relational Resource Dimension	Business-Community Relational Resource Mechanisms	Communal Sharing Corporate Community Engagement Model	Equality Matching Corporate Community Engagement Model
Relation Specific Corporate Community Engagement Assets	Duration of Corporate Community Engagement	Mostly Long-Term	Mostly Medium-Term
	Scope of Corporate Community Engagement Knowledge	<i>Leverage corporate community engagement knowledge mainly across</i> <ul style="list-style-type: none"> • Volunteer Hours Matched • Skilled Volunteering • Learning Volunteering 	<i>Leverage corporate community engagement knowledge mainly across</i> <ul style="list-style-type: none"> • Volunteer Hours • Skilled Volunteering

5.4.3 Superior Knowledge Sharing Routines

This section presents the data for superior knowledge sharing routines for the two cases and the complementary analysis. It includes frequent and intense business-community interactions that support superior corporate community engagement knowledge sharing routines that can lead to competitive advantage (Dyer & Singh, 1998). These are 'regular patterns of business-community interactions that support the transfer, recombination, or creation of specialised corporate community engagement knowledge.

“These are institutionalised processes that are purposefully designed to facilitate knowledge exchange between business and community-partners” (Dyer & Singh, 1998 .p 665).

Since the value creation proposition for corporate community engagement requires the alignment of business and community interests and “*the community*” may have various interests and interest groups, business should first determine with whom it should have frequent and intense interactions to access specialised community engagement knowledge. So, the section firstly presents the data in relation to the *different agents representing community interests* and the different *knowledge sharing routines*.

5.4.3.1 Superior Knowledge Sharing Routines - Communal Sharing Corporate Community Engagement Model

The Main Agents of Community-Interests

For the participants associated with the collective communal sharing corporate community engagement model, the data indicates three different groups that represent the views of the community (see table 5.23).

Table 5.23 Community Interests Groups - Communal Sharing Corporate Community Engagement Model

Participants	Employees	Community-Partners	Other Community Stakeholders
CS1			
CS2	X	X	X
CS3	X		
CS4	X	X	X
CS5	X		
CS6	X	X	
CS7		X	
CS8		X	
CS9	X	X	
Total	6	6	3

The data shows that for the collective communal sharing corporate community engagement model, the number of participants that indicated that *employees* represent the views of the community is high (*six participants*). For example, a participant indicated:

“Our employees carry information between the company and the community, in making requests for grants to various community programs and in their interaction as volunteers. They bring to bear on the community programs their managerial and technical knowledge, and they also return with information on the needs and competencies of community-partners. This allows our company to make the best use of our community engagement resources and support sustainable community engagement solutions” (company CS3, *interview, emphasis added*).

The data shows that for this model, the number of participants that indicated that *community-partners* represent the views of the community is also high (*six participants*). For example, a participant indicated:

“Our participation in the community initiatives is based on what we bring, our core competencies. **The community-partners are the experts and reflect the views of the community** and the management of the initiatives. In other words, these are not company-branded initiatives, we participate in community-networks initiatives as any other community-stakeholder, including other businesses and government bodies”
(company CS8, *interview, emphasis added*).

The data shows that for this model, the number of participants that indicated *that a combination of different groups including employees, community-partners, and other community stakeholders represent the views of the community* is moderate (five participants). For example, a participant indicated:

“We partner with community organisations that share our community-interests. The **community-partners reflect the interests of the community. Our employees serve on boards and volunteer with these organisations. In addition, we conduct an annual impact survey to** assess not only the difference our programs and initiatives are making to the community but also to develop new initiatives and improve our own capacities”
(company CS1, *interview, emphasis added*).

The views of the community are reflecting in our community engagement initiatives in different ways. Firstly, on an annual basis, there are focus group meetings involving community-stakeholders that feeds into our strategic plans. **Community stakeholders are a broader group than community-partners (organisations we work within delivering community-solutions). Key community-stakeholders including community-partners (example NGOs), policymakers, community-leaders, and community-advocates.** On an

ongoing basis, our local partner NGOs and our employees through our employee affinity groups, also reflect the views of the community in our initiatives. The affinity groups are the same as what is known in the industry as employee resource groups, ERGs. You should note however that not all ERGs are for teambuilding, for us it is a mechanism of community engagement that supports team building. Apart from regularly engaging with the affinity team-leaders, our CSR team proactively and strategically are members of more than one group (simultaneously). Our employees can also be members of more than one group (company CS4, *interview, emphasis added*).

Knowledge Sharing Routines

Consistent with the different groups that represent community-interests, the data shows that business uses different knowledge sharing routines. For the collective communal sharing corporate community engagement model, these knowledge sharing routines including employee meetings and surveys, community projects meetings, and workshops and seminars (see table 5.24).

Table 5.24 Knowledge Sharing Routines - Communal Sharing Corporate Community Engagement Model

Participants	Employee Meetings	Project Meetings with Community Partners	Workshops, Seminars
CS1	X	X	
CS2		X	
CS3	X		
CS4	X	X	X
CS5		X	
CS6	X	X	
CS7		X	
CS8		X	
CS9	X		
Total	5	7	1

For this model, the data shows that the use of *community projects meetings* with community-partners is high (seven participants). For example, a participant indicated:

“We share information in program meetings and as needed. Our role here is because as I said before our unique competencies, we want the program to succeed, otherwise why bother, so with these partners they get all the information they need to ensure the success of the program” (company CS5, *interview, emphasis added*).

The data also shows there is moderate use of *employee meetings and surveys* (five participants). For example, a participant indicated:

“We have regular scheduled meetings with our community ‘leaders’ (employees) as well as we conduct an annual employee survey to get feedback on these programs and we utilise the information in our planning” (company CS3, *interview, emphasis added*).

For some participants, the data indicates a *mix of knowledge sharing routines*. For example, as a participant indicated:

“Community-knowledge is shared through our employees. This **includes bi-weekly meetings with local resource groups, lead volunteers, and community councils.** In addition, we **meet regularly with our community-partners for updates on projects”** (company CS6, *interview, emphasis added*).

To summarise, for the knowledge sharing routines of the collective communal sharing corporate community engagement model, the data shows that the number of participants that considers both employees and community-partners as representing the views of the community is high. While the participants associated with this model consider community-partners as experts, they also value the knowledge of employees embedded in community-partners’ organisations.

For this model, the data also shows the use of *project meetings with community-partners* to exchange specialised corporate community engagement knowledge by participants is high. This is consistent with the collective model, as these projects and meetings are not necessarily led by business. However, the data also shows that for this model, the use of employee meeting to exchange specialised corporate community engagement knowledge by participants is moderate. Although, the employee-based knowledge sharing routine was expected to be high, given the high value that the participants place on the knowledge of employees embedded in community-partner organisations. This may indicate a stronger emphasis on the human resource benefit than on the exchange of specialised corporate community engagement knowledge. Nevertheless, for this model, the frequent and intense knowledge sharing routines of this model can lead to competitive advantage.

5.4.3.2 Superior Knowledge Sharing Routines - Equality Matching Corporate Community Engagement Model

The Main Agents of Community-Interests

For the participants associated with the equality matching corporate community engagement model, the data indicates three different groups that represent the views of the community (see table 5.25).

Table 5.25 Community Interests Groups - Equality Matching Corporate Community Engagement Model

Participant	Employees	Community-Partners	Other Community Stakeholder Groups
EM1	X		
EM2		X	
EM3		X	
EM4	X	X	
EM5	X	X	
EM6		X	
EM7	X	X	X
EM8		X	
Total	4	7	1

The data shows that for the equality matching corporate community engagement model, the number of participants that indicated that *employees* represent the views of the community is moderate (four participants). For example, one participant indicated:

“The views of our community are reflected in our community engagement initiatives through the work of our Foundation working with our employees in the employees resource groups (ERGs), our champions and our community Allies (this may include other companies or institutions including NGOs). Our champions and our ERGs are our employees who are also a part of the community and understand the local needs as they experience them or network with others in the community who experience the needs. Our Allies also live and/or do business in our communities. These groups we believe

reflect the views of the community. For our ERGs they meet with their local community leaders and organisations of similar interest to clarify issues and prioritise needs which are fed into our Foundation to assess the needs for all ERGs and strategically allocate resources” (company EM1, *interview, emphasis added*).

The data also shows for this model, the number of participants that indicated that *community-partners* represent the views of the community is also high (seven participants). For example, a participant indicated:

“The main process by which the community views are reflected in our initiatives is through our collaboration with **the non-profits, the community experts**” (company EM3, *interview, emphasis added*).

The data shows that for this model, the number of participants that indicated that *a combination of different groups including employees, community-partners, and other community stakeholders* represent the views of the community is moderate (three participants). For example, two participants indicated:

“Apart from **our employees’ involvement through the various ERGs, our community-partners are the ones with their ‘ears on the ground.’ We have changed course with initiatives because of the input of our community-partners.** Where we had agreed one direction and mid-way through the program changes in community circumstances of which our partner was aware and fed into our initiative resulted in a change of direction. The input the partners at this level sometimes carry even more weight than the company, as we both want the initiative to be successful” (company EM4, *interview, emphasis added*).

“We consider our **community-partners as a good indicator of the views of the community. The live and work in the community and we consider them as experts on**

community matters. In addition, our employees also live and work on the communities and are also an additional source of the views of the community. Apart from our ongoing interaction with our community-partners, our annual network event, is a big part of our garnering the community views. At this event both the company and the community-partners make presentations, and we are better able to assess how we can best use our joint resources to deliver community benefits within the context of our corporate focus” (company EM7, *interview, emphasis added*).

Knowledge Sharing Routines

Consistent with the different groups that represent community-interests, the data shows that business uses different knowledgesharing routines. For the equality matching corporate community engagement model, these knowledge sharing routines including employee meetings and surveys, community projects meetings with community-partners, and workshops and seminars (see table 5.26).

For this model, the data shows that the use of *community projects meetings with community-partners* is moderate (four participants). For example as two participant indicated:

“For our current partners, we have regular meetings as we assess, measure, and evaluate our community programs” (company EM2, *interview*).

“We meet both formally and informally. In terms of certain information, they are a part of our distribution list, a part of our community in that respect...Our partners also submit quarterly reports on the progress of our community programs” (company EM4, *interview*).

The data shows that the use of *employee meetings* is also low (two participants). For example, a participant indicated:

“A very important aspect of sharing of information is through our relationships with champions, our ERGs, and our Allies. This may be formal or informal. In addition, we also participate in community seminars and workshops as participants as well as presenters in relation to managing community issues including sharing technical knowledge” (company EM1, *interview*).

Table 5.26 Knowledge Sharing Routines - Equality Matching Corporate Community Engagement Model

Participants	Employee Meetings	Project Meetings with Community-partners	Workshops, Seminars
EM1	X		X
EM2		X	
EM3		X	X
EM4		X	
EM5		X	X
EM6			X
EM7			X
EM8	X		
Total	2	4	5

The data shows that the use of workshops, seminars and similar events is moderate (five participants). For example, two participant indicated:

“We have an annual network event when we invite our main community-partners and key community stakeholders” (company EM6, *interview*).

“Our non-profits are also invited to our *annual customer (other businesses)* where they get the opportunities network as well as to learn and share their knowledge and experience. Our non-profits also submit quarterly reports, and our team communicates with them on a one-on-one basis as the need arise whether we or them want clarification or information” (company EM6, *interview, emphasis added*).

To summarise, for the knowledge sharing routines of equality *matching corporate community engagement model*, the data shows that the number of participants that considers *employees* as representing the views of the community is *moderate*. Medium-term business-community relations moderate the employee-community relations. For this model, the data also shows that the number of participants associated with this model that considers *community-partners* as representing the views of the community is *high*, they are considered as experts,

In relation to the knowledge sharing routines that can lead to competitive advantage, for this model, the data shows that the use of *project meetings* to share corporate community engagement knowledge by participants is *moderate* and the use of *employee meeting* to share specialised corporate community engagement knowledge by participants is also *low*. However, the data also shows that for this model, the use of use of *workshops, seminars* and similar events to share corporate community engagement knowledge by participants is *moderate*. This result may reflect the peer relationship of business and the community. So, the impact of these knowledge sharing routines on competitive advantage may not be significant.

5.4.3.3 Comparative Analysis – Superior Knowledge Sharing Routines

The data for knowledge sharing routines that can lead to competitive advantage, indicates clear differences between the two models. Participants associated with both models perceive both their employees and community-partners as representing community-interests. However, participants associated with both models, use different knowledge sharing routines with these community-interest groups (see table 5.27).

Table 5.27 Comparison of the Models - Knowledge Sharing Routines

Corporate Community Engagement Model	Agents of Community-Interests		Superior Knowledge Sharing Routines		
	Employees	Community-Partners	Employee Meetings	Community-Partner Meetings	Workshops, Seminars
Communal Sharing <i>(Number of Participants)</i>	High	High	Moderate	High	Low
Equality Matching <i>(Number of Participants)</i>	Moderate	High	Low	Moderate	Moderate

Agents of Community-Interests

The data shows a clear difference between the two models in relation to who represents the interest of the community. For the collective *communal sharing corporate community engagement model*, value the community-knowledge of their employees is high. They are embedded in community-partner organisations. The data shows that the number of participants associated with the *collective communal sharing corporate community engagement model* that considers *employees* as representing the views of the community is *high*.

The data also shows that the number of participants associated with the *equality matching corporate community engagement model* that considers *employees* as representing the views of the community is *moderate*, while those who considers *community-partners* as representing the

views of the community is high. They consider *community-partners* as experts of the views of the community.

Superior Knowledge Sharing Routines

For the communal sharing corporate community engagement model, the data shows that the use of *project meetings* to share specialised corporate community engagement knowledge by participants is high. This is consistent with the collective model, as these projects and project meetings are not necessarily led by business. The value creation proposition for corporate community engagement is “*beyond the boundaries of the firm.*” For the equality matching corporate community engagement model, the data shows that the *use of community-partner meetings* to share specialised corporate community engagement knowledge is moderate.

The use of *employee meetings* to share specialised corporate community engagement knowledge by participants of the collective communal sharing corporate community engagement model is moderate. Although, this knowledge sharing routine was expected to be high, given the high value that the participants place on the knowledge of employees embedded in community-partner organisations. The moderate use of scheduled and employee meetings may also suggest the use of unscheduled less formal employee meetings for this model.

The data also shows that for the equality matching corporate community engagement model, the use of *employee meeting* to share specialised corporate community engagement knowledge by participants is low. This may reflect a lack of specialised community engagement knowledge that resides in the employees because of the medium-term business-community relations.

For the equality matching corporate community engagement model, the use of *workshops, seminars and similar events* to share specialised corporate community engagement knowledge by participants is moderate. This result may reflect the peer relationship of business and the community as well as business being more internally focussed. For the collective communal sharing corporate community engagement model, the use of *workshops, seminars and similar*

events to share specialised corporate community engagement knowledge by participants is low. Again, emphasising that the focus of value creation proposition mechanisms for this model is not on the internal mechanisms but on the mechanisms “*beyond the boundaries of the firm.*”

To summarise, there is a difference between the models in relation to superior knowledge sharing routines that can lead to competitive advantage. *For the collective communal sharing corporate community engagement model*, the frequent and intense business-community interactions include regular community-partner meetings and to a lesser extent employees in leadership and managerial roles in community-partner organisations. This provides access to specialised corporate community engagement knowledge that can lead to competitive advantage.

On the other hand, company *workshops and seminars* may not provide specialised corporate community engagement knowledge that can lead to competitive advantage. Firstly, the initiatives may not be specific to corporate community engagement. Secondly, these initiatives may not be regular but are *once per year*.

5.4.4 Complementary Corporate Community Engagement Resources

The section presents the data in relation to how business identify and access complementary corporate community engagement resources that can lead to competitive advantage.

Information rich positions in networks alliances, business can gain access to information about potential complementary resources (Dyer & Singh, 1998). Membership in network alliances alone may not provide reliable information. The thesis defines rich position position to include *leadership roles on management committees or founding membership* in network alliances.

5.4.4.1 Complementary Corporate Community Engagement Resources - Communal Sharing Corporate Community Engagement Model

For the communal sharing corporate community engagement model, the data links a central information rich position to the model. The number of participants that indicated that they occupied information rich position is high (eight). For example, one participant indicated:

“We provide subject matter experts to brief Congressional policy **advisors on emerging technology, offering insights on research and development**” (company CS3, *report, emphasis added*).

Other examples include:

“Our senior staff member joined the board of a community programme and also serves on the board of the UN Global Compact. Another senior staff chairs a collaborative programme dedicated to closing racial wealth gaps” (company CS4, *report, edited to maintain confidentiality*).

“We continue to look for opportunities to serve in our communities, working to protect at-risk watersheds where we operate through our **founding membership** of an important social programme, part of the United Nations Global Compact” (company CS1, *report, edited to maintain confidentiality, emphasis added*).

“Our company is a **founding member** of a programme seeking to address racial inequality in employment” (company CS7, *report, edited to maintain confidentiality, emphasis added*).

5.4.4.2 Complementary Corporate Community Engagement Resources - Equality Matching Corporate Community Engagement Model

For the equality matching corporate community engagement model, the link to information rich positions in network alliances is moderate. Four of the eight participants indicated information rich positions in network alliances. For example:

“We are reducing vehicle count in targeted portions of our fleet and plan to incorporate hybrid/electric technician vehicles to cut our emissions and reduce pollution in the communities where we operate. As part of these preparations, we are **a founding member** of the collaborative programme, working with other companies to identify the challenges and opportunities involved in adding electric fleet vehicles” (company EM2, *report, edited to maintain confidentiality, emphasis added*).

“Our company is **a founding member** of an environmental programme, a private sector testing ground for scaling bold climate solutions quickly, safely, and equitably. Together with a dozen companies, we are working to move beyond having a “net zero” impact to scale climate solutions that support both reduction within and outside of our own operational footprints” (company EM1, *report, edited to maintain confidentiality, emphasis added*).

5.4.4.3 Comparative Analysis - Complementary Business-Community Resources

The data for information rich position that supports business to identify and access complementary resources that can lead to competitive advantage, indicates differences between the models (see table 5.28). It shows a clear link between information rich positions and the communal sharing corporate community engagement model. Eight of the nine participants associated with this model indicated that they are founding members or in leadership positions of network alliances. This in turn suggests better access to reliable information on potential complementary resources for this model that can lead to competitive advantage. On the other hand, there is a moderate link between information rich positions and the equality matching corporate community engagement model. Only four of the eight participants associated with this model indicated that they are founding members or in leadership positions of network alliances. This in turn suggests that for this model, moderate access to reliable information on potential complementary resources that can lead to competitive advantage may be limited.

Table 5.28 Comparison of Information Rich Position

Business-Community Relational Resource Dimension	Equality Matching Corporate Community Engagement Model	Communal Sharing Corporate Community Engagement Model
Information Rich Position	Moderate	High

The clearer link of the information rich position to the communal sharing corporate community engagement model may be associated with the stronger ESG performance for the participants associated with this model discussed in section 5.4. These participants may access more support to take leadership role in these network alliances based on their long-term business-community relations. Alternatively, the *moderate* link between the information rich positions and the equality matching corporate community engagement model may be linked to the lesser ESG performance. The leaders of these participating companies associated with this model may not

be supported as much in accessing leadership positions in these network alliances based on medium-term business-community relations.

To summarise, for information-rich corporate community engagement position to access to reliable information on complementary resources that can lead to competitive advantage. Based on this dimension, there is a clear link to competitive advantage for the collective communal sharing corporate community engagement model. While for equality matching corporate community engagement model the link to competitive advantage is moderate.

5.4.5 Effective System of Governance

This section presents the data for effective system of governance for the two cases and the complementary analysis. For each model, the section presents the data in relation to the direct and indirect experience of business. For the indirect experience of business, the data includes the underlying mechanisms of code of ethics of business and listing on third party reputation indices. The code of ethics sets out how business protects its reputation and outlines its legal and an ethical responsibilities to stakeholders including the community. Since the participants are all multinational companies, the data to support the reputation dimension includes listing on three global reputational indices. These are *Forbes World's Most Reputable Companies*, *Fortune World's Most Admired Companies*, and *Reprtrak World Most Reputable Companies for the period 2018-2020*.

5.4.5.1 Effective System of Governance - The Communal Sharing Corporate Community Engagement Model

Direct Experience

For the communal sharing corporate community engagement model, the data shows a mix of self-enforcing safeguards underlying mechanisms based on the direct experience of business. These mechanisms include *collaborative approach* (three participants), *shared interest* (three participants) and *long-term commitment* (three participants). For example, two participants indicated:

“Our company is a service company of over 150 years serving the communities in which we live and work. Service is what differentiates us from the competition. There is a huge amount of trust and recognition for us. So, we are viewed very positively by our non-profits generally and more so by our main non-profits, our values are aligned” (company CS2, *interview, edited to maintain confidentiality, emphasis added*).

“Our community-partners have a high level of respect for us. We treat each other as experts in our individual area. We are long-term partners” (company CS8, *interview, emphasis added*)).

Indirect Experience - Code of Ethics

For the communal sharing corporate community engagement model, the data links the management of reputational risk with *a code of ethics* to the model. The number of participants that links this mechanism to the model is high. As shown in table 5.29, all the participants indicated the use of a *code of ethics as a mechanism to manage their reputation*. For this model, the codes cover a range of issues and there is a global aspect that recognises the global context

of the participants. The code may also apply to suppliers and include regular training for employees and a helpline.

Table 5.29 Code of Conduct - The Communal Sharing Corporate Community Engagement Model

Participant	Quote	Source
Company CS1	<p>“Our Code of Conduct applies to all our company’s officers, directors and employees and serves as a guide for how to act and make ethical decisions in <u>compliance with the Code and the laws of the countries where we do business.</u></p> <p>All new employees participate in <u>a facilitated training session</u> on the Code of Conduct and are required to read the Code and acknowledge compliance with it. On an annual basis, all employees and most contingent workers are required to participate in an online or in-person training refresher course and provide a signature of completion and compliance.” <i>(Emphasis added).</i></p>	Report
Company CS2	<p>“Our company’s Code of Conduct (Code) helps us hold ourselves to the highest ethical standards, <u>providing our colleagues</u> with guiding principles on how to conduct business and contact information when they need advice. The Code highlights our commitment to our colleagues, shareholders, clients, and communities by focusing on the treatment of colleagues and others; equal employment opportunity; conflicts of <u>interest; internal controls over financial reporting; protection of property and information; integrity in sales and advertising; compliance with laws; and conducting business responsibly.</u> The principles of the Code apply to everyone at our company, regardless of job function, location, or seniority. Each year, we reaffirms our <u>commitment to training 100% of colleagues globally</u>”. <i>(Edited to maintain confidentiality, emphasis added).</i></p>	Report
Company CS3	<p>“Our Code of Conduct applies to all our executive officers, directors, and employees. In addition, we have established a Financial Team Code of Conduct that applies to our executive staff, directors, and members of our finance, accounting, tax, and treasury departments.</p> <p>Employees are encouraged to report suspected conflicts of interest to their manager or human resources representative or <u>through the hotline</u>. We have a strict “no retaliation” policy regarding reports of activities that run counter to our ethical expectations.</p> <p>All employees receive ethics and sexual harassment training. Our goal is for all employees <u>globally to receive our Code of Conduct training</u>, which covers environmental and <u>social responsibility issues</u>, within 30 days of starting with the company”. <i>(Emphasis added).</i></p>	Report
Company CS4	<p>“Every employee is expected to adhere to our company’s Code of Conduct, which includes a commitment to human rights, and to participate in relevant training. Our company’s Code of Conduct <u>prohibits unlawful discrimination, harassment and other behaviors that infringe on individual rights. This policy applies to all employees, as well as to suppliers, clients, and community partners globally.</u>”</p>	Report

Company CS5	<p>“Our Code of Conduct guidelines specify standards of behavior that go beyond just complying with the law by requiring all employees, directors and executive officers of the company and its subsidiaries to uphold our <u>shared corporate values: to build and protect trusted relationships</u> with customers, partners, shareholders, and the <u>communities within which we operate</u>.</p> <p><u>We coach employees to recognize ethical dilemmas</u> through customized multi-media training. There is a <u>helpline service</u> to report ethics and compliance concerns and is available in eight languages” <i>(Edited to maintain confidentiality, emphasis added)</i>.</p>	
Company CS6	<p>“The company’s Code of Conduct provides guidance for team members and demonstrates how to act lawfully and ethically at all times. The Code applies to every officer, director, and team member across the enterprise. As the foundation of our corporate integrity and compliance program, the Code sets a high standard for team member <u>conduct worldwide</u>. The Code’s provisions <u>cover, among other things, workplace health, safety, and environment; human rights; money laundering prevention; equal opportunity and anti-harassment; conflicts of interest; improper payments and bribes; gifts and entertainment; and data security and privacy</u>.</p> <p>Pursuant to the Code, if any <u>of our company’s</u> officer, director, manager, or employee knows or suspects a violation of the Code, any law, regulation, or our company’s policy, they must report the matter immediately to a manager, company contact, HR, <u>the Alert Line</u>, Legal, or Security.” <i>(Edited to maintain confidentiality, emphasis added)</i>.</p>	Report
Company CS7	<p>“Our company’s Code of Conduct and Corporate Compliance Policies <u>applies to all our locations, affiliates, and subsidiaries</u>. Failure to comply with the Code of Conduct, company policies, or applicable laws can result in disciplinary action up to and including termination. Disciplinary action may also be taken when managers ignore misconduct or fail to correct it. In addition, managers provide feedback on <u>employees’ conduct in line with our company’s Values – including “Be Ethical” – in annual employee performance reviews, which is a significant factor in annual compensation decisions</u>. of personal information are considered to be serious in nature and are thoroughly investigated.” <i>(Emphasis added)</i>.</p>	Report
Company CS8	<p>“<u>Our Global Code of Ethics</u> details our commitment to operating ethically and transparently. Employees continue to receive <u>annual training on the Code</u> that addresses anti-corruption, anti-competitive behavior, data protection and human rights. Employees, suppliers, partners, or anyone else with an ethical concern is encouraged to contact our <u>confidential Ethics Alertline</u> either online or via phone.” <i>(Emphasis added)</i>.</p>	Report
Company CS9	<p>“The Code of Business Conduct sets forth standards of conduct for all of the company. Adherence to the Code is required of all employees and representatives of the company. The Code is available in <u>various languages</u>. It provides information about our standards of integrity <u>and explains our legal and ethical responsibilities</u>.” <i>(Emphasis added)</i>.</p>	Report

Indirect Experience - Listing on Reputation Indices.

The data also links the communal sharing corporate community engagement model to listing on reputation indices. This is a moderate link of a total of five participants (companies CS2, CS3, CS4, CS6, and CS8) across three global reputation indices. Two participants (companies CS3 and CS6) appear on Reprtrak *World Most Reputable Companies* listing, four participants (companies CS2, CS3, CS4, and CS8) appear on the Fortune *World's Most Admired Companies* listing and, three participants (companies CS3, CS6, and CS8) on *Forbes World's Most Reputable Companies*.

To summarise, for the communal sharing corporate community engagement, the data shows a mix of underlying effective governance mechanisms that supports business-community relational resource. These include code of ethics, a collaborative approach, shared interests, long-term commitment to community projects, and reputational recognition.

5.4.5.2 Effective System of Governance - The Equality Matching Corporate Community Engagement Model

Direct Experience

For the equality matching corporate community engagement model, the data shows a mix of informal self-enforcing safeguards mechanisms based on the direct experience of business. These mechanisms include a collaborative approach (five participants) and the commitment of resources (three participants). For example, two participants indicated:

“I would say they would see us as a good partner. We are good at what we do, and they are good at what they do. We work together to find and implement solution for the betterment of our communities. So, yes, our company is seen as a good partner. We are joint collaborative leaders...respecting and valuing what each other bring to the table” (company EM7, interview, emphasis added).

“We are viewed very positively by our main community-partners. We have a reputation of leadership and a collaborative approach in the areas that we care about” (company EM3, interview, emphasis added).

Indirect Experience - Code of Ethics

For the equality matching corporate community engagement model, the data links the management of reputational risk with *a code of ethics* to the model. The number of participants that links this mechanism to the model is high. As shown in table 5.30, all the participants indicated the use of a *code of ethics as a mechanism to manage their* reputation. For this model, the codes cover a range of issues and there is a global aspect, which recognises the global context of the participants. The code may also apply to business-partners and include regular training and a helpline for employees.

Table 5.30 Code of Conduct - The Equality Matching Corporate Community Engagement Model

Participant	Quote	Source
Company EM1	<p>“The company has a Code of Conduct & Ethics, applicable to all employees. In addition, the company has a separate Code of Ethics that applies to all of its Board members. <u>A Committee of the Board has oversight</u> responsibility for the company’s ethics and compliance program, including the Code of Conduct & Ethics and the Board Code of Ethics. <u>A senior company executive</u> has operational responsibility for the ethics compliance program, which requires the company’s workforce to take <u>regular ethics training.</u>” (Emphasis added, edited to maintain confidentiality).</p>	Report
Company EM2	<p>“Our Code of Business Conduct lays <u>out our commitment to our Values and the Code itself, and to live true by each other</u>, our customers, our shareholders, and to all who have a stake <u>in our company’s</u> success. While no Code of Business Conduct can provide rules that cover every situation or challenge, ours serves as a guide for each of us. It reinforces our commitment to “just do the right thing” and empowers us to act and make the right decisions, even when they are challenging. We protect all we believe in and the values we stand for by keeping our commitments, acting with integrity, and making the right decisions.” (Emphasis added, edited to maintain confidentiality).</p>	Report
Company EM3	<p>“We expect our <u>employees and business partners</u> to conduct business in compliance with applicable laws and regulations and with the high ethical standards and policies laid out in our Code of Conduct (“Code”) and Supplier Code of Conduct.</p> <p><u>Our Code helps to protect our reputation as an ethical corporate citizen.</u> Newly hired employees are required to sign an acknowledgement that they have received, read, and will comply with the Code. In addition, periodically, employees above certain levels are required to provide such an acknowledgment. From time to time, <u>we also conduct trainings on the Code</u> for groups of our employees. Employees are expected to report violations or suspected violations to their supervisor, Human Resources, Global Ethics and Compliance or other corporate functions. In addition, employees are able to report suspected violations anonymously, where permitted by law, through our Compliance <u>Helpline</u>, by calling our toll-free number or visiting our Helpline website or communicating with <u>a Committee of the Board.</u>” (Emphasis added).</p>	Report
Company EM4	<p>“Our Code of Conduct embodies the standards we expect employees to uphold both internally and externally. The Code covers dozens of topics, including labor relations, human rights, diversity, equal employment opportunity, <u>affirmative action, and harassment. It reinforces our values and describes how we interact with our customers, suppliers, colleagues, and government and regulatory bodies.</u></p> <p>The essence of our Code is simple:</p> <ul style="list-style-type: none"> • We act lawfully and ethically • We ask if we have a question about the Code or an ethics issue • We speak up to report concerns about unethical conduct <p>Signed by our Chairman and CEO, the Code applies to every employee, <u>regardless of role or location</u>, and to our <u>Board of Directors</u> (when they are acting in connection with company-related duties).” (Emphasis added).</p>	Report

Company EM5	<p>“Our ethical standards and expectations are set forth in our:</p> <ul style="list-style-type: none"> • Code of Conduct: All new employees certify upon joining our company and annually recertify thereafter. • Employee Handbook: All employees are expected to certify they have read, understood, and agree to comply with our handbook, which contains our expectations and procedures for compliance.” 	<i>Report</i>
Company EM6	<p>“Our culture of integrity and our ethical expectations are outlined in our Code of Business Conduct and Ethics (the “Code”), which <u>sets expectations for all the company</u> for being transparent and forthright in all of their interactions. The ethics and compliance hotline, managed by an independent third party, is available for anyone asking questions and reporting any concerns about potential issues related to the Code, our ethical standards, or the law. All calls and reports to the hotline are kept confidential to the extent possible, consistent with applicable laws and business needs, and may be made anonymously.”</p>	<i>Report</i>
Company EM7	<p>“The Code of Conduct exemplifies <u>our core values and our continuing commitment to corporate responsibility by setting forth how we work</u> and win with integrity each day. It is up to each of us to understand, follow, and apply the Code of Conduct in all that we do. In doing so, we can ambitiously build upon our past successes as we aim to create a more responsible, inclusive, sustainable world and achieve our purpose to deliver world-changing technology that improves the life of every person on the planet.” <i>(Emphasis added)</i>.</p>	<i>Report</i>
Company EM8	<p>“We have adopted a written code of ethics, entitled “Code of Ethics,” that applies to all of our directors, executive officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions.”</p>	<i>Report</i>

Indirect Experience – Listing on Reputation Indices

For the equality matching corporate community engagement model, the data shows only two of the eight participations on the selected reputation listing. One participant (company EM7) appears on Reprtrak listing, two participants (companies EM3 and EM7) appear on the Fortune listing, and two participants (companies EM3 and EM7) appear on the Forbes listing.

To summarise, for the equality matching corporate community engagement model, the data shows a mix of underlying effective governance mechanisms that supports business-community relational resource. These include code of ethics, adequate resources, and a collaborative approach.

5.4.5.3 Comparative Analysis - the Effective System of Governance

The data for the relational dimension of an effective system of governance that can lead to competitive advantage, indicates differences between models. It shows differences in the mix of the underlying governance mechanisms associated with the models.

Direct Experience

Based on the direct experience of business, the data shows a *collaborative approach* as an effective safeguard of the business-community relational resource for both corporate community engagement models. For the collective communal sharing corporate community engagement model where the value creation proposition for corporate community engagement may be “*beyond the boundaries of the firm,*” the data also shows the *shared interests* of business and the community, and *long-term commitment* to community projects as effective safeguards of the business-community relational resource. For the equality matching corporate community engagement model, where the value creation proposition for corporate community engagement is “*within the boundaries of the firm,*” the data also shows *adequate resources* as an effective safeguard of the business-community relational resource.

Indirect Experience

Based on the indirect experience of business, the data shows *the management of reputational risk* with *code of ethics* as a safeguard for the business-community relational resource for both corporate community engagement models. The *code of ethics* guides employees, suppliers, and partners, with regular training and reviews in these procedures. Similar to the organisational themes of corporate community engagement discussed in section 5.2, there is no difference between the two models. So, the code of ethics is a good management practice that may only lead to temporary advantage (Falkenberg & Brunsæl, 2011).

However, there is a clear difference between the two models for the underlying mechanisms of *listing on three global reputation indices*. As shown in table 5.31, for the communal sharing corporate community engagement model, the number of participants listed on at least one of

the three indices is moderate (five of the nine participants). For the equality matching corporate community engagement model, the number of participants listed on at least one of the three indices is low (two of the eight participants).

Table 5.31 Comparative Global Reputation Listing of the Models

Reputation Listing	Communal Sharing Corporate Community Engagement Model - Participants	Equality Matching Corporate Community Engagement Model - Participants
Reprtrak World’s Most Reputable Companies	CS3, CS6	EM7
Forbes World’s Most Reputable Companies	CS3, CS6, CS8	EM3, EM7
Fortune World’s Most Admired Companies	CS2, CS3, CS4. CS8	EM3, EM7
Total Number of Participants	5	2

Of note, as shown on table 5.32, both older participants (thirty years old or more) including CS2, CS6, CS8, EM3 and EM7 as well as more recent ones (less than thirty years) such as CS3 and CS4 are included in the global reputation listing. Therefore, the quality and effectiveness of reputational processes may not be determined by the age of the company. They may be resource-bound. Except for one participant (company CS8), all the other participants included on these major reptation indices were above the average level of capitalisation of the MSCI USA ESG Index. The size of the company may indicate more resources to invest in reputational processes. Or it may just mean greater interest from reputational indices practitioners based on the companies’ visibility.

Table 5.32 Comparison of Participants Included on Reputational Listing Based on Age and Level of Capitalisation

Company	Level of Capitalisation in Relation to the Average of the MSCI USA ESG Index	Age of Company
CS2	Above	Older
CS3	Above	Recent
CS4	Above	Recent
CS6	Above	Older
CS8	Below	Older
EM3	Above	Older
EM7	Above	Older

To summarise, participants associated with both corporate community engagement models use a mix of informal safeguards to protect their business-community relational resource (see table 5.33). For participants associated with the communal sharing corporate community engagement model, the link to self-enforcing safeguard based on direct experience with community-partners comprises *a collaborative approach, shared interest, and long-term* commitment to corporate community engagement projects. The *shared interest* for this model is consistent with its altruistic morals and is important as the leadership of the community collective may be *“beyond the boundaries of the firm.”* The shared interest provides an added safeguard. While for participants associated with the equality matching corporate community engagement model, the link to self-enforcing safeguard based on the direct experience with community-partners comprises the resources (including expertise) to deliver community outcomes and a collaborative approach to protect the relational resource.

There is also a difference in how the participants are perceived based on the indirect experience, reputation listing. For the *communal sharing corporate community engagement* model, the number of participants included on the major reputational indices is *moderate*. While for the *equality matching corporate community engagement model*, the number of participants listed on major reputation indices is *low*. This finding may also be associated with the better ESG performance of the participants associated with the communal sharing corporate community engagement model. This is similar to a clearer link of this model to information rich positions

than for the equality matching corporate community engagement model discussed in section 5.4. 4.

Table 5.33 Effective System of Governance Mechanisms–Comparison of the Models

Business-Community Relational Resource Dimension	Business-Community Relational Resource Mechanisms	Communal Sharing Corporate Community Engagement Model	Equality Matching Corporate Community Engagement Model
Effective System of Governance	Direct Experience	Long-term Commitment Shared interests Collaborative Approach	Collaborative Approach Adequate Resource
	Indirect Experience	Code of Ethics (High) Reputation Indices listings (Moderate)	Code of Ethics (High) Reputation Indices listings (Low)

5.4.6 Ownership and/or Control of Corporate Community Resources

The mechanism, the common ownership and/or control of community resources is linked to the distribution and use of community resources dimension of relational models theory. For this mechanism, participants were asked:

Please describe your company's principles that govern the distribution and use of community engagement resources between the company and the community.²¹

²¹ As discussed in section 4.5 , the response to this question is also used in the classification of the participants to the two models.

5.4.6.1 Ownership and/or Control of Corporate Community Resources - Communal Sharing Corporate Community Engagement Model

As shown in table 5.34, for the communal sharing corporate community engagement model, the number of participants that indicated that the community collectively own and/or control the community resources is high. All the participants indicated that the resources belong to the community. Business is a part of decisions in relation to the distribution and use of community resources based only on their involvement in the community collective. This may include their involvement in project teams or membership on the Boards of the Directors of community organization. The community collectively own and control the community resources.

Table 5.34 Ownership and/or Control of Corporate Community Resources – Communal Sharing Corporate Community Engagement Model

Participant	Quote	Source
Company CS 1	“We do not really have any community engagement resources that are directly under the control of the company. <u>The resources belong to the community</u> of which our employees and the company is a part. <u>We would only be involved as Board members, where that is the case.</u> ” (Emphasis added).	Interview
Company CS2	“Initially, the distribution and use of community resources are determined by the agreement. That is, the specified group(s) of the community who benefits from the community initiatives. On a day-to-day basis, the non-profits makes the decision. <u>Other community resources are the remit of the non-profit</u> ” (Emphasis added).	Interview
Company CS3	“The distribution and use of community engagement resources is the remit of our <u>community-partners</u> and by extension <u>our employees if they are involved at that level.</u> ” (Emphasis added).	Interview
Company CS4	“The community engagement <u>resources are that of the community.</u> Our due diligence in selecting our community-partners would ensure that these processes are equitable and inclusive and that they have the adequate skills to manage them.” (Emphasis added).	Interview
Company CS5	“The community engagement <u>resources belong to the community organization.</u> The use and distribution is determined by <u>the organization as agreed by the stakeholders including ourselves and the nonprofit.</u> ” (Emphasis added).	Interview
Company CS6	“Our network is our resource which we allow our community partners to use, and access based on preexisting agreement or even ad hoc basis as the need arise. <u>The community property is under the control of the community partner.</u> ” (Emphasis added).	Interview
Company CS7	<u>“The projects belongs to the community, derived from the community.</u> The benefits of program, in terms of who benefits is agreed. <u>We are a part of the management of that process to ensure that result.</u> ” (Emphasis added).	Interview
Company CS8	“We provide the resources as agreed with the non-profit based on our shared interests. <u>The community management teams determine the beneficiaries. Sometimes we are a part of the Teams making the decisions.</u> ” (Emphasis added).	Interview
Company CS9	“We operate in disaster recovery and training. We allocate part of our network to <u>the community to use as they determine in accordance with the disaster recovery and training objectives.</u> ” (Emphasis added).	Interview

5.4.6.2 Equality Matching Corporate Community Engagement Model

As shown in table 5.35, for the equality matching corporate community engagement model, the ownership and/or control of community resources is mixed. For this model, either business or the community-partner may own and/or control community resources depending on the agreement.

Table 5.35 The Ownership and/or Control of Community Resources - The Equality Matching Corporate Community Engagement Model

Participant	Quotes	Source
Company EM1	“In our case this kind of community engagement resource is intellectual property and is solely owned by the company for use by the community . Or, owned by our partners for use by the community. In either case, the use by the community is determined by the memorandum of understanding for the project.” <i>(Emphasis added)</i> .	Interview
Company EM2	“The distribution and use of community resources where relevant will be according to the agreement. ” <i>(Emphasis added)</i> .	Interview
Company EM3	“The distribution and use, I assume are of the program benefits. These are prescribed in the agreement and managed by either the company’s executive or the non-profit, depending on who is managing the program . For community property, the same would apply. It depends on who manage the program.” <i>(Emphasis added)</i> .	Interview
Company EM4	“ This is not in our remit our really. The community partners may use our resources as agreed. However, everything else is within their authority. They own the intellectual property rights, where relevant, that is if we develop a program specifically for the community’s use.” <i>(Emphasis added)</i> .	Interview
Company EM5	“ This is usually a matter for the community partners. And we would only impact this based on the specification in our agreement if relevant, our participation on any non-profit’s Board of Directors or in an advisory capacity.” <i>(Emphasis added)</i> .	Interview
Company EM6	“ In our area of operation, the property are intellectual property which remains with the company. The community and community -partners have the use thereof subject to data privacy and ethical rules that exist for our clients,” <i>(Emphasis added)</i> .	Interview
Company EM7	“Again, at the strategic level our program specification generally and broadly determines who are the recipients of the benefits, whether it is a program managed by us or our community partners. So, on an operational level, the recipients are specified, and any distribution and use would be so determined by program managers.” <i>(Emphasis added)</i> .	Interview
Company EM8	“The distribution and use of the program resources are generally defined by the memorandum of understanding (MOU). On an individual basis, the community partner would decide based on the MOU, who are the community members in the targeted category that benefits.” <i>(Emphasis added)</i> .	Interview

5.4.6.3 Comparative Analysis of the Ownership and Control of Community Resources

The data for the relational resource dimension of the ownership and control of community resources that can lead to competitive advantage, shows clear differences between the models. For the communal sharing corporate community model, community resources is mostly owned and/or controlled by the community collective. Business is a part of decisions based on their involvement in the community collective. This may include their involvement in project teams or membership on the Board of the Directors of community organization. Based on the long-term business-community relations, business gains close capability resource that can lead to competitive advantage. (Jones, et al., 2018).

For the equality matching corporate community engagement model, either business or the community may own and/or control community resources based on the agreements between business and the community. These agreements and the medium-term business-community relations associated with this model, may not support the development of significant close relational capability resource that can lead to competitive advantage.

To summarise, for the ownership and control dimension of competitive advantage, the data indicates a clear difference between the model. The community collective principle of the communal sharing corporate community engagement model determines the ownership and control of community resources and links the model to close capability resource that can lead to competitive advantage. While the equality-reciprocity principle of the equality matching corporate community engagement model, determines the ownership and control of community resources and in turn moderates the close capability resource that can lead to competitive advantage.

5.4.7 Summary of the Business-Community Relational Resource

The empirical evidence of the study exploring the business-community relational resource and competitive advantage indicates findings in relation to two main areas. These include findings in relation to corporate community engagement *model* and competitive advantage as well as the business-community relational resource *mechanisms* and competitive advantage.

5.4.7.1 The Corporate Community Engagement Model and Competitive Advantage

The empirical evidence from exploring the business-community relational resource that can lead to competitive advantage, shows important differences between the two models.

'The Collective' Business-Community Relational Resource

For the business-community relational resource, the data indicates a clear, compelling, and important link between *'the collective'* communal sharing corporate community engagement model and competitive advantage (See Box A). It links *long-term* business-community relations with the model. This supports the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. However, new, and emerging issues require business to have a mix of long-term and short-term business-community relationships.

For the *communal sharing corporate community engagement* model, community projects include a mix of employee-based schemes. This consists of company matching cash donations, skilled volunteering, and volunteering associated with learning and development. The human resource development capabilities benefit is significant for this model. As business embeds in the community-partner organisations, business and employees have added opportunities for learning and development that would not otherwise be available to them.

For this model, there is regular meetings with community-partners. As employees are embedded in community-partner organisations in management and other leadership roles, there is more opportunity to align business and community interests. Business can access and respond to the needs of the community earlier based on knowledge of these employees and can lead to competitive advantage.

There is a clear link of information rich positions in network alliances to *the communal sharing corporate community engagement model*. For this model, business can access reliable information on potential complementary resources that can lead to competitive advantage. This link may also be connected to better ESG performance associated with this model. Network alliance members may be more inclined to support leaders with a reputation of better ESG performance.

For the communal sharing corporate community engagement model, the link to self-enforcing safeguards based on direct experience include a *collaborative approach*, the *shared interests* of business and the community, and *long-term commitment* to corporate community engagement projects. The shared interest of business and the community for this model is consistent with its *altruistic morals* and is important as the leadership of the community collective may be “*beyond the boundaries of the firm.*”

The data also links the model to the close capability resource that can lead to competitive advantage (Jones, et al., 2018). For the communal sharing corporate community model, business and the community collectively own and/or control the community resources (*shared ownership*) based on the community collective.

Box 5A

The Collective Business-Community Relational Resource

Long-Term Business-Community Relationships that support the accumulation of specialised corporate community engagement knowledge,

A Mix of Corporate Community Engagement Projects that provides opportunities to leverage specialised corporate community engagement knowledge.

Superior Knowledge Sharing Routines based on frequent and intense interactions with Community-Partners

Information Rich Positions in Network Alliances that provides access to reliable information of complementary corporate community engagement resources based on *leadership roles in management committees or founding member.*

Effective Governance System that includes *long-term commitment to community projects, shared business-community interests, and collaborative approach* to business-community relations.

The Ownership/Control of Community Resources – Shared Ownership

The Equality Business-Community Relational Resource

For the business-community relational resource, the data indicates that the link between the equality matching corporate community engagement model and competitive advantage is a moderated one (Box B). The data associates *medium-term* business-community relationships with this model and business may not benefit from the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. Although for this model, older companies may have some long-term business-community relationships.

The data also links the *model* to a mix of community projects that include the use of matching cash donations and *skilled volunteering*. For this model, business is not embedded in community partner organisations and do not benefit from human resource development opportunities that can lead to competitive advantage.

For this model, *knowledge sharing routines* include regular project meetings with community-partners (moderate) and the inclusion of the community-partners as a stakeholder (as peers) in workshops and seminars(moderate). The inclusion of community-partners in workshops and seminar may cause business and community-partners to get to know each other better, but the seminars and workshops are not necessarily about corporate community engagement knowledge.

The also data shows a *moderate* link for the model to central information rich positions in network alliances. This may be associated with below ESG industry performance linked to the model. So, access to reliable information on potential complementary resources that can lead to competitive advantage may also be *moderate*.

For this model, direct experience safeguards include adequate *resources* (also expertise) to deliver community outcomes and a *collaborative approach* to protect the relational resources.

For the equality matching corporate community model, either business or the community may own and/or control the community resources (*equal ownership*), based on reciprocal agreements between them. So, this model may not benefit from close capability resource that can lead to competitive advantage (Jones, et al., 2018).

Box 5B
The Equality Business-Community Relational Resource

Medium Term Business-Community Relations – Business-community moderated by reciprocal arrangements

A Mix of Corporate Community Engagement Projects that provides opportunities to leverage specialised corporate community engagement knowledge.

Effective Governance System that includes code of ethics, collaborative approach.

Ownership/Control of Community Resources – Equal Ownership

To summarise, based on the business-community relational resource, there is a compelling link between the collective communal sharing corporate community engagement model and competitive advantage (figure 5.1). The link between the equality matching corporate community engagement model and competitive advantage is less compelling (figure 5.2). Please see table 5.36 for a comparison of the relational resource mechanisms associated with both corporate community engagement models.

Figure 5.1 The Collective Business-Community Relational Resource

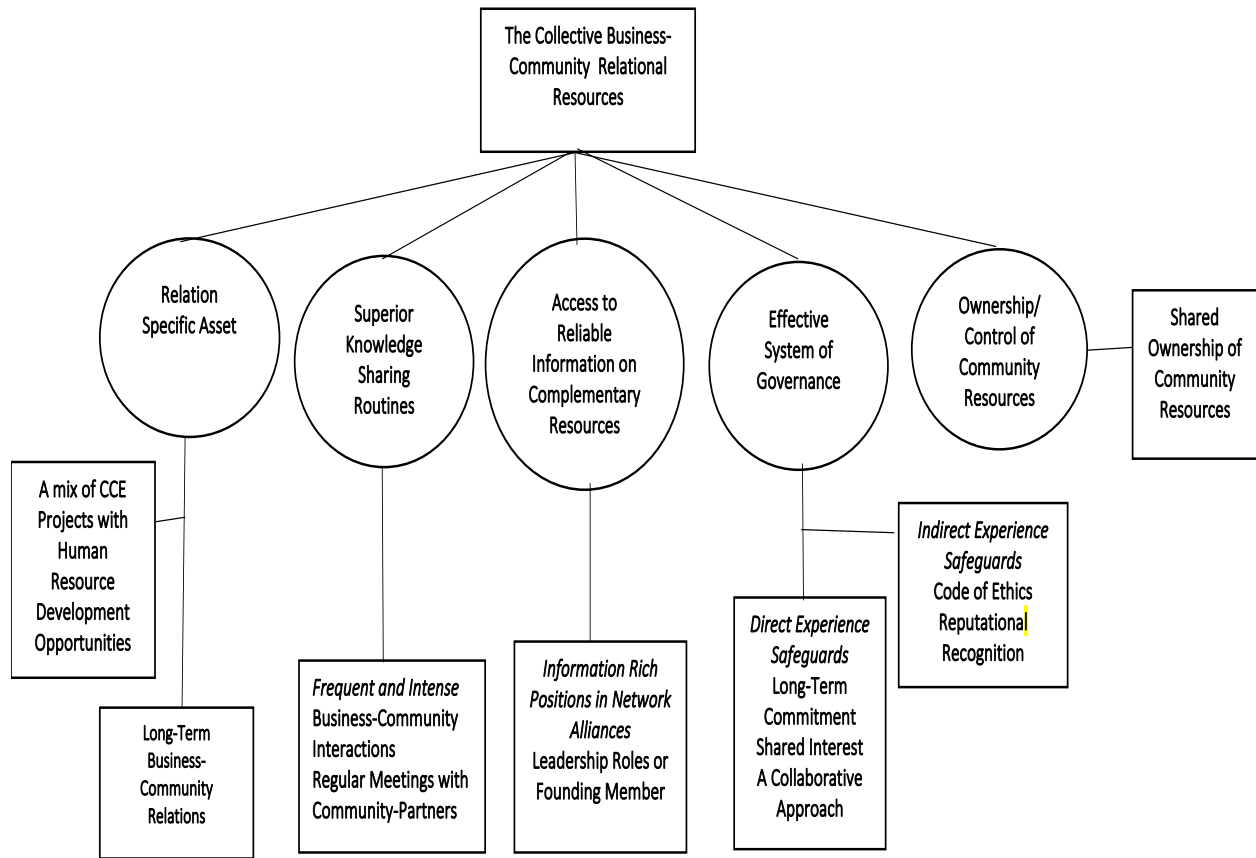


Figure 5.2 The Equality Business-Community Relational Resource

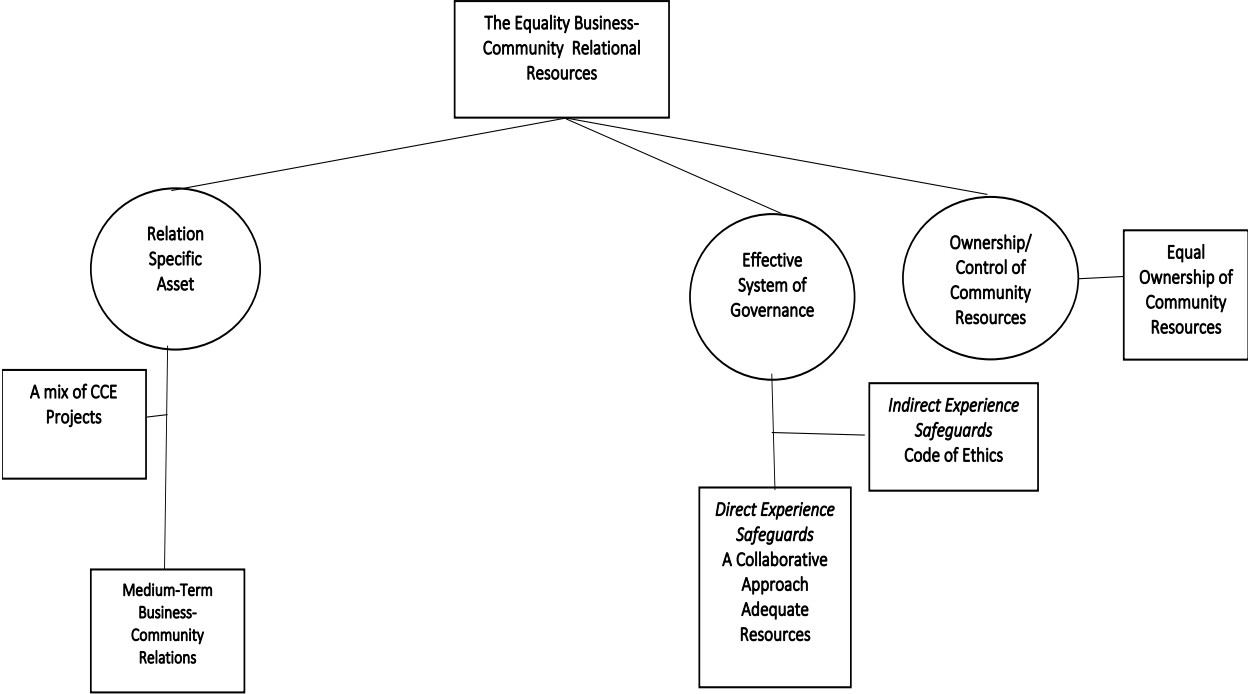


Table 5.36 The Business-Community Relational Resource Mechanisms–Comparison of the Models

Business-Community Relational Resource Dimension	Business-Community Relational Resource Mechanisms	Communal Sharing Corporate Community Engagement Model	Equality Matching Corporate Community Engagement Model
Relational-Specific Corporate Community Engagement Assets	Duration of Corporate Community Engagement Safeguards	Mostly Long-Term	Mostly Medium-Term
	Scope of Corporate Community Engagement Knowledge	<i>Leverage corporate community engagement knowledge mainly across</i> <ul style="list-style-type: none"> • Volunteer Hours Matched • Skilled Volunteering • Learning Volunteering 	<i>Leverage corporate community engagement knowledge mainly across</i> <ul style="list-style-type: none"> • Volunteer Hours • Skilled Volunteering
Superior Knowledge Sharing Corporate Community Engagement Routines	Frequent and Intense Business-Community interactions	Focus on employees embedded in community-partner organisations. <ul style="list-style-type: none"> • Community-partner meetings • Employee meetings 	Focus on community-partners. <ul style="list-style-type: none"> • company workshops and seminars • Community-partner meeting
Complementary Corporate Community Engagement Resources and Capabilities	Information-Rich Position in Network Alliances	High	Moderate
Effective Corporate Community Engagement Governance System	Informal Direct Self-Enforcement	Long-term Commitment Shared interests Collaborative Approach	Collaborative Approach Adequate Resource
	Informal Indirect Self-Enforcement – Reputation Indices listings	Moderate	Low
Ownership and/or Control of Corporate Community Engagement Resources	Distribution and Use of Community Resources	Mostly owned and controlled by the community collective	Owned and controlled by either business or the community based on the agreement.

5.4.7.2 Business-Community Relational Resource Mechanisms and Competitive Advantage

The empirical evidence of the comparative case study identifies several business-community relational resource mechanisms that can lead to competitive advantage (see Box C). These mechanisms include long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, founding member or leadership roles in network alliances, shared interests between business and the community, long-term commitment to community projects, and shared ownership/control of community resources.

Box 5C

Business-Community Relational Mechanisms that Can Lead to Competitive Advantage

- ✓ Long-Term Business-Community Relations providing access to specialised corporate community engagement knowledge.
- ✓ A Mix of Community Projects with Human Resource Development Opportunities in Community-Partner Organisations
- ✓ Regular Meetings with the Community to exchange specialised corporate community engagement knowledge
- ✓ Founding Member or Leadership Roles in Network Alliances providing access to reliable information of potential complementary resources.
- ✓ Shared Business-Community Interests providing a safeguard ((sustainability) of the business-community resource.
- ✓ Long-Term Commitment to Community Projects providing a safeguard ((sustainability) of the business-community resource.
- ✓ Shared Ownership/Control of Community Resources .linked to the capability resource.

Long-Term Business-Community Relations

As conceptualised, the data associates long-term business-community relations with competitive advantage. This supports the accumulation of specialised corporate community engagement language and know-how, tacit knowledge that in turn aligns business and community interests and can lead to competitive advantage (Dyer & Singh, 1998). The long-term business-community relationships increase opportunities to gain corporate community engagement specialised knowledge:

“...that supports ‘effective and efficient communication between business and the community and improves the quality and the speed of implementing corporate community engagement innovations” (Dyer & Singh, 1998, p. 662).

However, new emerging community issues require business to have a mix of long-term and short-term business-community relationship.

A Mix of Community Projects with Human Resource Development Opportunities in Community-Partner Organisations

The data associates a mix of community engagement projects with competitive advantage. This supports the leveraging of specific corporate community engagement knowledge across different corporate community engagement projects that can lead to economies of scope and in turn competitive advantage. In addition, the data indicates a clear link of learning employee volunteering schemes to competitive advantage. The embeddedness of business in the community, in managerial and leadership roles in community-partner organisation provides opportunities to increase corporate community engagement capabilities that can lead to competitive advantage.

Regular Meetings with the Community

The data identifies regular scheduled meetings with the community as a mechanism that can lead to competitive advantage. For the collective business-community relations, as business embeds in the community-partner organisations, with employees in managerial and leadership roles. These personnel may have access to community-knowledge to align business and community interests that can lead to competitive advantage.

As business and community-partners interact frequently and intensely, the business-community relationship becomes more familiar and less constrained, so knowledge sharing is more efficient and reliable and can lead to competitive advantage (Bridoux & Stoelhorst, 2016; Eisenhardt, 1999; Dyer & Singh, 1998). In addition, because of the long-term business-community relationship and frequent and intense interactions, business and the community understand each other's position which improves knowledge sharing and can lead to competitive advantage (Eisenhardt, 1999). Frequent and intense business-community interactions may also give business a superior grasp of emerging issues affecting the community (Eisenhardt, 1999).

Founding Member or Leadership Roles in Network Alliances

The data identifies founding member or leadership roles in network alliances as a mechanism that can lead to competitive advantage. These central positions in network alliances may provide access to reliable information of potential complementary resources that can lead to competitive advantage (Dyer & Singh, 1998). However, the effectiveness of the information to lead to competitive advantage is moderated by the compatibility of the organisational systems with the new community-partner as well as their having previous collaboration experience (Dyer & Singh, 1998).

Shared Business-Community Interests

The data identifies the direct safeguard of shared business-community interests as a mechanism that can lead to competitive advantage. This builds trust based on personal bonds between

business and the community. It lowers the risk of community projects not achieving expected outcomes, in turn reduces transaction costs and can lead to competitive advantage (Dyer & Singh, 1998).

Long-Term Commitment to Community Projects

The study identifies *long-term commitment to community projects* as a mechanism that can lead to competitive advantage. The long-term commitment to community projects supports the development of trust based on personal bonds (Dyer & Singh, 1998). This in turn may reduce the risks and transaction costs relating to current and future community projects and can lead to competitive advantage (Dyer & Singh, 1998).

Shared Ownership/Control of Community Resources

The study identifies the common ownership of community resources as a mechanism that can lead to competitive advantage. The shared ownership/control of community resources not only connects business and the community based on current community projects but also as a basis of future community projects. It is a close capability resource that is based on mutual trust between business and the community and is rare and difficult to imitate (Jones, et al., 2018).

5.5 Summary of Findings

This section summarises the findings of the comparative case study. These findings relate to organisational context, the perceived business benefits, the business-community relational resource, and the corporate community engagement models .

5.5.1 The Organisational Context

The data indicates that there is no difference between the two models in relation to the internal organisational context of corporate community engagement. The data highlights important

corporate community engagement organisational factors to support value creation proposition for corporate community engagement including the use of core resources in corporate community engagement, Board of Directors level oversight for corporate community engagement initiatives as well as the alignment of corporate community engagement initiatives with areas of greatest material social risks. These are necessary conditions for value creation but not rare value creation to support the corporate community engagement-competitive advantage relationship. They are required. The study also indicates the use of corporate foundations associated with both corporate community engagement models. These foundations may contribute to the value creation proposition for corporate community engagement. But further investigation is required to determine how they contribute to value creation.

5.5.2 Perceived Business Benefits

The data indicates important differences between the two models in relation to the perceived business benefits of corporate community engagement. The data links *business success* to the communal sharing corporate community engagement model. Business success defined to include both monetary and non-monetary benefits realised over the long-term (Weber, 2008). The duration of business-community relations that support this model is long-term. Therefore, linking the business-success benefit to the long-term. In addition, from a stakeholder theory perspective, business in managing different stakeholder interests, makes short-term trade-offs. Immediate benefits in relation to corporate community engagement initiatives may not translate into significant business performance in the short-term. Hence the corporate community engagement-competitive advantage relationship is a long-term phenomenon.

The data links the more immediate benefits of employee costs saving and increased brand value to the equality matching corporate community engagement model. This is consistent with the medium-term business-community relations associated with this model. So, the data *does not* link the long-term business success benefit to this model.

5.5.3 The Business-Community Relational Resource

The comparative analysis of the two models indicates important differences between the two models for the business-community relational resource. In so doing, it identifies several business-community relational resource mechanisms that can lead to competitive advantage. These include long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, founding member or leadership roles in network alliances, shared interests between business and the community, long-term commitment to community projects, and shared ownership/control of community resources.

5.5.4 The Corporate Community Engagement Models

As conceptualised in section 3.4, the data links competitive advantage to *'the collective'* communal sharing corporate community engagement model and suggests that the link to the equality matching corporate community engagement model is a moderated one.

5.5.4.1 Collective Communal Sharing Corporate Community Engagement Model

For *'the collective'* communal sharing corporate community engagement model, business identifies *"the community"* to include the geographical vicinity of the operations of business as well as where employees live. Consistent with the research framework and the value creation proposition for corporate community engagement, the data also links the model to the use of core resources in the corporate community engagement process with oversight by the Board of Directors with the majority of them being independent. Corporate community engagement also addresses the highest material social risks as well as aligns with the United Nations Sustainable Development Goals relevant to the business.

The data also links the communal sharing corporate community engagement model with the long-term business success and the human resource development capabilities. But other benefits may be linked to the model depending on the industry and the age of the business.

For this model, the data identifies several dimensions of the business-community relational resource that can lead to competitive advantage. Firstly, long-term business-community relationships associated with this model support the accumulation of specialised corporate community engagement knowledge. Secondly, a mix of corporate community engagement projects provides opportunities to leverage specialised corporate community engagement knowledge. Thirdly, superior knowledge sharing routines are associated with the model based on frequent and intense interactions with the community that supports the exchange of specialised corporate community engagement knowledge.

Fourthly, the model is also linked to information rich positions in network alliances that provides access to reliable information of complementary corporate community engagement resources. In addition, the model is linked to an effective governance system including long-term commitment, shared interests, and a collaborative approach. This builds trust between business and the community. Lastly, the model also is associated with close capability resource that can lead to competitive advantage based on the shared ownership/control of community resources by business and the community (Jones, et al., 2018).

5.5.4.2 Equality Matching Corporate Community Engagement Model

The data indicates that the equality matching corporate community engagement model to competitive advantage is a moderated one. For this model and similar to '*the collective model*,' business identifies "*the community*" to include the geographical vicinity of the operations of business and where employees live. Consistent with the value creation proposition for corporate community engagement, the model is also linked to the use of core resources in the corporate

community engagement process with oversight by the Board of Directors with the majority of them being independent. For this model, corporate community engagement also addresses the highest material social risks as well as aligns with the United Nations Sustainable Development Goals relevant to the business.

The data clearly links the equality matching corporate community engagement model with the medium-term benefits of employee recruitment and retention cost-savings and increased brand value. Other medium-term benefits not clearly linked to the model may be affected by industrial factors and the age of the business.

The medium-term business-community relationships associated with this model may limit the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. The duration of the business-community relation for this model is moderated by the reciprocal arrangements. Although community projects may be implemented early by these arrangements, they may not support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. The data links a mix of community projects to this model. However, expected economies of scope may not materialise based the limited if any accumulation of specialised corporate community engagement knowledge associated with the model. So, competitive advantage associated with the relational specific asset may not be significant for this model.

The links to superior knowledge sharing routines and information rich positions in network alliances for this model is also moderate and may limit competitive advantage. For knowledge sharing routines, reciprocal arrangements may limit frequent and intense business-community interactions with the community. The moderate link of the information rich position to the model may be associated with below industry ESG performance linked to the model.

Effective governance system that is associated with this model includes adequate resources and a collaborative approach which may increase goodwill trust that can lead to competitive

advantage. However, the model is not linked to resource capability that can lead to competitive based on the equality of business and the community in relation to the equality of ownership/control of community resources.

5.5.5 Conclusion

The purpose of the chapter was to present the findings of a comparative case study that explored how corporate community engagement can lead to competitive advantage. The data indicates a compelling link between the collective communal corporate community engagement model and competitive advantage, but the equality matching corporate community engagement model and competitive advantage link is a moderated one. In addition, the data indicates that there is no difference between the organisational context for both corporate community engagement models, but differences in relation to the perceived business benefits, and the business-community relational resource.

The data also links the long-term business benefit of business success and human development opportunities to the collective communal corporate community engagement model and competitive advantage. In addition, the data indicates several business-community relational resource mechanisms that can lead to competitive advantage. These include long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, founding member or leadership roles in network alliances, shared interests between business and the community, long-term commitment to community projects, and shared ownership/control of community resources.

6 Chapter: Discussions and Conclusions

6.1 Introduction

The purpose of this study was to explore the corporate community engagement-competitive advantage relationship through the relational resource theory of competitive advantage lens and investigate how corporate community engagement can lead to competitive advantage. The previous chapters reviewed the state of the literature affecting the relationship, the methodological choices to investigate the relationship and the results of the investigation. The purpose of this chapter is to conclude the thesis. It reflects on the purpose of the study and the research questions and summarises the main findings. It also addresses the theoretical, empirical, and practical implications as well as the limitations of the research. Based on these limitations and the promising findings of this study, the chapter presents directions for further research and concluding remarks.

6.2 Main Findings

The overarching question of the study is:

How can corporate community engagement lead to competitive advantage?

The purpose of the thesis was to identify the corporate community engagement *model(s)* and the underlying business-community relational *resource mechanisms* that can lead to competitive advantage. The thesis addressed this question, by applying the dimensions of the relational resource theory of competitive advantage (Dyer & Singh, 1998). The following discussions are guided by figure 6.1 on page 316. The thesis links the *communal sharing corporate community engagement model to competitive advantage* and suggests a mix of *business-community relational resource mechanisms* that can lead to competitive advantage. Figure 6.1 illustrates the

main concepts of the collective communal sharing corporate community engagement model and the competitive advantage relationship. Each concept of the model is discussed in turn. This includes the collective *business-community relation*, the organisational context, the *business-community relational resource*, Improved human resource development capabilities, and business success.

6.2.1 The Collective Business-Community Relation

The foundation of the communal sharing corporate community engagement model is a *collective* approach to *business-community relations*. These relations are determined by the shared interest of business and the community that support the value creation proposition for corporate community engagement. The exchange of resources including knowledge between business and the community based on the ability of the giver and the need of the receiver links the use of the core resources to corporate community engagement initiatives and the value creation proposition for them. The consensus decision-making between business-and the community is an effective mechanism that further ensures the alignment of business and community interests that supports the value creation proposition for corporate community engagement initiatives, but a long-term phenomenon.

The value creation proposition for corporate community engagement for the model is “*beyond the boundaries of the firm*” (Bridoux & Stoelhorst, 2022; Kurucz, et al., 2008; Wheeler, et al., 2003). Business is a community-stakeholder and no longer the *focal point* of interactions with the community but operates in a community collective (Bridoux & Stoelhorst, 2022). Within the community collective, business may gain access to more community-knowledge earlier that can lead to competitive advantage (Bridoux & Stoelhorst, 2022; Eisenhardt, 1999).

6.2.2 The Organisational Context

The empirical evidence of the study links the use of the core resources of business, Board of Directors-level oversight, and corporate community engagement initiatives that address highest material social risks of business with the collective communal sharing corporate community engagement model. As conceptualised in section 3.4, the empirical evidence also links these organisational factors to the equality matching corporate community engagement model. This may suggest that although these organisational factors are necessary for the value creation proposition for corporate community engagement, they may be insufficient to lead to the competitive advantage of business.

6.2.3 The Business-Community Relational Resource Mechanisms

This section discusses the findings in relation to the business-community relational resource mechanisms that can lead to competitive advantage. It includes long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, leadership positions/founding members in network alliances, direct experience safeguards, and ownership/control of community resources.

6.2.3.1 Long-Term Business-Community Relations

The study links long-term business-community relations to the collective corporate community engagement model that supports the accumulation of specialised corporate community engagement knowledge and the competitive advantage of business. As business embeds in the community with employees assuming leadership and managerial roles in community-partner organisations, over the long-term, they gain access to this specialised knowledge. Business leverages the specialised corporate community engagement knowledge across different corporate community engagement projects and benefits from economies of scale that in turn can lead to competitive advantage.

6.2.3.2 A Mix of Community Projects with Human Resource Development Opportunities

The study associates a mix of community engagement projects with competitive advantage. This supports the leveraging of specific corporate community engagement knowledge across different corporate community engagement projects that can lead to economies of scope and in turn competitive advantage. The study also indicates a clear link of human resource development opportunities such as *learning employee volunteering schemes* to competitive advantage. The embeddedness of business in the community, in managerial and leadership roles in community-partner organisation provides opportunities to increase corporate community engagement capabilities that can lead to competitive advantage.

6.2.3.3 Regular Meetings with the Community

The study also finds that regular meetings with the community, as the employees of business embedded in community-partner organisations provide access to specialised corporate community engagement knowledge that can lead to competitive advantage. The competitive advantage of business is linked not only to the frequency of business-community interactions but also to the intensity of these interactions that supports the exchange of specialised corporate community engagement knowledge (Dyer & Singh, 1998). This adds to the existing perspective that links frequent, relational business-community interactions to the value creation proposition for corporate community engagement (Hillman & Keim, 2001).

As business and the community interact frequently and intensely, the relationship becomes more familiar and less constrained, so knowledge sharing is more efficient and reliable and can lead to competitive advantage (Bridoux & Stoelhorst, 2016; Eisenhardt, 1999; Dyer & Singh, 1998). Because of the long-term business-community relationship as well as frequent and intense interactions both business and the community understand each other's position which improves knowledge sharing and can lead to competitive advantage (Eisenhardt, 1999). The

frequent and intense business-community interactions also give business a superior grasp of emerging issues affecting the community (Eisenhardt, 1999).

6.2.3.4 Leadership Positions/Founding Members in Network Alliances

The thesis links leadership position/founding member in network alliances provides access to reliable information of potential community-partners with complementary resources that can lead to competitive advantage. These network alliances may include public policy advocacy groups or specialised corporate community engagement groups. Public policy advocacy includes a wide range of activities beyond the industry and may include supporting causes in education and capacity building with the aim being to influence decision-makers at the highest level, national or even global. Apart from the increased visibility of business based on the related cause, the access to reliable information of complementary resources from these information rich positions may be wider and perhaps more impactful than the industry groups. However, the effectiveness of the information to lead to competitive advantage is moderated by the compatibility of the organisational systems with the new community-partner as well as their having previous collaboration experience (Dyer & Singh, 1998). Hence, the competitive advantage that is associated with access to reliable information of potential corporate community engagement complementary resources based on information rich positions in network alliances is conditional (Dyer & Singh, 1998).

6.2.3.5 Direct Experience Safeguards

The study links a mix of direct safeguard mechanisms with the corporate community engagement-competitive advantage relationship. The direct safeguards are informal and self-enforcing such as the shared interest of business and the community and the long-term commitment of business and the community to corporate community engagement projects. The *shared interest* of business and the community is consistent with the relational models theory dimension of the morals and *thick trust* associated with the collective business-community

relations. There is a *sense of belonging* between business and the community which is difficult to imitate. The *long-term commitment* of business to community projects ensures that the value creation proposition is sustainable.

6.2.3.6 Ownership/Control of Community Resources

The study provides empirical evidence that links the common ownership and control of community resources to the competitive advantage of business. The common ownership and control of community resources is a close capability resource that builds trust between business and the community, supports access to quality community-knowledge, and can lead to competitive advantage (Jones, et al., 2018). The linking of the ownership and control of community resources to competitive advantage is not new in the literature, but the thesis provides the empirical evidence to support it.

6.2.4 Business Benefits

Linking these business-community relational resources to competitive advantage indicates the model to specific business benefits, namely, *improved human resource development capabilities and business success*.

6.2.4.1 Human Resource Development Capabilities

An unexpected finding of the study is the business benefit of access to human resource development capabilities that is linked to the collective communal sharing corporate community engagement model. The collective approach, and the long-term business-community relations, provide business with access to opportunities to managerial and leadership roles for employees in community-partner organisations. These employee learning and human resource development opportunities may not be available without the collective business-community relation and the long-term commitment to community projects. They not only provide business with increased capabilities for corporate community engagement but for the business in general and can lead to competitive advantage.

6.2.4.2 Business Success

The study links the business benefit of business success to competitive advantage. Business success as previously defined in section 2.2 to include both monetary and non-monetary business benefits of:

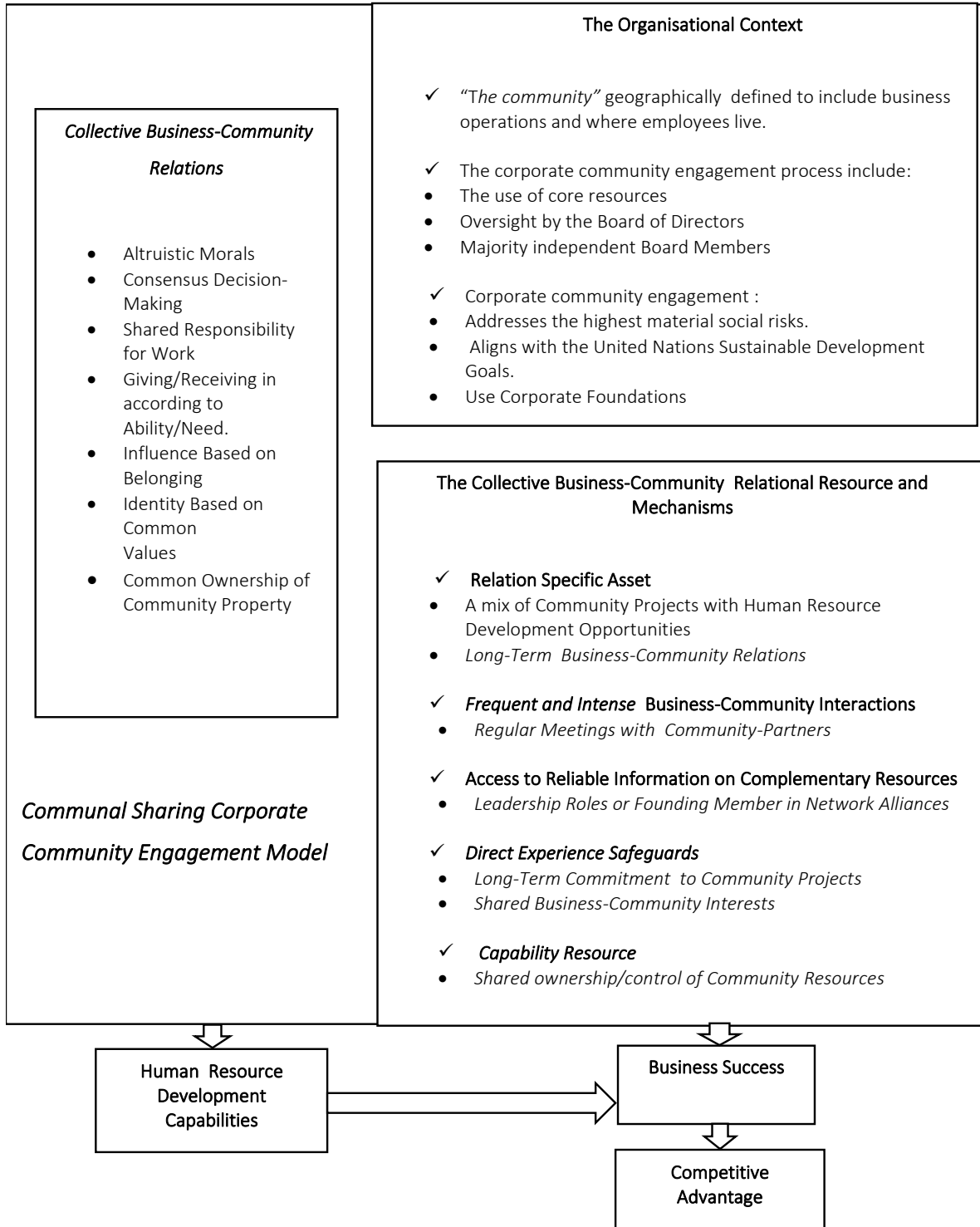
“Revenue growth and market access; cost savings and productivity; access to capital; risk management and licence to operate; human capital; brand value and reputation”

(Weber, 2008, p. 249).

In the short or medium term these individual benefits may not significantly affect business performance and competitive advantage. The rare value creation proposition of *the business-community relational resource* is not only linked to the *collective business-community relations*, but it is also time dependent to support the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. So, business success is a long-term phenomenon, and the competitive advantage relationship is also a long-term phenomenon. This is not surprising since based on stakeholder theory perspectives, stakeholder trade-offs, the value creation proposition for corporate community engagement is also a long-term phenomenon (Freeman, et al., 2010) .

Given these important findings of the comparative study exploring the corporate community engagement-competitive advantage relationship, the next section discusses the contributions of the thesis.

Figure 6.1 Corporate Community Engagement-Competitive Advantage Model



6.3 The Contributions of the Thesis

The findings and proven theoretical model developed by the study have theoretical, empirical, and practical implications (see box 6A). The purpose of this section is to discuss these contributions.

6.3.1 Theoretical Contributions

The purpose of this section is to discuss the theoretical contributions of the study including a new classification of corporate community engagement models, the linking of the collective communal sharing model to competitive advantage, identifying a mix of underlying business-community relational resource mechanisms, providing new perspectives on the managerial aspects of corporate community engagement, and linking business success to competitive advantage.

6.3.1.1 A New Classification of Corporate Community Engagement Models

The first contribution of the study is that it provides a new classification of corporate community engagement models based on relational models theory perspectives. The literature review discussed the absence of an integrated approach to classify corporate community engagement models on which to build sound theory. The key determinants of the differences in the approaches to classify corporate community engagement models in the existing literature including time, transaction versus long-term, the utilization of core resource as well as community-participation. No one approach adequately accounts for these concepts nor fully explains differences in types of corporate community engagement initiatives. In addition, no single approach in the existing classifications reflects all the existing types of corporate community engagement initiatives. Hence, one of the objectives of the thesis was to develop an approach to classify corporate community engagement models that reflects all types of corporate community engagement initiatives in the existing literature. So, the thesis develops a

new approach to classify different corporate community engagement models relevant to explore the corporate community engagement-competitive advantage relationship.

The communal sharing corporate community engagement model emphasises the value creation proposition for corporate community engagement “*beyond the boundaries of the firm*” (Kurucz, et al., 2008; Wheeler, et al., 2003). It is a long-term phenomenon based on the integration of business into a community collective and consensus decision-making (Bridoux & Stoelhorst, 2022; Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business-community relations are based on *thick trust* associated with respect, personal bonds, and familiarity (Blois & Ryan, 2013; Sheppard & Sherman, 1998), business commits resources to corporate community engagement based on its ability (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992) and utilises core resources in the corporate community engagement process (Freeman, et al., 2010; Porter & Kramer, 2006). For this model, corporate community engagement contributes to the success of the business (Freeman, et al., 2010), but this is a long-term phenomenon (Bridoux & Stoelhorst, 2022).

The equality matching corporate community engagement model emphasises the value creation proposition for corporate community engagement that is based on the equality of business and the community and moderated by reciprocal business-community arrangements (Bridoux & Stoelhorst, 2022; Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). This equality of business and the community links corporate community engagement to the stakeholder theory approach (Freeman, et al., 2010). Corporate community engagement utilises the core resources of business and is integrated into the business model (Eccles, et al., 2014; Freeman, et al., 2010; Porter & Kramer, 2006), and business-community relations are based on *goodwill trust* associated with repeated interactions and mutual understanding between business and the community (Blois & Ryan, 2013; Sheppard & Sherman, 1998). Corporate community engagement contributes to the success of the business (Freeman, et al., 2010), but is moderated by reciprocal business-community arrangements (Bridoux & Stoelhorst, 2022).

The authority ranking corporate community engagement model emphasises a value creation proposition for corporate community engagement that is limited by the benevolent superiority of business and the lack of input by the community (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business-community relations are based on *systems trust* associated with the institutional context of business and the community (Blois & Ryan, 2013; Sheppard & Sherman, 1998). The control of business over the corporate community engagement process limits its benefit to improved reputation (Bowen, et al., 2010).

The market pricing corporate community engagement model emphasises a value creation proposition for corporate community engagement that is limited by the transactional business-community relations, the control of business over the process, and the lack of input by the community (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992). Business-community relations are based on *contracts trust* associated with written or implied contractual obligations (Blois & Ryan, 2013; Sheppard & Sherman, 1998). The control of business over the corporate community engagement process and the transactional business-community relations limit its benefit to improved image (Freeman, et al., 2010).

This new approach has several advantages. Firstly, it accounts for the main types of corporate community engagement initiatives identified in the existing literature including charitable donations, strategic charitable donations, community investments, and commercial community initiatives. As discussed in section 2.2, no one of the existing approaches to classifying different corporate community engagement models accounts for all types of initiatives. Secondly, the approach accounts for all the main factors used in the existing literature to identify different corporate community engagement models including the use of core resources, community-participation, and time (immediate or long-term corporate community engagement solutions).

Thirdly, based on relational models theory perspectives, the new approach accounts for a different classification of trust more relevant to business-community relations. The market-based market pricing corporate community engagement model is linked to contract trust that is defined by the contractual obligations of business and the community (Blois & Ryan, 2013). The superior-subordinate-based authority ranking corporate community engagement model is linked to systems trust that is defined by institutional arrangements (Blois & Ryan, 2013). The reciprocal-based equality matching corporate community engagement model is linked to goodwill trust defined by repeated interactions and the understanding of business and the community (Blois & Ryan, 2013). The collective-based communal sharing corporate community engagement model is linked to thick trust defined by personal bonds and the familiarity of business and the community (Blois & Ryan, 2013).

6.3.1.2 The Collective Communal Sharing Model-Competitive Advantage Link

The second contribution of the study is that it provides a clear link of corporate community engagement to the competitive advantage of business. Firstly, applying relational resource theory perspectives of competitive advantage, the thesis provides a compelling link of the collective-based communal sharing corporate community engagement model to competitive advantage. This model, based on the shared interest of business and the community, long-term business-community relations, and the common ownership of community resources give business access to relational resources that is difficult to imitate. Linking the collective communal sharing corporate community engagement model to the competitive advantage of business indicates that the models developed in section 3.4 have value.

6.3.1.3 The Underlying Business-Community Relational Resource Mechanisms

The study adds to the existing corporate community engagement literature by drawing from the strategic management literature and identifying a matrix of underlying business-community relational resource mechanisms that can lead to competitive advantage. Firstly, the study links long-term business-community relations to the accumulation of corporate community

engagement specialised knowledge that can lead to competitive advantage. Business benefits from cost savings by leveraging this specialised knowledge across a variety of corporate community engagement projects. This is an added perspective of business leveraging proven corporate community engagement resources in their global networks and benefits from cost savings and competitive advantage as well (Boudier, 2013; Jamali & Mirshak, 2007).

Secondly, the study links corporate community engagement knowledge sharing routines to the exchange of specialised knowledge that can lead to competitive advantage. Existing literature links frequent business-community interactions to support knowledge sharing (Hillman & Keim, 2001) , but for specialised knowledge sharing that can lead to competitive advantage, business - community relations is frequent and intense (Dyer & Singh, 1998). These interactions are defined by:

“A regular pattern of business-community interactions that permit the transfer, recombination, or creation of specialised corporate community engagement knowledge, and the institutionalised processes that are purposefully designed to facilitate knowledge exchange between business and community-partners” (Dyer & Singh, 1998 p 665).

For the collective model, these mechanisms include regular scheduled meetings with employees embedded in leadership and managerial roles in community-partner organisations.

Thirdly, the study links information rich positions in network alliances to gain access to reliable information of potential community-partners with complementary resources. To lead to competitive advantage, the information rich positions include leadership roles or founding member in network alliances. However, the effectiveness of the information to lead to competitive advantage is moderated by the compatibility of the organisational systems with the new community-partner as well as their having previous collaboration experience (Dyer & Singh, 1998). Fourthly, the thesis links an effective system of governance to gain and maintain the competitive advantage that is derived from corporate community engagement. This includes a mix of informal safeguards such as long-term business-community relations, the shared interests of business and the community, and third-party recognition.

6.3.1.4 Human Resource Development Capabilities Business Benefits

The study adds to the existing corporate community engagement literature by identifying the access to human resource development capabilities as an important outcome of the collective communal sharing corporate community engagement model that can lead to competitive advantage. The long-term business-community relations and thick trust between business and the community provides opportunities for business to embed into community-partner organisations with employees in leadership and managerial roles that not only give them access to specialised corporate community engagement knowledge but also human resource development capabilities. These improved capabilities can lead to long-term business success and competitive advantage.

6.3.1.5 Business Success

The study also links *business success* to competitive advantage. Based on the long-term business-community relations linked to competitive advantage, business-success is a long-term phenomenon. This is consistent with the stakeholder theory perspective of the benefits of corporate community engagement. As business manage different stakeholder interests making short-term trade-offs, the business-success benefit is a long-term phenomenon (Freeman, et al., 2010).

6.3.1.6 Corporate Community Engagement Management

The study indicates that certain corporate community engagement management practices including the use of core resources, the Board of Directors level oversight, addressing highest material social risk, and the alignment with the United Nations sustainable development goals may only be good management practices. The study linked these management practices to both the communal sharing corporate community engagement model and the equality matching corporate community engagement model. While the study provides compelling evidence to link the former model to competitive advantage, the evidence to support the latter model to

competitive advantage is less compelling and suggest a moderated relationship. So, these management practices may support the value creation proposition for corporate community engagement, but by themselves they may not be directly linked to the competitive advantage of business. They are good management practices, a necessary but not a sufficient condition of a competitive corporate community engagement strategy.

6.3.1.7 Clarifies ‘Strong Integration’ and ‘Close’ Business-Community Integration

The ‘*relational*’ resource of business that can lead to competitive advantage in the existing literature so far include ‘strong integration’ of business into the community (Jamali, et al., 2009), and ‘close’ business-community interactions (Battaglia, et al., 2014; Tantalo, et al., 2012). However, these concepts have not been adequately defined. The thesis helps to clarify these concepts and gives insights on how they can be operationalised. The thesis helps to clarify ‘strong integration’ of business into the community (Jamali, et al., 2009) to include the embedding of business into community-partner organisations in leadership and managerial roles. This provides frequent and intense business-community interactions that can lead to competitive advantage. It also provides business with improved human resource development capabilities that can lead to competitive advantage. In addition, embedding of business into community-partner organisations in leadership and managerial roles is a measurable concept and its impact on competitive advantage can be quantitatively assessed.

The thesis also helps to clarify ‘close’ business-community interactions (Battaglia, et al., 2014; Tantalo, et al., 2012). The existing literature identifies relational business-community interactions (Hillman & Keim, 2001) and a collaborative approach (Muthuri, et al., 2009) as necessary to support the value creation proposition. However, the thesis adds a new dimension to these concepts to link the business-community relations to competitive advantage. It distinguishes between ‘*equal*’ decision-making and ‘*consensus*’ decision-making. It links the latter concept to relational business-community interactions that supports the accumulation of specialised corporate community engagement knowledge that can lead to competitive

advantage. Although *'equal'* decision-making may support timely implementation of community projects, they may be affected by insufficient knowledge exchange based on reciprocal business-community arrangements and limits the accumulation of specialised corporate community engagement knowledge that can lead to competitive advantage. *'Equal'* decision-making and *'consensus'* decision-making are measurable concepts and their impact on competitive advantage can be quantitatively assessed.

6.3.2 Empirical Contributions

This comparative case study adds to the limited empirical evidence to support the corporate community engagement-competitive advantage relationship. From an empirical perspective, the thesis adds *'a qualitative point of view'* to the limited empirical studies connecting corporate community engagement to business performance. The empirical contribution of the thesis includes it provides new insights for future research, applies relational models theory to corporate community engagement, and explores the corporate community engagement-competitive advantage relationship from a nascent micro foundation level.

6.3.2.1 New Insights for Future Research

The main purpose of the thesis is to enhance the existing theory of the corporate community engagement-competitive advantage relationship in the management research domain and to generate possible insights for future research. Exploring the relationship through relational theory perspectives, the thesis identifies several underlying business-community relational resource mechanisms that can be further examined to assess their impact on the competitive advantage of business. These include:

1. Long-term business-community relations,
2. A mix of community projects with human resource development opportunities,
3. Regular meetings with the community,
4. Founding member or leadership roles in network alliances,

5. Shared interests between business and the community,
6. Long-term commitment to community projects, and
7. Shared ownership/control of community resources.

6.3.2.2 Applies Relational Models Theory to Corporate Community Engagement

The thesis applies the dimensions of relational models theory (Fiske, 2004; Haslam & Fiske, 1999; Fiske, 1992) to the business-community relations and the corporate community engagement-competitive advantage relationship. This new approach contributes to the existing literature by offering a more holistic classification of the different models to corporate community engagement employed by multinational companies nowadays. The application of the relational models theory to the business-community relational resource, is not only a novel way of explaining this resource, but also a new way of applying the relational models theory.

6.3.2.3 Micro-Foundation Level of Analysis

The introduction of relational models theory to the corporate community engagement-competitive advantage relationship shifts the focus of the empirical evidence to support to *the micro-foundation* level. This is a new area in corporate community engagement research. It enables the in-depth exploration of the business-community relational resource. So, the thesis accounts for differences in business-community relationships with regards to its *morals, influence, and identity*. In so doing, the thesis accounts for important differences in interdependent business-community relations that supports the value creation proposition for corporate community engagement. It distinguishes between the *collective interdependent* business-community relations and the *equality interdependent* business-community relations. The comparative case study links the *collective interdependent* business-community relations to the competitive advantage of business. However, the reciprocal arrangements of the *equality interdependent* business-community relations moderates the relationship between the *equality interdependent* business-community relations and the competitive advantage of business.

6.3.3 Practical Contributions

For managers interested in linking corporate community engagement to the competitive advantage of business, the study identifies one model, the communal sharing corporate community engagement model to competitive advantage. For this model, the thesis identifies the dimensions of the collective business-community relations that supports corporate community engagement-competitive advantage relationship. These include:

1. An amoral obligation to show kindness and compassion defines the business-community relationship.
2. Business and the community make decisions collectively, by consensus.
3. Exchange of resources including intangible resources such as knowledge between business and the community involves giving in accordance with one's ability and the other's need without expecting anything in return.
4. Both business and the community pitch in to get community projects done.
5. The influence of business and the community on corporate community engagement projects is determined by the need to belong.
6. Both business and the community identify with each other based on the common values of the relationship, and the common project /social purpose which unites them.
7. Many important resources used during the corporate community engagement projects belong to both business and the community together.

The thesis also indicates the organisational context that support the communal sharing corporate community engagement model-competitive advantage relationship. This includes:

1. The use of core resources in corporate community engagement,
2. The Board of Directors level oversight of corporate community engagement,
3. Majority independent directors on the Board, and
4. Corporate community engagement addresses highest material social risk,

In addition, the thesis links several underlying business-community relational resource mechanisms to this model that business can implement and can lead to competitive advantage including:

1. Long-term business-community relations,
2. A mix of community projects with human resource development opportunities,
3. Regular meetings with the community,
4. Founding member or leadership roles in network alliances,
5. Shared interests between business and the community,
6. Long-term commitment to community projects, and
7. Shared ownership/control of community resources

Long-term business-community relations support the accumulation of specialised corporate community engagement knowledge. A mix of corporate community engagement projects to support economies of scope and human resource development opportunities to support human resource development capabilities and competitive advantage. Regular scheduled meetings with employees embedded in leadership and managerial roles in community-partner organisations support the exchange of specialised corporate community engagement knowledge that can lead to competitive advantage.

Leadership roles and founding members in network alliances may give managers access to reliable information to identify potential complementary corporate community engagement resources. Long-term commitment to community projects and shared business-community interests provide effective safeguards of the business-community relational resource. The common ownership of community resources is a capability resource that builds trust between business and the community and provides business with access to valuable resources and expertise.

Box 6A

Main Contributions of the Thesis

Theoretical

1. Provides a New Classification of Corporate Community Engagement Models
2. Links the Collective Communal Sharing of Corporate Community Engagement Model to Competitive Advantage
3. Identifies Several Corporate Community Engagement Mechanisms that Can Lead to Competitive Advantage
4. Identifies a Human Resource Development Capabilities Benefit
5. Clarifies 'Strong Integration' and 'Close' Business-Community Integration

Empirical

1. Applies Relational Models Theory to Corporate Community Engagement
2. Micro-Foundation Level of Analysis of the Corporate Community Engagement-Competitive Advantage Relationship
3. Provides New Insights for Future Research of the Corporate Community Engagement-Competitive Advantage Relationship

Practical

1. Identifies a Specific Corporate Community Engagement Model that Can Lead to Competitive Advantage
2. Identifies Collective Business-Community Relations that Support Competitive Advantage.
3. Identifies Several Corporate Community Engagement Mechanisms that Can Lead to Competitive Advantage.

6.4 Limitations

The study makes several important contributions to the corporate community engagement theoretical and empirical literature in general and specifically to the corporate community engagement-competitive advantage relationship literature. Nevertheless, the reader of this study should understand the findings and conclusions within certain limitations. Section 4.7 already discussed the methodological limitations and include the potential loss of rigor of the case study from the efforts taken to protect the confidentiality of the participants. The study

regains some element of reliability with the embedded multiple case study design, the multiple sources of data that is utilised, and the case study evidence database.

Another limitation of the study is the inclusion of only multinational companies based in the United States of America. Section 2.4 of the literature review discussed several institutional factors that may impact the corporate community engagement-competitive advantage relationship. To add to the generalisability of the findings of the study, it would be important to replicate this study with other companies and in different institutional contexts. For example, companies based in the coordinated markets of Europe or in emerging markets. Nevertheless, given that the purpose of the study was to identify the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage. The researcher considered that corporate community engagement in the liberal market context of the United States of America was more helpful to the purpose of the study and to address the research question.

This study of the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage is a new area of research. One of the challenges in applying the relational resource theory of competitive advantage is the inconsistency of the data to explore how business benefits from economies of scale as they leverage specialised corporate community engagement knowledge gained through long-term business-community relations. While, the number of days or hours of business-community contact is more relevant to the investigation, this information was not consistently available. Instead, this study explored the opportunities for scaling specialised corporate community engagement knowledge across different types of corporate community engagement employee schemes. With time there may be more consistency with this data.

6.5 Future Research

Arising from the main findings of the comparative case study, there are two main areas of further research, the corporate community engagement models and the business-community relational resource mechanisms that can lead to competitive advantage. The section also discusses the following areas of possible future research: the industrial sector of business, the size of business, and corporate foundations. The first two areas are a part of ongoing debate in the literature. Although they were accounted for in the subunit sample selection to reduce selection bias, their impact on the corporate community engagement-competitive advantage relationship was outside the scope of the case study. The empirical evidence of this study indicates some association between corporate foundations and the value creation proposition for both corporate community engagement models. Based on the complexities of corporate foundations, further analysis is required to determine if these differences matter in terms of the models used and the corporate community engagement-competitive advantage relationship.

6.5.1 Corporate Community Engagement Models

One of the contribution of the thesis to the existing empirical literature to support the corporate community engagement-competitive advantage relationship is that it develops a classification of corporate community engagement models relevant to explore the corporate community engagement-competitive advantage relationship. Although the thesis links the communal sharing corporate community engagement model to competitive advantage, the empirical evidence to support the relationship can be enhanced by assessing the impact of this model on business performance. In addition, the four models developed can be assessed as well. So, another study could address the following research question:

What is the relationship between different models of corporate community engagement and competitive advantage?

6.5.2 Business-Community Relational Resource Mechanisms

Another contribution of the thesis to the existing empirical literature to support the corporate community engagement-competitive advantage relationship is that it identifies several business-

community relational resource mechanisms that can lead to competitive advantage. These include long-term business-community relations, a mix of community projects with human resource development opportunities, regular meetings with the community, leadership positions/founding members in network alliances, shared interests between business and the community, long-term commitment to community projects, and ownership/control of community resources. These mechanisms can be further examined to assess their impact on business performance. For example, other studies might seek to address the following research questions:

What is the relationship between long-term business-community relations and competitive advantage?

What is the relationship between leadership positions/founding members in network alliances and competitive advantage?

6.5.3 Institutional Context

The literature review (section 2.4) discussed several institutional factors that can affect how business engages the community and how these may affect the corporate community engagement-competitive advantage relationship. Firstly, the institutional context of business plays a significant role to explain not only why business engages with the community, but also why they choose different types of corporate community engagement initiatives (Frasen, 2013). As discussed in section 2.2, not all corporate community engagement initiatives create value that can lead to competitive advantage.

The context of this study is the corporate community engagement practices of multinational corporations based in the liberal advanced economy market context of the United States of America. The position taken in the study is that since it is bounded by the value creation proposition for corporate community engagement and the objective is to gain in-depth knowledge of the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage, the

corporate community engagement practices in the United States of America that are guided by risk management and value creation are best suited for this purpose (Brammer, et al., 2012).

The participants in the study are multinational corporations. These companies may experience different challenges and opportunities than those companies that operate solely in national contexts. Multinational corporations operate in larger markets that provide opportunities for scaling corporate community engagement initiatives across global networks with associated costs benefits that can lead to competitive advantage (Aguilera-Caracuel, et al., 2013). These benefits may be moderated by the mode of entry into the global markets. For companies operating solely in national contexts, corporate community engagement may take on different roles. It may be a part of the normal investment cost of the business, it may have a development role, state-centred, or a part of risk management and value-creation. Although the participants of this study are multinational corporations, the institutional context was beyond the remit of the thesis. Other studies may seek to address the following research questions:

How does the level of global integration affect the corporate community engagement model used by companies?

How does the mode of entry into the global market affect the corporate community engagement model used by companies?

How does the national context affect the corporate community engagement model used by companies?

The literature review discussed the impact of market orientation on corporate community engagement. Although the corporate community engagement practices of companies from the United States of Americas were selected for the case study context as the value creation liberal market context was deemed more appropriate for the study than the coordinated markets, the following research question is still relevant:

How does the market orientation of the country affect the corporate community engagement model used by companies?

The level of development of the economies is also relevant. The more advanced market and regulatory context may encourage and support corporate community engagement (Wang & Jia, 2016; Boudier, 2013; Jamali & Mirshak, 2007). The research question could be:

How does the level of development of the country affect the corporate community engagement model used by companies?

6.5.4 The Industrial Context

The literature review discussed the effect of the industrial context on corporate community engagement including the industry sector and the level of competition. For this study, an attempt was made to include participants from various industrial sectors but only to reduce any bias. For the industrial context future research questions may include:

How does the industrial context affect the corporate community engagement model used by companies?

How does the competitive context affect the corporate community engagement model used by companies?

6.5.5 The Size of the Business

The impact of the size of the business on the corporate community engagement-competitive advantage relationship is an ongoing debate in the literature (Marín, et al., 2012; Tantalo, et al., 2012; Jamali, et al., 2009). The question is whether the relational resource of small businesses compensates for the tangible resource of large businesses. In relation to the new classification of

corporate community engagement models developed in this study, the research question may be:

How does the size of the business affect the corporate community engagement model used by companies?

6.5.6 Corporate Foundations

The comparative case study confirmed the suggestion in the literature of the increase visibility of corporate foundations in the corporate citizenship domain (Gehring, 2021; Monfort & Villagra, 2016). The empirical evidence from the comparative case study suggests a clear association between corporate foundations and both corporate community engagement models. The literature suggests varying degrees of purpose from managing charitable donations to strong branding initiatives (Gehring, 2021; Monfort & Villagra, 2016). In the literature other foundations including shareholder foundations and private foundations are sometimes referred to as corporate foundations (Gehring, 2021). There are varying definitions of corporate foundations. From the perspective of The European Foundation Centre, corporate foundations are:

“Separately constituted foundations with a company as a donor offering annual gifts, which the foundations distribute either through grant-making or through operational programmes, or a combination of the two and most of the trustees of the governing board are related to the donor company, including employees, members of the board of Directors, or retirees” (Gehring, 2021, p. 261).

For the United States of America Council of Foundation, corporate foundations are:

“Philanthropic organisations that are created and financially supported by a corporation, as a separate legal entity from the corporation, but with close ties to the corporation” (Monfort & Villagra, 2016, p. 768).

Both perspectives emphasise the strong tie to the business, and although understated the governance structure generally involves community representation at the Board of Trustee level (Esteves, 2008).

Corporate foundations are direct links between business and the community (Monfort & Villagra, 2016) and the empirical evidence from the comparative case study suggests a clear association with the value creation proposition for corporate community engagement. While these corporate foundations are important in the delivery of social solutions in the community, the complexity of these foundations was outside the scope of the thesis. Research questions in this area may include:

How do differences in types of corporate foundations affect the corporate community engagement model used by companies?

How do the different types of corporate foundations affect competitive advantage?

6.6 Concluding Remarks

The purpose of the thesis was to add to the existing theory about how corporate community engagement can lead to competitive advantage. It is one response to the call to change the focus of the examination of the corporate community engagement-competitive advantage relationship to investigate micro foundation level issues and unpack the corporate community engagement model and the underlying business-community relational resource mechanisms that can lead to competitive advantage.

An embedded comparative case study design provides empirical evidence that links competitive advantage to the collective corporate community engagement model that creates value *“beyond the boundaries of the firm”*. As business embeds into community-partner organisations, with employees in leadership and managerial roles, they gain access to specialised corporate

community engagement knowledge, improve their corporate community engagement capabilities, and support value creation that is rare and sustainable.

The micro-foundation level analysis and relational models theory perspectives are new areas of research in corporate community engagement and offers many possibilities for future research.

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Appendix A Social Relations Statements (Haslam and Fiske 1999)

1. Market Pricing
 - 1.1. What you get from this person is directly proportional to how much you give them.
 - 1.2. You divide things up by how much each of you have paid or contributed.
 - 1.3. If one of you worked for the other, they would be paid in proportion to how long they worked or how much they did.
 - 1.4. You have the right (you are entitled) to a fair rate of return for what you put into this interaction.
 - 1.5. With this person, you make decisions according to the ratio of the benefits you get and the costs to you.
 - 1.6. One of you often pays the other to do something.
 - 1.7. You expect to get the same rate of return on your effort and investment that other people get.
 - 1.8. Your interaction is strictly rational; you calculate what your payoffs are, and act accordingly.
2. Equality Matching
 - 2.1. We keep track of what we give to each other, in order to try to give back the same kind of things in return eventually; we each know when things are uneven.
 - 2.2. You typically divide things into shares that are the same size.
 - 2.3. If you have work to do, you usually split it evenly.
 - 2.4. You have a right to equal treatment.
 - 2.5. One person, one vote is the principle for making decisions with this person.
 - 2.6. If one person does what the other wants, next time the second person do what the first person wants.
 - 2.7. The two of you consider yourselves peers, fellow-workers, and co-partners.
 - 2.8. Both of you should have even chances.
 - 2.9. If you cannot divide something up, you take turns.
3. Authority Ranking
 - 3.1. One of us sometimes must turn over things to the other, who does not necessarily have to give them back.
 - 3.2. One of us is entitled to more than the other.
 - 3.3. One of us directs the work you do together – the other pretty much does what they are told to do.
 - 3.4. In some respects, one of us is entitled to more than the other and should be treated with special respect.
 - 3.5. One of us makes the decision and the other generally goes along.
 - 3.6. One of us is the leader, the other loyally follows their will.
 - 3.7. One of us looks up to the other as a guide and role model.
 - 3.8. One of us is above the other in a kind of hierarchy.
4. Communal Sharing
 - 4.1. If either of us needs something, the other gives it without expecting anything in return.
 - 4.2. Many important things you use belong to the two of you together, not to either one of you separately.
 - 4.3. You share many important responsibilities jointly, without assigning them to either of you alone.
 - 4.4. You feel amoral obligation to feel kind and compassionate to each other.
 - 4.5. You make decisions together by consensus.
 - 4.6. The two of you tend to develop similar attitudes and values.
 - 4.7. You feel that you have something unique in common that makes the two of you essentially the same.
 - 4.8. The two of you are a unit: you belong together.

1 = Exchange, 2 = Distribution and use, 3 = Work, 4 = Morals, 5 = Decisions, 6 = Influence

7 = Identity, 8 and 9 = Miscellaneous

Appendix B Corporate Community Engagement Interview Questions

1. What are some of the ways that the community supports your business?

Follow-up

What are some of the important benefits of your community engagement initiatives to your company?

2. Please describe your company's principles that govern the relationship with the community.

3. How do you believe that your company is perceived by its main community-partners?

Follow-up

What is the average period of engagement with your major community-partners?

Does the community take on the leadership role for any of your community engagement initiatives?

4. How are the views of the community reflected in your company's community engagement initiatives?

Follow-up

What are of your company's main processes/activities (formal and informal) to reflect the views of the community in your community engagement initiatives?

5. Please describe the decision-making processes in relation to your company's community engagement initiatives.

Follow-up

How are community-members/community-partners involved in the decision-making processes?

6. What are your company's main processes/activities (formal and informal) for sharing information between your company and the community?

7. Please describe your company's principles that govern the allocation of work between the company and the community in relation to community engagement initiatives.

Follow-up

What are the formal or informal process(es) for allocating work between your company and the community in relation to your community engagement initiatives?

8. Please describe your company's principles that govern the to the distribution and use of community engagement resources between the company and the community.

Follow-up

What are your company's processes (formal and informal) in relation to the distribution and use of community engagement resources between the company and the community?

Appendix C Corporate Community Engagement Interview - Invitation Letter

Dear

Your company (ABC) is included in a well-recognised worldwide environmental social and governance Index. I am asking you to consider sharing your company's corporate citizenship practices. I am a research student at the University of London, Birkbeck College, London, England conducting a study on corporate citizenship best practices.

Your answers will be strictly confidential and will be kept in a password protected folder. Data from the survey is going to be used only for the purposes of the PhD study and subsequent academic publications. It will not be shared or used for any other purpose and will be deleted upon completion of the publication process. There will be no identifying information about you or the company in any reports that will be published. Published results will be reported only on the aggregate level so that there will be no way to identify you or individual companies.

I hope you will agree to an interview of between 30-45 minutes. I attach a copy of the interview questions that will guide our discussions. Please contact me at jboudi01@mail.bbk.ac.uk or via LinkedIn to agree a time convenient to you.

Thank you.

ⁱ There is limited information on the volume of corporate community engagement transaction for participants of the study. Only one participant reports (company CS4) include information on total number of projects. Most participants report total volunteer hours. However, it is difficult to ascertain what is included in volunteer hours. There is no indication whether the numbers relate to volunteer events, employee resource groups and/or employee strategic assignments with the community-. The vagueness of the information is reflected in this participants report assertion that their value of volunteer hours was calculated in coordination with a third party 'considered a leader in volunteer-hour valuation'. Hence, the thesis examines the different instances that business through its employees interacts with community-partners in relation to employee volunteer schemes as this information is available in company reports and on company websites and is less problematic for comparison.