

**STAKEHOLDER RELATIONSHIP MANAGEMENT OF A CHINESE MINING  
ORGANISATION IN ZIMBABWE**

A thesis submitted in fulfilment of the requirements for the degree of

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by

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## ABSTRACT

Media reports and research has pointed out problems in the way that Chinese mining organisations in Zimbabwe are managing stakeholder relationships. The problems ranging from disgruntled communities and allegations of labour violations. Taking into account the impact that China's FDI has had on the ailing Zimbabwean economy research into the management of stakeholder relationships becomes imperative to understand how Chinese mining organisations build and manage stakeholder relationships. A review of stakeholder theory has revealed that there is not much emphasis by researchers on how organisations manage their stakeholder relationships, but rather on the identification and analysis of stakeholders. Research that has focused on stakeholder relationships has focused on different elements found in stakeholder relationship management and not necessarily on how stakeholder relationships should be managed. On the other hand, stakeholder theory does not seem to include social licence to operate which is important in stakeholder relationship management within the mining context. The purpose of this study is to develop a multidimensional stakeholder relationship management process for the Chinese mining organisation in Zimbabwe, showing dynamic interactions between multiple stakeholder networks with complementary, competitive and/or cooperative interests, while taking into account the possibility that interests may vary according to the underlying context. Thirteen semi-structured in-depth interviews were conducted with three stakeholder groups of a Chinese mining organisation as identified from the literature, namely employees, government and the community. The critical incident technique (CIT) was adopted in developing the interview questions and facilitated the data collection process. Participants described 36 critical incidents. According to multiple stakeholders, the findings suggest that, the Chinese managers built the relationship with multiple stakeholders through friendship, negotiation, pretend not to understand, referral, signing a contract, started with problems, they just arrived and through the government. With the same relationship being managed by the Chinese managers by being hard, rough and ruthless, authoritative, Chinese way of doing things, used avoidance, lack of competency, through a third party and resolving conflict when managing stakeholder relationships. Showing that the building and managing of stakeholder relationships is socially constructed and experienced differently by stakeholders. The positive and negative relationship characteristics influenced how stakeholder relationships are managed by the selected Chinese mining organisation. In the presence of positive relationship characteristics which included, friendship, there was flexibility, power dynamics,

accountability depends on situations, commitment a show of investment, do cooperate to a certain extent, trust began with an open mind, shared values: hardwork and profit, shared values: culture was associated with the Chinese managing the relationship through being kind, supportive, motivating and understanding; complaint; through a third party; controlling; Chinese way of doing things; and performance and reward management of stakeholder relationships. Whilst negative relationship characteristics which included fear, their hearts were hardened, Chinese had power, intimidaton, not accountable, lack of commitment, communication understanding, connotations and intretations, communication done through a third party; no cooperation want to cut coners; trust are they conveying what is being said; deception and misrepresentation; trust depends on experience; being told lies and not transparent were associated with negative (being authoritative; hard, rough and ruthless; avoidance; blame shifting and pushy) stakeholder relationship management by the Chinese managers. Hence, a proposition that negative or positive relationship characteristics result in negative or positive stakeholder relationship management by the Chinese managers was propossed. The following challenges were experienced in the management of stakeholder relationships namely, communication, corruption, cheating, political environment, working conditions and broken promises. The dynamic multidimensional stakeholder relationship management process was subsequently revised to accommodate the new relationship characteristics and their positive and negative influence on how stakeholder relationships are managed. The main contribution of this study is the dynamic multidimensional stakeholder relationship management process which was developed within the context of a Chinese mining organisation in Africa. It is recommended that practitioners utilise the dynamic multidimensional stakeholder relationship management process to assist them in understanding and conducting research on stakeholder relationships. Further research is suggested on developing the research proposition made in the study and to empirically test the dynamic multidimension stakeholder relationship management process in other industries that posses different or similar contexts as this study.

**Key words:** stakeholders, stakeholder relationship management, relationship characteristics, Chinese, build, stakeholder relationship management process

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## DECLARATION

I declare that the thesis hereby submitted is my own independent work and has not been previously submitted by me for a degree at another university.

A handwritten signature in black ink, appearing to read 'Kudakwashe Chodokufa', written over a horizontal line.

Kudakwashe Chodokufa

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# CHAPTER ONE

## INTRODUCTION, PROBLEM STATEMENT AND SIGNIFICANCE OF THE STUDY

### 1.1 INTRODUCTION AND BACKGROUND OF THE STUDY

In the past decade, China has been playing a crucial role in the development of Africa, through Foreign Direct Investments (FDI) and by providing grants to African governments. It is anticipated that the total value of trade between China and Africa in 2018 exceeded US\$98.8billion (Shuiyu, 2018). China's increased FDI in Africa has resulted in Chinese organisations establishing subsidiaries, joint ventures and mining agreements in Zimbabwe. Some large Chinese organisations have entered into joint venture operations which include mining agreements with Zimbabwean state-owned enterprises and private investors (Global Witness, 2012; Shelton and Kabemba, 2012:22; Mvutungayi, 2010; Saunders, 2008:73; Financial Gazette, 2007). Examples of such agreements are shown in Table 1.1.

**Table 1.1: Zimbabwean Mining Agreements with China**

Year	Agreement	Source
2004	A joint venture between China North Industries Corporation (NORINCO) and Hwange Colliery Company (HCC)	(Davies 2006: 16; Chingono, 2010: 6)
2008	The Mineral Marketing Corporation of Zimbabwe (MMCZ) signed a memorandum of understanding with the Chinese Nickel Company, Jinchuan Nickel Mining Company of China. This was in a bid to increase the marketing of Zimbabwe's minerals in China.	(China Mining Association, 2009)
2007	China's largest iron and steel dealer, Sinosteel, signed an investment agreement with the Zimbabwe Mining and Smelting Company (ZIMASCO).	(Financial Gazette, 2007)
2010	Anjin Investment was granted exploration, prospecting and mining rights by the Zimbabwean Ministry of Mines and Mining Development. Anjin is a joint venture between a Chinese organisation, the Anhui Foreign Economic Construction Group (AFECG) and a Zimbabwean company, Matt Bronze.	(Global Witness, 2012)

Source: Researcher's own construction based on the references cited in the table.

In 2010, Anjin Investment – a joint venture between a Chinese organisation, the Anhui Foreign Economic Construction Group (AFECG) and a Zimbabwean company, Matt Bronze - were granted mining rights to the Marange diamond area in Zimbabwe (Global Witness, 2012). Anjin Investment is reported to have 188 Chinese nationals and 285 Zimbabweans under their employment (Sharife, 2011). In Zimbabwe the trade unions, who form part of the stakeholders of any organisation, have accused Chinese employers of allegedly not abiding to the labour laws (Mambondiyani, 2011; Bardsley, 2010). Although the Chinese respect labour laws in countries such as the USA, where they are a major player in the textile sector, they are facing allegations of abusing and exploiting workers in Burma and Vietnam and in other African countries (Makova, 2012).

In other instances, the community stakeholders in the diamond mining area in Marange, Zimbabwe, have not received any remittances from the mines operating in that area. Instead, they complain of water pollution and degradation of their agricultural land (Centre for Research and Development, 2014:9; The Africa Report, 2012). In Zambia, for example, the government took over and revoked the mining rights of three Chinese-owned coal mines, invoking poor safety and lack of environmental compliance (British Broadcasting, 2013; Kotch, 2013). The aforementioned allegations indicate that there is a strain in the relationship between the Chinese mining organisation and its stakeholders. It has also been reported in the media (The Africa Report, 2012; Mambondiyani, 2011; Bardsley, 2010; The Economist, 2010) and by researchers (Centre for Research and Development, 2014; Peh and Eyal, 2010; Baah and Jauch, 2009; Executive Research Associates, 2009; Ravallion, 2009) that there are problems between the Chinese mining organisations and their stakeholders in mining organisations in Africa. Considering the strategic importance of the mining industry and its generation of FDI for Zimbabwe, the lack of social licence to operate (SLO) as evidenced by the aforementioned allegations on labour violations, complaints from the community and the joint ventures formed by Chinese organisations in Zimbabwe's mining sector as summarised in Table 1.1, research into the management of stakeholder relationships by these mining organisations is imperative to help understand how Chinese mining organisations build and manage stakeholder relationships.

A review of stakeholder theory as outlined in the next section has revealed that there is not much emphasis by researchers on how organisations manage their stakeholder relationships, but rather on the identification and analysis of stakeholders. Research that has focused on stakeholder relationships has focused on different elements found in stakeholder relationship management and not necessarily on how stakeholder relationships should be managed. On the other hand, stakeholder theory does not seem to include SLO which is important in stakeholder relationship management within the mining sector. More specifically, the problem being researched in this study is the stakeholder relationship management process followed by managers as they build and manage dynamic stakeholder relationships.

## **1.2 THEORETICAL CONTEXT AND JUSTIFICATION**

Stakeholders are regarded as any group or individual (such as customers, suppliers, employees, owners of the business, communities and government) who can affect or are affected by the achievement of an organisation's purpose (Freeman, 1984:52), have a stake or an interest in the organisation (Clarkson, 1995:106; Carroll, 1993) and have the ability to influence the organisations operations (Bowie, 1988:112, cited in Reed, Graves, Dandy, Posthumus, Hubacek, Morris, Prell, Quinn and Stringer, 2009:1934). Freeman (2017:2), views the stakeholder concept to be 'as old as business itself'. As business is an exchange between buyers and sellers, where it is perceived that both parties are better off because of that exchange (Freeman, 2017:2). The exchange creates value between the partners and results in more exchange in the future. As value is created through the exchange some trade-offs are made at the expense of others (for example. employees, customers or suppliers). Hence, destroying the value created. According to Freeman (2017:2), this illustrates that business has always affected stakeholders. The internal stakeholders of a mining organisation as commonly identified in literature are the employees, while the external stakeholders include the community (Kirkwood, 2011; Fassin, 2009: 129; Quinn, 2002; Freeman, 1984:25), local, provincial and national government (Hamann, 2014:87; Mzembe and Meaton, 2013).

Employees, who form part of the internal stakeholders, are an important stakeholder group that has been identified as a "primary stakeholder" group (Greenwood, 2007:316) who are salient (high

power high legitimacy) stakeholders (Mitchell, Agle and Wood, 1997). When there is incongruence between the values of the employees and the employer, it could result in a lack of participation by employees in organisational activities to meet organisational objectives (Karabadogomba, 2008).

The community, an external stakeholder, is viewed as an important stakeholder as organisations are becoming increasingly concerned with building relationships with the community. However, the structured way in which communication transpires between the community and the organisation often results in the community, as a stakeholder, not being heard because of the lack of dialogue between the organisation and the community (Quinn, 2002:175). The restrictive fixed structures used by organisations when communicating with the community in mining exploration results in problems that manifest in the form of disputes about employment, royalties, rents, lease payments and compensation payments (McShane, 2003). Organisations treat donations and employee involvement with the community as structures for communication with the community (Quinn 2002:145). Last but not least, the local, provincial and national government cannot be ignored as legitimate and salient external stakeholders (Mzembe and Meaton, 2013; Mainardes, Alves and Raposo, 2012; Mitchell et al., 1997; Freeman, 1984) as they set the regulatory environment of the mining organisation.

Stakeholder relationship management refers to the “necessity for an organisation to manage the relationships with its specific stakeholder groups in an action-oriented way’ (Freeman, 1984:53) whilst paying attention to the legitimate interests of all stakeholders (Donaldson and Preston, 1995:67). Further considerations in explaining the concept of stakeholder relationship management include the importance of including stakeholder interests in the organisation’s process of strategy formulation and implementation (Post, Preston and Sachs, 2002), mutual communication (Fifka, 2013), building and maintaining long-term relationships that are “influenced by power, trust, satisfaction and commitment” (Meintjes and Grobler, 2014:164). As evident from the aforementioned, defining the concept of stakeholder relationship management is complex and not inclusive. In addition, stakeholder relationship management within the mining context also has to include balancing the interests and expectations of stakeholders with those of

the organisation, culminating in earning the SLO for the mining organisation (Owen and Kemp, 2013; Ziessler, Eerola and Tuusjärvi, 2013:167).

SLO is defined as ‘the formal and informal approval a company needs from stakeholders to conduct its business’ and this is achieved by developing ‘ongoing, positive relationships’ with stakeholders of the organisation (Newmont Mining Corporation, 2009). The key success factors for earning a SLO, within the mining context include: maintaining a positive corporate reputation, understanding local culture, language and history; educating local stakeholders about the project; and ensuring open communication among all stakeholders of the organisation (Nelsen, 2007:18–19). In the mining context inclusion of the SLO in stakeholder relationship management is critical as it forms the basis of ‘building and maintaining long-term relationships’ with primary stakeholders (Meintjes and Grobler, 2014:164; Nelsen, 2007). Hence stakeholder relationship management, for the purpose of this study, is defined as being a more inclusive approach of building and managing multiple dynamic stakeholder relationships through the inclusion of stakeholder interest in organisational activities with the aim of gaining mutual benefits. As such, and for the purpose of this study, the conceptualisation of stakeholder relationship management will focus on the building and managing of multiple dynamic stakeholder relationships.

The concept of stakeholder relationship management first emerged in the 1980’s when Freeman (1984: 52) referred to this concept as one that necessitates an organisation to manage the relationships with its specific stakeholder groups in an action-oriented way. The concept that Freeman (1984) sought to explain was the relationship between the organisation and its external environment in conjunction with its behaviour within this environment. This was done using a map to represent his model in which an organisation is positioned in the centre and interacts with the surrounding stakeholders (Freeman 1984:25). The stakeholder map has been critiqued as it portrays a dyadic relationship between the organisation and each of its stakeholders, not taking into account relationships that exist between the stakeholders themselves (Reed et al., 2009).

Fassin (2009:113) introduced a refined stakeholder model based on Freeman’s (1984) work that depicts the different environments, identified as business and social political environments in which the organisation and the stakeholders of an organisation reside respectively. Furthermore,

Mainardes et al. (2012:186) suggest a model of stakeholder classification with six stakeholder types and a model for explaining the relationship between the organisation and its stakeholders, through illustrating the strength of the influence each stakeholder has on the organisation. The latter models improve on Freeman's (1984) stakeholder map as they include other elements (discussed in Chapter 2, Section 2.3.1.3) such as the different environments in which each stakeholder belongs and the strength of influence.

Freeman (1984) contends that there are three levels at which an organisation manages stakeholder relationships: firstly, through establishing who the stakeholders are and what stake they have on the organisation; secondly, how these stakeholders fit into the stakeholder map; and finally, how the transactions between the stakeholder and organisation fit into the stakeholder map. Researchers (Mainardes et al., 2012; Fassin, 2009; Reed et al., 2009; Mitchell et al., 1997; Rowley, 1997; Goodpaster, 1991) have expanded on the three levels as explained by Freeman (1984) at which stakeholder relationship management transpires. The first level is stakeholder identification, where researchers focus on the identification of stakeholders using power and legitimacy (Mitchell et al. 1997:863), the level of influence a stakeholder has (Fassin, 2009; Frooman, 1999), and the use of market segmentation in identification of stakeholders (Currie, Seaton and Wesley, 2009; Vos and Achterkamp, 2006; Wolfe and Putler, 2002). Stakeholder identification is further discussed in Chapter 2, Section 2.3.1.

The second level involves developing processes that can be used to analyse their individual needs and interests (Reed et al., 2009; Neville and Menguc, 2006; Rowley, 1997; Goodpaster, 1991). In this regard, Reed et al. (2009:1935) developed a typology of stakeholder analysis, which analyses the relationships that exist among the stakeholders themselves, using social network analysis (SNA). SNA makes use of matrices to organise data on relational ties that link stakeholders together (Prell, Hubacek and Reed, 2009), allowing for either negative or positive relations to be captured without marginalising key stakeholder groups (Reed, et al., 2009:1939). As such Rowley (1997: 901) developed a framework to help understand how the interaction of "the network density" (density refers to the degree of interconnectedness between all of the stakeholders) and focal organisation centrality (refers to an organisation's position within the stakeholder network, relative to its stakeholders) results in different types of network structures, which have different

influences on the power balance between an organisation and its stakeholders predicting how organisations should respond to different network configurations (discussed in Chapter 2, Section 2.3.2).

The third level (discussed in Chapter 2, Section 2.3.3) involves managing of relationships with the stakeholders while staying within the boundaries of organisational goals (Mainardes, et al., 2012:1861; Myllykangas, Kujala and Lehtimäki, 2011). Even though the previous research referred to in this section, thus far aimed to improve on the theory of stakeholder relationship management by focusing on the analysis and identification of an organisation's stakeholders (Mainardes, et al., 2012; Fassin, 2009; Reed et al., 2009; Mitchell et al., 1997; Rowley, 1997; Goodpaster, 1991), the existing stakeholder theory still does not emphasise how stakeholder relationships should be managed. As mentioned previously, how the stakeholder relationship is managed is very important if a mining organisation is to maintain its SLO.

Jahansoozi (2006: 943) purports that by focusing on the actual relationship that exists between the organisation and its stakeholder the relationship becomes autonomous, with the relationship neither belonging to the organisation or the stakeholders. This type of a relationship cannot be described as a “simple transaction-based exchange between parties” (Myllykangas, et al., 2011:65). Instead the relationship can be described as being “dynamic” (Luoma-aho and Vos, 2010:316). In this type of relationship, the most prominent characteristics as identified by researchers in the field of stakeholder relationships are trust (Meintjes and Grobler, 2014; Myllykangas, et al., 2011:65; Mainardes, et al., 2012; Greenwood and Buren, 2010; Jahansoozi, 2006); commitment (Meintjes and Grobler, 2014; Mainardes, et al., 2012); communication (Quinn, 2002; Fifka 2013); shared values (Karabadogomba, 2008); transparency, stakeholder network influences (Myllykangas, et al., 2011) and the involvement of stakeholders (Hoffman, 2013; McShane, 2003). Even though all these characteristics have been identified, the question still remains on how organisations build and manage their stakeholder relationships within a dynamic context?

This study will focus mainly on the third level of stakeholder relationship management in order to describe and understand how multiple stakeholder relationships of a Chinese mining organisation

in Zimbabwe are built and managed within a dynamic context, leading to the development of a stakeholder relationship management process. Process refers to a nonlinear model or framework, within a multilayered and dynamic context with multidirectional causalities which include feedback loops (Langley, 1999:694), nondeterministic branch points, interactions as well as reversals (Langley, 2012:737), which represent a causal relationship between dependent and independent variables (Langley, 2012:737; Van de Ven, 1992: 169). In other words, for the purpose of this study, process illustrates how multiple stakeholders and the organisation interact. In this study stakeholder relationship management process refers to how managers of an organisation manage the relationship with multiple stakeholders, that have dynamic interactions and complementary; competitive and/or cooperative varying interests according to dynamic multidimensional contexts. The process in this study refers to how the organisation builds and manages the relationship with multiple stakeholder within such a context.

In developing the stakeholder relationship management process, alternate theoretical templates (Langley, 2012:74) were used (descriptive, instrumental, normative, convergent stakeholder theory and resource dependency theory, as discussed in Chapter 2, Section 2.2 and Chapter 3, Section 3.2 and 3.3). The contribution of this study in the form of a dynamic, multidimensional stakeholder relationship management process will draw on different theories (Reed, et al., 2009; Mitchell et al., 1997; Rowley, 1997:887) on stakeholder relationships to develop a stakeholder relationship management process. More specifically, stakeholder salience theory by Mitchell, et al. (1997) was used to identify stakeholders (discussed in Chapter 2, Section 2.3.1.3). Whilst Reed, et al. (2009), would provide guidance to establishing the social networks (SN) that exists between stakeholders (see Chapter 2, Section 2.3.2.1). Having established these social networks, Rowley's (1997:892) theory will be utilised to analyse the impact of stakeholder influence on how the Chinese mining organisation responds to stakeholder demands (discussed in Chapter 2, Section 2.3.2.4), including SLO (Nelsen, 2007).

### **1.3 SIGNIFICANCE OF THE STUDY**

A search by using the key words of this study by using Networked Digital of Thesis and Dissertations (NDLTD), Electronic Thesis and Dissertation Collection (ETD) and Southern African Bibliography Information Network (Sabinet) did not yield any research on a stakeholder relationship management process for mining organisations in Zimbabwe. Previous research on stakeholder relationship management has been conducted on communication in stakeholder relationships; neither did the previous research address how communication is carried out on negative issues (Quinn, 2002). McShane (2003) investigated the nature of relationships between communities involved in a mineral exploration project in Fiji. McShane (2003) concluded that the nature of community involvement in the development planning is not the same as that depicted in literature. The analysis of stakeholder relationships did not occur early enough during the exploration phase of the mining project, whereas such an analysis would have assisted in identifying potential causes of social rupture within the community (McShane, 2003:285). Izmaylova and Zuccon (2010) researched stakeholder management in a multicultural environment based on a case study of IKEA, a global retailer into the Russian market. Their main focus was on the effect of culture on stakeholder management. Another study discussed in Chapter 3, Section 3.5.4, investigated stakeholder involvement in decision making but it did not address how managers build and manage stakeholder relationships (Demirel and Öner, 2015). The studies which have been conducted in this field present a gap in the body of knowledge, in that they describe a dyadic approach on how stakeholder relationships are managed not offering a clear process on how dynamic stakeholder relationships are managed. This dyadic approach to stakeholder relationship management and the process followed in managing dynamic stakeholder relationships is the gap this research intends to address. How the organisation response to “predicted” behaviours of its stakeholders through different strategies.

The contribution of this study is the development of a dynamic, multidimensional stakeholder relationship management process related to the third level on how multiple stakeholder relationships are managed. The process draws on different stakeholder relationship management theories and stakeholder theory, while including SLO within the context of a Chinese mining organisation in Zimbabwe.

## **1.4 RESEARCH PURPOSE, PROBLEM AND OBJECTIVES**

The purpose of this study was to fill the gap in the current literature pertaining to the process followed in managing dynamic stakeholder relationships and address the assertions levelled against the mines on stakeholder relationship management by describing and understanding how stakeholder relationships of a Chinese mining organisation in Zimbabwe are built and managed. The purpose of this study was achieved by means of a critical literature review and obtaining the viewpoints of multiple stakeholders involved with a Chinese mining organisation in Zimbabwe on how they build and manage multiple stakeholder relationships in a dynamic context. This led to the development of a dynamic multidimensional stakeholder relationship management process for the mining organisation, showing dynamic interactions between multiple stakeholders with complementary; competitive and/or cooperative interests, whilst considering that interests may vary according to the underlying context.

### **1.4.1 Problem statement**

The problem being researched in this study is how multiple stakeholder relationships are built and managed, within a context where multiple stakeholders possess complementary; competitive and/or cooperative interests, that may vary according to the underlying context.

### **1.4.2 Aim and objectives of the study**

The aim of this research study was to describe and understand how multiple stakeholder relationships are built and managed, leading to the development of a dynamic multidimensional stakeholder relationship management process for a Chinese mining organisation in Zimbabwe. To achieve this aim, the following theoretical and empirical objectives have been set:

### **1.4.3 Theoretical objectives**

- i. Describe the influence of stakeholder networks on how multiple stakeholder relationships are managed.

- ii. Describe and understand how managers build and manage multiple stakeholder relationships.
- iii. Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed.
- iv. Describe the influence of SLO on how stakeholder relationships are managed.

#### **1.4.4 Empirical Objectives**

- v. Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.
- vi. Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.
- vii. Identify and describe the challenges experienced in the management of stakeholder relationships.
- viii. Make recommendations on how the management of stakeholder relationships can be improved based on the dynamic multidimensional stakeholder relationship management process, showing dynamic interactions between multiple stakeholders with complementary; competitive and/or cooperative interests, whilst considering that interests may vary according to the underlying context.

The next section presents a brief discussion the research design and methodology that was followed in this research.

### **1.5 RESEARCH DESIGN AND METHODOLOGY**

The case study is defined by Yin (2013:13–14) as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.” A case study approach was used for this research, focusing on a Chinese mining organisation in Zimbabwe. The study is an embedded case study design where there are several subunits (different stakeholders) (Yin, 2003:43). In an embedded case study, the starting and ending point is the case which is the Chinese mining organisation as a whole, but it is faceted by different perspectives of inquiry or subunits (Shcloz

and Tietje, 2002:2). The embedded case study design is appropriate to organise different types of knowledge like that of different stakeholder perspectives (Scholz and Tietje, 2002:4). The subunits in this case were the three stakeholder groups which included, employees within the Chinese mining organisation, government officials which includes those in the Ministry of Mines and Mining Development at national and district level and community members. Hence, the complexity adds a further dimension to creating meaning from the data. This is deemed appropriate for this study as “the case study inquiry copes with a technically distinctive situation” (Yin, 2003:13–14). This case study falls within the interpretivistic paradigm. Interpretivism considers the complexity of the surrounding environment and the interpretation of the human world (Saunders Lewis and Thornhill, 2007). The interpretivism paradigm is based in the epistemological tradition of constructivism, with the goal of understanding the phenomenon from the participant’s perspective (Ponterotto and Grieger, 2007:410) and the ontology that reality is subjective, as people experience reality in different ways (Ponterotto and Grieger, 2007:410; Guba and Lincoln, 1994). Stakeholder relationships are complex, dynamic and experienced by people in their interaction with each other and wider social systems.

To achieve the aim of this research study, multiple methods of gathering data were used (Remenyi, 2012:4; Bell, 1993:8) namely, document analysis and in-depth semi structured interviews. A non-probability sampling technique, judgmental sampling, was used to identify the interviewees for the in-depth semi structured interviews (Lichtman, 2014:249) from the three stakeholder groups, as previously mentioned. There was no restriction on the total number of participants that were interviewed from each stakeholder group. Namely, four employees, five government officials and four community members participated in the research. Interviewees were selected based on their type of interaction, role and nature of involvement with the Chinese mining organisation since the establishment of the mining organisation (refer to Chapter 5, Section 5.1). An interview schedule was compiled, using the critical incident technique (CIT) and drawing from previous research on stakeholder relationship management theories, customer relationships management and SLO.

A minimum of 13 in-depth semi-structured or structured interviews (Bertaux, 1981, as cited in Guest, Bunce and Johnson, 2006) were held. Guest et al. (2006:76), state that if the aim of the research is to describe a shared behaviour, then 12 participants would be sufficient. Adding that,

the more familiar the participants are to the research phenomenon the sooner data saturation occurs. The CIT was adopted in developing the interview questions and facilitated the data collection process. Participants described 36 critical incidents. The views and incidents shared by the participants helped the researcher to describe and understand how stakeholder relationships are built and managed by the Chinese managers. Data saturation was considered during the collection of data, with data saturation occurring with the third in-depth semi structured interview from each of the stakeholder groups. The in-depth semi structured interviews were recorded and transcribed. Based on the transcriptions the data was coded and analysed by using content analysis to identify hidden content in addition to the “manifest content” to extract more meaning from the data and address the research objectives (Bryman and Bell, 2014:301). The data was triangulated in order to identify any “convergence, divergence, contradictions and relationships” between the interviews from the different stakeholder groups (Creswell and Plano Clark, 2011:116).

The analysis was supported by ATLAS.ti (ATLAS.ti Version 8, 2018). In assessing the quality of the analysis, the four criteria for reliability as identified by Lincoln and Guba (1985, cited in Golafshani, 2003:602) were used, namely confirmability, credibility, transferability and trustworthiness. A process for stakeholder relationship management was described, recommendations were made and propositions for further research were developed.

## **1.6 ETHICAL CONSIDERATIONS**

The proposed research adhered to the ethical requirements of the Rhodes University Ethical Standards Committee (RUESC). All ethical considerations such as voluntary participation, the freedom to withdraw participation in the study at any time, non-disclosure, anonymity and the use and storage of research data, were adhered to. After the interviews were transcribed, member checks and peer reviews were conducted, as further explained in Chapter 4, Section 4.6.2. To strengthen the validity of the research, reflexivity was practised by the researcher during data analysis (Yin, 2011). Permission to gather the data for this study was given by RUESC.

## 1.7 DELIMITATION OF THE CURRENT RESEARCH

This study focused mainly on the third level of stakeholder relationship management in order to describe and understand how stakeholder relationships of a Chinese mining organisation in Zimbabwe are built and managed. This study drew on different theories (Reed et al., 2009; Mitchell, et al., 1997; Rowley, 1997:887) on stakeholder relationships to develop a dynamic multidimensional stakeholder relationship management process. More specifically, the theory by Reed et al. (2009) provided guidance to establishing the social networks (SN) that exists between stakeholders. Having established these social networks, Rowley's (1997:892) theory was utilised to analyse the impact of stakeholder influence on how the Chinese mining organisation responds to stakeholder demands, including SLO (Nelsen, 2007). The Chinese mining organisation was chosen as it boasted multiple stakeholders with complementary; competitive and/or cooperative interests, which were varying. The Chinese mine offered the context in which such a multiplicity of stakeholder interests and influences that were required to address the empirical objectives of this study. Due to the political sensitivity surrounding the mine and matters of protecting the anonymity of research participants the name of the mine was not disclosed.

## 1.8 DEFINITION OF TERMS

**Stakeholders:** are any group or individual who can affect or are affected by the achievement of an organisation's purpose, having a stake or an interest in the organisation and have the ability to influence the organisations operations. These include customers, suppliers, employees, owners of the business, communities and government.

**Stakeholder relationship management:** is a more inclusive approach of building and managing multiple dynamic stakeholder relationships through the inclusion of stakeholder interest in organisational activities with the aim of gaining mutual benefits.

**Relationship:** is a dynamic interaction between the organisation and its multiple stakeholders, with the purpose of achieving mutual goals.

**Building:** the creation or development of something over a period of time.

**Building stakeholder relationships:** the interactive and non-interactive, actions and activities performed by managers over time to establish and maintain interpersonal work relationships with their stakeholders.

**Multiplicity:** is the complex nature of an organisation's stakeholders with multiple, conflicting, complimentary, or cooperative, claims.

**Stakeholder relationship management process:** is a dynamic multidimensional stakeholder relationship management process, showing dynamic interactions between multiple stakeholders with complementary; competitive and/or cooperative interests, whilst considering that interests may vary according to the underlying context.

**Process:** a nonlinear model or framework, within a multilayered and dynamic context with multidirectional causalities which include feedback loops, nondeterministic branch points, interactions as well as reversals, which represent a causal relationship between dependent and independent variables (Langley, 2012:737).

## **1.9 STRUCTURE OF THE THESIS**

Chapter one is an introduction to the study, provided a contextual and theoretical background to the study. The concept of SLO was discussed and how this impacts stakeholder relationship management. A definition of stakeholder relationship management is provided for the purpose of the study. The significance, aim, purpose, and objectives of the study were also discussed. Finally, the delimitations of the study were addressed.

Chapter two provides a review of stakeholder theory and levels of stakeholder relationship management theory. The chapter focuses on different stakeholder theories and stakeholder relationship theories that will help in understanding the processes involved in stakeholder relationship management. A scaffolder approach was taken in developing the dynamic multidimensional stakeholder relationship management process. The first parts of the process were

conceptualised and presented in this chapter namely, stakeholder identification, analysis and relationship management.

Chapter three provides an overview of how to build stakeholder relationships with the main focus on the relationship. The chapter begins by setting the scene of the study through reviewing theory on how relationships are built within the field of management. Whilst continuing the conceptualisation of the different parts of the dynamic multidimensional stakeholder relationship management process. Theories from relationship marketing and customer relationship management were utilised as theoretical foundations. The theory on SLO was also presented in the chapter. The chapter ends with the conceptual dynamic multidimensional stakeholder relationship management process.

Chapter four outlined the research design and methodology of the research. Presenting the research paradigm, research methodology, research methods used to gather data, how data was analysed. The quality criteria applied in the research was discussed. Ethical considerations were addressed in the chapter.

Chapter five presented the data analysis and the discussion of the empirical findings of the research according to the research objectives.

Chapter six presented the summary, conclusions and recommendations based on the dynamic multidimensional stakeholder relationship management process proposed in chapter three. Areas for further research were provided and finally a conclusion of the thesis, by giving a summary of the findings and addressing the purpose of the research.

The next chapter discusses the stakeholder theory and the levels of stakeholder relationship management.

# **CHAPTER TWO**

## **STAKEHOLDER THEORY: LEVELS OF STAKEHOLDER RELATIONSHIP MANAGEMENT**

### **2.1 INTRODUCTION**

The main aim of this study is to fill the gap in the current literature, which describes a dyadic approach to stakeholder relationships and not clearly explaining the process followed in managing stakeholder relationships as discussed in Chapter 1, Section 1.3. As well as to address the assertion's levelled against the mines on how they manage their stakeholder relationships. This aim will be achieved through describing and understanding how stakeholder relationships are built and managed, leading to the development of a dynamic multidimensional stakeholder relationship management process for a Chinese mining organisation in Zimbabwe. To achieve this purpose, this chapter focuses on the three levels of identification and analysis of stakeholders as outlined in the stakeholder theory and stakeholder relationship management theory. As well as address the first theoretical objective of this study namely:

- i. Describe the influence of stakeholder networks on how multiple stakeholder relationships are managed.*

As part of the scaffolder approach to develop a conceptual dynamic, multidimensional stakeholder relationship management process as a guide to help understand how multiple stakeholder relationships are built and managed, the stakeholder theory is discussed within the context of the three levels of stakeholder relationship management. The three levels include stakeholder identification, analyses and stakeholder relationship management. In this chapter, the stakeholder identification theories will be discussed. This is followed by a section on stakeholder analysis which discusses the different methods to analyse stakeholders looking at how they interact and their impact on the organisation. The section on stakeholder analysis also addresses the first theoretical objective of this study through describing the influence of stakeholder networks on how multiple stakeholder relationships are managed. This is done through discussing the different theories on stakeholder analysis, namely, social network analysis (SNA) (Reed, et al., 2009;

Rowley, 1997) and the use of market segmentation methods (Wolfe and Putler, 2002: 77; Freeman, 1984: 142). The last section of the chapter presents the third level of stakeholder relationship management. In this section a description of the different strategies used in managing stakeholder behaviours as a way of managing stakeholder relationships is also included. Thereafter, a discussion and conclusion of the chapter is put forward.

In the next section a discussion on stakeholder theory, which sets the context and foundation for the development of a dynamic multidimensional stakeholder relationship management process, is discussed.

## **2.2 STAKEHOLDER THEORY**

There are three main theories in stakeholder theory, that will be discussed next, namely descriptive (how organisations behave), instrumental (how behaviour affects organisational performance) and normative (how organisations should behave) stakeholder theory (Laplume, Sonpar and Litz, 2008:1159; Donaldson and Preston, 1995:66). The descriptive stakeholder theory (how organisations behave), illustrates that organisations have stakeholders (Jones and Wicks, 1999), and attempts to explain the nature of an organisation, how managers think when it comes to managing, how board members think about the interests of the organisation's community and how organisations are actually managed (Jawahar and McLaughlin, 2001:411; Mitchell, Agle and Wood, 1997; Donaldson and Preston, 1995:70). However, the descriptive stakeholder theory on its own is not enough as it only clarifies the state of the organisation in relation to its stakeholders. Hence, the descriptive approach to stakeholder theory becomes a precursor or a starting point to the instrumental and normative stakeholder theories (Reed, et al., 2009:1935).

The instrumental stakeholder theory (how behaviour affects organisational performance) shows that organisations who devise successful strategies (Reed, et al., 2009) in consideration of their stakeholders meet their organisation's objectives. The fundamental assumption of instrumental stakeholder theory is that the organisation's decisions are accomplished through managing stakeholders. As such the contracts of the organisation with its stakeholders are guided by mutual trust and cooperation which gives the organisation a competitive advantage over organisations

which do not establish such contracts with its stakeholders (Jawahar and McLaughlin, 2001:399; Jones and Wicks, 1999: 208).

The normative stakeholder theory (how organisations should behave) explains why organisations should consider their stakeholders (Jones and Wicks, 1999:210). The underlying premise in the normative stakeholder theory is that organisations should address the interests of all their stakeholders and not only of their stockholders (Jones and Wicks, 1999). The normative stakeholder theory puts forward the moral requirement of the organisation which is seen as corporate social responsibility (CSR) (Jones and Wicks, 1999; Mitchell, Agle and Wood, 1997:882). This implies that moral principles should drive the relations between the organisation and its stakeholders (Jawahar and McLaughlin, 2001:399).

Whilst there is no single stakeholder theory, there is an amalgamation of theories and narratives from different fields of study (Miles, 2015: 437). The narratives come from business ethics (Kaler, 2006), CSR (Jones and Wicks, 1999), strategic management (Freeman, 1984), corporate governance (Meintjies and Grobler, 2014) and economics (Zaefarian, Thiesbrummel, Henneberg and Naudé, 2017:71). In general, the narratives in stakeholder theory, in essence, address morals and values as a central feature of managing organisations (Phillips, Freeman and Wicks, 2003:480). As well as addressing morals and values of the organisation through focusing on the ends of the organisation and the means of achieving those ends (Jones and Wicks, 1999). In other words, the objective of the organisation is to achieve its bottom line, and the way that is used to achieve it.

In addition to stakeholder theory being viewed as being descriptive, instrumental as well as normative (Donald and Preston, 1995), a convergent stakeholder theory (Jones and Wicks, 1999) emerged which advocates for a balance between the normative and instrumental stakeholder theory and argues that neither of these approaches are complete without the other (Jones and Wicks, 1999). However, the descriptive stakeholder theory approach is a precursor to the instrumental and normative stakeholder theory approach (Reed, et al., 2009:1935) and the instrumental stakeholder theory approach is incomplete without the normative stakeholder theory approach (Jones and Wicks, 1999). In other words, stakeholder theory focuses on how an organisation operates (descriptive), how behaviour affects organisational performance

(instrumental) and how an organisation should operate (normative) considering the contemporary turbulent organisational environment (Freeman, Harrison, Wicks, Parmar and de Colle, 2010: 9). Such a turbulent environment consists of stakeholders, the organisations' values and the relative influence of stakeholder values on organisational decisions. The turbulent environment contributes towards predicting organisational behaviour and how the organisation works (Jawahar, 2001: 399; Jones and Wicks, 1991: 208). The different views necessitate an understanding of the underlying theories that constitute stakeholder theory in relation to stakeholder relationship management and the three levels in which it occurs.

## **2.3 THE THREE LEVELS OF STAKEHOLDER RELATIONSHIP MANAGEMENT**

The same way that the descriptive stakeholder theory is incomplete without the instrumental and normative stakeholder theory, the management of stakeholder relationships takes place across three levels. The three levels include, the identification, analysis and managing of relationships with the stakeholders. The organisation should first identify, then analyse stakeholders before managing the stakeholder relationships. This process is done within the confines of organisational objectives (Mainardes, et al., 2012:1862).

### **2.3.1 First level: stakeholder identification process**

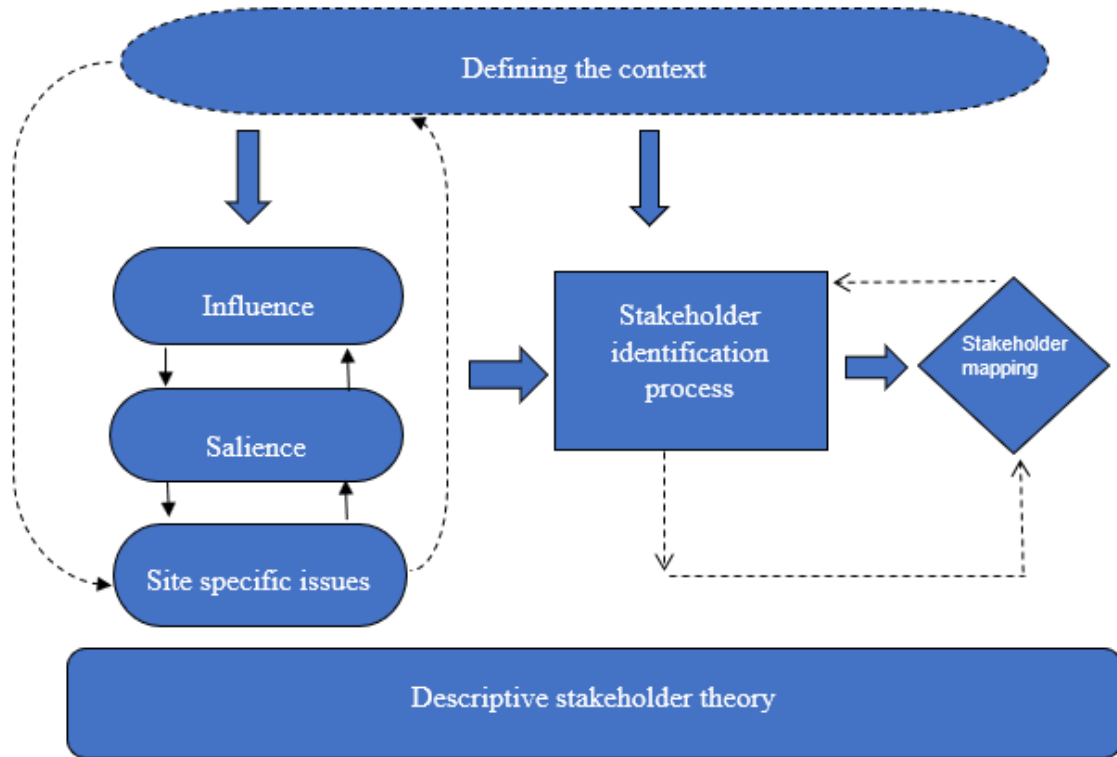
As mentioned previously, the first level of stakeholder relationship management is stakeholder identification (Currie, Seaton and Wesley, 2009; Fassin, 2009; Vos and Achterkamp, 2006; Wolfe and Putler, 2002; Frooman, 1999; Mitchell, Agle and Wood, 1997:863) which involves the identification of stakeholders and description of the relationship between the organisation and multiple stakeholders (Reed, et al., 2009:1935). This level falls under the descriptive stakeholder theory because stakeholder identification illustrates that the organisation has stakeholders (Jones and Wicks, 1999), and explains the nature of the organisation in relation to its stakeholders (Donaldson and Preston, 1995:70). There is different research that has been conducted on stakeholder identification. These include Mitchell, Agle and Wood's (1997) stakeholder salience; Vos and Achterkamp's, (2006) identification of the context; Fassin's (2009) stake model; and Mainardes, Alves and Raposo's (2012) stakeholder classification model. Hence, stakeholder identification process which is the first level in managing stakeholder relationships will be a

combination of the important aspects found in the aforementioned research on stakeholder identification. Namely, defining the context of the identification, stakeholder salience, influence and site-specific issues This is presented in Figure 2.1. which will be discussed in detail in the following sections.

### **2.3.1.1 Stakeholder identification process**

Figure 2.1 summarises and presents a conceptualisation of the first part of the dynamic, multidimensional stakeholder relationship management process which is the stakeholder identification process. The stakeholder identification process, underpinned by a well-defined context which is influenced by stakeholder influence, salience (power, legitimacy and urgency), and site-specific issues (in terms of location and influences). Stakeholder influence, salience and site-specific issues are interconnected, and they are also iteratively determined by the context. The stakeholder identification process then leads to the mapping of stakeholders and this is an iterative process between the identification and mapping of stakeholders. The stakeholder identification process continuously informs the mapping of the stakeholders within a context that is continuously influenced by the dynamic interaction between stakeholder influence, salience and site-specific issues. Hence, illustrating the dynamic nature of the context in which stakeholder identification takes place.

**Figure 2.1:** Stakeholder identification process.



Source: Researcher's own construction.

### 2.3.1.2 Defining the context

The process of identifying stakeholders does not occur in a vacuum. Firstly, stakeholder identification should take place within a well-defined context which informs the stakeholder identification process. A context could be in the form of a time period, a specified project or an issue. The first step in identifying stakeholders is defining and delimiting the context as it is useful to first establish the “what” before the “who” (Vos and Achterkamp, 2006:169). It is important to first establish the specific context or environment the stakeholders are involved before identifying them. Vos and Achterkamp (2006:162) argue that when identifying stakeholders, it should be within a specific context and “fit a specific issue” that interests or affects stakeholders. Hence, before stakeholders are identified and analysed it is important to define the context in which stakeholder identification process transpires. After having defined the context other attributes such

as stakeholder influence, salience and site-specific issues should be considered in the stakeholder identification process.

### **2.3.1.3 Stakeholder salience, influence and site-specific issues**

Stakeholder salience can be described as the degree to which managers give priority to competing stakeholder claims (Vos and Achterkamp, 2006:164; Mitchell, Agle and Wood, 1997:854) based on the organisation's relationship with stakeholders' and the power, legitimacy and urgency of those stakeholders (Mitchell, Agle and Wood, 1997:853).

Mitchell, Agle and Wood (1997:854) proposed that the organisation can identify stakeholder salience using three sets of attributes, namely: (1) the stakeholder's *power* to influence the organisation, (2) the *legitimacy* of the stakeholder's relationship with the organisation, and (3) the *urgency* of the stakeholder's claim on the organisation. This helps in classifying different stakeholders through an inclusive approach ensuring that both "potential and actual" stakeholders are not excluded from the analysis (Mitchell, Agle and Wood, 1997:854). The three attributes of power, legitimacy and urgency, will now be defined and discussed in detail.

Power can be defined as the ability of one party to possess coercive (force), utilitarian (rewards and benefits) and normative (group) means to impose its will in the relationship (Currie, Seaton and Wesley, 2009; Mitchell, Agle and Wood, 1997:865). Power is based on the resource dependence view which is further explained in Chapter 3, Section 3.3. According to the resource dependence view, power is viewed in terms of access to resources and on the premise that an organisation will pursue the resources that it needs to operate and survive (Preffer, 1981 as cited in Eesley and Lenox, 2006:767). Hence, the relative power between the organisation and its stakeholders is associated with the necessary resources required by those organisations (Frooman, 1999:196).

In addition to power, the second stakeholder salience attribute is legitimacy. Legitimacy is defined as a generalised perception or assumption that the actions of an organisation are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995:574 as cited in Mitchell, Agle and Wood, 1997:866). Legitimacy is not restricted

to individuals or organisations it also includes “specific issues” raised by the stakeholder (Eesley and Lenox, 2006:768).

The third salient stakeholder attribute of urgency is defined as “the degree to which stakeholder claims call for immediate attention” (Mitchell, Agle and Wood, 1997:867). It is based on time sensitivity, (where a delayed response by managers to stakeholder claims or relationship is unacceptable to stakeholders), and criticality (the importance attached to the relationship or claim of the stakeholder) (Eesley and Lenox, 2006:768; Mitchell, Agle and Wood, 1997:867).

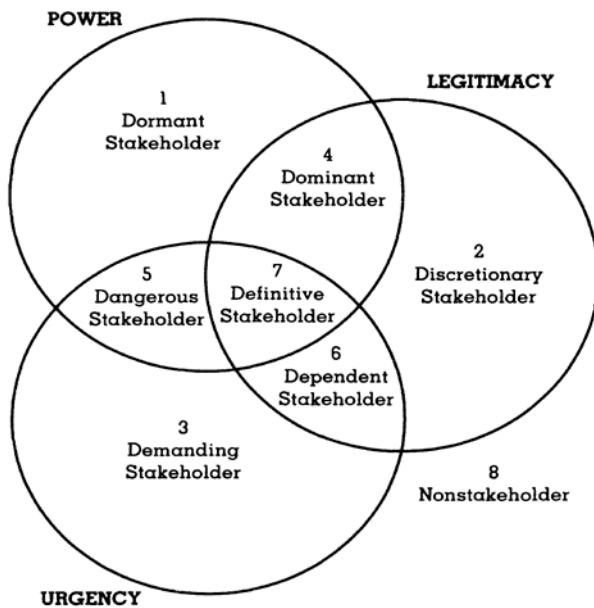
While the three attributes of power, legitimacy and urgency offer a justifiable measure of stakeholder salience (Currie, Seaton and Wesley, 2008:48), it is not clear which attribute predicts salience. For instance, in the mining industry legitimacy is viewed to be a salient (Viveros, 2016:10); in an international event, power is seen to be salient (Parent and Deephouse, 2007:15) and from a CEO’s perspective urgency is a predictor of salience (Agel, Mitchell and Sonnenfeld, 1999:518). In other words, different attributes are seen to be more salient in different contexts.

Hence, it can be argued that stakeholder salience is depended on different perspectives and circumstances. Managers perceive various stakeholder groups differently and give high priority to a stakeholder if they believe that particular stakeholder has a legitimate claim, which calls for immediate action (urgency), and possesses the power to influence the organisation’s activities. However, stakeholder salience offers an answer to the question of how managers identify their stakeholders and how they prioritise between competing stakeholder claims. The possession or non-possession of the three attributes results in seven classes of stakeholders which affects their salience, as illustrated in Figure 2.2, the stakeholder classes include dormant, discretionary, demanding, definitive, dominant and, dangerous, dependent, definitive and nonstakeholder stakeholders.

The three salience attributes of power, legitimacy and urgency in the stakeholder identification process can be used in predicting managerial behaviour towards each stakeholder class. The non-stakeholder class possesses none of the three salience attributes. The definitive stakeholders who possess power, legitimacy and urgency with a very high salience, should be the highest priority of the organisation. The dominant stakeholders possess legitimacy and power, are likely to have a

formal mechanism in place that acknowledges the legitimacy of the relationship with the organisation. Whereas, the dangerous stakeholders possess power and urgency but no legitimacy and will possibly be coercive and violent.

**Figure 2.2:** Stakeholder identification: Three salient attributes and seven classes of stakeholders.



Source: Mitchell, Agle and Wood (1997: 874).

Although, discretionary stakeholders are identified in Figure 2.2, it does not require them to be acknowledged and thus be awarded any legitimacy. The dependent stakeholders have legitimacy and urgency and no power. They are dependent on others to carry out their will. The dormant stakeholders possess power to impose their will through various means but have little or no interaction as they lack legitimacy and urgency. The discretionary stakeholders possess legitimacy and they are most likely the recipients of corporate philanthropy. Managers are not forced to engage with this group but may choose to do so. Lastly, the demanding stakeholders have urgent claims, with no power or legitimacy (Vos and Achterkamp, 2006:164; Mitchell, Agle and Wood, 1997:875 – 879).

In essence, the more attributes a stakeholder acquires the more salient they become. The salience of a stakeholder is low when they possess only one attribute, moderate if they possess only two attributes and high when they possess all three attributes (Mitchell, Agle and Wood, 1997:879). This illustrates how dynamic the theory is. Stakeholders can “shift from one class to another” with consequential effects on managers and the organisation (Mitchell, Agle and Wood, 1997:855). Stakeholders often try to acquire more attributes for them to gain more influence on the organisation.

Researchers (Mainardes, Alves and Raposo, 2012; Fassin, 2009) used the stakeholder salience theory to classify stakeholders using the influence of power, legitimacy and urgency of each stakeholder. Fassin’s (2009) stake model classified stakeholders by distinguishing between stakeholders as stakewatchers and stakekeepers. According to Fassin (2009:121):

- stakeholders are the classic stakeholders who have a “positive and loyal interest” in the organisation.
- stakewatchers are “pressure groups who protect the interests of stakeholders as proxies or intermediaries”
- stakekeepers are the “independent regulators” with no stake in the organisation but possess “influence and control”.

The differentiation of stakeholders as stakewatchers and stakekeepers is done on the basis of Mitchell, Agle and Wood’s (1997) stakeholder attributes of power, legitimacy and urgency. The stake model gives clarity on which stakeholder groups have a legitimate stake in the organisation (Fassin, 2009:125). The clarity is achieved through creating a network of influence amongst stakeholders and the organisation. Therefore, the influence that stakeholders have on other stakeholders becomes important when organisations identify stakeholders.

In addition, Mainardes, Alves and Raposo, (2012) used Mitchell, Agle and Wood’s (1997) stakeholder salience theory to develop a stakeholder classification model using stakeholder attributes of power, legitimacy and urgency. The stakeholder classification model puts forward six stakeholder classifications namely, regulator, controller, partner, passive and non-stakeholders. Mainardes, Alves and Raposo (2012) analysed the relational influences between a university and its stakeholders. Relevance, mutual influence and participation were found to be important in explaining the relationship between the organisation and its stakeholders.

However, the theory of stakeholder salience, as explained in this section, has limitations as it is difficult to measure the three attributes of power, legitimacy and urgency. It is difficult to differentiate between stakeholders who have more power, legitimacy or urgency than others (Mainardes, Alves and Raposo, 2012:1867). This may lead to certain stakeholders being grouped together who may not be equal in their extent of possession of the different attributes (Mainardes, Alves and Raposo, 2012:1867; Currie, Seaton and Wesley, 2008:50). Moreover, stakeholder salience theory is subjective as it is solely based on managerial perception in identifying stakeholders. (Mitchell, Agle and Wood, 1997: 854). The stakeholder salience theory also overlooks other perspectives such as proximity of the stakeholder to the organisation (Driscoll and Starik, 2004:61) requiring the inclusion of other perspectives when assessing stakeholder salience (Currie, Seaton and Wesley, 2008).

Stakeholder salience suggests that an organisation's strategic decisions towards stakeholders are subject to the needs of the different stakeholder classes according to their importance (Mainardes, Alves and Raposo, 2012:1866). This translates to the influence that a stakeholder possesses over the organisation, which determines the behaviour of the organisation towards the stakeholder. Therefore, the level of influence possessed by either the stakeholder or the organisation affects how the relationship is managed (Mainardes, Alves and Raposo, 2012). Hence, influence becomes an important element in a stakeholder identification process.

As discussed in this section there is different research on how to identify stakeholders. Researchers have either identified stakeholders according to roles such as actors and those acted upon (Mitchell, Agle and Wood, 1997); stakewatchers and stakekeepers (Fassin, 2009); and regulatory, controller, partner and dependent (Mainardes, Alves and Raposo, 2012:1873). Although this is an accepted approach to stakeholder identification, it is flawed. The methods used to identify stakeholders fails to account for the interests of the individual stakeholders in a group which may not be homogeneous. The assumption of homogeneity of stakeholder interests in stakeholder groups distorts the organisation-stakeholder relationships (Wolfe and Putler, 2002:64). Putting stakeholders into groups when identifying them works when group members have the same priorities. The environment in which the organisation operates is misrepresented when homogeneity is assumed, and stakeholder priorities are different. Hence, there is a need for an

approach to stakeholder identification for specific context (Sharp and Finkelstaein, 1999:388) accounting for influences that are “site-specific” (Currie, Seaton and Wesley, 2009:48). The methods used to identify and classify stakeholders have often over looked the role played by communication amongst the stakeholders (Prell, Hubacek and Reed, 2009:502).

In order to describe and understand how multiple stakeholder relationships are built and managed, it is important to understand the process on how stakeholders are identified, by considering the dynamic interaction between the different attributes which include stakeholder salience (Mitchell, Agle and Wood, 1997), influence (Mainardes, Alves and Raposo, 2012), and site-specific issues (Vos and Achterkamp, 2006; Currie, Seaton and Wesley, 2009: 48) within a specific context (Fassin, 2009). It can be argued that these attributes, as shown in Figure 2.1 form the foundation upon which stakeholder relationships are built and managed within the process of identifying stakeholders in this study.

In summary, in this section different research within the descriptive stakeholder theory on stakeholder identification have been discussed. The different attributes namely, the context, salience, influence and site-specific issues that need to be considered as organisations identify stakeholders were discussed. A conceptual stakeholder identification process was presented in Figure 2.1. The next section will discuss the stakeholder analysis process which is the second level of stakeholder relationship management.

### **2.3.2 Second level: stakeholder analysis process**

After stakeholders are identified, the next level in stakeholder relationship management is to analyse the stakeholders which entails analysing the needs and interest of the individual stakeholders (Reed, et al., 2009; Neville and Menguc, 2006; Rowley, 1997; Goodpaster, 1991). The second level is part of the instrumental stakeholder theory as it provides insight on how behaviour affects organisational performance (Reed, et al., 2009:1935; Donaldson and Preston, 1995:71). The awareness of the effect of stakeholders on the organisation’s main objectives led to the development of different ways to analyse stakeholders.

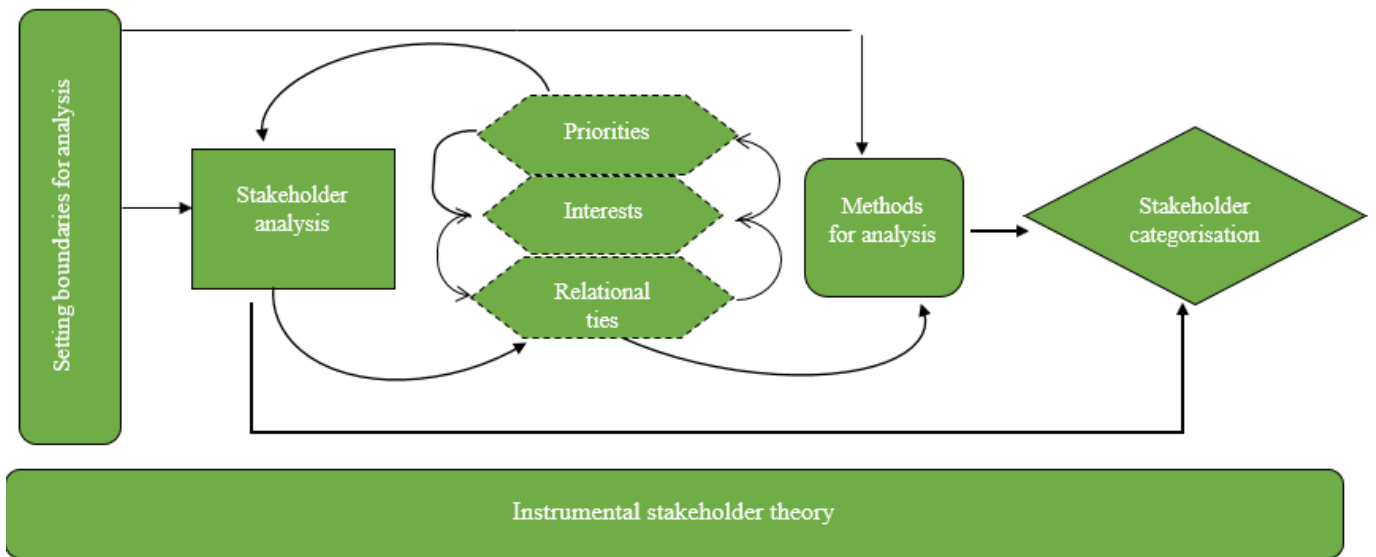
Stakeholder analysis facilitates a “constructivist” approach to stakeholder participation, in which the approach recognises multiple perspectives of ‘truth’, where ‘reality’ is socially constructed (Reed, et al., 2009:1936). Hence, stakeholder analysis can be done through positioning the organisation according to the different relationships of its stakeholders (Luoma-aho and Vos, 2010: 316). Reed, et al. (2009:1933), defines stakeholder analysis as a process that:

- defines aspects of a social and natural phenomenon affected by a decision or action;
- identifies individuals, groups, and organisations who are affected by or can affect those parts of the phenomenon; and
- prioritises these individuals and groups for involvement in the decision-making process.

There are different methodologies that can be used in the process of analysing stakeholders namely, social network analysis (Rowley, 1997), market segmentation (Wolfe and Putler, 2002), analytical categorisations, reconstructive methods, Q method, actor linkage matrices and knowledge mapping (Reed, et al., 2009:1939). Like stakeholder identification, the methodologies used for stakeholder analysis are guided by the context of the analysis (Sharp and Finkelstein, 1999:388), as well as the purpose, interest, stakeholders identified, and the boundaries that are set for the issue (context) (Brugha and Varvasovszky, 2000:240).

Hence, stakeholder analysis is used to understand the “behaviour, intentions, interrelations, agendas, interests, and the influence” of the “relevant actors” and their impact on organisational decision making (Brugha and Varvasovszky, 2000:239). As a result, stakeholder analysis becomes an integral part of how managers build and manage stakeholder relationships. It is not enough to identify and map stakeholders without understanding their behaviour and how that impacts the organisation. Figure 2.3 is a summary of the important elements of stakeholder analysis that need to be considered when analysing stakeholders, these include boundaries, the priorities, interests and relational ties of stakeholders.

**Figure 2.3:** Conceptualisation of stakeholder analysis process.



Source: Researcher's own construction.

Figure 2.3 is a conceptualisation of stakeholder analysis process. As mentioned previously, stakeholder analysis is founded in the instrumental stakeholder theory. Stakeholder analysis is carried out with the aim of categorising the individual stakeholders identified by the organisation within a set boundary (Reed, et al., 2009) and begins with setting boundaries (Brugha and Varvasovaszky 2000:240) for analysing the stakeholders. Once the boundaries are set stakeholder analysis can be done. Stakeholder priorities, interests and relational ties between stakeholders are inputs that are considered during the stakeholder analysis process as well as of the methods used for analysis. The priorities, interests and relational ties of stakeholders are dynamic and change as they iteratively interact with each other. Different methods for analysis are used depending on the context resulting in the categorisation of the stakeholders. The next section will discuss the different elements found in Figure 2.3 of the conceptualisation of stakeholder analysis process.

### **2.3.2.1 Setting of boundaries for analysis**

It is important to understand the matter under investigation to identify which stakeholders have a stake in the matter. As it is not always possible to include all stakeholders hence, boundaries must be drawn according to the criteria established by the researcher (Reed, et al., 2009:1937). Boundaries can include, key people, individuals (Reed, et al., 2009:1933), groups, organisations (Vos and Achterkamp, 2006:162), phenomena (Reed et al., 2009:1939), or a particular context or situation (Sharp and Finkelstein, 1999: 388). Hence the method used for identifying stakeholders and the purpose for the stakeholder analysis determines who is included and who is omitted (Mitchell, Agle and Wood, 1997). After the setting of boundaries and the identification of stakeholders (section 2.3.1.1) the next step is to differentiate and categorise the stakeholders.

### **2.3.2.2 Analysing stakeholders**

Reed, et al. (2009) summarised the methods used to identify, categorise and analyse stakeholders. The summary is theoretically based on descriptive, normative and instrumental stakeholder theory (Donaldson and Preston, 1995). The normative stakeholder theory is used to legitimise stakeholder involvement and to identify who decision-makers are morally obligated to in their legal and institutional context (Reed, et al., 2009: 1935). While an instrumental stakeholder theory is devoted to understanding how organisations can identify, explain, and manage the behaviour of stakeholders to achieve desired outcomes. Reed, et al's. (2009) summary, will be used in this study to understand the influence of stakeholders in the process of stakeholder analysis. The summary provided by Reed, et al. (2009) rationalises the theoretical basis for stakeholder analysis applying the descriptive, normative and instrumental stakeholder theory in different disciplines and contexts using different methods. The methods that will be discussed include methods for categorising stakeholders (which considers the top-down analytical categorisations, bottom-up reconstructive methods and market segmentation); and methods for investigating stakeholder relationships (which include actor-linkage matrices, knowledge mapping and SNA). The methods for categorising stakeholders will now be discussed.

### **2.3.2.3 Methods for categorising stakeholders and investigating stakeholder relationships**

There are two main methods used to categorise stakeholders, namely the top-down “analytical categorisations” and bottom-up “reconstructive methods” (Reed, et al., 2009:1937). In the top-down methods stakeholders are classified by those conducting the analysis based on their observations of the phenomenon in question using researcher perceptions of how the system functions (Hare and Pahl-Wostl, 2002:50). The top-down “analytical categorisations” which include interest-influence matrices, radical transactiveness method will be briefly discussed. In the interest-influence matrices method which is part of the top-down analytical categorisation, stakeholders are categorised according to their relative interest and influence. However, the top-down analytical categorisation tends to identify the usual stakeholders leading to marginalising other groups. The other method found in the top-down “analytical categorisations”, is the “radical transactiveness” method (Reed, et al., 2009:1939), where marginalised stakeholders, who have disruptive views, are included in the analysis as their knowledge and perspectives can help anticipate potential future problems and identify opportunities for future management.

It is important to note that, if the top-down analytical categorisation method is used without the direct participation of stakeholders the analysis of the stakeholders is reliant on researcher’s perceptions which could raise questions about the legitimacy of the categorisations (Reed, et al., 2009:1939). However, a second method to stakeholder categorisation, which is the bottom-up “reconstructive methods” in which stakeholders are identified by using a snow-ball, focus groups and/or interviews methods addresses this weakness (Reed, et al., 2009: 1937). The bottom-up methods allow categorisations and parameters to be defined by the stakeholders themselves, resulting in the analysis reflecting stakeholder concerns.

The bottom-up methods include, card sorting, Q method and strategic perspective analysis. One of the methods found under the bottom-up methods is the card-sorting method. Card sorting is used, where stakeholders are given cards to write down which stakeholder they think are linked or affected by a phenomenon and to formulate their own categories (Reed, et al., 2009:1939). Another bottom-up method that can be used is the Q method which forms part of discourse analysis. Discourse analysis identifies the ways in which people think and talk about an issue especially the

shared perceptions and commonalities between individuals. The Q method is used to cluster individuals according to social discourses based on their shared perceptions and commonalities. One other bottom-up method is the strategic perspective analysis which categorises stakeholders with similar goals through the use of workshops and interviews (Reed, et al., 2009:1939). In both bottom-up methods (card-sorting method, Q method and the strategic perspective analysis) the categorisation is based on empirical analysis of stakeholder perceptions rather than on theoretical perspectives as done in the top-down methods.

However, the top-down analytical categorisations and bottom-up reconstructive methods of categorising and differentiating stakeholders does not account for the competing interests and priorities of stakeholders (Vos and Achterkamp, 2006: 164; Mitchell, Agle and Wood, 1997: 854). The assumption of homogeneity in the stakeholder interests and priorities in the methods of stakeholder categorisation in the typology developed by Reed, et al., (2009), results in a distorted reflection of the nature of the relationship between the organisation and its stakeholders and the relationship between the stakeholders themselves. This limitation is addressed by Wolfe and Putler's (2002) market segmentation method to stakeholder analysis.

Wolfe and Putler (2002:70) identified a major limitation in the assumption of homogeneity in interests or priorities in stakeholder categorisation and addressed it by using a market segmentation method known as metric conjoint analysis to determine the priorities within role based (categorised) stakeholders. Conjoint analysis is based on the premise that an individual considers the attributes of an object and attaches subjective weights that are used in evaluating the object (Wolfe and Putler, 2002:71). Hence, Wolfe and Putler (2002: 77) suggest that stakeholder analysis should follow the following six steps:

- identify stakeholders (i.e. employees, communities, customers);
- determine which stakeholders are salient (possessing power, legitimacy and have urgent claims);
- assess the priorities of individuals within the salient stakeholder groups;
- develop priority-based clusters (i.e. place individuals into groups with relatively homogenous priorities);
- cross-classify priority-based and role-based stakeholder groups;

- where cross-classification indicates that role-based stakeholders are diffused quite broadly across priority-based clusters, the latter should be profiled to determine common characteristics within the clusters.

A true reflection of the nature of the relationship between salient stakeholders of the organisation is made possible through accommodating heterogeneous priorities within role-based stakeholder groups. This can help organisations to determine the appropriate strategies to involve salient stakeholders (Wolfe and Putler, 2002:77). In other words, stakeholders are categorised according to their interests and priorities rather than their individual roles (refer to Section 2.3.2). This means that stakeholder interests and priorities are important parts of stakeholder analysis and when building and managing stakeholder relationships.

Although there are different ways of categorising stakeholders which are done with or without stakeholder participation, which consider stakeholder shared perceptions, commonalities, goals (Reed, et al., 2009: 1939), interests and priorities (Wolfe and Putler, 2002:77). It is important to establish the relationship between stakeholders because organisations do not only respond to individual stakeholders but also respond to multiple influences from an array of stakeholders. Hence, to understand how organisations respond to their stakeholders, it is important to analyse the “complex, multiple and interdependent relationships” found in stakeholder environments (Rowley, 1997:890). There are different stakeholder analysis methods, that can be used to investigate relationships between stakeholders, namely, actor-linkage matrices, knowledge mapping and social network analysis (SNA) (Reed, et al., 2009:1939). These methods are discussed in the next section.

Actor-linkages describe stakeholder interrelations using actor-linkage matrices, which are created through listing stakeholders in the rows and columns of a table creating a grid so that the interrelations between the listed stakeholders can be described using key words. Knowledge mapping analyses the content of information between stakeholders found in a social network (Reed, et al., 2009:1940). More importantly, to address the theoretical objective of this study, SNA will be discussed in-depth as it will help to describe the influence of stakeholder networks on how multiple stakeholder relationships are managed.

#### **2.3.2.4 Social network analysis**

SNA is a form of stakeholder analysis, which looks at the associations that exist amongst stakeholders (Reed, et al., 2009). SNA makes use of matrices to organise data on relational ties that link stakeholders together (Prell, Hubacek and Reed, 2009; Reed, et al., 2009:1939). This is an inclusive process which means that there will be no marginalisation of stakeholders. SNA helps to identify conflict between stakeholders, and select representatives based on the way that the network is structured (Reed, et al., 2009:1939). Strong ties within a network are based on a combination of characteristics, such as intimacy, emotional intensity, time, trust and reciprocity (Reed, et al., 2009:1940). This means that the higher the scores on each of these characteristics, the stronger the tie.

Stakeholders who share strong ties are likely to influence one another; hence, creating strong ties among diverse stakeholders can enhance mutual learning, sharing of resources and advice. On the other hand, weak ties tend to exist between divergent individuals, and as such, offer stakeholders access to diverse pools of information and resources through bridging otherwise disconnected segments of a network (Reed, et al., 2009:1940). Subsequently, SNA can identify problematic relationships, and when supplemented with qualitative data, SNA can be used to identify the nature of the conflicts between individuals and groups. In like manner, various stakeholder characteristics such as reciprocity, time and emotional intensity also influence which ties are established within a network. Stakeholders who are similar to one another in terms of their characteristics are able to communicate tactic, share complex information, because they understand each other. However, this can be disadvantageous when diverse opinions are needed (Reed, et al., 2009:1940).

When conducting SNA, it is important to understand how the interaction of “the network density” (density refers to the degree of interconnectedness between all of the stakeholders) and the organisation’s centrality (refers to an organisation’s position within the stakeholder network, relative to its stakeholders) as it results in different types of network structures with different combinations of density and centrality (Rowley, 1997:902). The network structures have different influences on the power balance between an organisation and its stakeholders predicting how managers should respond to different network structures (Rowley, 1997). A stakeholder network approach simultaneously accounts for individual and structural ties creating a holistic network

structure that influences the organisation (Peters and Golden, 2013:121). In other words, SNA provides insights into patterns of communication, trust and influence between actors in social networks. Encapsulating the different types of relations, the strengths of the relational ties revealing the structure of the stakeholder network, through identifying which stakeholders are more central, marginal and how stakeholders cluster together (Reed, et al., 2009:1939). As such, these structural ties or relational ties in the stakeholder networks need to be considered when analysing stakeholders and ultimately when managing stakeholder relationships.

In summary, the stakeholder analysis process focuses on the different stakeholders that are interested in the organisation, their power to influence what happens, how these parties interact, and based on this information, how they can be able to work more effectively together with the organisation (Reed, et al., 2009:1947). This is important when managing stakeholder relationships. The methods of stakeholder analysis and categorisation (Reed, et al., 2009) fall within the instrumental stakeholder theory. The importance of setting the context for stakeholder analysis is highlighted through identifying a focus and setting boundaries of the analysis. This is followed by applying the relevant methods when categorising and investigating stakeholder relationships. In addition, market segmentation methods are used to help establish stakeholder priorities and interests when categorising stakeholders. Furthermore, SNA helps in understanding the relational ties between stakeholders, that influence how stakeholder relationships are managed. The third level in stakeholder relationship management is the managing of stakeholder relationships. The third level of stakeholder relationship management is discussed in more detail in the sections that follows.

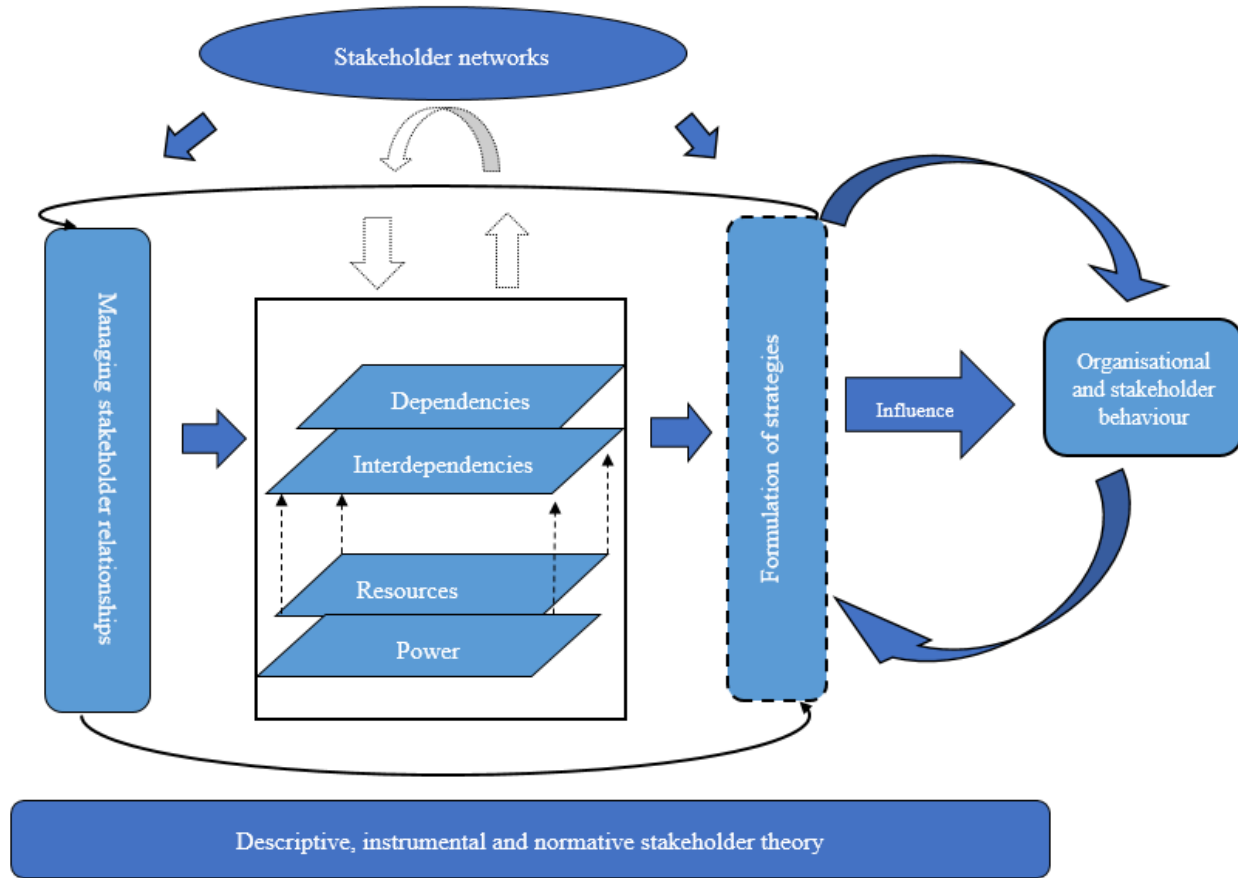
### **2.3.3 Third level: stakeholder relationship management process**

As stated previously in Chapter 1, Section 1.2, for the purpose of this study stakeholder relationship management is regarded as a more inclusive approach of building and managing multiple dynamic stakeholder relationships through the inclusion of stakeholder interest in organisational activities with the aim of gaining mutual benefits. After stakeholders have been analysed and categorised the third level is the managing of stakeholder relationships (Mainardes, et al., 2012:1861; Myllykangas, Kujala and Lehtimäki, 2011). Undoubtedly, the third level of managing of the stakeholder relationships, falls within the descriptive, instrumental and normative stakeholder

theory (Jones and Wicks, 1999; Donaldson and Preston, 1995). It is part of the descriptive stakeholder theory as it provides the current state of the organisation in relation to its stakeholders. As well as part of instrumental stakeholder theory because the third level looks at how organisations identify, explain, and manage the behaviour of stakeholders to achieve the desired outcome of the organisation (Reed, et al., 2009:1936). The third level is also part of the normative stakeholder theory as, it helps to identify who decision makers (managers) are morally responsible to, looking at the legitimacy of stakeholder involvement and empowerment in the decision-making process (Reed, et al., 2009:1936).

The third level of stakeholder relationship management emphasises the need for organisations to respond simultaneously to multiple demands from multiple stakeholders (Rowley, 1997:887). According to researchers (Jawahar and McLaughlin, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996; Freeman, 1984) the third level involves organisations devising strategies to either influence stakeholder behaviour for the organisation to meet its objectives or strategies that stakeholders use to influence the organisation to achieve desired outcomes. The aim of stakeholder relationship management process is to facilitate the understanding of and the ability to manage in an unpredictable environment (Wolfe and Putler, 2002:66). As discussed in the previous Section 2.3.3.2.4, stakeholders interact with each other, exchanging information, products, and instructions or support. It is important to understand the nature of their relationships and interactions (Sharp and Finkelstein, 1999: 388). Furthermore, the organisation also has to use different strategies to deal with the same stakeholders over time according to the organisational life cycle (Jawahar and McLaughlin, 2001:410). The management of behaviours due to the pressures exerted on the organisation by the stakeholder or on the stakeholder by the organisation is how stakeholder relationships are managed as illustrated in Figure 2.4 (Jawahar and McLaughlin, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996; Freeman, 1984).

**Figure 2.4:** Conceptualisation of stakeholder relationship management process.



Source: Researcher’s own construction.

Stakeholder networks play an integral part in stakeholder relationship management as they influence how stakeholder relationships are managed and the formulation of strategies used to influence stakeholder behaviour (by the organisation) and organisational behaviour (by the stakeholders). As illustrated in Figure 2.4 the formulation of strategies that are used to influence the behaviour of either the organisation or the stakeholder, are determined by dependencies or interdependencies (Huse and Eide, 1996), which exists between the organisation and its stakeholders as well as between the stakeholders themselves. Undoubtedly, the possession of power and resources by either the organisation or the stakeholders (Frooman, 1999) results in dependencies and interdependencies. The possession of power and resources by the stakeholders is in part determined by the nature of stakeholder network structures and the position that the

organisation finds its self, relative to its network of stakeholders (Rowley, 1997). The formulation of strategies is an iterative process as it is influenced by the behaviour of stakeholders and the organisation. Again, SNA will be used to help understand how interdependencies, dependencies, resources and power found within stakeholder network structures influences the strategies used by the organisation to manage stakeholder behaviour.

#### **2.3.4 Organisational behaviour: a network theory of stakeholder influences**

Rowley (1997) used SNA to develop an inclusive theory of stakeholder influences incorporating multiple, interdependent demands from stakeholders and predicting how organisations respond to multiple stakeholder influences. Rowley (1997) views stakeholders and the organisation from an institutional and resource dependency theorists' lens. The institutional and resource dependency theorists argue that an organisation's behaviour is driven by external pressures from those forces that shape institutional rules and those with control of resources (Rowley, 1997:908). The resource dependency view considers resource attributes and the nature of direct relationships as sources of power, whereas the network analysis examines structural constraints and opportunities for accessing the other players as sources of power (Rowley, 1997:908). Rowley (1997) examined the sources of external pressures and considered how organisations relate to both its institutional and resource-based stakeholders.

As discussed in the previous Section 2.3.2.4 SNA provides insight into the interaction of network density (density refers to the degree of interconnectedness between all of the stakeholders) and the centrality (refers to an organisation's position within the stakeholder network, relative to its stakeholders) of the organisation which results in different types of network structures due to the different combinations of density of the stakeholder network and centrality of the organisation (Rowley, 1997:902). The density of the stakeholder network that surrounds the organisation and organisation's centrality in the network influences the organisation's degree of resistance to the demands made by its stakeholders. Consequently, Rowley (1997:888) proposed four types of strategic behaviours an organisation can use to resist stakeholder influence, namely, compromiser, commander, subordinate, and solitarian. The interaction of density of the stakeholder network and organisation centrality produces different types of network structures, which influence the relative power balance between an organisation and its stakeholders. Rowley (1997:901) depicts "extreme

cases” where a there is either a ‘high” or “low” degree of density and centrality as depicted in Figure 2.5.

**Figure 2.5:** A structural classification of stakeholder influences: Organisational responses to stakeholder pressures.

		Centrality of the organisation	
		High	Low
Density of the stakeholder network	High	Compromiser	Subordinate
	Low	Commander	Solitarian

Source: Rowley (1997: 901).

The different permutations of ‘high” or “low” degrees of density and centrality illustrated in Figure 2.5 results in different strategies used by the organisation. Each of these cases will be discussed in the next sections. The first case is when there is high density stakeholder network and high centrality experienced by the organisation.

#### **2.3.4.1 High density and high centrality**

In a highly dense stakeholder network, stakeholders can put pressure on the organisation and a highly central organisation is able to withstand stakeholder pressures. This yields a specific network configuration that influences how the organisation responds to stakeholder demands. In such a network structure, stakeholders have an efficient communication structure and shared behaviours. In such a situation the organisation has the ability to influence the information that flows to stakeholders. This means that both stakeholders and the organisation have an impact on one another, rendering both susceptible to the actions of the other (Rowley, 1997: 901).

Stakeholders can coordinate their efforts to either punish or monitor the organisation. Whilst, the organisation can influence the way expectations are formed by stakeholders. In either case, this

creates uncertainty in the environment in which the organisation is operating. Hence, when a centrally located organisation encounters a densely connected set of stakeholders, it would want to reduce the amount of influence the stakeholders have on the organisation (Rowley, 1997: 901). The reason being that pressure from the stakeholders, especially unforeseen demands, could disturb the activities of the organisation. Resulting in the organisation becoming a “compromiser” in an attempt to “balance, pacify, and bargain” with its influential stakeholders (Rowley, 1997:902). The aim of a compromiser strategy is to negotiate a mutually satisfactory position, which at least minimally appeases stakeholder expectations and achieve a predictable environment. In a situation where the organisation’s stakeholders are unlikely to collectively oppose its actions; and the organisation does not find a resolution with its stakeholders and decides to resist stakeholder demands; the organisation creates an uncertain future for itself (Rowley, 1997: 902). The next case is where there is a low density of stakeholders in the network and high centrality experienced by the organisation.

#### **2.3.4.2 Low density and high centrality**

When an organisation is under conditions of low density of stakeholder network and high centrality it is able to resist stakeholder pressure. A low-density of stakeholder network inhibits the flow of information, monitoring efforts and shared norms amongst stakeholders. When stakeholders are not united then they are unable to “exert unified pressure” on the organisation, the organisation has a powerful position in the network (Rowley, 1997:903). The organisation is then able to shape the formation of behaviour expectations of the stakeholders. As a result, the power shifts in favour of the organisation, leading to the organisation adopting a commander role in an attempt to control the flow of information, influence behaviour expectations and choose stakeholders. In the commander position, the organisation utilises a gatekeeper position by controlling network exchanges and the formation of shared norms (Rowley, 1997:903). The other case that will be discussed next is where a stakeholder network has a high density and the organisation experiences low centrality.

#### **2.3.4.3 High density and low centrality**

Under the condition of high density of the stakeholder network and low centrality experienced by the organisation, the organisation is in a vulnerable position. The structure of the stakeholder network permits efficient communication between stakeholders, and the organisation has no influence on the communication (Solberg, Hanstad and Steen-Johnsen, 2009). The distribution of power between an organisation and its stakeholders is partially based on the access of information. Hence, the organisation is at a power disadvantage in the condition of high density of the stakeholder network and low centrality experienced by the organisation. As a result, the organisation becomes a subordinate to its well organised stakeholders, accepting established norms, complying and succumbing to their expectations (Rowley, 1997:904). The organisation as a subordinate is not able to resist stakeholder pressures. The last case is where the stakeholder network has low density and the organisation also has low centrality. This will be discussed next.

#### **2.3.4.4 Low density and low centrality**

In a condition of low density of the stakeholder network and low centrality experienced by the organisation, the organisation is unable to manipulate established norms of the stakeholder network. The organisation does not have any influence over the stakeholder network. Consequently, the organisation's actions may go unnoticed to a certain degree because information does not flow easily in the stakeholder network and monitoring becomes difficult. This means that the organisations activities are not apparent as it has few relationships with other social actors (Rowley, 1997:904). An organisation occupying a position in a low density of the stakeholder network, has the ability to obscure its activities and adopt a solitarian role. The organisation can attempt to avoid stakeholder scrutiny through buffering and concealing behaviours. This is possible because the organisation is isolated and independent from its stakeholders and can pursue its goals without any influence from stakeholders (Rowley, 1997: 904). However, this situation rarely lasts for long extended periods of time.

As outlined above, there are four strategies that the organisation can adopt when experiencing stakeholder pressures namely, compromiser, commander, subordinate, and solitarian. Stakeholders that have a strong interconnection have the power to influence and put pressure on

the organisation. Stakeholders can therefore influence the behaviour of the organisation steering it in their desired direction. Likewise, when the organisation is in a position of power within the network it can influence its stakeholders and have better control over its environment and performance. The interconnectedness (density) of the stakeholder network that surrounds the organisation and organisation's position (centrality) in the network influences how managers build and manage stakeholder relations. However, Rowley's (1997) strategies focus on the behaviour of the organisation when confronted with stakeholder pressures. Similarly, stakeholders also use different strategies to influence the organisation, namely, resource control and pathways of influence strategies. The next section will discuss stakeholder influence strategies used by stakeholders on the organisation.

#### **2.3.4.5 Stakeholder behaviour: stakeholder influence strategies**

Stakeholders also use strategies to influence the organisation. Frooman (1999) predicts the influence strategies used by stakeholders on the organisation using dependencies and interdependencies that exist between the stakeholder and the organisation. There are two types of influence strategies employed by stakeholders, that include, "resource control" and "pathways of influence". Resource control strategies occurs when the stakeholder controls the supply of the resources used by the organisation. One of the strategies employed in resource control is the usage strategy where the stakeholder continues to supply the resource but with conditions. The second resource control strategy used by stakeholders is the withholding strategies where a stakeholder discontinues provision of a resource to an organisation with the intention of making an organisation change its behaviour (Frooman, 1999:196). "Pathways of influence" strategies occur when stakeholders interrupt the flow of the resources of the organisation (Frooman, 1999:197). These include direct and indirect strategies (Frooman, 1999:198). The direct strategies are used when the stakeholder manipulates the flow of resources to the organisation and the indirect strategies occur when the stakeholder uses allies to disrupt the flow of resources (Frooman, 1999:198). Consequently, indirect strategies afford stakeholders the opportunity to enhance their bargaining position with the organisation (Laplume, Sonpar and Litz, 2008:1163). The different strategies are illustrated in Figure 2.6.

**Figure 2.6:** Stakeholder influence strategies.

		Is the stakeholder dependent on the organisation?																
		No	Yes															
Is the organisation dependent on the stakeholder?	No	Indirect/withholding strategy (low interdependence)	Indirect/usage strategy (organisation power)															
	Yes	<b>Direct/withholding strategy</b> (stakeholder power)	<b>Direct /usage strategy.</b> (high interdependence)															
		<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Is the stakeholder dependent on the organisation?</th> </tr> <tr> <th colspan="2"></th> <th>No</th> <th>Yes</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);">Is the organisation dependent on the stakeholder?</td> <td>No</td> <td><b>Indirect/withholding strategy</b> (low interdependence)</td> <td><b>Indirect/usage strategy</b> (organisation power)</td> </tr> <tr> <td>Yes</td> <td><b>Direct/withholding strategy</b> (stakeholder power)</td> <td><b>Direct /usage strategy.</b> (high interdependence)</td> </tr> </tbody> </table>				Is the stakeholder dependent on the organisation?				No	Yes	Is the organisation dependent on the stakeholder?	No	<b>Indirect/withholding strategy</b> (low interdependence)	<b>Indirect/usage strategy</b> (organisation power)	Yes	<b>Direct/withholding strategy</b> (stakeholder power)	<b>Direct /usage strategy.</b> (high interdependence)
		Is the stakeholder dependent on the organisation?																
		No	Yes															
Is the organisation dependent on the stakeholder?	No	<b>Indirect/withholding strategy</b> (low interdependence)	<b>Indirect/usage strategy</b> (organisation power)															
	Yes	<b>Direct/withholding strategy</b> (stakeholder power)	<b>Direct /usage strategy.</b> (high interdependence)															

Source: Frooman (1999:200).

The different influence strategies used by stakeholders to influence organisational behaviour (Frooman, 1999: 202) are as follows:

- when the relationship is one of low interdependence, the stakeholder will choose an **indirect withholding strategy** to influence the organisation,
- when the relationship is marked by firm power, the stakeholder will choose an **indirect usage strategy** to influence the organisation,
- When the relationship is marked by stakeholder power, the stakeholder will choose a **direct withholding strategy** to influence the organisation.

- When the relationship is one of high interdependence, the stakeholder will choose a **direct usage strategy**.

#### **2.3.4.6 Influence, power, dependencies and interdependencies**

As indicated previously, stakeholder influence is determined by the power and legitimacy of the stakeholder (Eesley and Lenox, 2006). The same way that stakeholders possess attributes such as power, the relationship between a stakeholder and the organisation also possess attributes of power, legitimacy and urgency (Frooman, 1999:192). Power in the relationship is determined by which party is more dependent on the other for resources. The dependency on resources results in stakeholders using strategies to influence the organisation to meet their interests (Frooman, 1999). In turn, the influence strategies used by the stakeholders determine how the organisation manages the behaviour of the stakeholders. The strategies used by the organisation are also determined by the different forms of dependencies and interdependencies between the organisation and its stakeholders. Therefore, the relationship between the organisation and its stakeholders also possess the attributes of power, legitimacy and urgency (Eesley and Lenox, 2006). When managing stakeholder relationships, it is important to note how the attributes of power, legitimacy and urgency (refer to Section 2.3.1.3) influence the relationship (Mitchell, Agle and Wood, 1997).

Power influences how stakeholder relationships are managed (Huse and Eide, 1996:212). Formal power possessed by external stakeholders and traditional equity owners formal or voting rights have great influence on managers (Huse and Eide, 1996:214). Huse and Eide, (1996:234) studied a major insurance company in Norway, and how the managers used networks of friends to circumvent stakeholder powers. The networks that were established gave managers the ability to use the following strategies (Huse and Eide, 1996:234):

- avoid legal obstacles hoping that they would change (movement);
- requesting stakeholder approval after the point of no return (multimatum); and
- playing one party off against the other (manipulation).

Even though the use of networks described by Huse and Eide (1996) depict a “darker” side of stakeholder management (Laplume, Sonpar and Litz, 2008:1166), Huse and Eide (1996) show how stakeholder power as an attribute plays an important role in the management of an organisation.

Thus, creating dependencies and interdependencies between an organisation and its stakeholders. The power created by dependencies and interdependencies in the organisation's relationship with its stakeholders have implications on how managers manage the relationship with stakeholders. However, as discussed in Section 2.3.4.5, dependencies and interdependencies are also found within stakeholder networks depending on their network density (Rowely, 1997) and not just between the organisation and its stakeholders.

There are different types of strategies that the organisation can use in managing stakeholder behaviour using market segmentation (Freeman, 1984:142) or depending on the organisational life cycle of the organisation (Jawahar and McLaughlin, 2001:398). It is important to note that the strategies used are depended on the context and the boundaries set at the beginning when the organisation identifies and analyses its stakeholders. There are strategies that address how an organisation manages stakeholder behaviour and these include the four generic strategies for managing stakeholders; organisational life cycle and organisational identity which will be briefly discussed in the next section.

#### **2.3.4.7 Stakeholder behaviour management strategies**

As proposed by Freeman (1984:142) and discussed in Section 2.3.2.3, market segmentation methods can be used to categorise stakeholders (Wolfe and Putler, 2002) to understand their interest and to predict their behaviours. The behaviour of stakeholders is segmented into cooperative potential (CP) which is the change in actual behaviour which would be more helpful to the organisation. As well as competitive threat (CT) which is the behaviour that can prevent or help prevent the organisation in achieving its goals (Freeman, 1984: 132). Based on stakeholder's cooperative potential and competitive threat behaviour there are four generic stakeholder groups and stakeholder management strategies for each group (Freeman, 1984:144) which are as follows:

- *Swing stakeholder group* (high CP and high CT) have the ability to influence the outcome of a particular situation. The organisation can employ strategies to change the rules which govern the interaction between the organisation and the stakeholder.
- *Defensive stakeholders* (low CP and high CT) are not helpful to the organisation but can take steps to prevent the organisation to achieve its objectives. The organisation should adopt a defensive strategy to prevent competitive threat from these stakeholders.

- *Offensive stakeholders* (high CP and low CT) can help the organisation to achieve its objectives and are not a threat. The organisation can employ offensive strategies to try and bring about the cooperative potential of these stakeholders.
- *Hold stakeholders* (low CP and low CT) are not of much help or poise as a threat to the organisation. The organisation can continue with the strategies that are already in place and hold the current position of these stakeholders.

The four generic stakeholder management strategies help managers to know which strategies to use to manage stakeholder influence and behaviour (threat or cooperative) to achieve a favourable outcome for the organisation. It can be argued that Freeman's (1984) strategies are more strategic in content (Laplume, Sonpar and Litz, 2008:1158); with a focus on the behaviour of the stakeholders and how managers should react to them to meet the organisations objectives. The focus is not on how to manage the relationship itself. It does not show how the relationship between stakeholders and the organisation is managed without making stakeholders a means to an organisation's end (Goodpaster, 1991:54).

Furthermore, organisations experience different pressures and threats in different organisational cycles (Jawahar and McLaughlin, 2001:398). At different organisational stages (start-up, emerging growth, mature stage and the decline or transition stage), different stakeholders become important to the organisation. Resultantly, affecting the type of strategies utilised at different stages by the organisation towards critical stakeholders and non-critical stakeholders. Stemming from the resource dependence theory, Jawahar and McLaughlin (2001:398) argue that organisations will give more attention to stakeholders that have access to resources that the organisation needs and pay less attention to those that do not have access. The threats or absence thereof influences the resource allocation decisions and the risk associated to the strategies adopted by the organisational decision makers on how to deal with stakeholders.

In addition to organisational life cycle, organisational identity (Brickson, 2005:576) also influences how organisations relate to their stakeholders. Organisational identity is what members of the organisation view to be central, distinctive, and enduring about an organisation (Brickson, 2005:576). Organisations that have an individualistic identity maintain instrumental or weak ties, relational organisations maintain strong trust-based ties and collectivist organisations tend to have

ideological ties with their stakeholders (Laplume, Sonpar and Litz, 2008:1166). Nonetheless, it can be argued that the organisational life cycle and organisational identity form part of the context (Currie, Seaton and Wesley, 2009: 48; Vos and Achterkamp, 2006) in which managers manage stakeholder relationships. In other words, the management of behaviours due to the pressures exerted on the organisation by the stakeholder or on the stakeholder by the organisation is depicted to be how organisations manage their stakeholders (Jawahar and McLaughlin, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996; Freeman, 1984). The organisational life cycle and organisational identity are also important when identifying stakeholders and setting the boundaries (Reed, et al., 2009:1937) in which stakeholder analysis takes place. However, it is not clear in the stakeholder relationship management literature (Laplume, Sonpar and Litz, 2008; Brickson, 2005; Jawahar and McLaughlin, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996; Freeman, 1984) how the relationship between the organisation and stakeholders is built and managed. In other words, the focus is on how the organisation manages its own behaviour towards stakeholder pressures and strategies used by stakeholders to influence the behaviour of the organisation but not on the relationship between the stakeholder and the organisation. More specifically, process followed in managing stakeholder relationships is not clearly explained.

## **2.4 DISCUSSION AND CONCLUSION**

In the first section of this chapter the stakeholder theory was discussed in association to the three levels in which stakeholder relationship management takes place. The three levels are stakeholder identification, stakeholder analysis and lastly managing of stakeholder relationships by the organisation. There are different ways in which organisations identify and categorise their stakeholders. Stakeholders are identified by considering stakeholder salience (Mitchell, et al., 1997), influence (Mainardes, Alves and Raposo, 2012), specific contexts, “site-specific” issues (Currie, Seaton and Wesley, 2009: 48; Vos and Achterkamp, 2006) and as part of a network of stakeholders (Fassin, 2009). Consequently, the identification of stakeholders and analysis of stakeholder networks forms part of building and managing of stakeholder relationships. In other words, managers cannot build and manage stakeholder relationships without first identifying and analysing the organisation’s stakeholders.

When it comes to stakeholder analysis, business management literature provides a static approach (Luoma-aho and Vos, 2010:324; Reed, et al., 2009: 1935) failing to consider that stakeholders, organisations, interventions and issues can interact and change over time (Reed, et al., 2009: 1943; Rowley and Moldoveanu, 2003; Friedman and Miles, 2006; Frooman, 1999). There are different interactions within stakeholder networks and between stakeholder groups based on different attributes (power, influence and legitimacy and even proximity). The relationship between the organisation and their stakeholders has its own characteristics that are interrelated and influenced by the stakeholder attributes. The organisation has a stake in the relationship as much as the stakeholders have a stake. Hence, the relationship should become the focal point. The relationship should become autonomous, neither belonging to the organisation nor to the stakeholder (Jahansoozi, 2006:943). The relationship should be managed because ignoring this relationship may result in adverse or undesirable outcomes for both the organisation and the stakeholders. Hence, the organisation has more reason to manage the relationship as this affects the organisation's performance (Jawahar and McLaughlin, 2001: 399). Yet there is little literature to address how organisations build and manage the relationship. There are different strategies used to predict stakeholder behaviour and strategies to manage the predicted behaviours whether they are adverse or favourable. The proposed strategies are based on different theoretical foundations, the most common being the resource dependency theory (Jawahar and McLaughlin, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996) and market segmentation (Wolfe and Putler, 2002).

In conclusion, any stakeholder identification and analysis should be context specific within certain boundaries or based on a clearly defined issue (Brugha and Varvasovszky, 2000:240). Boundaries refer to key people, individuals (Reed, et al., 2009:1933), groups, organisations (Vos and Achterkamp, 2006:162), phenomena (Reed et al., 2009:1939), or a particular context or situation (Sharp and Finkelstein, 1999: 388). The theory on stakeholder relationship management (Jawahar and McLaughlin's, 2001; Frooman, 1999; Rowley, 1997; Huse and Eide, 1996) presents strategies on how to manage the behaviours (Freeman 1984:132) of stakeholders and not necessarily on how to build and manage the relationship with the stakeholders. The next chapter focuses on building and managing stakeholder relationship with a focus on the relationship.

## CHAPTER THREE

### THE RELATIONSHIP: BUILDING AND MANAGING STAKEHOLDER RELATIONSHIPS

#### 3.1 INTRODUCTION AND CONTEXT

This chapter will be focusing on how stakeholder relationships are built and managed. Laying the theoretical foundation which will be used in the study, this chapter will address, from a theoretical perspective, three of the objectives of this study, namely:

- ii. *Describe and understand how managers build and manage multiple stakeholder relationships.*
- iii. *Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed.*
- iv. *Describe the influence of SLO on how stakeholder relationships are managed.*

The relationship between the organisation and its stakeholders will be the focus of this chapter. To have a better understanding of the nature of this relationship and how the relationship between the organisation and its stakeholders is built and managed, the convergent stakeholder theory and resource dependence theory will firstly be discussed. Proceeded by a detailed discussion of what makes up a relationship within the context of an organisation, with a focus on the different relationship motivators, dimensions and relationship characteristics. Followed by an in-depth discussion on building stakeholder relationships with a focus on how stakeholder relationships are developed, the different types of stakeholder relationships that are found in different organisations. This is followed by a discussion on managing stakeholder relationships and the role played by SLO in managing stakeholder relationships. The last section is a discussion and a conclusion of the chapter.

The next section is a discussion of the convergent stakeholder theory which is one of the theoretical foundations for the study.

### **3.2 CONVERGENT STAKEHOLDER THEORY**

The literature on stakeholder relationship management (Donaldson and Preston, 1995; Jones and Wicks, 1999; Freeman, 1999) provides limited research from which to draw on, to understand how managers build and manage stakeholder relationships. However, stakeholder theory provides guidelines and a foundation on how to conduct research on stakeholder relationship management. As discussed in Chapter 2, section 2.2, Donald and Preston (1995) presented three main stakeholder theories, namely, the descriptive (how organisations behave), instrumental (how behaviour affects organisational performance) and normative stakeholder theories (how organisations should behave) (Freeman, 1999: 233). Neither of the theories are complete without the other (Jones and Wicks, 1999). The descriptive stakeholder theory approach is a precursor to the instrumental and normative stakeholder theory (Reed, et al., 2009:1935) and the instrumental stakeholder theory is incomplete without the normative stakeholder theory (Jones and Wicks, 1999). However, there is another stakeholder theory, known as the convergent stakeholder theory. Jones and Wicks (1999) developed a convergent stakeholder theory that pragmatically (Wicks and Freeman, 1998) converges descriptive, instrumental and normative stakeholder theory (Donald and Preston, 1995).

The convergent stakeholder theory (Jones and Wicks, 1999: 208-216) involves applying instrumental theory to normative theory. While, the descriptive theory is a precursor to instrumental and normative stakeholder theory. Instrumental theories are “practical” as they offer a close match to reality (Davison, 2012:766). The main premise of instrumental theory is that certain outcomes will be obtained if certain behaviours are adopted. This means that “predicated outcomes are contingent on behaviour of a certain type” (Jones and Wicks, 1999: 208). As such, instrumental theory describes the process or methods of how work is done (Davison 2012: 766) which helps to forge an understanding on how to act in novel, complex and uncertain situations (Martinsons, Davison and Ou, 2015:7). Thus, establishing theoretical (Jones, 1995:406) connections between certain practices to certain outcomes (Donaldson, 1995: 74). Whereas, the foundation of normative theory holds the view that, the means employed to an end by the organisation must be morally sound. The convergent stakeholder theory links the practicality of instrumental theorising to the normative “sound morality” in the normative stakeholder theory

(Jones and Wicks, 199:206). Hence, demonstrating how managers can create morally sound approaches to business and make them work (Jones and Wicks, 199:206). The convergent stakeholder theory guides this research in addressing part of the aim of this research of describing how multiple stakeholder relationships are built and managed. The convergent stakeholder theory purported by Jones and Wicks (1999: 206) advocates for the possibility of developing morally sound ways of conducting profitable business. In other words, creating an interdependency between social responsibility and the profitability of an organisation (Kakabadse, Rozuel and Lee-Davies, 2005; Post, Preston and Sachs, 2002; Jones and Wicks, 1999). Such an interdependency can be achieved through bringing together the theory of organisational management and the theory on business ethics (Phillips, Freeman and Wicks, 2003:480; Jones and Wicks, 1999). To develop morally sound ways of conducting profitable business, an organisation needs to involve its stakeholders in the way that they operate their organisation through building and managing stakeholder relationships.

However, the convergent theory alone is not enough to guide this research. While, the convergent theory provides a lens that helps to set the foundations to describe how stakeholder relationships are built and managed, but to help understand how these stakeholder relationships are built and managed the resource dependency theory (Pfeffer and Salancik, 1978) will be of importance.

### **3.3 RESOURCE DEPENDENCY THEORY**

The resource dependency theory provides insight into the behaviour of an organisation and the context of that behaviour, which is, “the ecology of the organisation” (Pfeffer and Salancik, 1978:1). According to the resource dependency theory, an organisation is dependent on resources in its environment for its survival. The extent to which the organisation is dependent upon external organisations and stakeholders depends on the importance of a particular resource to the organisation; the degree to which those who control the resource have monopoly over the resource, and the discretion they have over its allocation (Pfeffer and Salancik, 1978: 193).

In other words, the basic premise of resource dependence theory is that, organisations will be concerned with, pay more attention to, and deal with sources of critical resources to ensure survival of the organisation (Jawahar and McLaughlin, 2001:402). This demonstrates how behaviour

affects organisational performance (instrumental stakeholder theory) (Donaldson and Preston, 1995). Hence, because of resource dependencies, managers are constrained in their strategic choices as they must contend with in managing external dependencies in order to survive and seek independence and freedom from external constraints (Pfeffer, 1982: 192). That is to say, resource dependency theory recognises the influence of external factors on organisational behaviour and, although constrained by their context, managers can act in a morally sound way (Freeman, 1999: 233) to reduce environmental uncertainty and dependence (Hillman, Withers and Collins, 2009: 1405). An organisation can manage these dependencies by adapting to its environment, altering constraints through interlocking directorships and joint ventures or by changing the legal environment using political action (Pfeffer and Salancik, 1978; Jawahar and McLaughlin, 2001:402).

Furthermore, the organisational life cycle also influences the dependencies and interdependencies experienced by an organisation (Drogendijk and Andersson, 2013:389). In the early stages the organisation is highly dependent on the resources offered by stakeholders, hence it develops strong relationships with the relevant stakeholders. In the later stage, as the organisation gains capabilities, develops resources, accumulates experiential knowledge and legitimacy, dependencies on certain stakeholders decreases and so does the relationship strength. Relationship strength is defined as “the intensity of interaction and exchange of resources” between the organisation, the environment the organisation and the market it is established (Drogendijk and Andersson, 2013:388). The organisation can then build interdependent relationships with other stakeholders found in the market. However, the organisation is not restricted to the local market only, with which the organisation exchanges much of its resources and information whilst enhancing its value and its capabilities.

The argument for resource dependence perspective (Pfeffer, 1987:26-27) and inter-organisational relations can be summarised as follows:

- The fundamental units of understanding intercorporate relations and society are organisations.
- The organisations are not autonomous but are constrained by a network of interdependencies with other organisations.

- Interdependence, when coupled with uncertainty about what the actions will be of those with which the organisation is interdependent on, leads to a situation in which survival and continued success are uncertain.
- Hence, organisations take actions to manage external interdependencies, although such actions are inevitably never completely successful and produce new patterns of dependence; and
- These patterns of dependence produce inter-organisational dependence as intra-organisational power, where such power affects organisational behaviour.

In summary, the main premise of resource dependency theory is that organisations attend to the demands of those in its environment that provide resources necessary and important for its continued survival. Organisations respond more to the demands of those organisations or groups in the environment that control its critical resources (Pfeffer, 1982:193). When applying the resource dependence theory to understand how stakeholder relationships are built and managed, it means that organisations will be more attentive to stakeholders who control critical resources of the organisation. The dependence of the organisation on the resources controlled by stakeholders gives power to the stakeholder (Mitchell et.al. 1997) affording them leverage over the organisation (Jawahar and McLaughlin, 2001:402; Frooman, 1999). However, interdependencies can exist between the organisation and its stakeholders. The extent of the dependencies and interdependencies within different contexts (as discussed in Chapter 2, Section 2.3.3) influence how the relationship between the organisation and its stakeholders is built and managed as well as its influence on the relationship itself as will be discussed in this chapter. The next section will provide a discussion on the relationship within the context of an organisation.

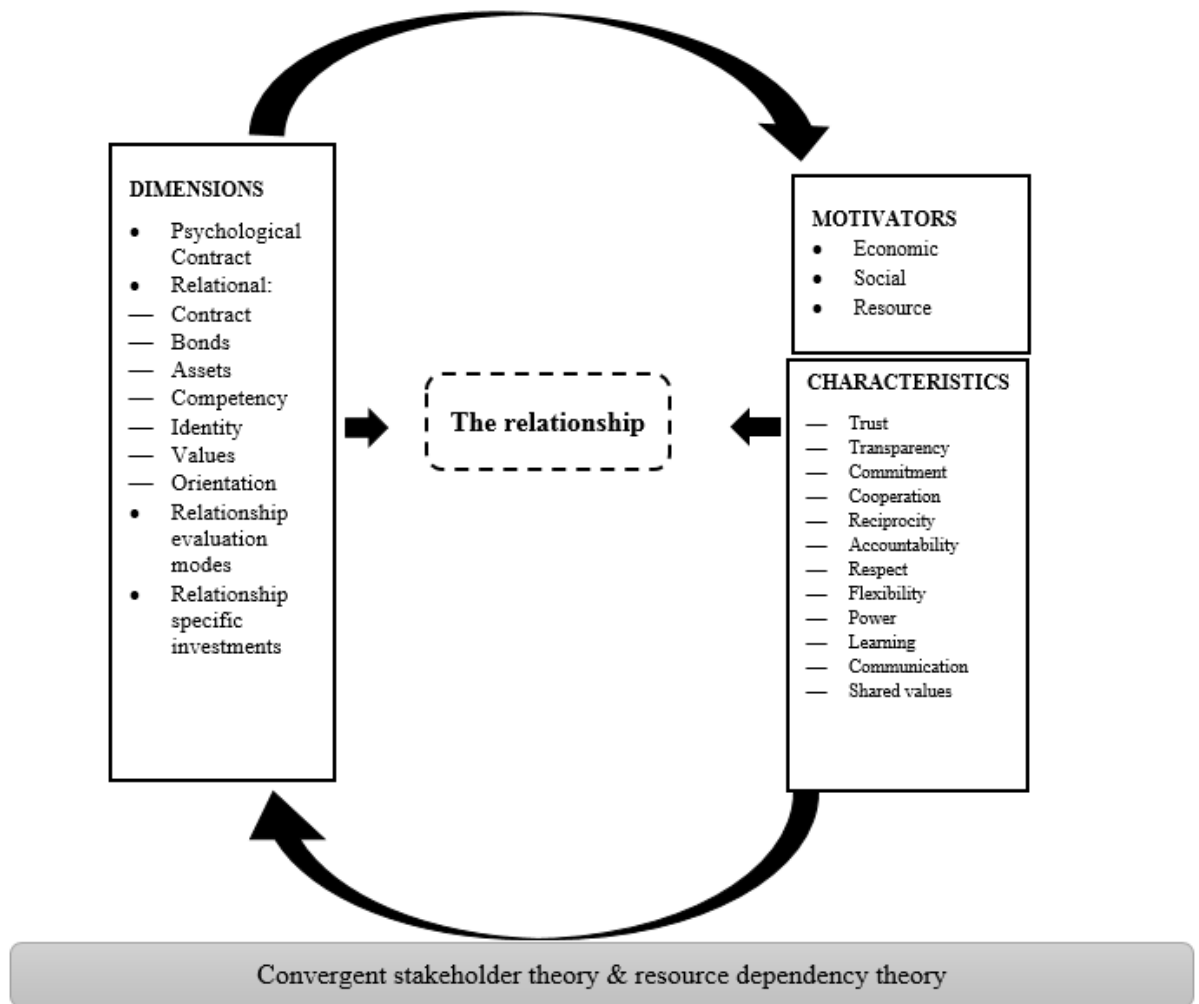
### **3.4 THE RELATIONSHIP WITHIN THE CONTEXT OF THE ORGANISATION**

To repeat, as discussed in Chapter 1, Section 1.2, the relationship between the organisation and its multiple stakeholders is autonomous, neither belongs to the organisation or to the stakeholders (Jahansoozi, 2006:943). Although, the organisation has to build and manage multiple stakeholder relationships, the relationship is viewed to be autonomous, as the relationship is already complex (Myllykangas et al., 2011:65) with its own dimensions, characteristics which are dynamic. In this study, to understand stakeholder relationships, the relationship will be discussed from an

autonomous point of view, even though the relationship is nestled within the complexities of multiple stakeholders and stakeholder networks in which the organisation is situated. The complex nature of the relationship necessitates an autonomous perspective when discussing the relationship.

The organisational context of stakeholder relationships makes the study of such relationships unique, as the organisation is personified by managers who have to build and manage multiple stakeholder relationships in a dynamic context. A relationship is defined as the way in which things are connected or work together (Cambridge Dictionary, 2018). A relationship within the context of work (which in this case is the relationship between the organisation and its stakeholders; as well as between stakeholders within a stakeholder network) refers to patterns of exchanges between members or partners, whether individuals, networks, or organisations, directed at the accomplishment of some common objectives or goals (Ferris, Liden, Munyon, Summers, Basik and Buckley, 2009:13803). These are not simple transaction-based exchanges (Myllykangas et al., 2011:65) but rather dynamic and ongoing (Luoma-aho and Vos 2010: 316). Hence for the purpose of this study a relationship within the context of stakeholders is a dynamic interaction between the organisation and its multiple stakeholders, with the purpose of achieving mutual goals. The multiple relationships are influenced and comprised of different motivators, dimensions and characteristics, as shown in characteristics Figure 3.1.

**Figure 3.1:** The relationship.



Source: Researcher’s own construction.

As depicted in Figure 3.1 the relationship is influenced by the relationship motivators, relationship characteristics and the relationship dimensions. The dimensions are influenced by the relationship motivators and the different characteristics that are found in the relationship. In other words, the relationship is comprised of relationship motivators, characteristics and dimensions. The sections that will follow will discuss each of them in detail and how they are related.

### 3.4.1 Relationship motivators

It is important to understand what motivates stakeholders and organisations to interact and participate within in networks. There is a large body of literature in customer relationship marketing (CRM) and marketing studies that focus on relationships that are relevant to understanding stakeholder relationships and how they are built and managed. Hence, CRM theory will be used to help understand why organisations form relationships with stakeholders and vice versa. According to CRM, there are four distinct approaches used to understand the motivations behind organisations engaging in relationships (Payne and Frow 2013:50). The approaches are as follows:

- The first approach categorises three elements of a relationship which presents the perceived advantage of forming the relationship from an economic (financial benefits), social (recognition, identity and shared values), and resource (confidence, preferential treatment, brand reputation) point that may not be gained anywhere else.
- The second approach involves understanding the psychological aspects which include the level of risk, and the emotions associated with the engagement in the relationship.
- The third approach focuses on the relationship characteristics such as trust and commitment (shown in Figure 3.1) that are linked to the outcome of the relationship.

The three mentioned approaches help to understand what motivates organisations and stakeholders to engage in networks. The motives may manifest differently depending on the context (discussed in Chapter 2, Section 2.3.2.1) in which the relationships between the organisation and its multiple stakeholders are built.

In an empirical research to understand why and how diverse multiple stakeholders come together to co-create value in a stakeholder ecosystem, Pera, Occhiocupo and Clarke, (2016: 4034) found three motives. Co-creation as a way of “sharing, combining and renewing” whilst creating value through “new forms of interaction, services and learning” that generates an ongoing realisation of shared values between the organisation and its stakeholders (Arnold, 2015:180). Pera, Occhiocupo and Clarke (2016: 4034), established the following motives by stakeholders to participate in value co-creation (Pera, Occhiocupo and Clarke, 2016:4037):

- *Reputation enhancement*: leads actors to share with the ecosystem credibility and reputation. Despite conflicting agendas and values within a multi-stakeholder ecosystem, stakeholders seek to increase their visibility and personal recognition and self-exhibition.
- *Experimentation*: prompts actors to share knowledge, experience, and content necessary to innovate and experiment. Stakeholders driven by this motive want to undergo new experiences, learn new ideas and skills, try out new things, probing and developing creativity. Experimentation motives for stakeholders' result in feasible solutions.
- *Relationship building*: drives actors to share their networks. In terms of stakeholder motives social opportunities maybe translated into the expectation of developing new partnerships, alliances, and accessing other networks.

It is evident that both the organisation and the stakeholders have different motivations in the form of economic, social, for resources (Payne and Frow 2013:50), reputation advancement, experimentation and relationship building (Pera, Occhiocupo and Clarke, 2016:4037) for establishing a relationship under different contexts. The organisation has to deal with a multiplicity (Pera, Occhiocupo and Clarke, 2016:4033; Neville and Menguc, 2006:377) of stakeholder motivations to get into a relationship with the organisation. In this study, stakeholder multiplicity is the complex nature of an organisation's stakeholders with multiple, conflicting, complimentary, or cooperative, claims (Neville and Menguc, 2006:377). In addition to that stakeholders exist within a network of interactive dynamic stakeholder relationships (Neville and Menguc, 2006: 379) whilst having different motives for establishing relationships with other stakeholders and the organisation. Although, there are different motivations for establishing a relationship, the stakeholder relationship is developed and built over time. The relationship dimensions and characteristics influence how stakeholder relationships are built. There are different dimensions and characteristics found within relationships and these will be discussed in the sections to follow. The next section will focus on the different dimensions of the relationship.

### **3.4.2 The relationship dimensions**

There are underlying dimensions in a relationship which have implications on how the relationship is built and managed. A dimension is defined as "one of the aspects, attributes, elements, or factors that make up an entity, item, phenomenon, or situation" (Business dictionary, 2018). There are

different dimensions that are found in a relationship which have implications on the outcomes of the relationship. As proposed by Ferriss et al. (2009:1380) relationship dimensions influence the quality of relational interactions and resultant outcomes of the relationship between the organisation and its multiple stakeholders. Again, be it between the organisation and its multiple stakeholders or within networks, the focus is on the relationship as a phenomenon. The first dimension to be discussed is the psychological contract.

#### **3.4.2.1 Psychological contract**

The psychological contract differs from the other types of contracts as it is based on individual perceptions with a focus on mutual obligations. The use of the psychological contract metaphor in work relationships focuses on obligations and entitlements, concerns for the nature of the exchange (which includes the process and the currency exchanged) and reciprocity (*quid pro quo*) in the relationship (Ferris et al., 2009: 1382). The obligations and entitlements represent how “the deal” is defined and whether or not it is being honoured or violated (Ferris et al., 2009: 1382). In reality, stakeholders do not enter into an exchange agreement with the “organisation” but rather interact with managers or supervisors who act as representatives who are instrumental in setting up the psychological contract on behalf of the organisation (Coyle-Shapiro and Shore, 2007: 179). The psychological contract can lead to psychological bonds (Bosse and Coughlan, 2016). This is part of the relational contract and relational bond dimensions found in a relation which are discussed in the next section.

#### **3.4.2.2 Relational contract**

Organisations have significant opportunities to build their incremental value by focusing on and adapting their strategies to the relationship types that are suitable to their goals. As there are many different types of relationships that are beneficial to the organisation it is important to understand the specific relationship contract (Payne and Frow, 2013:58). In inter-organisational exchanges, relational exchange arrangements which are supported by trust are used as substitutes to complex contracts that are seen to discourage opportunistic behaviour perpetuated by formal contracts (Poppo and Zenger, 2002: 707). Relationship contracts establish both the norms and the terms of

the relationship, signalling what organisations must do (and must not do) to keep the relationship sound (Payne and Frow, 2013:58). Relational contracts are common in organisations.

Relational contracts are informal agreements and unwritten codes of conduct that have an effect on the behaviour of individuals within an organisation. Relational contracts also influence how organisations deal with other organisations (in this case multiple stakeholders) (Baker, Gibbons and Murphy, 2002:39). The nature of relational contracts enables organisations to circumvent the difficulties faced in formal contracting specified *ex ante* (before event) in terms that can be verified *ex post* (after the fact) by a third party. Whereas, a relational contract is based on outcomes that can only be understood by the contracting party's *ex post* which are difficult to specify *ex ante* in order for third parties to understand which what formal contracts is do (Elfenbein and Zenger, 2014:224; Chassang, 2010:448; Baker, Gibbons and Murphy, 2002:40). Relational contracts allow parties to utilise the knowledge of the specific situation and to adapt to new information as it becomes available (Baker, Gibbons and Murphy, 2002:40). Although, such a condition facilitates learning, the fact that certain information is not available in the beginning of the relationship it makes monitoring imperfect (Chassang, 2010:449). This also means that relational contracts cannot be enforced by a third-party and it must be self-enforcing. The expectation of continuity incentivises based on specific exchange investments serves to enforce the relational contract (Poppo and Zenger, 2012). Hence, the value of the future relationship must be valuable to the point that neither party is willing to renege (Baker, Gibbons and Murphy, 2002:40) and protected by mutually imposed costs of termination (Poppo and Zenger, 2002: 710). This brings into effect relational governance where, the governance of interorganisational exchange relationships emerge from the values and agreed upon processes that are found in social relationships (Poppo and Zenger, 2002:709).

In such relationally-governed exchanges, the enforcement of obligations, promises, and expectations occurs through social processes that promote norms of flexibility, solidarity and information exchange. Flexibility facilitates adaptation to unforeseeable events. Solidarity promotes a joint approach to problem solving, creating a commitment to joint action through mutual adjustment (Poppo and Zenger, 2012: 710). Information sharing facilitates problem solving and adaptation because parties are willing to share private information with one another, which may include short- and long-term plans and goals. As the parties commit to such norms, mutuality

and cooperation characterise the resultant behaviour (Poppo and Zenger, 2012: 710). This social process can be argued to lead to a psychological relational contract, which is discussed in the next section.

### **3.4.2.3 Psychological bonds**

Psychological bonds serve to attach an individual subject to a target and influence how the subject behaves towards a target (Bosse and Coughlan, 2016:1999). Perceived bonds and interdependence (discussed in section 3.2) are prominent factors at an individual level that link emotion and behaviour in stakeholder relationships to organisational outcomes (Bosse and Coughlan, 2016:1218). It is important from both stakeholder and organisational perspective to understand the perceived psychological bonds that drive a stakeholder's or organisation's decisions to continue or discontinue a relationship with either the organisation or stakeholders which motivates them to take action on behalf of the other party (Bosse and Coughlan, 2016:1197). An individual's (i.e. stakeholder, network, organisation) perception towards the relationship in terms of relationship outcomes or the other party, influences their behaviours and decisions in a relationship. The decisions and resultant behaviour being continuation and pro-relationship behaviour toward the organisation. Continuation refers to the stakeholder or organisation's intention to maintain or to break their relationship with the organisation or stakeholder respectively (Bosse and Coughlan, 2016:1198). Pro-relationship behaviour is the effort put in by a stakeholder or organisation to enhance the relationship through positively contributing towards the outcomes of the relationship (Bosse and Coughlan, 2016: 1199).

The decision to continue in a relationship is dependent on the standards employed to measure the relationship outcomes. The repeated interaction between two parties has an effect on either party as the interaction results in relationship outcomes that may either be positive (yielding rewards) or negative (costly). Two standards are used to evaluate those outcomes. The first standard is the comparison level (CL), which presents an individual's perception of what they should or deserve to get from the relationship (Bosse and Coughlan, 2016: 1202). This is where stakeholders or organisations investigate what their other counterparts in a similar position as themselves derives from their interactions. Based on the stakeholder's or organisation's observation they revise their expectations. The CL provides a standard for determining satisfaction with and attraction to a

relationship. When an individual's outcomes exceed their CL (perception of what they should get), the relationship becomes satisfying and attractive. When CL is greater than the outcome, the relationship is deemed as unsatisfying and unattractive (Bosse and Coughlan, 2016: 1202).

The second standard is the comparison level of alternatives (CLalt), which is based on the individual's knowledge of available alternative opportunities. The best alternative an individual believes to exist for a given relationship represents the bias for their CLalt. The degree to which outcomes in the relationship exceed CLalt determines how much they are dependent on the relationship. When an individual's relationship outcomes are greater than the CLalt, they will remain in the relationship and likewise if the outcomes are less than the CLalt they are likely to leave the relationship (Bosse and Coughlan, 2016:1202). It is important to note that an individual can unknowingly influence their own perception of comparison when they invest time, emotional energy, and have shared possessions in the relationship, hence, the more they invest the more likely they will continue in the relationship (Rusbult and Buunk, 1993:180).

There are four types of perceived relationship bonds which yield different permutations of continuation and pro-relationship behaviour (Bosse and Coughlan, 2016:1205-1209) namely:

- a) *Acquiescence bonds*: when the individual perceives no attractive alternatives and continues in the relationship with the partner. The individual's lack of alternatives creates dependence on the relationship with the partner. An absence of quality alternatives can result in the subjective experience of dependence even when the stakeholder or organisation is dissatisfied with the relationship and when the stakeholder or organisation has little or no investment in the relationship. In other words, an acquiescence bond is perceived by a stakeholder or organisation when their CL exceeds the outcomes and their relationship outcomes exceed their CLalt. The stakeholder or organisation who perceives this comparison pattern is non-voluntarily continuing in the relationship because their perceived outcomes are not being met in the relationship. They are unaware of any available alternatives that can provide better outcomes. The strength of the acquiescence increases as the difference between outcomes and CLalt increases. An absence of quality alternatives can result in the subjective experience of dependence even when the stakeholder is dissatisfied with the relationship and when the stakeholder or

organisation has little or no investment in the relationship. The second type of perceived relationship bond is instrumental bonds.

- b) *Instrumental bonds*: happen when an individual believes that staying with the target will provide a favourable outcome for them, or that they would incur a cost if they discontinue the relationship. In an instrumental bond the stakeholder believes that they are receiving outcomes in the relationship that exceed their CL, and their CL exceeds their CL<sub>alt</sub>. They are satisfied with their relationship to the extent that their outcomes are greater than their expectations. Hence, they are dependent on the relationship as the next best alternative will not meet their expectations. This type of bond is characterised by comparatively large investment size. The strength of the instrumental bond increases as the investment increases because there is an expansion in the gap between outcomes, CL, and CL<sub>alt</sub>. The stakeholder makes a relationship specific investment (see Section 3.4.2.9) that has little or no value in other settings. Hence, that relationship-specific investment provides the basis for the stakeholder to create and capture more value by remaining in the relationship with the organisation. This raises the opportunity cost the stakeholder will incur if they were to discontinue the relationship. In a nutshell, this implies that stakeholders or an organisation perceiving an instrumental bond will choose to stay with the organisation or the stakeholder (respectively) in an attempt to realise the value of their relationship specific investments (Bosse and Coughlan, 2016: 1206). The third type of perceived relationship bond is the commitment bond.
- c) *Commitment bonds*: also referred to as “volitional psychological bond reflecting dedication to and responsibility for a particular target” (Klein, Mollow and Brinsfield, 2012:137). A stakeholder who perceives a commitment bond believes that their outcomes exceed their CL<sub>alt</sub> and their CL<sub>alt</sub> exceeds their CL. The stakeholder is satisfied as their outcomes are well above the level they expected (CL). They experience a moderate dependence on the relationship because it is providing better outcomes than the best alternative (CL<sub>alt</sub>). This type of bond relationship is characterised by high satisfaction. A stakeholder or organisation’s perception of a commitment bond is linked to their decision to continue in

their relationship with the organisation or stakeholder (Bosse and Coughlan, 2016: 1207). The fourth type of perceived relationship bond is identification bond.

- d) *Identification bonds*: under certain conditions a stakeholder's or organisation's perception of the current relationship with an organisation or stakeholder can progress to a point where they rarely consider alternatives to the relationship. With identification bonds a stakeholder or an organisation identifies with the organisation's or organisation's (respectively) values and makes a strong psychological investment in the organisation or stakeholder. Identification bonds arise when a stakeholder or an organisation recognises their values are similar to the organisation's values in a variety of relevant contexts. Values are an individual's concepts of the relative worth, utility, or importance of things and ideas. Values, therefore, are foundational to individual behaviours and choices (Bosse and Coughlan, 2016: 1208). A stakeholder who perceives an identification bond views pro-relationship behaviour as though it was immediately self-interested behaviour (Bosse and Coughlan, 2016:1208). A stakeholder can perceive an identification bond with an organisation and their pro-relationship behaviour will increase as the bond strengthens (Bosse and Coughlan, 2016: 1209).

The relational bonds formed by stakeholders or organisations play a part on how the stakeholder relationship is built and managed. As such, the bond may develop into a relational asset depending on the level of interaction between the two (organisation and the stakeholder). The next dimension to be discussed is relational asset.

#### **3.4.2.4 Relational asset**

The relationship in an organisational context is measured as a historic pattern of exchange, the structure of the contractual agreements, the selection of exchange partners and the performance of the alliance (Elfenbein and Zenger, 2014:222). Repeat interaction between the organisation and its stakeholders and vice versa, creates a relational asset which is sometimes referred to as "relational capital" with latent value drawn from social connections, norms, trust, and the expectations of continued interaction (Elfenbein and Zenger, 2014:222; Blonska, Storey, Rozemeijer, Wetzels and

Ruyter, 2013:1297). Social connections between the organisation and its stakeholders creates value for the “relational asset” and this value is increased with the prospects of future relationship fostering cooperation (Elfenbein and Zenger, 2014: 224). Thus, the continued and repeated interaction generates a valuable asset that is both “created and leveraged through relationships” (Elfenbein and Zenger, 2014: 224). This in turn facilitates adaptation and shared problem solving whilst providing assurances against the threat of opportunistic behaviour. Hence, stakeholders who share a history with the organisation are more likely to have co-developed these relational assets (Elfenbein and Zenger, 2014: 224) attaching value to the relational asset.

The relational asset’s value is influenced by the nature of historical repeated exchanges (Elfenbein and Zenger, 2014: 225). Language barriers and physical proximity increase the cost of developing social interactions and likelihood of social interactions respectively. In other words, relational capital generated from prior exchange is more valuable for some exchanges than others. The choice of exchange partners is made by managers, the decision on whether to establish and maintain a relationship with stakeholders lies with the managers. Therefore, it is important to establish or understand the manager’s relational competence (Mazur and Pisarski, 2015:1682; Elfenbein and Zenger, 2014: 225).

### **3.4.2.5 Relational competency**

Competency is defined as “a combination of knowledge, skills and core personality characteristics that lead to superior results” (Mazur and Pisarski, 2015:1682). Relational competency focuses on how effectively individuals deal with each other, with intimates and non-intimates, in close or distant, committed or uncommitted, dependent or interdependent, and short or prolonged relationships. Individuals draw on their knowledge (qualifications), skills (ability to do a task) and personality characteristics to respond to situations (Mazur and Pisarski, 2015:1682). Hence, once demands are understood individuals draw on their competence which is indicative of their potential performance. However, the relational competency would be linked to the role played by the different individuals in the relationship between the stakeholder and the organisation and vice versa. This is explained in the relational identity dimension.

### **3.4.2.6 Relational identity**

As relationships develop partners develop a relational identity. In any relationship individuals play different roles, in this context an individual plays a role as the manager (representing the Chinese organisation) and another plays the role of the government official (for example representing either the local or national government stakeholder). Relational identity is how individuals enact their respective roles (i.e. the nature of the relationship between parties). When a role is relational and understood in reference to the network of the different types of roles played by different partners, it is the different types of relational identities that brings the network of roles and incumbents together into a social network (Sluss and Ashforth, 2007:11).

Relational identification is more personal in that, it is the extent to which an individual defines themselves in terms of a given role relationship, which translates to how much they internalise that identity as a partial definition of themselves (Sluss and Ashforth, 2007:11). Relational identity focuses on a specific role-based identity that is directly related to an individual's role relationship. For instance, specific day to day running of the mine may not be directly relevant as the role of manager-national government (when the manager interacts with the national government) and may be excluded from manager- Chinese mining organisation relational identity.

A role is abstract in form, until it is brought to life by a person who is flesh and blood, where under normal situations, individuals can use their preferences based on their own needs to enact their role-based identity. It is the individual such as a manager who decides (Sluss and Ashforth, 2007:12) which stakeholder to build a relationship with and how the relationship is to be managed (Ferris et al., 2009: 1382; Coyle-Shapiro and Shore, 2007:179). In other words, this is a person-based identity which is the personal quality of the role occupant that has a bearing on the role enactment of the role-based identity. In other words, the person-based identity determines the enactment of the role-based identity (Sluss and Ashforth, 2007:12). However, as individuals in a relationship gain experience in their respective roles and establishing their relational-identity for that specific relationship, the relationship changes as well as develops. It results in a mutual understanding of their relational identity facilitating effective role-relationship (Sluss and Ashforth, 2007: 13). Thus, leading to an effective relationship where both the stakeholder and the

organisation derive mutual benefits making the relationship easier to build and manage. The next dimension of a relationship to be discussed is the relational values.

### **3.4.2.7 Relational values**

They are different purposes and value attached to the relationship between stakeholders and the organisation (Lanzo, 2005: 63). Corporate values are relational values, as they express what an organisation is involved in and part of that includes how the organisation expects to relate to stakeholders. In this sense values describe what the organisation does and what they want to do, because organisations are what they do (Lozano, 2005: 70). Yet values within a dynamic context should allow for the reframing of meaningful practices by both the organisation and its stakeholders. In essence, the values should not be made up of different stakeholder values, but rather reflect joint organisational and stakeholder values (Pruzan 1998). The organisation's shared values are those values that are constantly revised through "on-going self-reflective constitutive dialogue" about identity, purpose and stakeholder relationships (Lanzo, 2005: 70). The assumption of value-based management is that the organisation and its stakeholders develop a shared language and tools which can help the organisation to observe itself, its contributions to its stakeholders' values, and to make choices which promote the interests of the organisation as a whole (Pruzan, 1998: 1387). The relational values could influence the relationship orientation of both stakeholders and the organisation. The next dimension is the relational orientation.

### **3.4.2.8 Relational orientation**

Relationship orientation defines and guides the behaviour or responses of the individuals that are in a relationship (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114). Relationship orientation refers to the "motivational evaluative orientations of individuals towards the relationship with each other" (Polonsky, Schuppisser and Beldona, 2002:114). The relationship orientation can be cooperative, individualistic or competitive (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114). Cooperative orientation occurs when one individual considers the wellbeing of the other as well as their own (Polonsky, Schuppisser and Beldona, 2002:114) maximising joint outcomes, and pursuing positively linked goals. Exhibiting a pro-relationship (Bosse and Coughlan, 2016:1198)

behaviour (discussed in section 3.4.2.3). Resulting in a reduction of conflicts between the parties involved. An individualistic orientation happens when an organisation or stakeholders seek to maximise their own success without considering the other's success.

A competitive orientation means that the organisation or stakeholder is keen on achieving success for themselves and in the process dominate the other party (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114). This influences how the stakeholders or organisations evaluate their interactions during the course of the relationship using their relationship evaluation mode. The evaluation mode can either be operational or strategic. Hence, when establishing and managing a relationship with stakeholders managers need to be aware of the relationship orientation of their stakeholders and during the course of the relationship, parties evaluate their interactions (Polonsky, Schuppisser and Beldona, 2002:114; Hoffmann, Joost and Wies, 2011: 898). The next dimension is the relationship evaluation mode.

#### **3.4.2.9 Relationship evaluation mode**

Stakeholders or the organisation can evaluate their interactions during the course of the relationship using their relationship evaluation mode. In addition to the relational bonds formed using CL or CLalt discussed in Section 3.4.2.3, the stakeholder and the organisation can also use either operational or strategic evaluation modes to evaluate their relationship. The operative mode is used when stakeholders or the organisation are interested in short-term cost-benefit or efficiency implications of the past interactions with an organisation or stakeholder. In this case the emphasis is on the risks inherent to the relationship instead of the opportunities. In contrast, the strategic mode focuses on long-term opportunities of the relationship itself as a strategic resource and the emphasis is on its investment character (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114). The next dimension is the relationship specific investment.

#### **3.4.2.10 Relationship specific investment**

Relationship specific investments refer to idiosyncratic investments in a specific relationship, which cannot be easily recovered or transferred to other relationships. In other words, relationship specific investment is an investment made in a particular relationship between the organisation

and a specific stakeholder. The investment cannot be transferred to any other relationship that the organisation has with another stakeholder. The same applies to relationship specific investments made by stakeholders in their relationship with the organisation. This is because it is adapted to the needs of the of that specific stakeholder or organisation (Zaefarian, Thiesbrummel, Henneberg and Naudé, 2017:71). Thus, resulting in inter-organisational adaptations that enable an organisation or a stakeholder to secure the business with a specific stakeholder or organisation respectively. Relationship specific investments accrue returns over time as they affect the parties involved differently. For instance, one party's specific investment in the relationship can lower trust because of uncertainty regarding the benevolence of the other party. This is compounded by the fear of opportunistic and unfair behaviour from the other party. On the other hand, the other party's relationship specific investment can promote trust as they can dispel the uncertainty and anxiety of the other through sending strategic signals of commitment and care for the relationship (Zaefarian et al., 2017).

Having discussed the dimensions of a relationship the following section presents the different characteristics found in the relationship such as trust, transparency, commitment, cooperation, reciprocity, accountability, respect, flexibility, power, learning, communication and shared values which were mentioned in Chapter 1, Section 1.2. Some of the relationship characteristics are also found in the different relationship dimensions.

### **3.4.3 Characteristics of a relationship**

Relationships between the organisation and its stakeholders are complex and multi-faceted in nature, with different characteristics that determine the structure of the relationship with multiple stakeholders (Zaefarian, et al., 2017: 70). It is important to understand the characteristics of the relationship as they affect the structure (Zaefarian et al., 2017:70) of the relationships, as well as the development of the relationships (Polonsky, Schuppisser and Beldona, 2002:113). The following subsections will discuss the different characteristics of a relationship, trust, transparency, commitment, cooperation, reciprocity, accountability, respect, flexibility, power, learning, communication and shared values. There is extensive interaction amongst the relationship characteristics making it difficult to establish which ones are independent or

dependent on each (Polonsky, Schuppisser and Beldona, 2002:113; Mitchell et al., 1997) making them interdependent.

### **3.4.3.1 Trust**

Trust is defined as the willingness to be vulnerable (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114) and rely on the actions (Moorman, Zaltman and Deshpandé, 1992: 315) of another party in whom one has confidence in. To put it in another way, trust refers to a belief that one can be confident and have faith in the fairness, honesty, and integrity of another person (Ferris et al., 2009 :1389). Therefore, trust essentially implies predictability of the other party's behaviour, and the quiescence associated with such predictability. This leads to a reduction in costs and opportunism, resulting in higher relationship performance. Hence, trust is a critical component of any kind of relationship and is essential for relationship effectiveness and success (Ferris et al., 2009 :1389; Zaefarian et al., 2017:71).

There are three forms of trust, namely, calculus based, knowledge-based and identification-based trust which are built upon each other. According to Lewicki and Bunker (1995: 145), calculus-based trust is trust that is “ongoing, market-oriented, economic calculation” where the value is based on comparison of the outcomes derived from creating and sustaining the relationship to the costs of maintaining or severing it. Although, calculus-based trust, it is fragile and can easily be breached, both parties tend to benefit in the long run with each transaction. Hence, it is to their benefit to maintain that trust because a breach to that trust can result in a substantial loss of trust (Polonsky, Schuppisser and Beldona, 2002:115). When knowledge about the other party increases over time and interactions, knowledge-based trust is likely to develop (Polonsky, Schuppisser and Beldona, 2002:115).

The second form of trust is knowledge-based trust, relies on information. Knowledge-based trust happens when parties have known each other for some time which makes it easier within a specific situation for one party to predict the actions of the other. The third form of trust is identification-based trust, where parties share the same values, choices and preferences. Parties have a clear understanding of and endorse each other's intentions and goals (Polonsky, Schuppisser and Beldona, 2002:115). These three forms of trust are progressive in nature (Hoffmann, Joost and

Wies, 2011: 898) from cost-benefit calculations, to prediction based on knowledge and then to total understanding of each party's intentions.

Trust generates positive outcomes in the form of increased relationship specific investments (see section 3.4.2.9), enhanced cooperation (Hoffmann, Joost and Wies, 2011: 898) and communication, which improves agility and performance. Therefore, the existence of mutual trust can promote information sharing. Whereas the absence of mutual trust can raise conflict and even result in the termination of the relationship (Zaefarian, et al., 2017:71). In such a case transparency becomes crucial in order to rebuild the trust and commitment in the relationship (Jahansoozi, 2006:943). However, where trust is based on previous reputation, whether favourable or unfavourable, that reputation affects trust development in a new relationship (Ferris et al., 2009:1389).

### **3.4.3.2 Transparency**

Transparency makes it easy to see where responsibility lies in the organisation. It is linked to openness and described as being both a relational characteristic and environmental condition for organisational processes. Transparency can be viewed as a relational condition or variable that promotes commitment, collaboration, cooperation and accountability (Jahansoozi, 2006: 943) in the relationship between the organisation and its stakeholders.

### **3.4.3.3 Commitment**

Commitment refers to an implicit or explicit pledge to maintain a relationship (Hoffmann, Joost and Wies, 2011: 898). Commitment refers to the willingness of both parties to make interim sacrifices in the view of long-standing stable and lucrative relationships (Zaefarian et al.,2017:71). There are different types of commitment, but in terms of relationships in an organisational context affective commitment and behavioural commitment will be briefly explained. Affective commitment is “the desire to continue a relationship because of positive affect toward the partner” (Kumar, Scheer and Steenkamp, 1995:351). Behavioural commitment is “the overt manifestation of relationship continuation and associated investments” (Sharma, Young and Wilkinson,

2006:65). When one party commits itself to a relationship they take actions that demonstrates their interest in the relationship. This demonstrates to the other party the willingness to undertake consistent future behaviour. Commitment then binds the parties as it becomes difficult to renege because of the relationship specific investments that have been made (Bosse and Coughlan, 2016 :1206; Polonsky, Schuppisser and Beldona, 2002:117). The next relationship characteristic to be discussed is cooperation.

#### **3.4.3.4 Cooperation**

Cooperation is a sentiment that facilitates organisational relationships. Cooperation happens when parties “work together to achieve mutual goals” (Morgan and Hunt, 1994:62). This implies that parties involved in a relationship come together to build a successful relationship. However, it is not in the interest of the parties to cooperate unless sufficient guarantees such as contracts or relationship specific investments induce the other party to reciprocate (Zaefraian et al., 2017:71).

In addition to reciprocity the nature of dependency between parties involved in the relationship influences cooperation. The necessity of cooperation depends on the interdependences between the parties involved in the relationship. Thus, enhancing the capability of the parties through promoting efficiency in exploitation of inter-organisational resources (Zaefraian et al., 2017:71). Consequently, cooperation arises from the existence of trust and commitment and promotes relationship success. This means that the parties involved in the relationship cooperate when they are committed to each other, because they want to make the relationship work. The next relationship characteristic to be discussed is reciprocity.

#### **3.4.3.5 Reciprocity**

Reciprocity describes the shared understanding of repaying giving and taking in equivalent measures (Hoffmann, Pennings and Wies, 2011: 898). The degree of mutuality and reciprocity and form varies in organisation and stakeholder relationships. With the relationship strength determining how the relationship evolves (Hoffmann, Pennings and Wies, 2011:898; Polonsky, Schuppisser and Beldona, 2002:118). A strong form of reciprocity results in interactions becoming quid pro exchanges which are equivalent and synchronised, ensuring that parties are even at

all times. This makes long term relationships unlikely under such conditions. On the other hand, a weak form of reciprocity means that equivalence and the timing of returns are less important. Weak forms of reciprocity are more common in long term relationships where parties trust each other and know that they would not be exploited if they occasionally contribute more resources to the relationship (Hoffmann, Pennings and Wies, 2011:898; Polonsky et al., 2002:118). In other words, opportunism is not a concern. Accountability will be discussed next.

#### **3.4.3.6 Accountability**

Accountability is defined as being held answerable for one's actions in legal or contractual terms (Ferris et al., 2009 :1391). Accountability reflects meeting the expectations tied to maintaining high-quality relationships. However, it is important to establish the correct balance of accountability as too little or too much accountability in a relationship produces dysfunctional consequences (Ferris et al., 2009 :1391). Respect is discussed in the next section.

#### **3.4.3.7 Respect**

Respect reflects holding another in high regard and thus demonstrating esteem or positive feeling (Ferris et al., 2009:1389). It involves demonstrating esteem and high regard through differences and showing consideration. Respect is viewed as one of the most central aspects of an effective relationship (Ferris et al., 2009:1389). Flexibility is another relationship characteristic which is important in a relationship. Flexibility will be discussed next.

#### **3.4.3.8 Flexibility**

Flexibility in relationships refers to compromise and negotiation that is associated with individuals' tendencies to demonstrate cognitive and social innovativeness (Ferris et al., 2009:1390). Cognitive and social flexibility deals with the way that individuals process information, and handle issues of incompatibility and disagreement. Hence, flexibility is important to maintaining a relationship (Ferris et al., 2009: 1390). The relationship characteristic of power will be discussed next.

### **3.4.3.9 Power**

Power is present in relationships. The dependence and interdependence of parties on another party creates differences in power (Martins, de Faria, Prearo and Arruda, 2017:50). Power was defined in Chapter 2, Section 2.3.1.3 as the ability of one party to possess coercive (force), utilitarian (rewards and benefits) and normative (group) means to impose its will in the relationship (Mitchell et al., 1997:865). The parties involved can use either form of power to achieve their goals. Some stakeholders can be able to use either form of power to directly or indirectly influence organisational outcomes (Polonsky et al., 2002: 117). Power plays an important role in the “birth, development, decline and termination” of the relationship between an organisation and its stakeholders and vice versa (Martins et al., 2017:50). The next relationship characteristic is learning.

### **3.4.3.10 Learning**

Learning in relationships takes place as parties interact. Interactions always afford parties an opportunity to learn how actions affect oneself and the other party in the relationship. Likewise, an organisation increases its capacity to learn as it interacts with its stakeholders and the same applies to the stakeholders as they learn about the organisation (Polonsky et al., 2002: 116). As the learning cycle begins the representatives of the parties involved in the relationship learn according to their specific organisational context. The learning cycle (Polonsky et al., 2002: 116) consists of:

- Establishing valuable goals;
- Establishing the appropriate actions;
- Acting;
- Experiencing the outcomes of these actions; and
- Evaluating those outcomes in order to conceive other goals or actions.

Different types of learning can occur as the organisation and its multiple stakeholders move through the cycle and this is dependent on the changes done to the established goals or actions. An organisation or a stakeholder engages in a single-loop action-learning when the evaluations of outcomes are not satisfactory. Resulting in the party considering more efficient instrumental

actions for achieving the unchanged valued goals but is not willing to reconsider the appropriateness of the goals. Whereas in double-loop action-learning, the organisation or stakeholder does not only regard instrumental actions as valuable but also willing and able to change the goals (Polonsky et al., 2002: 116). In triple-loop action-learning, a party is open to questioning instrumental actions, valued goals and in addition is willing and able to consider potential biases in their organisation's context, that makes some goals and actions more valuable (Polonsky et al., 2002: 117). Learning cannot take place without communication.

#### **3.4.3.11 Communication**

Communication facilitates shared information between two parties that may be valuable to the operations of the other party. Timely communication fosters trust, because communication that is experienced in the past helps to build trust between partners. Previous communication helps to build accumulated trust between parties (Zaefarian, et al., 2017:17). Although, communication in organisation and stakeholder relationships varies in frequency, direction, modality and content. There are two combinations of communication that contains these variants. Namely, the collaborative and autonomous combinations of communication. The collaborative combination, which includes higher frequency and more bi-directional flows, informal modes of communication (i.e. print material, word of mouth) and indirect content. In the collaborative combination parties try to change the beliefs of another and attitudes about the desirability of an intended behaviour without requesting specific action. The autonomous combination includes lower frequency and more unidirectional, formal modes of communication with the use of direct content (Polonsky, Schuppisser and Beldona, 2002:116).

Communication styles such as persuasive, argumentative and informative styles of communication can also be used to describe relationships. A persuasive communication style is used when a communicating party already knows what it wants to achieve and thus communication merely serves to bring compliance from the other party. Persuasive communicators do not disclose their intentions and goals, as the parties are not willing to change them as a result of communication with the other. A persuasive communication style means that one party tries to instrumentalise the other party in order to achieve its own goals (Polonsky, Schuppisser and Beldona, 2002:116).

In contrast, parties who pursue an argumentative communication style offer the recipients information that allows them to test the truthfulness of an assertion or the legitimacy of a demand. In this case, communication serves to enter a process of common sensemaking (giving meaning) that will lead to solutions that are jointly created. Thus, representing a consensus and not a temporary compromise that will be questioned as soon as the distribution of power has changed (Polonsky, Schuppisser and Beldona, 2002:116). Finally, an informative communication style genuinely does not include any specific influence attempt but serves to communicate “objective” communication (Polonsky, Schuppisser and Beldona, 2002:116). In other words, the type for relationship that exists between the organisation and its stakeholders influences the communication style used. Likewise, as the relationship is dynamic and evolves it would be assumed that the communication style will also change depending on the stage of the relationship and the type of the relationship as the relationship is dynamic and evolves over time (Payne and Frow, 2013; Ferris, Liden, Munyon, Summers, Basik and Buckley, 2009). Communication is known to encourage commitment and loyalty through fostering participative decision making (Zaefarian et al., 2017:71). The next relationship characteristic is shared values.

#### **3.4.3.12 Shared values**

Shared values in terms of building a long-term relationship refers to the extent to which partners have common beliefs about what behaviours, goals and policies are important or unimportant, appropriate or inappropriate and right and wrong (Morgan and Hunt 1994:25). Shared values are internalised because once they are established, they act as normative guides to behaviour that is independent from the effects of rewards and punishments as consequences of actions in the relationship (Kashyap and Sivadas, 2012:588). Internalisation occurs when a party accepts influence from another because the induced attitudes and behaviours are similar to those of the other party or organisation (Kashyap and Sivadas, 2012:588).

According to Porter and Kramer (2011), from a strategic point of view, shared values involve the organisation creating economic value through profit while meeting the needs of the society which is creating value for the society (Chodokufa and Cronje, 2016:208) these two are brought together through strategy (Aakhus and Bzdak, 2012:233). However, this is not the focus of this study, shared values are part of the relational characteristics because the sharing of values play a part in

defining the relationship between the organisation and all its stakeholders and not just the society in which it operates.

#### **3.4.4 Summary of relationship characteristics**

The different relationship characteristics that have been discussed are interrelated with the relationship dimensions discussed. The interaction and interrelatedness of these characteristics play a role in the development of stakeholder relationship. Trust plays a role in reciprocity within a relationship by preventing opportunism between parties (Hoffmann, Pennings and Wies, 2011:898; Ferris et al., 2009 :1389; Polonsky et al., 2002:118). Whilst, transparency lays the foundation for cooperation, commitment and accountability in the relationship (Jahansoozi, 2006: 943). Learning facilitates problem solving within the relationship. It results in parties being willing to be flexible, to change, adjust their goals and actions to accommodate the other party (Polonsky, et al., 2002: 116). This makes flexibility (Ferris, et al., 2009: 1390) an important part of learning. In addition to that, communication enables trust to be established between parties (Zaefarian et al., 2017:17). Power within relationships influences how a relationship is developed, maintained and terminated (Martins, et al., 2017:50). However, as mentioned in the beginning of the section, it is difficult to determine which characteristics are independent or dependent on each other. To say the least, they are highly interrelated. Hence, the relationship dimensions and characteristics influence the building of the relationship between the organisation and its stakeholders. Building of stakeholder relationships will be discussed in the next section.

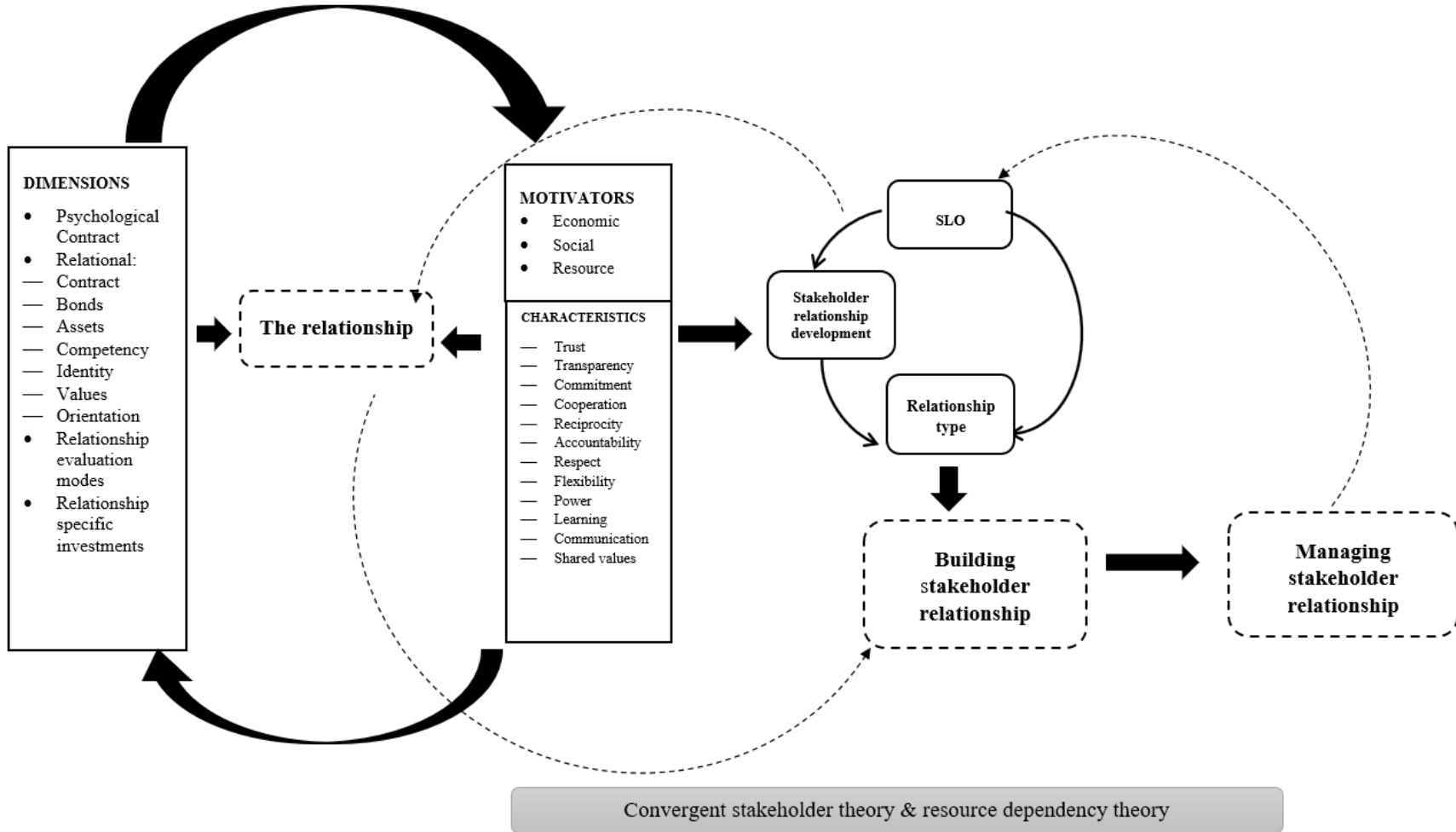
### **3.5 BUILDING AND MANAGING STAKEHOLDER RELATIONSHIPS**

Oxford dictionary defines building as the “creation or development of something over a period of time” (Oxford, 2017). The word develop means to “invent something or bring something into existence (Cambridge, 2017). Mazur and Pisarski (2015:1682) define stakeholder relationship development as the interactive and non-interactive, actions and activities performed by managers to establish and maintain interpersonal work relationships with their stakeholders.

Resource dependency theory emphasises that there is an interdependency between the organisation and its stakeholders. In such a situation of interdependency a more complex system of coordination

and relationship management evolves with the parties as they are responsible for developing the relationship (Drogendijk and Andersson, 2013:383). The existence or nonexistence of interdependencies between the organisation and its multiple stakeholders determines how it coordinates its relationships. The strength of the relationship or the absence of a relationship results in no or little interaction, and limited exchange of resources, including information (Drogendijk and Andersson, 2013:383). This is different in relationships where one organisation depends on the other. To help in understanding how stakeholder relationships are built and managed, Figure 3.2 illustrates how the relationship which is comprised of the different motivations, relationship dimensions and characteristics (described in Section 3.4) influences how the stakeholder relationship is built. In addition to the relationship with all its elements, the building of a stakeholder relationship is influenced by SLO, how the relationship develops and the types of relationships. The organisation is able to decide on how it can manage the relationship it has with its multiple stakeholders, forming part of the conceptual dynamic multidimensional stakeholder relationship management process.

**Figure 3.2:** Building and managing stakeholder relationship conceptual process.



Source: Researcher's own construction.

Relationships develop in different stages as discussed in the following section 3.5.2. As illustrated in Figure 3.2 how the relationship develops should be considered as that influence the relationship between stakeholders and the organisation. SLO influences how the organisation builds the relationship with its stakeholders as well as how the relationship develops. The building of stakeholder relationships is influenced by the relationship itself which is comprised of the different motivations (discussed in Section 3.4.1), characteristics (discussed in Section 3.4.3) and dimensions (discussed in Section 3.4.2) that make up the relationship. The way that the relationship is built influences the managing of the stakeholder relationship which is shown by the arrow direction in Figure 3.2. After the relationship is developed it can then be classified into different types as discussed in Section 3.5.3 The type of stakeholder relationship influences the building of the stakeholder relationship which determines the managing of the stakeholder relationship. The managing of the stakeholder relationship affects how the stakeholder relationship develops. Keeping in mind that the stakeholder relationship development is ongoing as it goes through the different stages as discussed in Section 3.5.2. This results in the process of managing the relationship with the stakeholder. However, this is an iterative process with constant evaluation and monitoring (Wilburn and Wilburn, 2011:1). The building of the relationship influences how it is managed, and how it is managed, influences how the relationship is built. Managing and building of the relationship is an ongoing process as the relationship is dynamic. The first part of building and managing stakeholder relationships to be discussed is SLO.

### **3.5.1 A social licence to operate as a part of stakeholder relationship management**

In Chapter 1, Section 1.2, SLO was defined as “the formal and informal approval a company needs from stakeholders to conduct its business” and this is achieved by developing ‘ongoing, positive relationships’ with stakeholders (Newmont Mining Corporation, 2009). SLO entails an ongoing acceptance or approval from the local community and other stakeholders on the operation of the mining organisation (Parsons, Lacey and Moffat, 2014:84). Attaining SLO becomes significant to the organisation as stakeholders have the capability of adversely affecting the operations of an organisation through lobbying governments and boycotting products produced by the organisation (Parsons, Lacey and Moffat, 2014:84). Therefore, it becomes important to have congruent goals between the organisation and its stakeholders. Ensuring that there is a match between the

expectations of the stakeholders and the actual behaviour of the organisation. This can only be done through communication (Polonsky et al., 2002: 116) and a willingness to learn by the organisation and the stakeholders.

There are three components that have been identified for SLO, namely, legitimacy, credibility and trust (Williams and Walton, 2013:3; Thomson and Boutilier, 2011: 1785). A mining organisation develops legitimacy and credibility with its local stakeholders, acceptance and then approval of the organisation follows. As the relationship between the organisation and its stakeholders develops into trust, the local community is expected to begin to co-identify with the organisation and actively support the interests of the organisation (Moffat and Zhang, 2014:62; Williams and Walton, 2013:3). It is important for the organisation to first formulate strategy to gain their SLO (Nelsen 2006: 162) before establishing their mining operation. This is done through communicating with the relevant stakeholders. Which means that the organisation needs to identify the relevant stakeholders and establish the networks in which they belong. If an organisation is to communicate and consult with stakeholders, it needs to understand their values. Hence, the SLO starts with identifying micro-social contracts to bind the different stakeholders. Micro-social contracts are used to identify where there are shared norms, or accepted behaviours and shared values among stakeholders (Wilburn and Wilburn, 2011:10). These shared values can be used to set a foundation to negotiate differences that exist between organisation and the stakeholders. As discussed in the previous Section 3.4.3.12 when there are shared values between the organisation and stakeholders help to define their relationship, fostering trust which hinders opportunistic behaviours from both parties.

Wilburn and Wilburn, (2011:11) suggest five steps for organisations to achieve SLO which are as follows:

**Step 1:** An organisation would describe how it would “do no intentional direct harm, produce more good than bad for the host country, contribute by their activities to the host country’s development, respect the human rights of their employees, pay their fair share of taxes, respect the local culture and work with it, not against it, to the extent that the local culture does not violate moral norms,

and cooperate with the local governments in the development and enforcement of just background institutions” (DeGeorge, 1989:264).

**Step 2:** Collect information on the micro-social contracts of the stakeholders in the community in which it would be operating.

**Step 3:** The organisation would analyse the alignment between its norms and the micro-social contracts of the stakeholders.

**Step 4:** Engage all stakeholders in a discussion of the mining project to produce a proposal that will result in consent by most of the vested stakeholder groups for a SLO.

**Step 5:** Monitor the progress of the project to ensure that the project is proceeding as agreed upon in the proposal.

Towards the end of the analysis (step 4) a decision on whether to proceed or not proceed with establishment of the mining project should be made. If there is a discrepancy between the organisation’s norms and values with those of the stakeholders or between the norms and values of different stakeholders, then the organisation can consider not to pursue the intended mining project (Wilburn and Wilburn, 2011:11). The key is to have jointly agreed upon success indicators between the community and the organisation, be it improved health and education or jobs created. It is important to monitor and evaluate during the implementation of the process of obtaining SLO (Wilburn and Wilburn, 2011:11). SLO can be withdrawn at any time, giving communities a potential to exercise their power over the organisation (Wilson, 2016:74). This is how the relationship between stakeholders and organisations with their stakeholders is characterised in terms of power and resource dependencies.

Practical strategies have been suggested for an organisation to secure SLO which include ongoing communication with stakeholders, transparent disclosure of information to communities, and strengthening community development agreements (Moffat and Zhang, 2014:62). However, like with any other stakeholder, the attitudes and expectations of stakeholders within the community are dynamic and they evolve (Nelsen, 2006:162). In addition, SLO alludes to the notion of

homogeneity of interests within community stakeholders (Kemp and Owen, 2013). This assumption is flawed, as communities and other stakeholders affected by the mining organisation have heterogeneous values, interests and expectations (Williams and Walton, 2013:6). Hence, the organisation must consider stakeholder multiplicity (Neville and Menguc, 2006:377) as it obtains and maintains its SLO. In considering stakeholder multiplicity, the organisation has to be responsive to any change in approval and acceptance by the community in which it operates, making SLO context specific (Hall, Lacey, Carr-Cornish and Dowd, 2015:302). This suggests that organisations will have to share some aspects of their decision-making with stakeholders (Kemp and Owen, 2013:527). Therefore, trust should be central in any efforts to obtain and maintain a social licence to operate. The shared norms and values identified during the process of obtaining SLO. The relationship development stages will be discussed next as it is the next part of the building and managing stakeholder relationship conceptual process illustrated in Figure 3.2.

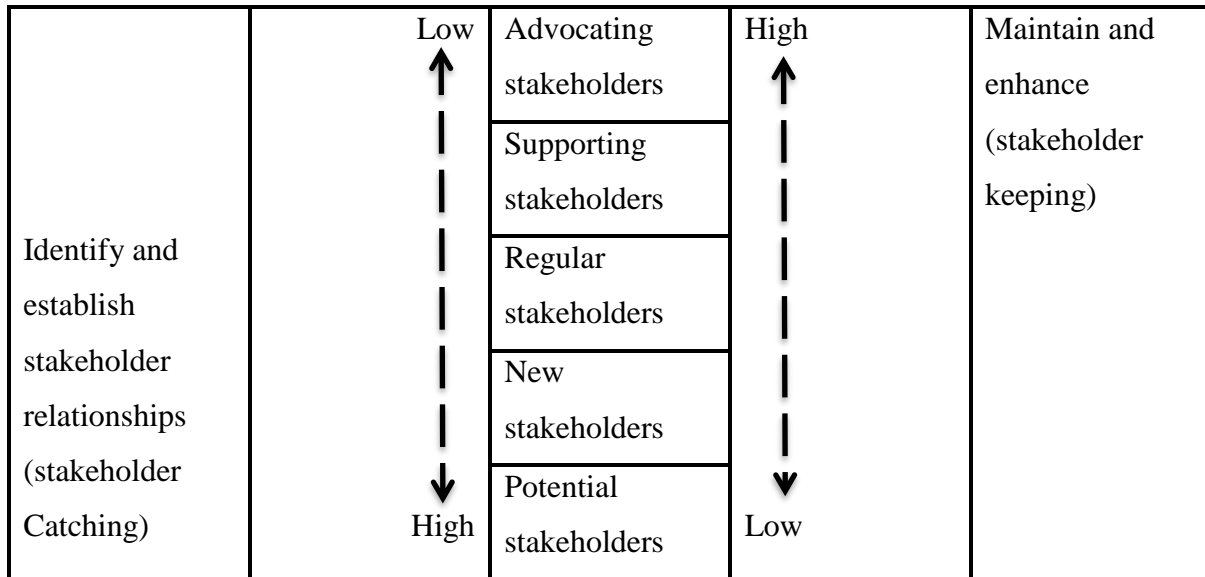
### **3.5.2 Relationship Development Stages**

Stakeholder relationship consists of different developmental stages (Mazur and Pisarski, 2015:1682; Payne and Frow, 2013:51) and the stages tend to differ with different types of relationships. The managers of an organisation have the ability to influence the development of relationships with stakeholders. Relationship development stages vary in terms of their sequence, depending on the relationship types and according to the different contexts (Dwyer 1987 as cited in Payne and Frow 2013:51; Ferris et al., 2009; Tuomien, 1995; Knapp, 1978 as cited in Welch and Rubin, 2002; Polonsky, Schuppisser and Beldona, 2002). In general, relationship development stages begin with an initiation/development/establishment stage, a middle stage that involves relationship maintenance behaviours, and an end stage involving the dissolution or termination of the relationship (Mazur and Pisarski, 2015: 1682). During the first stage of relationship initiation or development, parties recognise the potential (Payne and Frow, 2013:51) of the other party becoming mutually attracted (Ferris et al., 2009:1387) to the other party. The middle stage parties gather information about one another to help them judge past and future behaviours (Ferris e l., 2009: 1389). Whilst considering the costs and benefits of the relationship parties seek to make a greater commitment to one another (Payne and Frow, 2013: 51). Once commitment is established and the expectations are met, trust begins to grow (Ferris et al., 2009: 1390). The certainty of future

benefits in the relationship allows higher degrees of risk-taking, greater efficiency due to long term mutual goals and increased effectiveness through mutual trust (Payne and Frow, 2013:52). The last stage of dissolution of the relationship can occur at any stage of the relationship. The impact of dissolution is likely to be greater when a relationship is well established, and the termination decision is initiated by one partner. It has less impact if both parties cease to benefit from the relationship (Payne and Frow, 2013:52). Perhaps a renewal or revitalisation of the relationship in addition to dissolution in the end stage as the relationship evolves and circumstances change, resulting in a different type of relationship. The development of a relationship is not sequential but rather cyclical, dynamic and an iterative process depending on the type of relationship (Ferris et al., 2009: 1391). More so, when it comes to networks which are similar to groups that go through sudden formation, maintenance, and revision stages. Meaning, relationships in groups found in networks develop differently from one another due to influences from the external environment and the group system itself (Mazur and Pisarski, 2015:1682).

Similarly, organisations would want their relationship with stakeholders to progress from one level to another as their relationship evolves. Stakeholders progress through a “ladder of stakeholder loyalty” (Tuomien, 1995:167). This is done by strengthening existing stakeholder relationships. The ladder of stakeholder loyalty starts when stakeholders are identified which is referred to stakeholder catching and stakeholder keeping when the organisation maintains the stakeholder relationship moving the stakeholder from new to potential stakeholder ending up as advocating stakeholders this is illustrated in Figure 3.3.

**Figure 3.3:** The ladder of stakeholder loyalty.



Source: Tuominen, (1995: 167 as cited in Polonsky, Schuppisser and Beldona, 2002:112).

The ladder of stakeholder loyalty depicts how stakeholder relationships evolve as stakeholders move from the bottom of the ladder to the top. Starting with identifying and establishing relationships (stakeholder catching) which happens when an organisation develops new relationships with stakeholders resulting in maintaining and enhancing stakeholder relationships (stakeholder keeping). In this ladder the stakeholder’s loyalty transcend from potential stakeholders to advocating stakeholders (Polonsky, Schuppisser and Beldona, 2002:112). Although the ladder of stakeholder loyalty provides an understanding description of how stakeholder relationships evolve, it fails to consider the complexities associated with stakeholder interactions (Polonsky, Schuppisser and Beldona, 2002:112). As stakeholders have the ability to cooperate with (Polonsky, Schuppisser and Beldona, 2002:113; Rowley, 1997) or threaten the organisation (Freeman, 1984:114), resulting in the organisation having different types of stakeholder relationships.

### 3.5.3 Types of a stakeholder relationships

Organisations develop diverse types of relationships with multiple stakeholders based on the value attached to the outcome of the relationship (Herremans, Nazari and Mahmoudian, 2016: 420). Moreover, organisation-stakeholder relationships develop within a social context with contextual factors (Elfenbein and Zenger, 2014:223) that influence the value attached to the relationship. The different types of stakeholders are clearly discussed in Chapter 1, Section 1.4 (internal, external, salient, primary, secondary stakeholders) and in Chapter 2, Section 2.2. The various types of stakeholder relationships are briefly described in Table 3.1.

**Table 3.1:** Types of stakeholder relationships.

Type of relationship	Source
<p><b>Power-based</b>            These relationships are based on the power as an attribute of the relationship between the organisation and the stakeholder. Where the organisation has both positive and negative power over the stakeholder by “encouraging” or by being “demanding”. Another form of power-based relationships is stakeholder power, where organisations respond to stakeholders that have power to “expect, demand and evaluate their actions.</p>	(Onkila, 2011:385; Herremans, Nazari and Mahmoudian, 2016: 421)
<p><b>Conflicting</b>            The organisation interrogating the legitimacy of different stakeholders and respond to those it deems to have legitimate interests.</p>	Onkila, 2011:385; Herremans, Nazari and Mahmoudian, 2016: 421)
<p><b>Collaborative</b>            The organisation interacts with its stakeholders and there is a perception of equality with the organisation being part of the network and an equal actor in the society. Where the organisation works together with stakeholders for mutual benefits.</p>	(Onkila, 2011:388; Maglyas and Smolander 2014:69; Herremans, Nazari and Mahmoudian, 2016: 421)
<p><b>One-sided contribution</b>            Where the organisation contributes positively to the wellbeing of stakeholders.</p>	(Onkila, 2011:389)
<p><b>Explorer</b>            The organisation uses an innovative approach providing value to individual stakeholders as well as revolutionising business models and practices.</p>	(Banks, Vera, Pathak and Ballard, 2016:21)
<p><b>Exploiter</b>            The organisation utilises standardised industry specific approaches to stakeholder relationships with generic responses to stakeholder needs.</p>	(Banks et al., 2016:21)

Researcher’s own construction.

As illustrated in Table 3.1 there are different stakeholder relationship types, namely power-based, conflicting, collaborative, one-sided contribution, explorer and exploiter. The types of stakeholder relationships are based on different characteristics, such as power, conflict, reciprocity and collaboration. The different types of stakeholder relationships require different management tools. However, stakeholder relationships are dynamic in nature as they change over time (Banks et al., 2016:26). The context and the historical background of the organisation's relationship with multiple stakeholders (Savage, Nix, Whitehead and Blair, 1991:65) influences how the relationship evolves (Polonsky, Schuppisser and Beldona, 2002:111). There are different relationship motivators, dimensions and characteristics (as discussed in section 3.4.1, section 3.4.2 and section 3.4.3 respectively) that influence the relationship itself. It becomes important to view the organisation's stakeholder relationship autonomously (Jahansoozi, 2006:943). Identifying and understanding how these relationships evolve helps in understanding how the relationship develops (Polonsky, Schuppisser and Beldona, 2002:112) and how the stakeholder relationship is managed. The next section is a discussion on managing stakeholder relationships.

#### **3.5.4 Managing Stakeholder Relationships**

Stakeholder relationship management is seen to be disintegrated. In practice stakeholders in an organisation are managed within different functional parts of the organisation (i.e. marketing, operations, procurement and finance). Since there are many different parts of the organisation and different managers in the organisation are involved, resulting in an uncoordinated relationship management of stakeholders (Payne and Frow, 2013:117). Demirel and Öner (2015) developed an integrated stakeholder relationship management model (ISRMM). The model was developed using systems thinking which advocates for the treatment of systems as wholes, comprised of related elements (Demirel and Öner, 2015:23) and integrated management approach. This ultimately creates synergy between goal setting, organisational structure design and assignment of human functions (Demirel and Öner, 2015:8). The ISRMM integrates the organisation's stakeholders and the stakeholder constructs (salience, social capital, stakeholder management) into each phase of the management process which is an integration of management levels (normative, strategic and operational) and components (goals, structure and behaviour). The integration was done through matching management levels and components to several stakeholder theory constructs to establish which stakeholders are incorporated at each level of managerial strategic decision making

(Demirel and Öner, 2015: 10). The empirical results of the study illustrated that organisations do not integrate stakeholders in their management decisions and their organisational processes (Demirel and Öner, 2015:23). While the study investigated stakeholder involvement in decision making it did not address how managers build and manage stakeholder relationships.

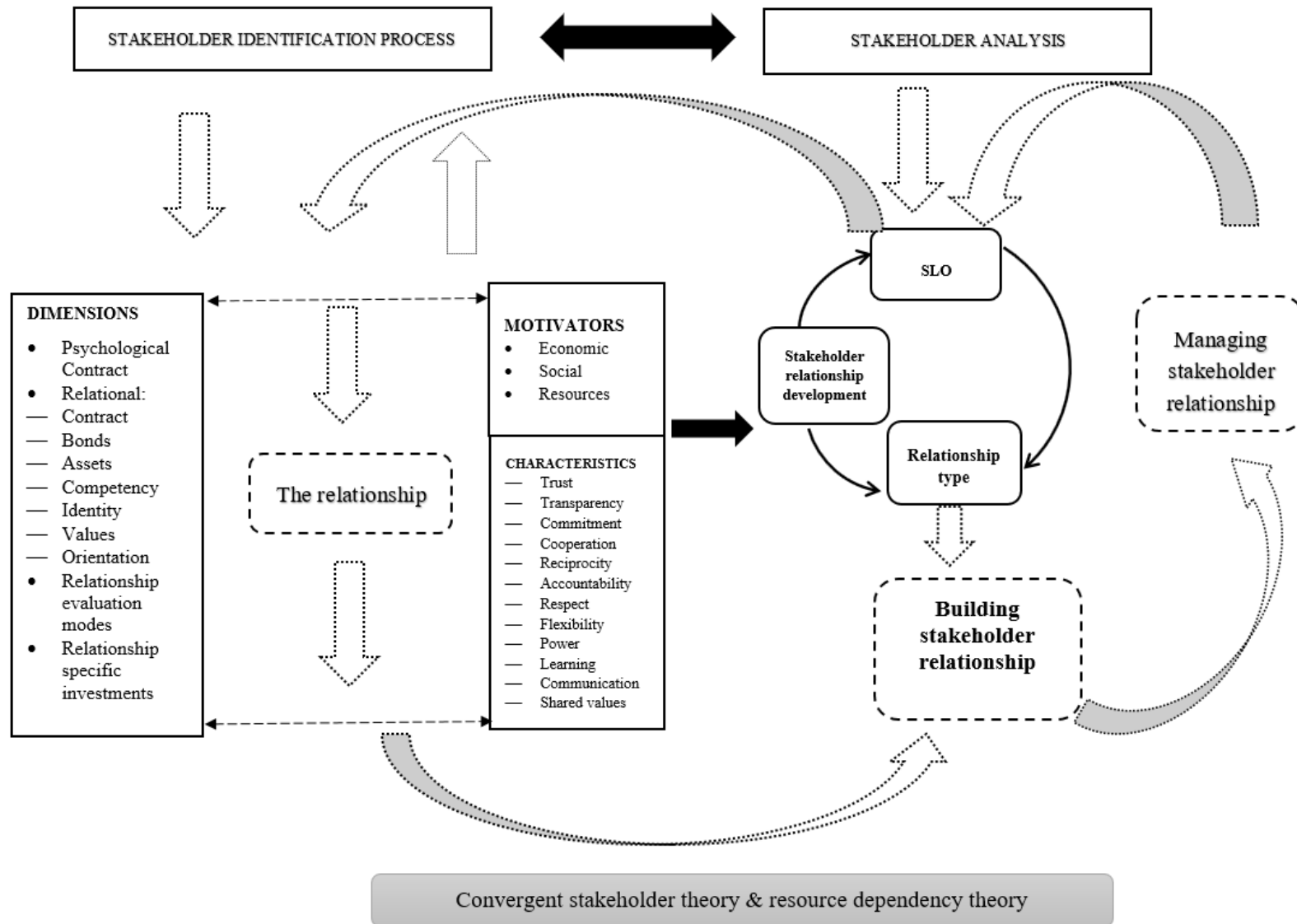
As discussed in Chapter 2, stakeholder relationship management theory focuses on the management of stakeholder behaviour. How the organisation can respond to “predicted” behaviours of its stakeholders (Freeman, 1984:132) through different strategies such as the generic stakeholder management strategies (Freeman, 1984:144), stakeholder pressures (Rowley, 1997), strategies used by stakeholders to influence the organisation (Frooman, 1999) and strategies used according to the organisational life cycle stage of the organisation (Jawahar and McLaughlin, 2001).

Stakeholder relationship management is context specific as discussed in Chapter 2. Section 2.3.1.2 (Yang, Shen, Ho, Drew and Xue, 2011:909). The selection of approaches to manage the relationship should be suitable for the situation, the available resources, and the use of a combination of approaches to analyse and engage stakeholders. When looking at research on how organisations manage relationships with specific stakeholders, there is an emphasis on how stakeholders with a power disadvantage (i.e. in a power imbalanced relationship) should implement different types of relationship bonding tactics to increase their power over the organisation (Wang, Wang, Jiang, Yang and Cui, 2016:5594). However, the relationship is not the central focus but rather the management of behaviours and influences from either the organisation or the stakeholders.

### **3.6 A DYNAMIC MULTIDIMENSIONAL STAKEHOLDER RELATIONSHIP MANAGEMENT PROCESS**

A holistic conceptual presentation of a dynamic multidimensional stakeholder relationship management process illustrated in Figure 3.5 presents the different parts discussed and presented throughout Chapters 2 to 3. This process includes the stakeholder identification process as presented and discussed in Chapter 2, Section 2.3.1.1 and stakeholder analysis as discussed in Chapter 2, Section 2.3.2, the relationship is discussed in Section 3.4.1 and building managing stakeholder relationships discussed in Chapter 3, Section 3.5.

**Figure 3.4:** Conceptual dynamic multidimensional stakeholder relationship management process.



Source: Researcher's own construction.

As illustrated the dynamic stakeholder relationship management process is an iterative process. It starts with the stakeholder identification process which was explained in detail in Chapter two, section 2.3.1.1 where the identification of stakeholders takes place within a well-defined context, considering stakeholder influence, salience (power, legitimacy and urgency), and site-specific issues (in terms of location and influences). The stakeholder identification process is continuous because the context, influence, salience and site-specific issues are dynamic. The next part of the dynamic stakeholder relationship management process is stakeholder analysis which is presented and discussed in detail in Chapter two, section 2.3.2 where stakeholders of an organisation are categorised within set boundaries, whilst considering the priorities, interests and relational ties of stakeholders. The building and managing of the stakeholder relationship discussed in Chapter 3, Section 3.5 in which it considers how the relationship which is comprised of the different motivations, relationship dimensions and characteristics (described in section 3.4) influences how the stakeholder relationship is built. In summary the dynamic stakeholder relationship management process provides a guide on how an organisation can build and manage its stakeholders starting with stakeholder identification, followed by stakeholder analysis, then building and managing the stakeholder relationship. Whilst allowing for complementary; competitive and/or cooperative interests that result from dynamic interactions between multiple stakeholder networks, whilst taking into account that interests may vary according to the underlying context.

### **3.7 DISCUSSION AND CONCLUSION**

Convergent stakeholder theory advocates that managers can create morally sound approaches to business and make them work (Jones and Wicks, 1999). Organisations can no longer ignore their stakeholders. Hence, managers can develop and manage stakeholder relationships without compromising the goals of the organisation. Consequently, this creates a dependence between the organisation and its stakeholders because organisations become concerned with, paying more attention to, and deal with sources of critical resources to ensure survival of the organisation. In addition, stakeholder theory (Freeman 1984; Jones and Wicks 1999; Jawahar and McLaughlin 2001; Mainardes, et al., 2012) advocates for a desired type of stakeholder relationship the organisations want to attain. Ideally, organisations want stakeholder relationships to evolve or develop into a relationship where mutuality (Mainardes, et al., 2012:1870), synergy and

cooperation (Jawahar and McLaughlin 2001:399; Jones and Wicks 1999: 208; Freeman 1984: 132) exists between the organisation and the stakeholders. Into a situation where the stakeholder moves up a “ladder of loyalty” from a potential stakeholder to an “advocating stakeholder” (Tuominen, 1995: 167, cited in Polonsky, Schuppisser and Beldona, 2002:112). This view is highly simplistic as stakeholder relationships are dynamic in nature, changing according to context (Polonsky, Schuppisser and Beldona, 2002:113; Herremans, Nazari and Mahmoudian, 2016:420). However, this should not deter organisations from aiming to minimise the gap between the actual and desired type of stakeholder relationship with its stakeholders. The relationship is influenced by different relationship characteristics and dimensions (Jahansoozi 2006:1954; Myllykangas et al. 2011:65; Polonsky, Schuppisser and Beldona, 2002:114; Meintjes and Grobler, 2014 :164).

Considering the dynamic nature of the relationship between an organisation and its multiple stakeholders it is not enough to put the organisation at the centre of the relationship (Lozano 2005: 65) as depicted in Freeman’s (1984: 35) stakeholder map. Such a dyadic view is the reason behind stakeholder relationships being “a problem of managing relationships” (Lozano 2005: 65). On the other hand, as discussed in Chapter 1 section 1.4, Freeman’s (1984) strategic view of stakeholders (Fassin, 2009:119) emphasises how stakeholders legitimise (Herremans, Nazari and Mahmoudian, 2016: 420) and assist the organisation in obtaining SLO (Ziessler et a., 2013:167). SLO is related to stakeholder theory as it advocates for organisations to have ongoing, positive relationships with its stakeholders and attain approval for its operations. The different strategies and steps to obtaining and maintaining a SLO can provide input on how an organisation can build stakeholder relationships. The interrelatedness of SLO and stakeholder theory, necessitates a move towards a “relational” (Lozano 2015:72) organisation that builds relationships with stakeholders and not just manage stakeholder behaviours.

There are many dimensions (relational competency, relational capital which is the value attached to the relationship, relational values the value creation within that relationship, the motivators or drivers) that go into the relationship between multiple stakeholders and the organisation. In addition, there are also relationship characteristics (trust, commitment, shared values, satisfaction, communication, transparency) that are embedded in the relationship. The different elements are intertwined with a heavy reliance on the manager and the stakeholders to manage all these aspects as the relationship becomes autonomous, taking place within the context of stakeholder

multiplicity (Pera, Occhiocupo and Clarke, 2016:4033; Neville and Menguc, 2006:377). Due to the multifaceted nature of relationships and the different characteristics (Zaefarian et al., 2017:70) and relationship motivators (Pera, Occhiocupo and Clarke, 2016:4037) that go into building relationships it becomes important to assess the relational competencies (Mazur and Pisarski, 2015) of all parties involved. In conclusion, it becomes clear that the building and managing of stakeholder relationships is an ongoing process affected by the context in which it occurs. The next chapter presents the research design and methodology of this study.

## **CHAPTER FOUR**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **4.1 INTRODUCTION**

To achieve the purpose and objectives of this study, as stated in Chapter 1, Section 1.4 the research design and methodology used in this study will be explained in this chapter. This chapter begins with the statement of the research purpose and empirical research objectives. This is followed by a discussion of research paradigms and a justification of the chosen research paradigm for this study. The research methodology will then be discussed providing grounds for the empirical qualitative study and case study approach followed in this study. Subsequently the reliability and validity of the qualitative study will be discussed and the application to the current study will be explained. The sampling method used in the study will be discussed. The data collection method will be presented, along with an explanation of how the content analysis for the study was done. Lastly, the ethical considerations of the study and the conclusion of the chapter will be provided.

#### **4.2 RESEARCH PURPOSE AND OBJECTIVES**

As indicated in Chapter 1, the purpose of this study was to fill the gap in the current literature pertaining to the process followed in managing dynamic stakeholder relationships and addressing the assertions levelled against the mines on stakeholder relationship management by describing and understanding how stakeholder relationships of a Chinese mining organisation in Zimbabwe are built and managed. The purpose of this study was achieved by means of a critical literature review that was already done in Chapters 2 and 3. The purpose of this study was also achieved through obtaining the viewpoints of the stakeholders involved with the selected Chinese mining organisation in Zimbabwe on how multiple stakeholder relationships are built and managed in a dynamic context. To achieve the purpose of this study the research objectives were set and stated in Chapter 1, Section 1.4. The following empirical objectives, are pertinent to this chapter:

- v. *Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*
- vi. *Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.*
- vii. *Identify and describe the challenges experienced in the management of stakeholder relationships.*

To meet the purpose, objectives set for this study, a research design and methodology are considered in the section that follows.

### **4.3 RESEARCH DESIGN AND RESEARCH METHODOLOGY**

Research designs are “logical blueprints” with the logic involving the links between the research objectives, the data to be collected, and the strategies for analysing the data (Yin, 2013:76; Gephart, 2004:455). Even though qualitative research has no fixed designs (Yin, 2013:76) it is flexible. This study was guided by the interpretivistic research paradigm. The research paradigm of this study is discussed in the next section.

#### **4.3.1 Research paradigms**

A paradigm may be viewed as “a set of basic beliefs (or metaphysics) that deals with ultimate or first principles. It represents a worldview that defines, for its holder, the nature of the world, individual’s place in it, and the range of possible relationships to that world and its parts.” (Guba and Lincoln, 1994:107). A paradigm is “made up of the general theoretical assumptions and laws and the techniques for their application that the members of a particular scientific community adopt” (Chalmers, 1982:108). Paradigms are examples of accepted scientific practice. When these examples are put together with scientific theories, laws, instruments, and experiments, provides basis for scientific traditions and the formation of scientific communities (Pernecky, 2016:15). A paradigm is made up of the following (Chalmers, 1982:108):

- explicitly stated laws and theoretical assumptions;
- standard ways of applying the fundamental laws to a variety of situations;

- instrumentation and instrumental techniques that bring the laws of the paradigm to bear on the real world;
- general metaphysical principles that guide work within the paradigm;
- general methodological prescriptions about how to conduct work within the paradigm.

In other words, a paradigm is a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations are made (Saunders, Lewis and Thornhill, 2012:141). It is a set of overarching, interconnected assumptions about the nature of reality (Maykut and Morehouse, 1994:4). There are two overarching research paradigms namely, positivism and interpretivism. Quantitative research is based on a positivist position while qualitative research is based on an interpretivistic position. Positivism is associated with objective inquiry based on measurable variables and provable propositions, the prediction of observable events (Maykut and Morehouse, 1994:3). Whilst the interpretivism focuses on understanding the meaning events have for the persons being studied (Maykut and Morehouse, 1994:3).

This study is a qualitative study and based within the confines of the interpretivistic paradigm. Within the different paradigms there are different assumptions and key questions that help to differentiate the paradigms (Maykut and Morehouse, 1994:3; Saunders, Lewis and Thornhill, 2012:129), namely the

- ontological assumptions (the nature of reality);
- epistemological assumptions (the origins of knowledge);
- axiology (the role of values);
- teleology (the purpose of research); and
- logic which deals with the principles of demonstration or verification.

### **4.3.2 Ontology**

Ontology is concerned with the nature of reality. Key ontological questions address the assumptions researchers have about the nature of reality, the way that the world operates and the researcher's commitment to particular views (Saunders, Lewis and Thornhill, 2012:130; Maykut and Morehouse, 1994:3). The two aspects of ontology deal with the question of whether social

entities can and should be considered objective entities that have a meaningful reality outside of those social actors connected to their existence, which is referred to as objectivism (Bryman and Bell, 2011:20; Saunders, Lewis and Thornhill, 2012:130). Or whether they can and should be considered social constructions created through the perceptions and consequent actions of social actors, which is referred to as constructionism (Bryman and Bell, 2011:20; Saunders, Lewis and Thornhill, 2012:130).

Objectivism represents the position that social entities exist in reality external to and independent of social actors (Saunders, Lewis and Thornhill, 2012:130). Social entities and their meanings have an existence that is independent of social actors (Bryman, Bell, Hirshsohn, Dos Santos, Du Toit, Masenge, Van Aardt and Wagner, 2011:17). It is an ontological position that implies that social phenomena is presented as external facts that are beyond reach or influence by social actors. Implying that social phenomena and the categories used in everyday discourse have an existence that is independent from social actors (Bryman and Bell, 2011:21).

Social constructionism, views reality as being socially constructed (Saunders, Lewis and Thornhill, 2012:132). Constructionism is also referred to as constructivism (Bryman, et al., 2011:17). Constructionism asserts that social phenomena and their meaning are continually being constructed (Bryman and Bell, 2011:21) through the perceptions and consequent actions of social actors (Saunders, Lewis and Thornhill, 2012:132). Social interactions between actors are a continual process, and social phenomena are in a constant state of revision (Saunders, Lewis and Thornhill, 2012:132). This means that it is necessary to study the details of a situation to understand what is happening and the reality occurring behind what is happening. It also suggests that the categories that people employ to help them understand the natural and social world are social products as the categories are constructed in and through interaction. The social world and its categories are not external to social actors but are built up and constituted through interaction (Bryman and Bell, 2011:22).

This research falls within the interpretivistic paradigm which shares the same views as the social constructivist ontology (Creswell and Poth, 2018:24). Under social constructivism individuals develop subjective meanings of their experiences and meanings directed toward certain objects or

things, with the meanings being varied and multiple. Hence, adding to the complexity of the data collected (Creswell and Poth, 2018:24). As the social constructivist ontological assumptions or questions help in describing and understanding how multiple stakeholder relationships are built and managed. The social constructivist view on reality helped in understanding how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships. The social constructivist ontological view is evident in the literature reviewed in Chapter 2, Section 2.3.2 where stakeholder relationships are viewed as a social phenomenon constructed by social actors (multiple stakeholders and managers) who interact with an organisation.

### **4.3.3 Epistemology**

Epistemology deals with the question of what is or should be regarded acceptable knowledge in a discipline (Bryman, et al., 2011:12). Epistemology is the philosophical underpinnings of researchers' beliefs regarding the nature of knowledge and how it is derived or created. The particular belief represents the researcher's "epistemological position" (Yin, 2013:309). The main question is whether or not the social world can be studied according to principles, procedures and ethos as those of the natural sciences. There are three epistemological positions, positivism, realism, interpretivism (Bryman, et al., 2011:12).

Positivism is an epistemological approach that advocates applying natural science methods to study and understand social reality (Bryman, et al., 2011:12). It is defined as a scientific methodology that aims to reach the laws of human behaviour and social life (Tekin and Kotaman, 2013:82). The main purpose of positivism is to reach objective truth, facts, and laws through the use of an objective methodology. Hence, methodology is the tool that enables the attainment of objective truth and facts can be obtained if the correct methodology is used (Tekin and Kotaman, 2013:82). Whereas, with realism, the main premise is that there is reality that is independent of the mind. What the sense show as reality is the truth and objects have an existence independent of the human mind (Saunders, Lewis and Thornhill, 2012:136).

The epistemological position followed by this study is that of interpretivism. Interpretivism advocates that any research needs to respect the differences between people and the objects of the

natural sciences (Bryman, et al., 2011:14). Advocating the necessity for the researcher to understand differences between humans in their role as social actors (Saunders, Lewis and Thornhill, 2012:137). The research aim for interpretivism is to gain an understanding of the meaning of social realities for those who are experiencing them. The aim is not to generalise like with positivistic inquiry but rather to report results that are contextual and restricted to the time of inquiry (Tekin and Kotman, 2013:85). The following assumptions are made within interpretivism (Tekin and Kotman, 2013:85) and these were applied to the present study, namely:

- There are no objective and extrinsic facts in social life.
- Every individual has their own dispositions, acceptances, assumptions, values and prior knowledge through which they construct their own reality. Hence, individuals have their own unique conceptualisation of the concepts that they experience as was the case with the different critical incidences shared by the respondents (refer to section 4.6.3).
- The researcher is part of what is being researched.
- The way people interpret and make sense of their world has to be understood well in order to gain insight into why people behave the way they behave and why social institutions, customs, beliefs function in the way they function.

This study followed the epistemological position of interpretivism. The epistemological assumptions of interpretivism were suitable in achieving the purpose of this study which was to describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships. Interpretivism is linked to qualitative research and this study was a qualitative study.

#### **4.3.4 Axiology**

Axiology focuses on the role played by the researcher's judgements about values in the research process (Saunders, Lewis and Thornhill, 2012:137). Within interpretivism value is embedded and bound in the research, with the researcher being part of what is being researched, meaning the researcher cannot be separated (Tekin and Kotman, 2013:85; Saunders, Lewis and Thornhill, 2012:137). Hence, conforming to subjectivism which asserts that social phenomena are created from the perceptions and consequent actions of social actors and this is associated with

constructivism (Saunders, Lewis and Thornhill, 2012:132) which is discussed in Section 4.3.2. In this study, for example, the researcher's decision to use critical incident technique (CIT) (discussed in Section 4.6.3) in developing interview questions illustrates how important the views of the participants were for the researcher to understand the experience of each participant on how stakeholder relationships were built and managed by the Chinese organisation.

#### **4.3.5 Teleology**

Teleology is generally concerned with questions on purpose for research (Maykut and Morehouse, 1994:3). In other words, what research contributes to knowledge. In interpretivism the purpose is to understand and discover the meaning of social realities for those who are experiencing them (Tekin and Kotman, 2013:85; Maykut and Morehouse, 1994:13). The purpose of this study was to describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships. The purpose was achieved through understanding and describing the realities of the multiple (employees, government and community) stakeholders who experienced the relationship with the Chinese mining organisation.

#### **4.3.6 Logic**

Logic which deals with the principles of demonstration or verification. Verification in this study was addressed through ensuring internal validity (Creswell, 2014:211) which includes triangulation (discussed in Section 4.4.4). In this study the converging perspectives from different participants belonging to different stakeholder groups (employees, government and employees) added to the validity of the study.

The next section discusses the research methodology followed in this study.

## **4.4 RESEARCH METHODOLOGY**

Research methodology consists of a set of specific procedures, tools and techniques to gather and analyse data (Wahyuni, 2012 :72). Methodology is a lens a researcher looks through when deciding on the type of methods they will use to answer research questions and objectives (Mills, 2017:34). This makes a methodology a map and a model to conduct research within the context of a particular paradigm (Wahyuni, 2012:72). The next section discusses qualitative research that is linked to interpretivism which is the epistemological position of this study. The case study approach is presented including the case and the sample procedures followed in this study.

### **4.4.1 Qualitative research**

Qualitative research is the study of phenomena in their natural environment using social actors' meanings to understand the phenomena (Gephart, 2004:455), whilst accommodating a wide array of philosophical perspectives and methods (Pernecky, 2016:4). Hence, utilising multimethod research that uses an interpretive, naturalistic approach to its subjective matter, which emphasises the qualities of the entities and the naturally occurring processes and meanings. Qualitative research addresses questions about how social experience is created and given meaning and produces representations of the world that make the world visible (Gephart, 2004:455). This study was a qualitative research as it seeks to gain an understanding and how stakeholder relationships are managed from the perspective of stakeholders which may be considered to be social actors. A qualitative study is designed to discover what can be learnt about some phenomenon of interest especially social phenomenon where people are the participants (Creswell and Poth, 2018:43-44; Yin, 2011:7-8; Maykut and Morehouse, 1994:43-47).

The next section the case study approach used in this study.

### **4.4.2 Case study approach**

A case study is a method that encompasses “the logic of design, data collection techniques, and specific approaches to data analysis” (Yin, 2003:14). The researcher explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time (Wahyuni,

2012:72), through detailed, in-depth data collection involving multiple sources of information (like observations, interviews, audio-visual material, and documents and reports), and reports a case description and case themes (Creswell and Poth, 2018:96). A single case study is an intensive study of an individual unit of interest with a focus on the developmental factors of that unit, using either an exploratory, explanatory or descriptive approach (Yin, 2003:3). This study uses an explanatory case study approach. The explanatory case study approach is appropriate for the purpose of answering questions about ‘how’ or ‘why’ a contemporary phenomenon occurs, and the researcher has little control over the phenomenon of interest (Yin, 2003:9), similar to the research objectives discussed in Section 4.2 of this study. In this study the unit is the selected Chinese mining organisation. The definition of the unit of study or case is subject to the discretion of the researcher (Stewart, 2017: 145). Importantly, case study researchers aim to examine a case intensively and engage in theoretical analysis of the data (Bryman et al., 2014:112).

According to Yin (2003:39-42) single case studies are justifiable under the following conditions:

- Represents a critical case – in testing a well-formulated theory. The single case can be used to determine whether the theory’s propositions are correct or whether some alternative set of explanations could be relevant.
- Represents a unique case – where such an occurrence is rare, and a single case is worth documenting and analysing. Prior to 2004 Chinese organisations were not active in the Zimbabwean mining industry and there have been allegations raised against the Chinese mining organisations on how they manage stakeholder relationships as stated in Chapter 1, Section 1.1.
- The case is a representative or typical case – where the aim is to capture the circumstances and conditions of an everyday situation, which is seen to be the case in this study as mining organisations build and manage stakeholder relationships in their day to day operations.
- Represents a revelatory case – when a researcher has an opportunity to study a phenomenon previously inaccessible to scientific investigation. This is true of this study as permission to study Chinese mining organisations in Zimbabwe and government officials was previously difficult to obtain.
- Longitudinal case – studying the same single case at two or more different points in time.

This study fulfils the conditions as stated by Yin (2003: 39-42), namely, it is a unique case, as well as a representative and a revelatory case.

There are two designs for single case studies, namely holistic and embedded designs. In a holistic single case design the case study examines a single unit of analysis such as the global nature of an organisation. The holistic design is suitable when subunits cannot be identified. However, this may result in the case study having unclear measures or data (Yin, 2003:45). Whereas in an embedded case study design there is more than one unit of analysis and attention is given to a subunit or subunits, although there are dangers of focusing on the subunit and not the original unit of analysis rendering it to be a context (Yin, 2003:43). In other words, if an organisation is the original unit and employees are a subunit if the study is only focussed on the employees then it becomes a context.

The single embedded case study design allows the researcher to analyse the Chinese mining organisation at micro level (Bell et al, 2014: 116) which is characteristic of qualitative research. In this study a single embedded case study design was used as it was suitable in addressing the purpose of this research of describing and understanding how multiple stakeholder relationships of Chinese mining organisations in Zimbabwe are built and managed.

In a single embedded case study, the starting and ending point is the case (in the form of the Chinese mining organisation) as a whole which is the unit of analysis, but it is faceted by different perspectives of inquiry of stakeholder groups or subunits (Shcloz and Tietje, 2002:2). The single embedded case study design used in this study was appropriate to organise different types of knowledge like that of different stakeholder perspectives (Scholz and Tietje, 2002:4). The unit of analysis in this study is the selected Chinese mining organisation. The subunits in this case are the three stakeholder groups which included, employees within the Chinese mining organisations, government officials at both national and district level who interacted or were involved with the Chinese mining organisation, and the community where the Chinese mining organisation operates.

#### **4.4.3 Sample and sampling procedure**

The initial step was to identify the case. Based on the researcher's interest on stakeholder relationships and the presence of multiple stakeholders with complementary; competitive and/or cooperative interests, with varying interests in the mining sector, the selected Chinese mining organisation in Zimbabwe was then selected. The stakeholder groups to be included in the sample were identified during preliminary investigation of literature which is discussed in Chapter 1, Section 1.2. Although most of the participants agreed to have the interview on the same day. Leveraging on the relationships established with employees at the selected mining organisations, the researcher requested permission to conduct research with the selected mining organisation. The relevant government office which dealt with the selected Chinese mining organisation was first approached and asked to participate in the research and the government office agreed. Upon being granted permission by the government, under the guidance of the Human Resource department at the headquarters of the Ministry of Mines and Mining Development in Zimbabwe, it was established that there were two government parastatals that could also participate in the research. These two government parastatals included government officials at both national and local level which were then included in the government stakeholder group.

Purposive sampling was used in this study. Purposive sampling is a non-probability form of sampling which requires judgement of the researcher to select a sample (Andres, 2012:97; Bryman, et al., 2014:186). Non-probability sampling is when the participants are not randomly selected, which means that some units in a population are more likely to be selected than others (Bryman and Bell, 2011:190). Non-probability sampling includes convenience sampling, quota sampling, accidental sampling and purposive/judgemental sampling. In a purposive sample, the participants are carefully selected for inclusion. The aim for purposive sampling is to get relevant data based on the area of study (Yin, 2003:88) obtaining diverse information on the perspectives on the subject. In this study the sample consisted of three stakeholder groups, namely employees of the Chinese mining organisation, government officers from both national and local offices, and community members. The specific number of participants from each stakeholder group were as follows, four employees, five government officials, four community members including the three community members who participated in the focus group. In total thirteen stakeholders

participated in the study. The participants were selected based on their interaction, role and nature of involvement with the Chinese mining organisation since the establishment of the mining organisation.

The Human Resource Department at the headquarters of the Ministry of Mines and Mining Development also facilitated the process of selecting participants from the parastatals to participate in this study. They were aware of which participants within their organisation would have the knowledge required to fulfil the purpose of the study based on the information presented in the introduction letter (Annexure A, B, C, D, E) presented to the Human Resource Department. In terms of the community the local government assisted in identifying the community in which the mining organisation operated as they had been relocated from their original village to another village away from the mining activities. Once the location of the community was established the researcher went to the area and interviewed community members who met the criteria set out for the selection of participants. The responses to Section A, of the interview schedules (Annexures C and D) helped the researcher to establish if the participants would be able to provide the information needed to fulfil the research purpose. As previously stated, through leveraging on the relationships established with employees at the selected mining organisation, the researcher was able to identify and invite (Annexure, A) the employees of the selected Chinese mining organisation to participate in the research and out of the five employees that were approached only four agreed to participate and to be interviewed immediately.

To interview the employees, the researcher went to visit most of the participants to set up interview dates and times. Thus, establishing rapport between the researcher and the participants. Altogether thirteen semi-structured in- depth interviews were conducted (Bertaux, 1981, as cited in Guest, Bunce and Johnson, 2006), four respondents representing employee and community stakeholder groups respectively and five respondents representing the government stakeholder groups. In addition to the planned interviews based on the three stakeholder groups outlined above, a naturally occurring focus group was conducted with three community members, who met the criteria for participating in this study (Marshall and Rossman, 2011: 149). The focus group was discussed in Section 4.5.4.

The next section presents the data collection followed in this study.

## **4.5 DATA COLLECTION METHODS**

Data collection in qualitative research is interested in the natural setting of the participants. Since, qualitative researchers are interested in understanding people's experience in the context of the participants, the data of qualitative inquiry allows the research to capture people's language and behaviour, this is mostly people's words and actions (Creswell and Poth, 2018:43-44; Yin, 2011:7-8; Maykut and Morehouse, 1994:43-47). This type of data is collected through participant observation, in-depth interviews, focus groups, and documents. The data collection method used in this study comprised of, in-depth semi-structured interviews in which the questions of the interview were facilitated by the CIT technique, focus group and triangulation of data were used.

### **4.5.1 Critical incident technique**

The critical incident technique (CIT) was adopted in developing the interview questions and facilitated the data collection process. The CIT is a qualitative interview procedure which facilitates the examination of significant occurrences, that helped or hindered a specific phenomenon (Chou, Kwee, Buchanan and Lees, 2016:55). In essence, the CIT is a qualitative interview procedure which facilitates "the investigation of significant occurrences (i.e. events, incidents, processes or issues) identified by the respondent, the way they managed, and the outcomes in terms of perceived effects. The objective is to gain an understanding of the incident from the perspective of the individual" (Chell, 1998:56). The occurrences are deemed as being relevant to the interviewer by the interviewee (Chell, 2004). Hence, CIT prescribes to the principles of constructivism in that reality is not concrete, and that knowledge is socially constructed (Chell, 2004).

The critical incidents shared by the participants gave the researcher an understanding of how stakeholder relationships are built and managed in a Chinese mining organisation. The interview schedule that was developed included CIT as the participants were requested to share and describe situations or incidents on the relationship between them or their organisation's relationship with the Chinese organisation (See Annexures C and D). For example, the questions asked included the following:

- Can you please share an incident where power was used in the relationship with the Chinese mining organisation?
- Please describe a situation where legitimate concerns were made by you or your organisation as a stakeholder of the Chinese mining organisation.
- If yes, please can you share an incident that you can recall during the development of this relationship.
- Please can you share an incident that you can recall during the contractual or agreement process?
- Please can you share an incident that you can recall that can illustrate how the relationship was governed?
- Please can you share an incident that you can recall during the contractual or agreement process?

In the 13 interviews that were conducted, transcribed and analysed, there was a total of 36 critical incidents (illustrated in Table 4.1) described by the participants on their relationship with the Chinese mining organisation.

**Table 4.1:** Critical incidents described by participants.

<b>Interviewees</b>	<b>Critical incident (CI)</b>	<b>Frequencies (<i>f<sub>i</sub></i>)</b>
P4	Challenges faced	1
P7; P3	Communication	2
P1; P7; P8; P10; P2	Contracts or agreement	6
P4	Cutting corners	1
P2	Demonstration of skills	1
P2	Feeling of inferiority	1
P10; P3; P4; P11	Interaction	4
P4	Intimidation	1
P1; P6; P12; P8; P3;	Managing stakeholder relationships	6
P5; P6; P12; P2; P3; P13	Power	9
P1; P5; P3	Relationship building	4
<b>Totals</b>		<b>36</b>

Source: Researcher's own construction.

Through the thick descriptions given by the participants and the richness of the incidents that they described in the interview data (Langley, 1999:695) the researcher was able to describe and understand how stakeholder relationships are built and managed and refining the conceptual dynamic multidimensional stakeholder relationship management process for a Chinese mining organisation in Zimbabwe as illustrated in Figure 6.1 in Chapter 6, Section 6.2. The thick descriptions also allow for transferability.

#### **4.5.2 In-depth semi-structured interviews**

In qualitative studies interviews are usually used to collect data. Interview data is an important tool of social analysis, as it offers insight into the everyday life which includes social and cultural dimensions of societies (Goulding, 2002: 59). Qualitative interviews are a construction site of knowledge where two or more individuals discuss a theme of mutual interest (Marshall and Rossman, 2011:142). In-depth semi-structured interviews were used for this study. An in-depth semi-structured interview involves the researcher developing a format and general set of questions, based on theory and previous empirical studies, that is used with all participants. This means that the structure of the interview is the same for all participants, however, the interviewer can vary the questions as the situation demands (Lichtman, 2014:249). Making it flexible enough to allow the discussion between the interviewer and the interviewee to lead into areas which may have not been considered before the interview but are relevant to the study (Marshall and Rossman, 2011:144; Goulding, 2002: 59). Hence, uncovering the views of the participants as they structure and frame their responses. It is fundamental in qualitative research that the participant's perspective on the phenomenon of interest should unfold from the participant's view (Marshall and Rossman, 2011:144). Hence, this type of interview helped to generate rich and detailed accounts of the participants' experience, with each interview session lasting between 45 minutes to 2 hours. The in-depth semi-structured questions used allowed the researcher to get specific responses on stakeholder relationship management from the interviewees.

According to Goulding, (2002:59) the following should be considered when conducting interviews:

- Accessing the setting. The permission granted by the Ministry of Mines and Mining Development in Harare, Zimbabwe provided access to the research site.
- Understanding the language and culture of the participants. The researcher was familiar with the culture and protocols expected by participants because the researcher is originally from Zimbabwe.
- Deciding on how to present oneself. The researcher's cultural background ensured that they were presented appropriately. The Director of the Human Resource Department of Ministry of Mines and Mining Development in Harare also assisted the researcher on how to present and approach the participants.
- Locating an informant. The Human Resource Departments of the different government parastatals assisted in identifying the different participants.
- Gaining trust. The letter granting permission from the Ministry of Mines and Mining Development in Harare, Zimbabwe and ethical clearance given by the Rhodes University Ethical Standards Committee (RUESC) provided an atmosphere of trust with participants being assured that the researcher was authentic.

#### **4.5.3 Interview structure and intention**

Two interview schedules were compiled, each one particularised to a specific stakeholder group, namely the government and the community (Annexure C) and employees of the Chinese mine (Annexure D). Despite the two interview schedules, the interview questions were generic in terms of the theoretical content and the structure consistent.

Prior to the beginning of the interview the permission granted by the Ministry of Mines and Mining Development in Harare, Zimbabwe, was presented to the participants before the interview started. The participants were afforded time to read the contents of the letter, and then the purpose of the research was explained to the participants, explaining their right to withdraw from the research and requesting them to sign the consent form. The contents of the consent form (Annexure B) were explained to the participants. The interview schedules (Annexure C and D) consisted of four sections (Section A to D).

## **Section A: Demographic information**

In the first Section A, the following demographical information was requested by means of open questions which included the following general open questions:

- their demographic information such as their information about nationality, sex, ethnicity, stakeholder group (employees, government and community);
- their position in the organisation, responsibilities, length of service,
- if they have had any interaction with the Chinese organisation,
- their roles during the interaction with the Chinese organisation, and
- to share an incident describing their experience during their interaction with the Chinese mining organisation.

The interview then proceeded with questions as shown in the interview schedules for the government, community and employees interview schedules (Annexures, C and D). The interview questions were generic in terms of the theoretical content but addressed specific stakeholder groups.

## **Section B: stakeholder theory**

The questions asked in section B were derived from the stakeholder theory. The open questions posed in section C of the interview schedule (Annexures C and D) helped to address the first empirical research objective, namely:

*Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*

The questions in this section served to help identify stakeholders of the Chinese organisation from the point of view of other stakeholders. Addressing the content raised in the first level of stakeholder relationship management (discussed and presented in Chapter 2, Section 2.3.1.1 and Figure 2.1 respectively) on stakeholder salience (power, legitimacy and urgency). The responses on how the interaction transpired between the stakeholders and the Chinese organisation; the stakeholder's interests and expectations help to describe and understand the relationship between the Chinese organisation and its multiple stakeholders.

### **Section C: stakeholder specific questions**

In section C of the interview schedule the open questions posed gave effect to establishing how stakeholders interact with each other. Thus, helping in addressing the research objective:

*Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*

Respondents were requested to describe incidents that they could recall on how power and legitimacy transpired in the relationship proving more insight on how the Chinese managers managed multiple stakeholders with complementary; competitive and/or cooperative interests.

### **Section D: the relationship**

In section D of the interview schedule, the focus was on the relationship to help address the following research objective:

*Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.*

In particular the open questions helped to establish the different relationship characteristics found in the relationship between organisation and multiple stakeholders. To understand how the relationship was developed, the type of relationship and how it was managed by both the organisation and the different stakeholders, participants were also requested to describe incidents they could recall on how the relationship developed and how it was managed by the Chinese organisation. The incidences recalled by participants falls under the critical incident technique as they helped to provide more insight on how the relationship developed and how it was managed by the Chinese organisation.

The next section describes the natural focus group that took place during the data collection process of this study.

#### **4.5.4 Focus group**

During the data collection process for this study, a naturally occurring focus group was held with a group of people from the community, adding to the richness of the data collected. The focus group helped to broaden the richness and the scope of the data collected (Langley, 2018:740). The interview schedule (Annexure C) was used to guide the discussion with the participants. The researcher had stopped to ask a small group of three people to get directions to the village of the community which had been relocated by the selected mining organisation. Upon which the group stated that they belonged to that village and after explaining to them why the researcher was interested in the community, the group indicated their willingness to participate in the study. As the researcher was only prepared to conduct individual in-depth semi-structured interviews, the researcher requested the home addresses of the individuals in the group in order to conduct personal interviews with them later. The group then indicated that they would prefer to be interviewed as a group, to save time since they were all available at that moment. The researcher seized the opportunity and conducted a focus group with the people. This happened in a natural setting outside the house of one of the group members. The advantage of the naturally occurring focus group is that group members could relate to each other's comments to the incident's in their shared daily lives and challenged one another on what they believed to have happened and what actually transpired (Kitzinger, 1995:300). The next section discusses how triangulation was applied in this study.

#### **4.5.5 Triangulation**

Triangulation is the act of bringing more than one source of data to bear on a single point. Data from different sources can be used to collaborate, elaborate, or illuminate the research question (Marshall and Rossman, 2011: 252). Triangulating different sources of information by examining evidence from sources and using it to build a coherent justification for themes (Creswell, 2014:201). In this study triangulation was done when themes were established using converging perspectives from different participants which added to the validity of the study. The elements of trustworthiness and authenticity were addressed in this study through developing codes and themes

that are as close to the raw interview data. The next section will discuss the qualitative criteria that was used in this study.

#### **4.5.6 Qualitative criteria in qualitative research design**

Reliability and validity are important criteria in establishing and assessing the quality of research for quantitative research. However, qualitative studies are evaluated using different quality criteria (Bryman and Bell, 2011:395). Qualitative research is assessed according to trustworthiness and authenticity (Bryman and Bell, 2011:395; Guba and Lincoln, 1994:114; Krefting, 1991: 215). Trustworthiness is made up of four criteria namely credibility, transferability, dependability, and confirmability (Bryman and Bell, 2011:395; Lincon and Guba 1994:114).

Credibility addresses the issue of 'fit' between respondents' views and the researcher's representation of them (Tobin and Begley, 2004:391). There are many social realities to an aspect and the researcher needs to establish the credibility that determines its acceptability to others (Bryman and Bell, 2011:396). In other words, credibility presents an accurate description and interpretation of the experiences shared by other people with the same experience (Krefting, 1991:216). The strategies used to obtain credibility include, member checks, peer debriefing, prolonged engagement, persistent observation and audit trails. In this study, audit trails were kept in the form of field notes and a reflect journal that was kept during data collection. The participants were asked to verify and offer clarity in areas where the researcher was unclear of what the participant was conveying.

Transferability is concerned with the case-to-case transfer. Qualitative research focuses on the uniqueness of the social phenomena under study hence, qualitative researchers are encouraged to give detailed description which provides others with a database for making judgements about the possible transferability of findings to other cases or settings (Bryman and Bell, 2011:396; Tobin and Begley, 2004:391). Hence, transferability becomes the responsibility of the person wanting to transfer the findings to another setting (Krefting, 1991:216). In this study detailed descriptions of the context of this research have been provided in Chapter 1 and in the current chapter on how data was collected and analysed.

Dependability is accomplished through a process of auditing. It translates to responsibility of qualitative researchers to ensure that the research process is logical, traceable and documented clearly (Tobin and Begley, 2004:392). Records should be kept on problem formulation, selection of research participants, fieldwork notes, interview transcripts, methods and decisions on data analysis (Bryman and Bell, 2011:396). Reflexivity becomes important in keeping an audit trail, where researchers keep self-critical account of the research process including their external and internal dialogue (Tobin and Begley, 2004:392). Reflexivity was practised in this research through the writing of memos and journals throughout the study. The research process is discussed in detail in the present chapter.

Confirmability is concerned with ensuring that, data and interpretation are not overtly influenced by personal values of the researcher or theoretical inclinations but rather derived from the data (Bryman and Bell, 2011:396; Tobin and Begley, 2004:391). In this study the codes and themes developed were close to the raw interview data.

Authenticity in qualitative research is where researchers demonstrate a range of different realities with depictions of their associated concerns, issues and underlying values. Authenticity has the following criteria (Bryman and Bell, 2011:396; Tobin and Begley, 2004:391):

- Fairness which addresses the fairness in which the research presents the different realities of the phenomena.
- Ontological authenticity deals with how the research helps or adds to the understanding of the research phenomena.
- Educative authenticity helps other people to appreciate the realities and constructions of others of their social setting.
- Catalytic authenticity where the research stimulates some form of action to change their circumstances.
- Tactical authenticity looks at whether the research has empowered the other people to act.

This study meets the criteria of authenticity, for instance, the use of thick descriptions and developing themes that are closely related to the raw ensured that the realities of the phenomena

are presented. In terms of ontological authenticity, the findings of the study helped in understanding how stakeholder relationships are built and managed in a Chinese organisation.

The next section provides a discuss of the data analysis of this study.

## **4.6 DATA ANALYSIS**

Data analysis occurs concurrently with other parts of a qualitative study. In this section the different levels in which data analysis takes place; the procedures of analysis, namely, organising the data, immersion in the data, coding the data generating categories and themes, offering interpretations through memos, searching for alternative understandings, and writing the report (Creswell, 2014: 196) will be discussed.

### **4.6.1 Levels of data analysis**

There are different interpretation levels important for data analysis that start before the researcher meets the interviewee (Mayer, 2008: 113). For instance, the reception by the interviewee during the initial meeting, the rapport and interviewees' choice of meeting place. In this study while the researcher was setting up appointments for the interview with participants the researcher had already started data analysis through writing journal entries of the impression got from the initial meeting and brief discussions that took place regarding the area of study. The researcher referred to the journal entries during the analysis of the data as it helped to understand the participants' experience of the phenomena being researched.

### **4.6.2 Procedures of analysis**

The data in this research was analysed using the analytical procedures described by Marshall and Rossman, (2011: 210) namely, 1) organising the data, 2) immersion in the data, 3) coding the data generating categories and themes, 4) offering interpretations through memos, 5) searching for alternative understandings, and 6) writing the report.

The aim of the analysis in this research was to:

- describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.
- explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.
- identify and describe the challenges experienced in the process of managing stakeholder relationships.

The following section is an explanation of the process used in the content analysis of this study.

#### **4.6.2.1 Organising the data**

Organising and preparing data for analysis involves transcribing interviews (Creswell, 2014: 197) and generally cleaning up the data (Marshall and Rossman, 2011: 210). The researcher cleaned up the interview data by removing any information shared by the participant that was not relevant to the study; and replacing with pseudonyms the information, names that may lead to the identification of the participant and that of the selected Chinese mining organisation. During the cleaning of the interview data the three participants from the focus group were identified and coded separately so as to capture their responses separately. Through organising the data, the researcher was able to gain familiarity of the data. The full length of each interview was recorded and transcribed into written text. Non-verbal communication and pauses were excluded in the transcribed text (see Annexure: F, for an example of a transcribed interview).

In adherence to keeping the participants, identity anonymous, the data files were cleaned by the researcher during transcription, by removing any references of people's names and organisational affiliations. Where the participants used their local language Shona, this was translated using the assistance of three individuals who speak Shona to ensure that the translation is accurate. The audio recordings of the interviews were transcribed by two Shona speaking individuals, and then they read each other's transcriptions to make sure the data was accurately captured. The researcher whose first language is Shona also checked the transcriptions whilst referring to the field notes as a way of insuring credibility through member checks, which forms part of the trustworthiness as a

quality criterion for qualitative studies discussed in Section 4.4.3. The transcriptions were stored in an on-site computer with a password protection.

#### **4.6.2.2 Immersion in the data**

The researcher read and re-read the transcribed texts whilst constantly referring to the audio recordings and field notes taken during the interviews. Through reading and re-reading the transcripts the researcher was able to get a sense of how the data is presenting itself in connection to the major themes found in theory found in Chapters 1, 2, and 3 to respond to the empirical objectives for this research. In doing so, the researcher used a deductive approach using the themes found in the literature during the scaffolder approach (refer to Chapter 2, Sections 2.3.1; 2.3.2; 2.3.3 and Chapter 3, Sections 3.4; 3.5 and 3.6) and inductively developing the conceptual stakeholder relationship management process based on the data. However, this did not prevent the researcher from identifying new emerging themes, emerging inductively (Hsieh and Shannon, 2005), that were unique to the data being analysed. New themes of fear and friendship emerged from the data which are discussed in Chapter 5, Sections 5.6.1.15 and 5.6.1.16.

#### **4.6.2.3 Coding: keywords, categorisations, themes and content analysis**

Coding data is the formal representation of analytic thinking. Codes may take various forms, abbreviations of key words, coloured dots or numbers, with codes originating from literature, the actual words and behaviours in the data (Marshall and Rossman, 2011:212). In this study the analysis was grounded in the original data set. The codes, themes and categorises that were developed in this study can be linked back to the original raw data. This was part of ensuring trustworthiness in the way that data was analysed (Bryman and Bell, 2011:395; Lincon and Guba 1994:114).

To address the empirical research objectives correctly, the coding process was done at multiple levels for the three stakeholder groups according to the following categories:

- Building stakeholder relationships.
- Managing stakeholder relationships.
- Relationship characteristics.
- Challenges.

To illustrate Table 4.2 provides an example of some of the first three themes under each category:

**Table 4.2:** Categories, themes and sub themes.

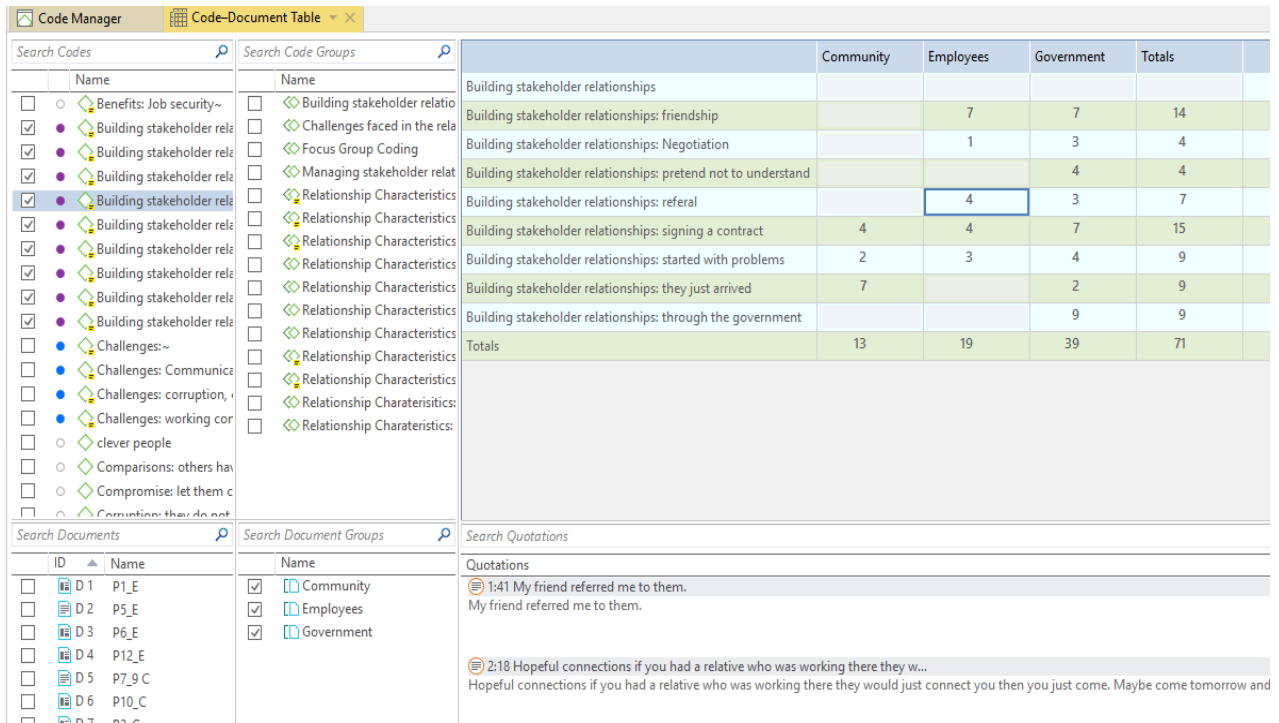
Category	Main theme	1 <sup>st</sup> Sub theme	2 <sup>nd</sup> Sub theme	
<b>Building stakeholder relationships</b>	Friendship			
	Negotiation			
	Pretend not to understand			
<b>Managing stakeholder relationships</b>	Hard, rough and ruthless			
	Authoritative			
	Chinese way of doing things			
<b>Relationship characteristics</b>	Trust	Negative Trust	deception and misrepresentation	
			depends on experience	
			are they conveying exactly what is being said	
		Positive Trust	began with an open mind	
	Transparency	No Transparency	was there as long as	
			Being told lies	
			covering the wool over our eyes	
			they are not transparent	
		they need to do things honestly		
	Commitment	a show of investment		
	lack of commitment			
<b>Challenges</b>	Communication			
	Corruption, cheating and political environment			
	Working conditions and broken promises			

Source: Researcher's own construction.

The researcher used ATLAS.ti to analyse the data. Figure 4.1 is a screenshot from ATLAS.ti illustrating the coding process (use of colours), data categorisation (Building stakeholder relationships) into themes (friendship), frequencies (counts of how many times the theme was

present in the data) and thick descriptions in the form of extracts or quotations from the interview data.

**Figure 4.1:** Extract of coding and categorising of data.



Source: Screen shot ATLAS.ti

Through the use of ATLAS.ti (2018), the researcher started with open coding process by assigning colours to terms found in the interview data that were associated to the categories that were mentioned, namely, building stakeholder relationship, managing stakeholder relationship, relationship characteristics and challenges. Once completing the open coding, the researcher revisited the different codes. The researcher then developed themes that kept recurring in the interview data such as friendship, through third party, and broken promises. The main and sub themes found under the relationship characteristics category were derived from the literature discussed in Chapter 3, Section 3.4.3. Although, literature was used to categorise and develop the themes, the research was not restricted to those that are found in literature for instance a theme of fear and friendship emerged from the data in the relationship characteristic category. To help address the empirical research objectives (refer to Section 4.2), cross tabulations and code co-

occurrences were done to understand how managers build and manage stakeholder relationships, the influence of relationship characteristics on how stakeholder relationships are managed, and the challenges faced in building and managing of stakeholder relationships. Code co-occurrence analysis help discover associations in the interview data giving clues about contextual factors and how they shape the specific manifestation of a given phenomenon (Ricardo and Contreras, 2011) For example, to explain the influence of relationship characteristics on how stakeholder relationships are managed, the categories of relationship characteristics and managing stakeholder relationships were cross tabulated to establish code co-occurrence. The code co-occurrence was done to understand what participants who shared information on relationship characteristics had to say concerning the managing of stakeholder relationships. In so doing, the researcher was able to interpret how relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.

#### **4.6.2.4 Offering interpretations through memos**

When writing memos, the researcher puts down their thoughts, on how they see how the data are coming together in clusters or patterns or themes and the data accumulates (Marshall and Rossman, 2011:212). In this study, the researcher practiced reflexivity. Hence, during data analysis the researcher would write down notes on how ideas and themes presented themselves from the raw interview data. Noting down new themes and relationships between the categories inferred from the data and literature whilst representing the views and experiences as portrayed by the participants from each stakeholder group. The memos were also used by the researcher to reflect on the role played by the researcher in the coding process and interpretation of the data.

Interpretation means attaching significance to what was found, making sense of findings, offering explanations, drawing conclusions, extrapolating lessons, making inferences, considering meanings, otherwise, imposing order (Patton, 2002:480). Interpretation of the data for this study was done through drawing inferences from the interview data, with meaning being drawn from comparing the findings with the information from literature and theories that were discussed, but not restricted to, Chapters 1,2 and 3 of the study (Creswell, 2014:200).

#### **4.6.2.5 Searching for alternative understandings**

The researcher compared the themes and explanations with those found in the literature review chapters and searched for new variations or surprises. A search for alternative understandings is done through creating matrices, clusters and hierarchies with the goal of constructing credible explanations that provide significant knowledge from the study (Marshall and Rossman, 2011:220). In this study, the researcher used matrices to help explain the influence of stakeholder relationship characteristics on how stakeholder relationships are managed. Figure 4.2 is an excerpt of the cross tabulation that was done to help identify associations made between relationship characteristics and managing of stakeholder relationships by the participants. Resulting in the clustering of the categories on relationship characteristics and managing stakeholder relationships that were associated together in the findings of the cross tabulations as illustrated in Table 5.6, Chapter 5, Section 5.7.

**Figure 4.2:** Excerpt of cross tabulation of the influence of stakeholder relationship characteristics on how stakeholder relationships are managed from excel spread sheet.

	Managing stakeholder relationships: Authoritative	Managing stakeholder relationships: Avoidance	Managing stakeholder relationships: blame shifting and pushy	Managing stakeholder relationships: Chinese way of doing things	Managing stakeholder relationships: Compliant	Managing stakeholder relationships: controlling	Managing stakeholder relationships: corporate governance emphasised
Relationship Characteristics: Accountability: depends on situations	0	0	0	0	1	2	0
Relationship Characteristics: Accountability: not accountable for their actions	0	1	1	0	0	0	0
Relationship Characteristics: Commitment: a show of investment	0	0	1	0	0	0	0
Relationship Characteristics: Commitment: lack of commitment	0	3	0	0	0	0	0
Relationship Characteristics: Communication: done through a third party	0	0	0	0	0	0	0
Relationship Characteristics: Communication: one way and open	0	0	0	0	0	0	0
Relationship Characteristics: Communication: there was no communication	0	0	0	0	0	0	0
Relationship Characteristics: Communication: understanding, connotations and interpretations	0	1	1	0	0	0	0
Relationship Characteristics: Cooperation (no): want to cut corners	0	2	0	0	0	0	0
Relationship Characteristics: Cooperation: do cooperate to a certain extent	0	0	0	0	1	1	0
Relationship Characteristics: Fear and friendship	0	0	0	0	0	0	0
Relationship Characteristics: Fear and friendship: Fear	1	0	0	0	0	0	0
Relationship Characteristics: Fear and friendship: Friendship	0	0	0	0	0	0	0
Relationship Characteristics: Flexibility: their hearts were hardened	2	0	0	0	0	0	0
Relationship Characteristics: Flexibility: there was flexibility	0	0	0	0	0	0	1
Relationship Characteristics: Negative Trust: are they conveying exactly what is being said	0	1	0	0	0	0	0
Relationship Characteristics: Negative Trust: Deception and misrepresentation	0	1	0	0	0	0	0
Relationship Characteristics: Negative Trust: depends on experience	0	1	0	0	0	0	0
Relationship Characteristics: Positive Trust: began with an open mind	0	0	0	1	0	0	0
Relationship Characteristics: Power dynamics	0	0	1	2	0	1	1
Relationship Characteristics: Power: calling the shots	0	0	0	0	0	0	0
Relationship Characteristics: Power: Chinese had the power	2	1	0	0	0	1	0
Relationship Characteristics: Power: government power	0	0	0	0	0	0	0
Relationship Characteristics: Power: intimidation	0	0	1	0	0	0	0
Relationship Characteristics: Shared values	0	0	0	0	0	0	0
Relationship Characteristics: Shared values: culture	0	0	0	0	0	0	0
Relationship Characteristics: Shared values: hard work and profit	0	0	0	1	0	0	0

Source: Researcher's own construction.

Next the last step of writing the report is discussed.

#### **4.6.2.6 Writing the report**

Central to the process of writing is the choice of words to summarise and reflect the complexity of the data, the researcher is “engaging in the interpretive act” giving shape, structure and meaning to the raw interview data (Marshall and Rossman, 2011:222). Leading to a detailed discussion of several categories, themes, (which include sub themes, specific illustrations, multiple perspectives from participants and quotations) and a discussion on interconnecting themes (Creswell, 2014:200) as presented in the form of empirical research findings in Chapter 5 of this study. In a case study approach to reporting research outcomes, a qualitative research study is usually presented within a rich narrative. The researcher has an opportunity to provide many excerpts from the data as information to allow the reader to understand the research outcomes (Creswell and Poth, 2018: 44; Yin, 2011:8; Maykut and Morehouse, 1994:47). In this study one of the outcomes was the altered dynamic multidimensional stakeholder relationship management process in Chapter 6, Section 6.2. which incorporated the empirical research findings of this study.

Next the ethical considerations of this research will be discussed in the next section.

### **4.7 ETHICAL CONSIDERATIONS**

Ethical research practise is grounded in moral principles of respect for persons, beneficence, and justice (Marshall and Rossman, 2011: 47). Respect for persons captures the notion that we do not use the people who participate in our studies as a means to an end (often our own) and that we respect their privacy, their anonymity, and their right to participate or not participate which is freely consented to are important ethical considerations. Beneficence addresses the central dictum of ‘first do no harm’ this means that researchers should do what they can reasonably do to ensure that participants are not harmed by participating in the research. Lastly justice refers to distributive justice which considers who benefits and who does not benefit from the research with a special focus on the redress of past societal injustices. Due to the political sensitivity and confidentiality the detailed information about the mining organisation was not provided and quotations that may lead to the identification of the interviewee were kept to the anonymised.

In this study the researcher obtained approval to conduct the research from Rhodes University Ethics Standards Committee (RUESC) prior to collecting data. Inherent in obtaining RUESC approval conducting interviews, the researcher obtained permission from the Ministry of Mines and Mining Development to conduct this research. In addition to that participants were asked to participate in their individual capacities. Prior to the beginning of the interview, the permission letter granted by the Ministry of Mines and Mining Development was presented to the participants, as well as an explanation of the purpose of the research which was also contained in a cover letter (Annexure A) to the interview schedule. Thereafter the participants were requested to sign an informed consent form (Annexure B). According to the informed consent form, the participants were informed of their right to withdraw from the research, voluntary participation, anonymity, the use of information shared in the interview for research purposes only. The researcher sought permission to record the interviews using an audio recorder and to take down notes during the interview. Anonymity was always strictly observed, with the researcher assigning pseudonyms when filling the recordings and transcripts. A report was done to provide feedback to the Ministry of Mines and Mining Development.

#### **4.8 SUMMARY**

The purpose of the study and the research objectives of the study were given. This was followed by a discussion of the research paradigms used in the study. The research methodology was then discussed, and the case study approach followed the study was discussed. The quality criteria for the qualitative study was discussed. The sampling procedure used in the study was provided with the data collection and analysis methods were presented. An explanation of how the content analysis for the study was done in the study was discussed. Lastly, the ethical considerations of the study were provided.

In the next chapter the empirical research findings will be presented and discussed.

# **CHAPTER FIVE**

## **EMPIRICAL RESEARCH FINDINGS**

### **5.1 INTRODUCTION**

In this chapter a detailed report on the empirical findings for this study will be presented and discussed according to the research objectives and themes emerging giving effect to the research objectives. The findings will be supported by including thick description's and quotations arising from the interviews including the focus group. The findings will give effect to achieving the aim of this research which is to describe and understand how multiple stakeholder relationships are built and managed, leading to the development of a dynamic multidimensional stakeholder relationship management process for a Chinese mining organisation in Zimbabwe.

The following empirical research objectives will be addressed in this chapter:

- v. Describe and understand how managers in Chinese mining organisations in Zimbabwe build and manage multiple stakeholder relationships.
- vi. Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisations.
- vi. Identify and describe the challenges experienced in the management of stakeholder relationships.

The biographical information of the 13 research participants will be discussed first, then followed by the presentation of the findings. The findings from the different stakeholder groups were juxtaposed to establish their similarities and differences. To support inferred conclusions, verbatim excerpts from the interviews were provided which adds to the richness and thickness of the description of stakeholder relationship management.

### **5.2 BIOGRAPHICAL INFORMATION OF THE RESPONDENTS SAMPLE**

Table 5.1 presents the biographical information of the respondents in terms of the nationality, sex, ethnicity, stakeholder group, position and number of years of experience. The biographical information will be presented separately in the sections that follow.

**Table 5.1:** Biographical information of research participants.

Participant	Nationality	Sex	Ethnicity	Stakeholder Group	Position	Experience in years
P1	Zimbabwean	Male	Black	Employee	Translator	> 1 year
P2	Zimbabwean	Male	Black	Government	Chief Operations Officer	9 years
				Joint venture with Chinese mining organisation	Mechanical Engineer	
P3	Zimbabwean	Female	Black	Government	Marketing Executive	34 years
				Joint venture with Chinese mining organisation	Deputy General Manager	
P4	Zimbabwean	Male	Black	Government	Administrative Officer	3 years
				Mining Board	Secretary	
P5	Zimbabwean	Male	Black	Employee	Sorter	4 years
					Translator	
P6	Zimbabwean	Male	Black	Employee	Driver	4 years
P7	Zimbabwean	Female	Black	Community	Community member	10 years
P8	Zimbabwean	Female	Black	Community	Community member	10 years
P9	Zimbabwean	Female	Black	Community	Community member	10 years
P10	Zimbabwean	Male	Black	Community	Community member	7 years
P11	Zimbabwean	Male	Black	Government	Accountant	3 years
P12	Zimbabwean	Male	Black	Employee	Driller	>2 years
P13	Zimbabwean	Male	Black	Government	Sales Executive	23 years

Source: Researcher's own construction.

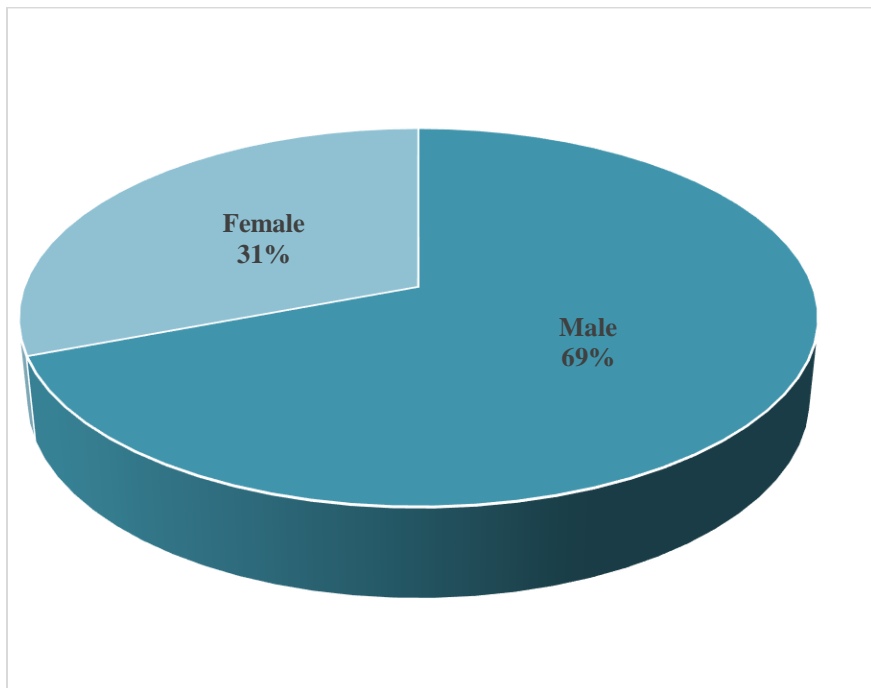
### 5.2.1 Distribution of nationality and ethnicity

All 13 respondents' nationality was Zimbabwean and black. As such no ethnic distinctions were made.

### 5.2.2 Distribution of sex

In the total number of respondents, there were four females representing 31% of the interviewees. Whilst there were nine males representing 69% of the total interviewees as illustrated in Figure 5.1.

**Figure 5.1:** Distribution of sex.



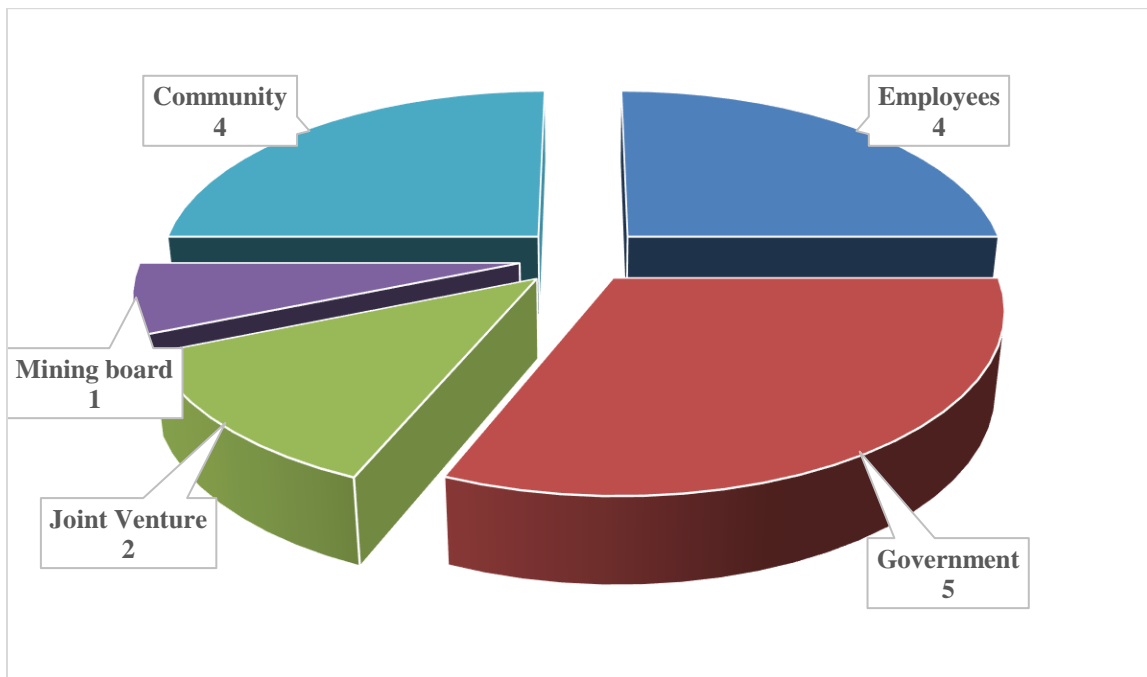
Source: Researcher's own construction.

### 5.2.3 Distribution of stakeholder groups

The distribution of stakeholder groups as shown in Table 5.1 and illustrated in Figure 5.2 some of the respondents were involved with the Chinese mining organisation on two capacities, namely, P2, P3 and P4. Participant P2 was involved with the Chinese mining organisation as part of a joint venture between the government and the Chinese mining organisation whilst also holding a position in a government mining parastatal. Participant P3 was part of a joint venture between the government and the Chinese mine and also had a position in a government parastatal. Participant P4 was part of a mining board and the government.

Altogether, there were four employees, five government officers (in which two belonged to a joint venture and one respondent belonged to a mining board in addition to belonging to the government) and four community members.

**Figure 5.2:** Distribution of stakeholder groups.

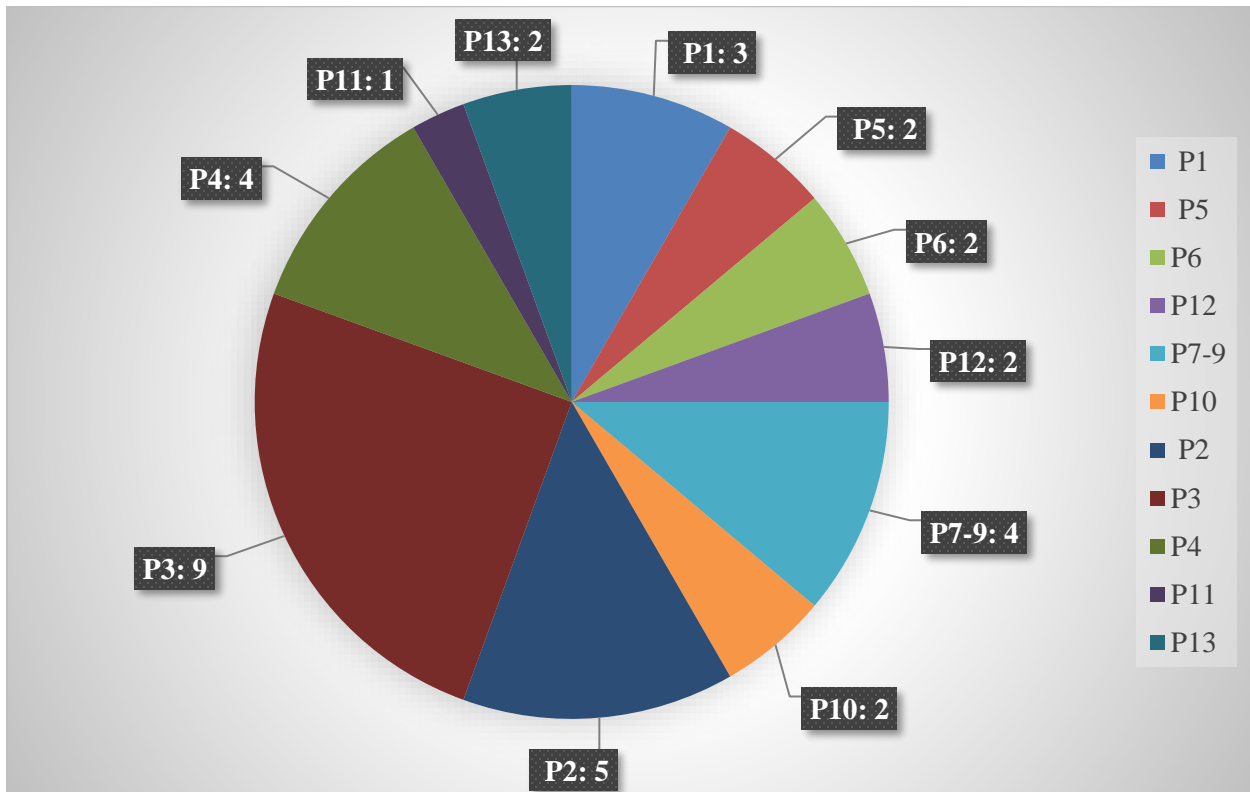


Source: Researcher's own construction.

### 5.2.4 Critical incidents

As discussed in Chapter 4, Section 4.5.1, and illustrated in Table 4.1, Figure 5.3 there was a total of 36 CIT shared by the respondents based on the questions highlighted in Chapter 4, Section 4.5.1

**Figure 5.3:** Distribution of critical incidences.



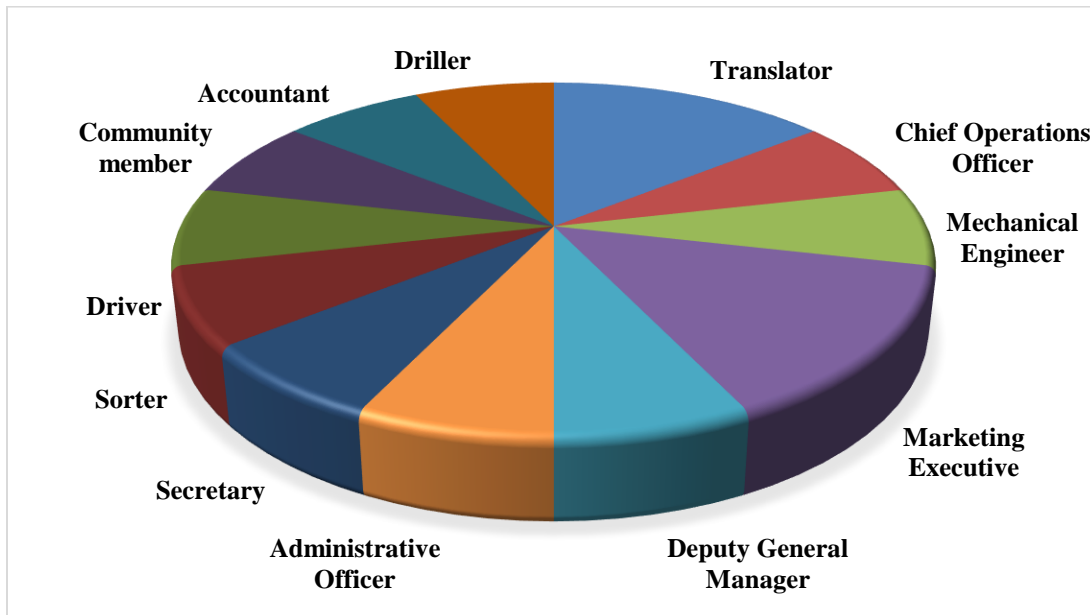
\*P7 – 9 represents focus group respondents.

Source: Researcher's own construction.

### 5.2.5 Distribution of positions

The positions of the stakeholders ranging from senior level positions to lower level positions as illustrated in Figure 5.3. Namely, chief operations officer, mechanical engineer, marketing executive, deputy general manager, translator, administrative officer, secretary, sorter, driver, community member, accountant and driller. Respondents P2 to P5 as indicated in Table 5.1, held two positions each.

**Figure 5.4:** Distribution of positions.

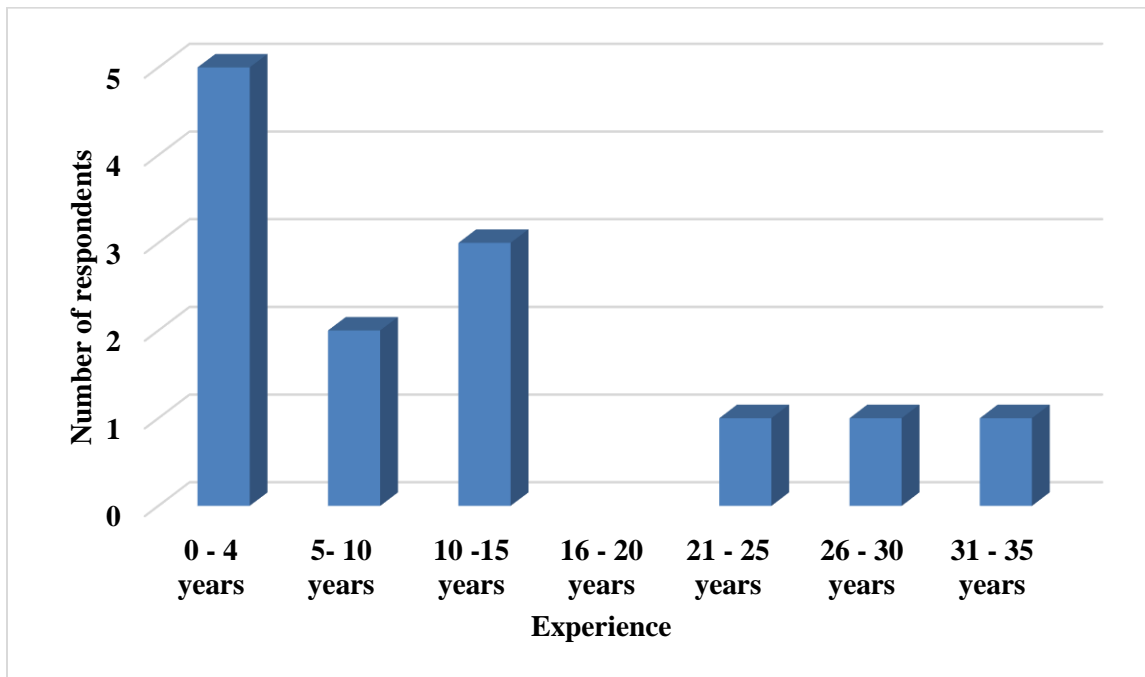


Source: Researcher's own construction.

### 5.2.6 Distribution of experience in years

Of the stakeholders interviewed, four had less than five years of experience, one had more than five years of experience, three had ten years of experience and two had more than twenty years of experience within their organisations as illustrated in Figure 5.5.

**Figure 5.5: Distribution of experience in years.**



Source: Researcher’s own construction.

After the discussion of the biographical distribution the content of the interview findings will be presented in accordance to the empirical research objectives of this study (Chapter 1 section 1.4).

### 5.3 PRESENTATION OF FINDINGS

The findings from the interviews with P1 to P13 will now be presented. The presentation of the findings will be done according to the empirical objectives of the study as discussed in Chapter 1 section 1.4. An example of a transcribed interview is attached (Annexure: F). It is important to note that the focus is on the experiences of the stakeholders who have interacted and worked for/

with a Chinese mining organisation in Zimbabwe. Due to the political sensitivity and confidentiality the detailed information about the mining organisation was not provided and quotations that may lead to the identification of the respondent were anonymised.

Stakeholder groups share their different views on how the Chinese managers built and managed the relationship with the different stakeholders. The content analysis employed in this study, as discussed in Chapter 4, Section 4.6 provided great insight from the stakeholders, which facilitated in understanding the different ways multiple stakeholder relationships are built and managed by the Chinese organisation. Sections 5.3 to 5.5 offer a tabular summary and a graph representing the views of employees, government and community stakeholder groups on how Chinese managers build and manage stakeholder relationships respectively. There after quoted extracts of the descriptions with the highest frequencies were provided. In Sections 5.3 to 5.5 all the different ways in which the Chinese managers build and manage multiple stakeholder relationships are listed regardless of the number of occurrences. This is done in order to show the different ways in which multiple stakeholder relationships are built and managed by the Chinese organisations. However, in Section 5.4 and 5.5, only quoted extracts of the descriptions with the highest frequencies are discussed. Section 5.5 provides an integrated presentation of building and managing of multiple stakeholder relationships. A discussion on the similarities and differences based on the interview data between the multiple stakeholder groups pertaining to how Chinese managers build and manage multiple stakeholder relationships is then presented.

In Sections 5.6 to 5.7 initially offers a tabular summary and a graph representing the stakeholder relationship characteristics and how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation. All the relationship characteristics found in the relationship between the Chinese mining organisation and the multiple stakeholders are listed regardless of the number of occurrences. Afterwards, the quoted extracts of the descriptions with the highest frequencies were presented. In section 5.7 the influence of stakeholder relationship characteristics on how stakeholder relationships are managed is presented. This is done through comparing relationship characteristics to ways in which multiple stakeholder relationships are managed by the Chinese mining organisation. Based on the interview data, (inductive approach) the stakeholder relationship characteristics and the ways stakeholder

relationships are managed are then compared according to positive and negative influences. The positive and negative influence of stakeholder relationship characteristics on the way the Chinese mining organisation manages multiple stakeholder relationships is discussed.

Lastly, in Section 5.8, presents with a tabular summary and a graph representing all the challenges experienced in the management of stakeholder relationships. All the challenges experienced in the management of stakeholder relationships are listed and the quoted extracts of the challenges with the highest frequencies were presented. A brief discussion is then provided. Finally, Section 5.9 presents a summary of the findings according to the research objectives and emerging themes.

#### **5.4 BUILDING MULTIPLE STAKEHOLDER RELATIONSHIPS**

In this section the findings addressing the first empirical research objective is presented.

- iii. Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*

To give effect to the abovementioned empirical research objective, the building and managing of multiple stakeholder relationships are discussed separately. Starting with the building of multiple stakeholder relationships and then followed by the managing of multiple stakeholder relationships. Then finally the building and managing aspects are presented and discussed in Section 5.6

The building of multiple stakeholder relationships is presented first in the form of a table and then graphically presented. In Table 5.2, the first column lists the respondents from whom the description on how Chinese managers build stakeholder relationships is inferred. The second column gives a description of how the relationships were built by the Chinese managers. The last column indicates the frequencies which is the number of times the description was indicated in the interview data. After each tabular and graphical presentation quoted extracts of the frequently cited descriptions are given. It should be noted that in some instances a quote may be presented more than once as it may reflect different stakeholder relationship aspects. In addition, there was a limit to the number of frequently cited stakeholder relationship aspects discussed.

### 5.4.1 How multiple stakeholder relationships are built

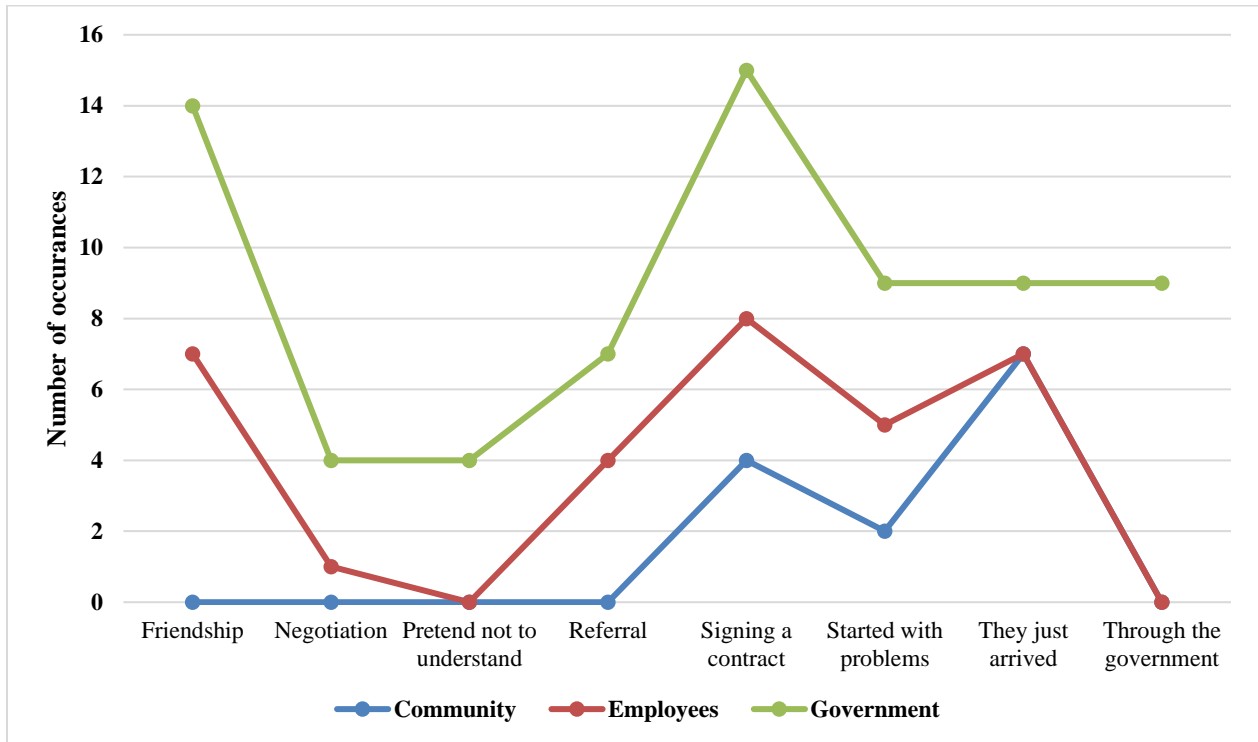
The ways in which multiple stakeholder relationships are built as inferred and coded from the interview data is presented in Table 5.2 and illustrated in Figure 5.5.

**Table 5.2:** How multiple stakeholder relationships are built.

Respondents	Ways stakeholder relationships are built	Frequencies ( <i>f<sub>i</sub></i> )			
		Employees	Government	Community	Totals
P1; P5; P6; P12; P2; P3; P4; P11; P13; P7; P8; P10	Signing a contract	4	7	4	15
P1; P5; P6; P2; P3; P13	Friendship	7	7	0	14
P1; P7; P10; P2; P3	Started with problems	3	4	2	9
P8; P9; P10; P11	They just arrived	0	2	7	9
P2; P3; P4; P13	Through the government	0	9	0	9
P1; P5; P12; P3; P13	Referral	4	3	0	7
P1; P2; P3	Negotiation	1	3	0	4
P2; P3; P4	Pretend not to understand	0	4	0	4

Source: Researcher's own construction.

**Figure 5.6:** How multiple stakeholder relationships are built.



Source: Researcher’s own construction.

According to the respondent’s responses as reflected in Table 5.2 and Figure 5.6, the ways in which stakeholder relationships are built by the Chinese managers are through signing a contract, friendship, started with problems, they just arrived, negotiation, pretend not to understand, referral, and through the government. The extractions of the quotations supporting the cited ways in which stakeholder relationships are built will be provided and discussed in the next sections.

Frequency indicates those that occurred the most based on overall responses. In terms of each stakeholder group there is a slightly different picture. Only the overall frequency occurrence will be reported in this section.

## 5.4.2 Signing a contract

According to the respondents, (P1; P5; P6; P12; P2; P3; P4; P11; P13; P7; P8; P10) the stakeholders signed contracts at the beginning of the relationship *fi(15)*. The Chinese managers gave them something to sign. The different stakeholder groups shared their experiences.

### Employees

According to respondents, (P5; P6; P12) the contracts that they signed were short term contracts.

*P5: You would renew there was nothing permanent. The longest contract was maybe 6 months. And if you perform well don't give you another 6 months.*

*P6: Yes. We had 3 months contracts.*

*P12: The contracts that we signed were .... we started with 1month contracts, then 3 months, then I signed another 3 months contract then another 3 months contract for 1 years 7 months.*

### Government

The Chinese managers and the government (P2; P1) would sign contracts at the beginning of the relationship.

*P2: Yes, the JV contract was already in place.*

Respondent P11 explains how the Chinese managers sign the forms which are legally binding.

*P11: When they come here, they sign the application form for prospecting and they also say maybe applying for the registration there are forms which are written there in terms of registration with the Ministry.*

### Community

The community (P7; P8; P10) share how they signed documents that they were given by the Chinese managers. Respondents P8 and P10 explained how the contracting process was done.

*P8: It's the same story with electricity. They came with the generator they said they wanted to test to see if the electricity will go on. So that we can be able to connect them for you, so they can work. So, we agreed as it was good, they came to test the electricity in our houses and then you could see that the kitchen lights are going on in the dining room there's electricity. Not knowing*

*that signing those papers meant that were signing to say that electricity is coming on. When they went where ever they went there then told them that electricity is there look at where they signed. That's the same story with all those papers we were made to sign. They would tell us that was what we are signing you are signing to say that we were not given anything here we are going to be given everything when we get there to the relocation area. The US\$1000, the houses and then soon as you get there, we will give you your compensation. We were just told sign here and signed there as if that's what they'd explained to us. And then they said such and such a time we will come and pick you up to relocate you. So that was the signing that we did for us to know what we're signing so we really don't know.*

**PI0:** *When we arrived here there was nothing that we signed. The only thing were the papers that were moving around where people were writing down their names they would ask where the person is, they had a list if they found the person they would just ask you to sign. They didn't give us a chance to read. They never gave people time to understand what is really taking place...It was just verbal.*

The community as inferred from their responses, appear to have entered into a psychological contract with the Chinese managers because what they expected was not what they got. Psychological contracts are based on individual perceptions with a focus on mutual obligations and focusing on obligations and entitlements including the role of reciprocity (quid quo pro) in the relationship (Ferris, et al. 2009: 1382).

Even though the community and the employees signed actual contracts they also entered into a relational contract with the Chinese managers. Relational contracts are informal agreements and unwritten codes of conduct that have an effect on the behaviour of individuals. Relational contracts also influence how organisations deal with multiple stakeholders (Baker, Gibbons and Murphy, 2002:39).

### 5.4.3 Friendship

The respondents share how they established a friendship in their relationship with the Chinese managers (P1; P5; P6; P2; P3; P13). According to the findings both the stakeholder and the managers played a part in building of the friendship *fi* (14).

#### Employees

The relationship between the employees and the Chinese managers was based on friendship. Respondent P1 explains how it was normal and he was accommodated in the same house with his managers.

*P1: For me it was ok. Everything was normal. Because I even stayed in their main house. So, for me it was ok.*

According to respondent P6, as long as the employees worked well the Chinese managers would get along with the employees

*P6: Yes, they (Chinese) treated us well. If you get along with them (Chinese) and you worked well, if you do your job quickly and work like that you get along. You're not have any troubles with them*

Seemingly, respondent P5 also started off his relationship with his superiors on a friendly note as he refers to how they created a friendly environment.

*P5: Yes, yes, it's like asking if you want to say something in Chinese what can I say? Then they'll say what is this in Shona? That's how the friendship starts..... Yes, my boss was a male Chinese he was very dull in English, so we used sign communication, so he would say it in Chinese and I would automatically do what he would have said. So those ladies were good in English and they were very ashamed. How I can understand what he's saying. So, they later ask me in English did you get what your boss said, and I'd say yes. So later on, the boss will speak to me in Chinese and I'll get back to the ladies using English. And they would get back to him in Chinese telling him that he is getting what you're saying. So, we were just creating a funny environment. It was just a fun environment.*

## Government

There appears to be some form of friendship between the government and the Chinese which led to P2's expectation of friendship. P2 explains how he was expecting the benevolent Chinese, who had helped Zimbabwe during the war, however, they became ruthless when it came to business transactions.

*P2: We were expecting the benevolent Chinese that assisted us during the war maybe we keep on our friendship and would show them what we've got, and they would understand how poor we are, and they would look at us and bring us up too.*

However, P3 gives a different account as she expressed how the Chinese managers were very kind and gave her support when she first started working with them.

*P3: They were very kind they were giving me a lot of support I was the only Zimbabwean, ...It was quite good we would also get invitations as and when the Chinese government was holding functions we would also have like the Africa Day, they're like some business expos that would happen and we would be invited we would have the Zimbabwean stands and same with here when there's an expo if it was mining then we would have a desk here so that relationship was there.*

There is an element of quid quo pro in the relationship between the Chinese managers and their stakeholders. Both employee and government stakeholders shared on how the relationship with the Chinese managers was built through friendship. According to the employee stakeholders the Chinese managers would treat the employees well if they did their work. The government stakeholder would initiate the relationship and the Chinese managers also initiated the relationship with government. Yet the community did not share any information on friendship  $fi(0)$  and could be because the Chinese managers did not communicate (discussed in Section 5.7.1.9) with them and hence they could not build the relationship through friendship.

#### 5.4.4 Started with problems

The building of the relationship with stakeholders, (P1; P7; P10; P2; P3) at times, started with problems *fi(9)*. There were problems that emerged at the beginning of the relationship and this affected how the relationship was built and the relationship itself.

##### Employees

Respondent P1 shares an incident where the Chinese managers requested him to hire people to cut trees but after they had done the work the Chinese managers were delaying in paying the people. This experience led to P1 quitting his job because it was too stressful for him as he had to deal with the workers that he had hired on behalf of the Chinese managers.

*P1: People like they do not like to pay that is one thing. And that is the other reason like I quit...It was too much stress for me I can't because this is that wasn't my job I was not like their manager, manager. My job was to translate. And when you give someone if you pass the message obvious like they will be someone they will tell me like if they are insulted, they take out on me. They did the work like you have to pay you after you work.*

##### Government

According to respondent P2 the relationship with the Chinese started off with a dispute as the Chinese manager did not want to do as the government organisation was proposing to be done. This relationship has been giving them problems for a long time.

*P2: We started with a dispute or disagreement on the exploration that was supposed to be done. We had opted for 100 holes to be dug he opted for 5 you are saying the place is already known so 5 holes would do just to confirm. And we were saying 100 will do to confirm if the resource is still abundant and then he did the 5 holes then.*

In addition, respondent, P3 shares how the Chinese managers would take their time once they felt that they were being cheated at the beginning of the relationship.

*P3: They would also dilly dally, if they felt that you were not giving them a service, they would be very tough negotiators. If you wanted the price of US\$50 per ton, they would always for example*

*they would always try to fight for price of 49 or 48 because they say last time, we incurred demurrage (penalty) because you did not bring the vessel on time, we incurred these charges at times they would be justified but.*

## **Community**

Respondent P7 explains how their husbands were given employment by the Chinese managers but then their employment was terminated because they wanted to relocate the families.

*P7: They were given and then their jobs were terminated, because they just wanted us to leave.*

The problems faced in the building of the relationship resulted in some cases like with P1 in the termination of the relationship. In the case of the government, according to P2 they have experienced problems throughout the relationship with the Chinese manager who started the relationship with a dispute. This goes to show in this particular case based on the accounts of the respondents who shared on this topic that once the relationship starts off with problems then it is difficult to build a relationship.

### **5.4.5 They just arrived**

According to the respondents (P8; P9; P10; P11) the Chinese managers just arrived *fi(9)*. The respondents explained how they just found that the Chinese had arrived into their community or offices.

## **Government**

According to the government they get to know about the Chinese managers once they come to their office to do registrations or when they want to export their minerals.

*P11: Well we only know about them when they come to our offices and we just to view them as any other person who is interested in mining*

## Community

The Community P7, P8, P9 and P10 share how the Chinese managers just appeared in their community. They came in one by one and then they just started to operate, that is when they started to ask the community to relocate.

*P8: They started coming one-by-one and then before you know it there was very many of them. In no time they are bringing their things that they use then they've entered into the community.*

*P9: They would say "Gooder, gooder" once they were already come into the community.*

*P7: We didn't see how they arrived, we just found that they were there*

The description offered by the community respondents P8, P9 and P7 gives a negative impression of how the Chinese managers built their relationship with the community. The responses as inferred from the interview data, indicate that the Chinese managers did not obtain SLO before commencing their operations at the mining area or they lost their SLO with the community. SLO is viewed to be a part of building stakeholder relationships when it comes to mining as there was no prior engagement with the community before they started their operations. This resulted in the problems faced in the relationship between the Chinese mining organisation and its community stakeholder and the other stakeholders. The employees did not share anything on they just arrived  $fi(0)$ , leading to the assumption that their relationship was built through referrals as indicated in Section 5.4.4.

### 5.4.6 Through the government

According to the respondents (P2; P3; P4; P13) the relationships with the government parastatal and office were built through the government  $fi(9)$ .

## Government

The accounts shared by respondents P2, P3 and P4 and inferred from the responses from the respondents the relationship with the government stakeholders was built through the government.

*P2: We talk to them we have to. Because I believe the government had put in a deliberate Look East Policy so like the question you previously asked why we went heavily Chinese here.*

*P3: this joint venture was motored out of Ministerial visit, government visit by the Minister at some investment conference and after that we then talked about having an MOU and then after that we then talked about the business model on how to do the business*

*P4: You see Kuda, some of these relationships there is an official relationship and then there's a personal one. If it is a government to government relationship*

The response illustrates how the Zimbabwean deliberate "Look East Policy" has given the respondents no choice but to engage with the Chinese in the mining sector. The same view is corroborated by Cooke, et al. (2015:2751) where the government participants revealed that the Chinese government has cordial relationships with African governments and that cost of mining in Africa is less than that of mining in China or developed countries. There is also a need to establish new mining sites to sustain Chinese businesses and China's economic growth.

#### **5.4.7 Referral**

The relationship between the Chinese managers and with the stakeholders (P1; P5; P12; P3; P13) was built through referrals *fi(7)*.

#### **Employees**

The employees (P1; P5; P12) give an account of how they first met and heard about the Chinese mining operations and how they got their job.

Respondent, P1 was referred by a friend.

*P1: My friend referred me to them.*

Similarly, respondent, P5 shares how the Chinese managers would get new employees through referrals.

*P5: Hopefully connections if you had a relative who was working there, they would just connect you then you just come. Maybe come tomorrow and you get the job.*

Respondent, P12 shares how he heard that the Chinese mine had opened their mine and went to seek employment.

*P12: I was around because I use to work for another Mining Company here and when my job was terminated the Chinese had opened their Mining Company so I went there to look for work and then I found it they were asking for ID and I had my ID and I gave them my ID then they asked me what I am able to do I was lucky because they were recruiting drillers and then I was able to fit in.*

## **Government**

The relationship with the government and the Chinese managers is also started through referrals from databases and from the expos that they are invited to attend by the Chinese government.

*P3: It is both they can come and invest or even when we have an enquiry, we can identify some of the people from the database... and we consummate the relationship.*

This could be a preferred way of hiring employees and building relationships by the Chinese managers as the Chinese who are in Africa hire employees based on recommendation as a way to guarantee that things will work well (Giese (2013: 149).

### **5.4.8 Negotiation**

In some instances, there was negotiation during the building of the relationship (P1; P2; P3). There was room for the stakeholders and the Chinese managers to raise their concerns and room to negotiate terms of the relationship *fi(4)*.

## **Employees**

An employee (P1) negotiated with the Chinese managers as he was starting his employment. The Chinese managers asked him what he wanted in terms of remuneration.

*P1: Like what I was saying for me I did not sign a contract. They asked me “what do you want” and they said let’s write a contract and told them it was too early to write a contract because I didn’t want it to sign.*

## **Government**

According to the government in building their relationship with the Chinese managers, there was compromise and negotiation as explained by P2:

*P2: He refused for the committee to exist he wanted Chinese people to come in we let them come in. We started with a dispute or disagreement on the exploration that was supposed to be done. We had opted for 100 holes to be dug he opted for 5 you are saying the place is already known so*

*5 holes would do just to confirm. And we were saying 100 will do to confirm if the resource is still abundant and then he did the 5 holes then he found out that there was no mineral that he wanted there was another. And then he changed and said let's change the contract that says he wanted the other. So, we said ok carry-on change and then he said now I want to convince my investors to support the other mineral.*

Both the Chinese manager and the stakeholder were willing to meet half way as they were compromising on the terms of the contract and how things should be done.

Respondent P3 gives an account on how the Chinese managers and the government parastatal managed to come to an agreement on how travelling expenses were to be handled. They would negotiate and reach an agreement.

*P3: Yes, we would discuss and say well for this trip if it is a local trip we ended up saying if it is local trip I use economy and if it was business and I was coming back to especially the long-haul flights I would use business class. I think they understood, and we appreciated what they were saying they were saying this is a new company we need to save money and it made sense, but I think it was like a compromise situation.*

## **Community**

The community stakeholder group did not refer to negotiation according to the inference made from their responses  $fi(0)$ . This can be attributed to the way in which the community describes how the relationship was built by the Chinese managers as they just arrived (refer to Section 5.4.4).

The Chinese managers and the stakeholders would negotiate and reach compromises or agreements as they were building the relationship  $fi(4)$ . It included both the stakeholders (employee and government) and the Chinese managers to go through this process. If the opportunity for the stakeholder to communicate with the Chinese managers is not given, like in the case of the community  $fi(0)$  there was no negotiation.

### 5.4.9 Pretend not to understand

According to the respondents (P2; P3; P4) the Chinese managers pretend not to understand when they are interacting with stakeholders  $fi(4)$ .

#### Government

According to respondents P2, P3 and P4, the Chinese managers pretend not to understand when they are communicating with them and then they go behind their back and do what they want to do.

*P2: I have discovered also that the Chinese also all of them know English, they do, those in that meeting will be knowing English but the translator is merely for your benefit*

P3 also shares the same view as P2 regarding the pretence of the Chinese managers.

*P3: You communicate and discuss but they will be understanding they just don't want to admit that they want you to continue discussing things.*

P4 shares his views although P4's view of the Chinese managers appearing dumb in this instance could be mistaken as the Chinese may be humbling themselves as it is part of their culture to show humility.

*P4: But when they come here, they pretend as if they are how can I put it kudzungaira (confused). So basically, these guys they pretend as if but as for us we know that they will be knowing what they're doing. Something like that it's just part of nature.*

The employees and community stakeholders  $fi(0)$  as inferred from their responses did not share on pretend not to understand. Only the government stakeholder who expressed that Chinese managers pretend not to understand. The difference illustrates that relationships are built in different ways depending on the context and type of relationship.

### 5.4.10 Summary on how stakeholder relationships are built

The Chinese managers build multiple stakeholder relationships through signing a contract  $fi(15)$ , friendship  $fi(14)$ , started with problems  $fi(9)$ , they just arrived  $fi(9)$ , through the government  $fi(9)$  referral  $fi(7)$ , negotiation  $fi(4)$  and pretend not to understand  $fi(4)$ . It seems as the building of multiple stakeholder relationships is a complex undertaking. There appears to be a mixture of

negative (started with problems, pretend not to understand) and progressive (friendship, negotiation) ways used to describe how the Chinese managers build multiple stakeholder relationships. Stakeholders give different accounts on how the Chinese managers built the relationship with the different multiple stakeholders, in those difference there are also commonalities found, for instance the referencing of friendship by the employees  $f_i(7)$  and the government stakeholders  $f_i(7)$ . Whereas the community did not refer to friendship  $f_i(0)$ , because the Chinese managers never communicated with the community as evidenced in the interviews and inferred in the responses provided by the community. One of the commonalities found across all the multiple stakeholders is the signing of contracts  $f_i(15)$  by the Chinese managers with all the stakeholders when building the relationship. This is a norm as organisations are meant to sign formal contracts as they do business. In the next section, the managing of multiple stakeholder relationships will be presented and discussed.

## **5.5 MANAGING MULTIPLE STAKEHOLDER RELATIONSHIPS**

The ways in which multiple stakeholder relationships are managed, as inferred and coded from the interview data, is presented in Table 5.3 and illustrated in Figure 5.6 and the findings will be discussed in this section. The following research objective is discussed in this section.

- iv. Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*

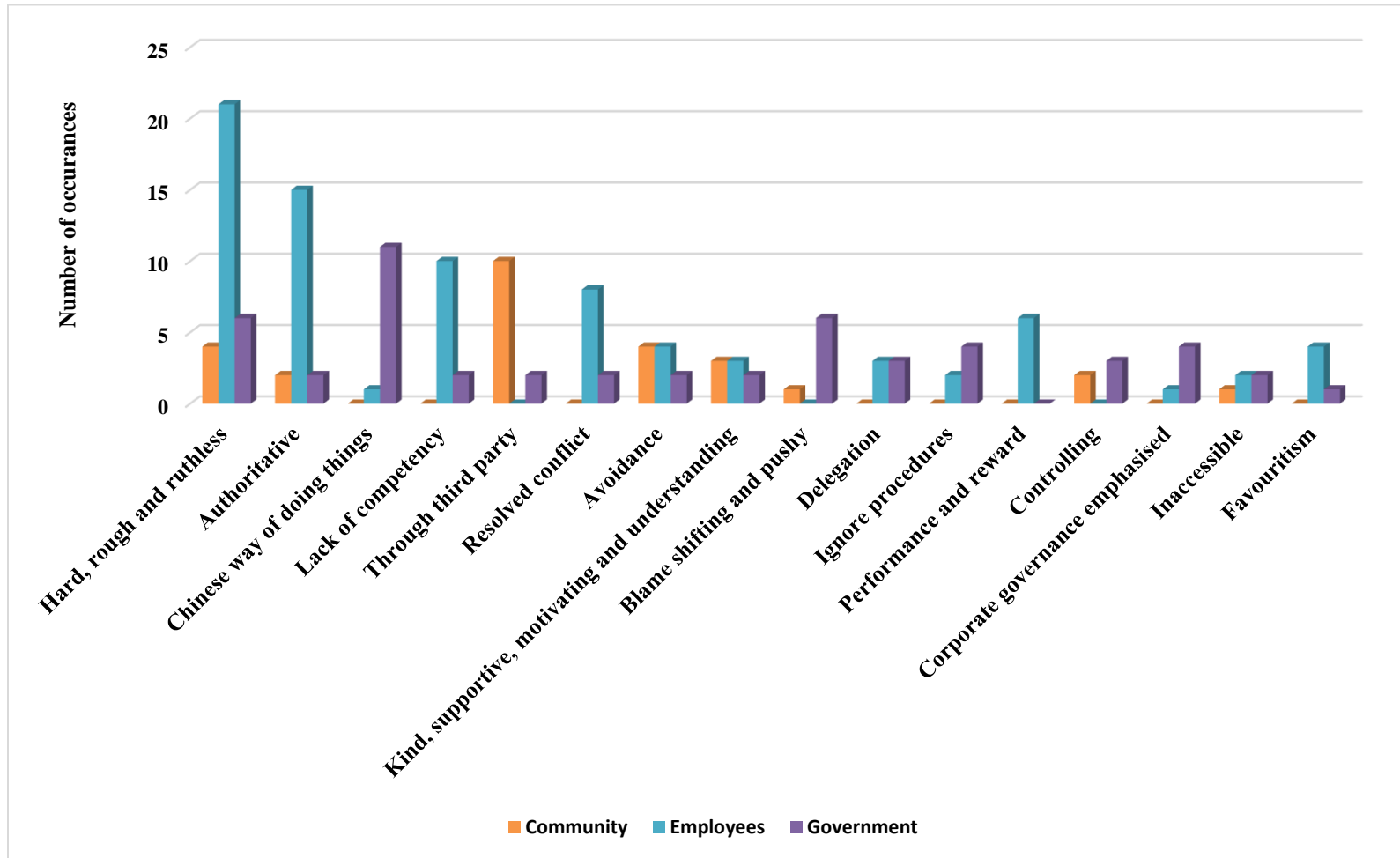
To give effect to the abovementioned empirical research objective, the building and managing of multiple stakeholder relationships are discussed separately. How multiple stakeholder relationships has been discussed in Section 5.4. and now managing of multiple stakeholder relationships will be discussed next.

**Table 5.3:** Managing multiple stakeholder relationships.

Respondents	Managing stakeholder relationships	Frequencies ( <i>fi</i> )			
		Community	Employees	Government	Totals
P1; P5; P6; P12; P8; P7; P9; P10; P2; P4	Hard, rough and ruthless	4	21	6	31
P1; P6; P12; P10; P2	Authoritative	2	15	2	19
P6; P2; P3; P4;	Chinese way of doing things	0	1	11	12
P1; P5; P6; P4; P13	Lack of competency	0	10	2	12
P8; P7; P9; P10; P11	Through third party	10	0	2	12
P1; P5; P6; P12; P2	Resolved conflict	0	8	2	10
P1; P5; P6; P8; P9; P10; P3	Avoidance	4	4	2	10
P1; P5; P12; P7; P9; P3	Kind, supportive, motivating and understanding	3	3	2	8
P8; P2; P4; P13	Blame shifting and pushy	1	0	6	7
P1; P5; P4; P11; P13	Delegation	0	3	3	6
P1; P2; P4; P13	Ignore procedures	0	2	4	6
P5; P6; P12	Performance and reward	0	6	0	6
P9; P8; P7; P2; P4	Controlling	2	0	3	5
P12; P2; P3	Corporate governance emphasised	0	1	4	5
P6; P9; P2;	Inaccessible	1	2	2	5
P5; P6; P12; P2	Favouritism	0	4	1	5
P9; P2; P11; P13	Compliant	1	0	3	4

Source: Researcher's own construction.

**Figure 5.7:** Managing multiple stakeholder relationships.



Source: Researcher's own construction.

As indicated in Table 5.3 and Figure 5.7 the respondents emphasised that the Chinese managers were hard, rough and ruthless authoritative, Chinese way of doing things, used avoidance, lack of competency, through a third party and resolved conflict when managing stakeholder relationships. Quotations supporting the most frequently cited ( $f_i > 10$ ) ways in which the Chinese managers manage stakeholder relationships will be discussed.

### 5.5.1 Hard, rough and ruthless

The Chinese managers are said to be rough, ruthless and hard when managing their stakeholder relationship. The respondents (P1; P5; P6; P12; P8; P7; P9; P10; P2; P4) share their accounts  $f_i(31)$  of how the Chinese managers were hard, rough and ruthless when they dealt with them as stakeholders.

#### Employees

The employee respondents (P1; P5; P12; P6) gave a detailed account  $f(21)$  of how the Chinese managers were strict enforcers of work.

*P12: Sometimes we work and it's lunchtime machines are supposed to keep working so we spoke to the foreman that we don't even get a chance to rest and the foreman just says "worker, worker" if you tried to say anything or do anything you're just told "worker, worker" you'd think that they would say you can relax a little bit and change the machine. If you are seen resting or seen to be resting it is an offence.*

The employees would only rest at night when they retired to their barracks. The employees were not allowed to rest during the day and if they are seen resting they would lose their jobs.

*P6: All the Chinese wanted was for us to work. We work throughout the day go to bed and come back the next day and do the same. There was nothing else. MuChina (the Chinese) has no problem, the work was painful because you are working with the Chinese, but they paid us our money. If you work at the pace they want if they say do the work 'faster, faster' and you meet your target you get along "gooder, gooder". 'Job quickly, faster, faster, job. Small time finish' we had targets, and if you meet your target you can rest. We had two shifts day and night from 7am to 7pm and another one 7pm to 7am.*

According to the responses (P12; P6) as inferred from the interview data, it was hard and difficult for the employees to work with the Chinese managers as they would be made to work without taking a break under unbearable hot conditions in the mine.

### **Community**

Respondents, P7, P8, P9 and P10 shared their experience during the time of relocation from their village to another area when the Chinese mining organisation had started mining in their village. The Chinese managers came and told them that they were being relocated and if the families did not want to be relocated they would be left behind in the mining area.

*P7: The Chinese would come with their workers and if you were to say I don't want to be relocated they said they would leave you behind.*

*P8: They just wanted people to leave the place where they wanted to get their money only chasing us away from there and putting us here.*

The Chinese would just pass in front of their homes causing a lot of dust and the community was worried that their children would be run over.

*P9: When you were left behind now with the dust. It was terrible because they would pass in front of your house with their trucks, so you will be scared that your children maybe run over by the trucks and the dust would affect them. Then you see that this is what is there then you're forced to sign to be relocated.*

The Chinese managers did not treat the community well because they did not deliver what they promised them when they asked the community to relocate from their village.

*P10: In my view they didn't treat us well because what we expected is not what we got some of the promises that they made before they moved us are totally different from what we confronted when we arrived at the relocation place*

### **Government**

Respondents from the government (P2; P4) explained in their responses as inferred from the interview data, how the Chinese managers were hard, rough and ruthless *fi(6)*.

P2 refers to the Chinese managers as ruthless business men who took advantage of the government organisation which is something that they did not expect from the Chinese.

*P2: But before then they became ruthless businessman. We thought they were coming as a people who were going to be not as ruthless as they've actually became. We open our things and then they hammer us left right and centre.*

Respondent, P4 corroborated what was said by the employees on how the Chinese managers are rough towards the general employees in the mines. Referring to stakeholders as a means to an end for the Chinese managers.

*P4: Yeah you know they value but we also we are a means to an end. You know these guys are very funny they know that we are a regulatory authority so when they come to our offices, they're all nice, nice. But to the common general labourer they are rough.*

### **5.5.2 Authoritative**

The account given by the respondents (P1; P6; P12; P10; P2) show how the Chinese managers were authoritative *fi(19)*. The reference to the Chinese managers as "shark" and "banner cougar" indicates how the Chinese managers are the boss and are associated with power and authority.

#### **Employees**

According to the respondents P1 and P6 the Chinese managers just wanted them to do as they are told. The employees were not allowed to question the Chinese manager if they were given orders for the day or else they would lose their jobs. Respondent P1 had this to say:

*P1: They can approach them (managers), but they just say if you do not agree with what we are doing here you can go.*

The Chinese had too much power over the employees. Employees share how the Chinese just wanted the employees to do as they have been told and that they came from their country to make them work. Employees had no choice but to do as they were told. P6 refers to the Chinese managers as the "shark".

*P6: the shark will be in the office...because the Chinese would just come from China and you will be told this one (Chinese) is now your boss. Then if you say boss here let's do this, then he would say "don't tell me what to do. I am the one who knows my own work"*

#### **Community**

Respondent P12 explains how whatever the Chinese managers say they have to do because complaining will not help.

*P10: In my view whatever they were doing then you must be satisfied with it.*

## **Government**

Respondent P2 explained how the Chinese managers would have a boss that they pay “allegiance to” who P2 refers to as a "banner cougar" which is a big cat. Once that boss says something the decision is final.

*P2: They always go to the boss whom they pay allegiance to I've discovered that, and that boss' decision is final there's no debating with him... because there is a boss, there is a banner cougar all the time.*

The accounts given by the respondents is indicative of how the Chinese managed their relationship with multiple stakeholders.

### **5.5.3 Chinese way of doing things**

According to the respondents (P6; P2; P3; P4), the Chinese managers use the Chinese way of doing things *fi(12)* when managing stakeholders.

## **Employees**

Respondent, P6 refers to the Chinese system of doing things of keeping employees on short term contracts.

*P6: Until we got used to it and saw that was the Chinese system, to renew contract. If you sign for a year and you decide to leave it means they have to pay it was something difficult for the Chinese to do as it pains them.*

## **Government**

According to respondent, P2 shares his discoveries about the Chinese managers that they respect their culture, that some of them know English and how the Chinese managers have someone to study the stakeholders so that they can use it to their advantage.

*P2: They love, and they respect, and they have observance of their own culture... When we discuss or when we negotiate with them some deals there always ahead and at an advantage because they understand English. .Outside the Chinese have people who study you and then play your tune to their advantage. They are that type of people. They are very clever.*

Another respondent, P4 shares the same view that the Chinese managers study the stakeholders to know what, who and how to deal with them.

*P4: They respect the office because they know, you know those people do their research before they come so I don't know how they do it, but they will know that ok they will study to say ok that person processes these.*

The Chinese managers are said to have a business culture of ethics, which respondent P3 emphatically explained.

*P3: In a meeting you hear somebody saying that "we Chinese we do not do this" it's really, they're talking about the Chinese government and the Chinese culture of doing business.*

*Of course, it was also a business culture ethics because they work hard the Chinese they really work hard*

The same is corroborated by respondent P4 who shares how the Chinese managers always refer to the Chinese way of doing business when they come to his office.

*P4: So, when they come and say "hey no in China" I end up saying to them look this is not China. If you wanted to do the Chinese way, why don't you go to China this is Zimbabwe.*

#### **5.5.4 Lack of competency**

Respondents (P1; P5; P6; P4; P13) as inferred from the interview data, the Chinese managers are said to lack the competency *fī(12)* as they would delegate responsibility to someone whose role was not to manage people and not have the technical know-how. Competency is defined as "a combination of knowledge, skills and core personality characteristics that lead to superior results" (Mazur and Pisarski, 2015:1682).

#### **Employees**

According to the respondents (P1, P5, P6), information is passed through translators and at times translators also make decisions or go and consult with the Chinese managers.

*P1: It was too much stress for me I can't because this is that wasn't my job I was not like their manager, manager. My job was to translate. And when you give someone if you pass the message obvious like they will be someone they will tell me like if they are insulted, they take out on me.*

This position which P1 was given to perform by the Chinese managers was not what he was hired to do hence he found it stressful.

Respondent P6 also raises concerns about the competence of the Chinese managers who were managing them.

*P6: some of the Chinese that came where coming and where told you are now a boss and they were clueless and if you say boss let's do this you would have disagreements. They would just bring people from China, some of them would have committed a crime in China, and they come here, and they are made into our boss. But he will not have the know how no. Some of our bosses here didn't even know how to drive. So, to tell him the truck is not changing gears he would say it's working for him to test it he couldn't because he doesn't know how to drive. Some of them learnt how to drive here with us instructing. They are not bosses like the white man. No, he was just a worker not a real boss. Just a boss by title.*

Respondent P5 gives a slightly different perspective on the Chinese managers as he explained that they were competent and had the technical know-how and were able to do the work.

*P5: The Chinese because they were responsible and capable controlling all the machines.*

## **Government**

Respondent, P13 reiterates the sentiment shared by P6 on how the Chinese managers have no knowledge and expertise.

*P13: The Chinese that come have no experience and most of the Chinese who come have no know how so we assist them.*

### **5.5.5 Through third party**

According to the respondents (P8; P7; P9; P10; P11) as inferred from the interview data the Chinese managers used third parties *fi(12)* to manage their relationship with the community. The local government authorities were the ones who would conduct meetings on behalf of the Chinese managers making promises to the community that were not fulfilled.

## **Community**

The Chinese managers used third parties to manage their relationship with the community. There were other people who would speak on their behalf during meetings with the community. Respondents from the community, P7, P8 and P9 shared how sceptical they were about the people who spoke on behalf of the Chinese and those who came to community meetings.

*P7: Communicating with the Chinese? We never spoke to the Chinese some people would speak on their behalf maybe they were lying*

*P8: A person who just come and say I have spoken to the Chinese and they said A, B, C, D. So, this is what is going to happen after this happens. So that's what we are waiting for.*

According to the responses from the community P7 as inferred from the interview data, the government officer was the one who would deal with the grievances from the community and manage the relationship with the community.

*P7: And sometimes without notice when the government officer comes they would call a meeting for us the government officer is coming then you go to the school and you wait for the government officer to come and then he would come and they'll take him to the classrooms in there we were all sitting somewhere else on the whaleback rock (ruware) waiting for the government officer to come, and then someone comes to tell us what the government officer has said. There's no body to see the government officer and raise our grievances.*

## **Government**

According to respondent P11, the Chinese managers would have a third party liaise with the government official and that some people came on their behalf (the Chinese managers) and those were the ones who spoke and not the Chinese managers.

*P11: someone comes on behalf of somebody else and those people are the ones who will be playing the leading role in most cases the ones that come here, but we don't know what is happening behind the scenes but the ones that come wanting to do business.*

The respondents expressed their disapproval of the use of the third party used by the Chinese managers to manage the relationship between the community and the Chinese organisation.

Respondents, P7, P8 and P9 shared the following:

*P8: Mr X is the other person.*

*P9: He was always around in this place. He told them "do not buy tiles they are expensive" buy cement.*

*P8: The bulk of the money they would "eat".*

*P9: Everything that was said the Chinese would do it.*

*P7: Now you see we had our own nice houses with good quality cement.*

### 5.5.6 Resolved conflict

According to the respondents (P1; P5; P6; P12; P2), as inferred from the interview data, the Chinese managers resolved conflict *fi(10)*. The Chinese managers were said to resolve conflict when it would arise, and other respondents give accounts that are contrary to that effect as they viewed that the managers did nothing to address grievances and did not help employees.

#### Employees:

According to the employee respondents the Chinese managers would manage and resolve conflict. If there were any misunderstandings, the Chinese managers would resolve them. Respondents P1, P5 and P12 corroborate on the conflict resolution of Chinese managers:

*P1: so, they do not want to bring too much attention to them so obviously at the end if they see that people are fussing they just deal with the situation.*

P5 shares the same experience of managers resolving conflict at the mine.

*P5: There was a plant manager that one was the one who used to take down the grievances. And handling all those difficult situations and then later he would go back to the Chinese to address everything and put everything in order. So usually if there is a problem in the plant, he would address the Chinese and they would say you do this and do this and to create the relationship and to deal with the complaints.*

On the contrary P6 points out on how the Chinese managers did nothing to help the employees.

*P6: Even if you ask them to help you, they could not.*

Respondent, P12 also shares how the workers committee would take their grievances and nothing was done. this contrary to what P12 had said about misunderstandings being resolved.

*P12: the workers committee would go forward and take our grievance and so we would wait to hear the outcome but then when the results would come. The foreman will just say "the bigger boss no gooder." Then we'll just see that there's no point in even raising our grievances because it's the same as not saying anything.*

#### Government

Respondent, P2 describes how the government organisation has been having trouble to resolve their problem with a Chinese partner who was not performing.

*P2: the whole thing started going haywire... now we have had hassles with him.... He is not performing he is using our resource for speculative purposes in China,*

### 5.5.7 Avoidance

Respondents, (P1; P5; P6; P8; P9; P10; P3) as inferred from the interview data, Chinese managers managed the relationship through avoidance *fi(10)*. Respondence share on how the Chinese managers did nothing when complaints were raised. The managers did not pay attention to the employees' problems as they would not consider a lot of things concerning the employees.

#### Employees

Respondent P1, shared how the Chinese managers were not concerned about a lot of things, if the employees raised their complaints and grievances the Chinese managers would do nothing about them.

*P1: They don't think about a lot of things. Because even me when the employees raise their complaints nothing will be done*

#### Community

The community respondents (P8; P9; P10) also share the same view as the employee respondents, as the concerns and complaints they raised were not addressed and they have a feeling of being neglected as there is no one to listen to them.

*P9: These people will be speaking to them in the language that they understand and then they say to you that we have spoken to the Chinese we already done concerning this Chinese have told them this and that and they said they said this and that. The Chinese person doesn't even understand he doesn't speak to you it does nothing but is also present in the meeting.*

#### Government

According to respondent P3 the Chinese managers would take their time if they felt that they were not being given the service they deserve, they would say they would invest then they do not do it.

*P3: They would also dilly dally, if they felt that you were not giving them a service they would be very tough negotiators*

*they will say they will invest but they will not do it.*

The different stakeholders explain that the Chinese managers would not do anything about the problems that were brought to them. They would just avoid them. Hence, the stakeholders would just give up as they saw that nothing will be done.

### **5.5.8 Summary on how stakeholder relationships are managed**

To summarise the Chinese managers managed the relationship with multiple stakeholders differently. The Chinese managers are said to be hard, rough and ruthless; authoritative *fi(31)*, Chinese way of doing things *fi(19)*, used avoidance *fi(12)*, lack of competency *fi(12)*, through a third party *fi(12)*, resolved conflict *fi(10)* and avoidance *fi(10)*, when managing stakeholder relationships. The most frequently cited description of how the Chinese managers managed multiple stakeholder relationships appears to be on the negative side. However, as inferred from the interview data but not to a large extent the Chinese managers were viewed to be kind, supportive, motivating and understanding *fi(8)*; blame shifting and pushy *fi(7)*, delegation *fi(6)*, ignore procedures *fi(6)*, performance and reward *fi(6)*, controlling *fi(5)*, corporate governance emphasised *fi(5)*, inaccessible *fi(5)*, favouritism *fi(5)* and compliant *fi(4)*. Providing a more mixed view on how multiple stakeholder relationships are managed. In the next section discusses how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.

## **5.6 COMPARISON OF BUILDING AND MANAGING MULTIPLE STAKEHOLDER RELATIONSHIPS**

Having presented the findings on the ways that Chinese managers build multiple stakeholder relationships (refer to Section 5.4) and the way that the stakeholder relationships are managed (refer to Section 5.5) it is now possible to address the following empirical objective:

*Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*

In this section the findings on how multiple stakeholder relationships are built and managed will be provided and discussed. The different ways in which managers build and manage multiple stakeholder relationships are now juxtaposed and presented in Table 5.4 and Figure 5.8.

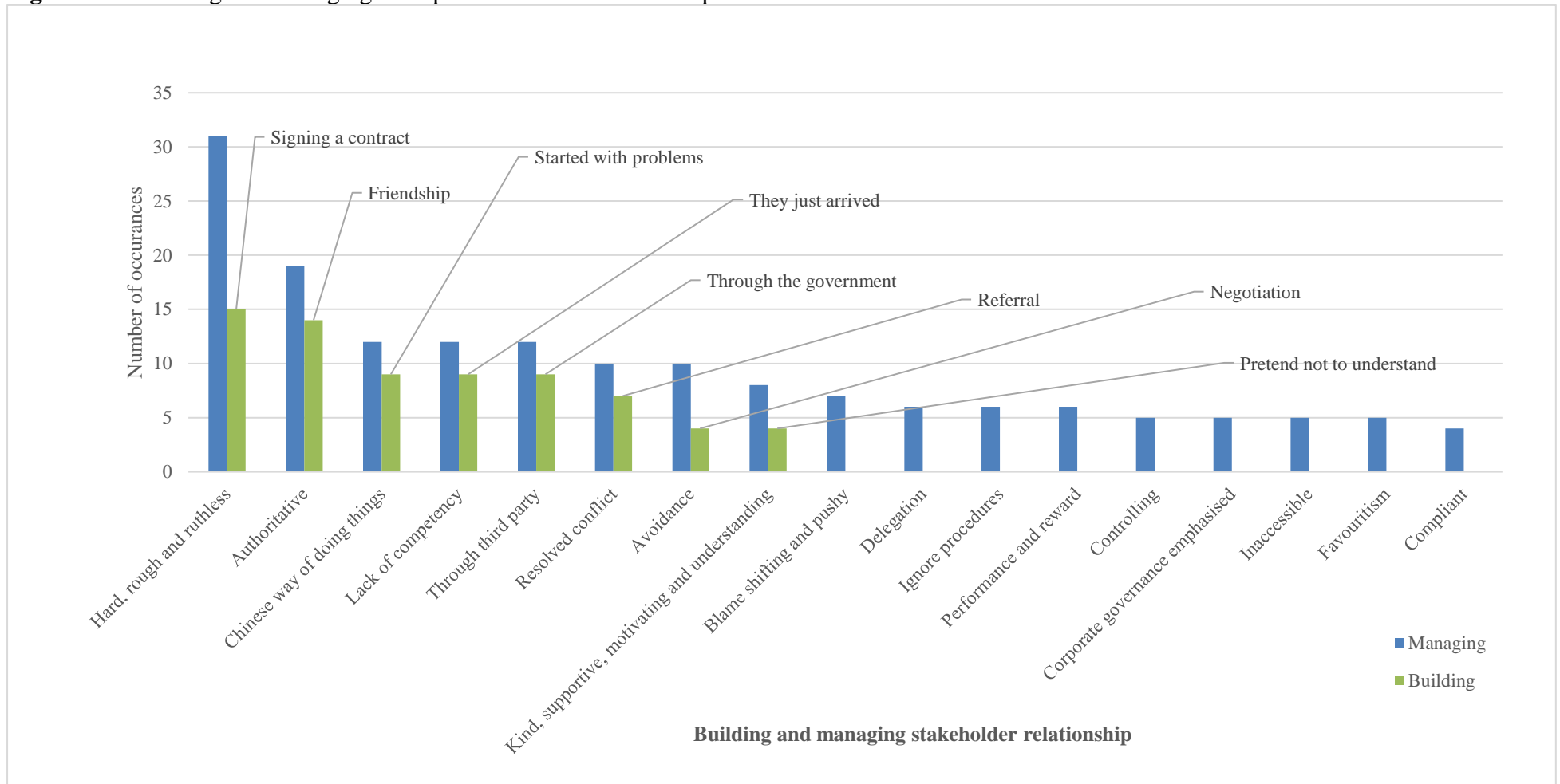
Table 5.4: Building and managing multiple stakeholder relationships.

Building and managing stakeholder relationships					
Respondents	Managing Stakeholder relationships	<i>fi</i>	Respondents	Building stakeholder relationships	<i>fi</i>
P1; P5; P6; P12; P2; P3; P4; P11; P13; P7; P8; P10	Signing a contract	15	P1; P5; P6; P12; P8; P7; P9; P10; P2; P4	Hard, rough and ruthless	31
P1; P5; P6; P2; P3; P13	Friendship	14	P1; P6; P12; P10; P2	Authoritative	19
P1; P7; P10; P2; P3	Started with problems	9	P6; P2; P3; P4;	Chinese way of doing things	12
P8; P9; P10; P11	They just arrived	9	P1; P5; P6; P4; P13	Lack of competency	12
P2; P3; P4; P13	Through the government	9	P8; P7; P9; P10; P11	Through third party	12
P1; P5; P12; P3; P13	Referral	7	P1; P5; P6; P12; P2	Resolved conflict	10
P1; P2; P3	Negotiation	4	P1; P5; P6; P8; P9; P10; P3	Avoidance	10
P2; P3; P4	Pretend not to understand	4	P1; P5; P12; P7; P9; P3	Kind, supportive, motivating and understanding	8
			P8; P2; P4; P13	Blame shifting and pushy	7
			P1; P5; P4; P11; P13	Delegation	6
			P1; P2; P4; P13	Ignore procedures	6
			P5; P6; P12	Performance and reward	6
			P9; P8; P7; P2; P4	Controlling	5
			P12; P2; P3	Corporate governance emphasised	5
			P6; P9; P2;	Inaccessible	5
			P5; P6; P12; P2	Favouritism	5
			P9; P2; P11; P13	Compliant	4

\**fi* represents frequency

Source: Researcher's own construction.

**Figure 5.8:** Building and managing multiple stakeholder relationships.



Source: Researcher's own construction.

### 5.6.1 Discussion on how stakeholder relationships are built and managed

According to the findings inferred from the interview data and interpretations stakeholder relationships are built through friendship *fi(14)*, the government *fi(9)*, signing a contract *fi(15)*, negotiation *fi(4)* and referrals *fi(7)*. The relationship between stakeholders and the Chinese managers is also started with problems *fi(9)*, the Chinese managers just arrived *fi(9)* and pretend not to understand *fi(4)*. When it comes to managing multiple stakeholder relationships the respondents emphasised that the Chinese managers were hard, rough and ruthless *fi(31)*, authoritative *fi(19)*, Chinese way of doing things *fi(12)*, a lack of competency *fi(12)*, through a third party *fi(12)* resolved conflict *fi(10)*; and used avoidance *fi(10)*, when managing their relationship with the respondents. There appears to be a mixture of negative (started with problems, pretend not to understand; avoidance, authoritative) and progressive (friendship, negotiation; resolved conflict) use of terms to describe how the Chinese managers build and manage multiple stakeholder relationships. Furthermore, respondents give different accounts on how the Chinese managers built the relationship with the different multiple stakeholders.

For instance, stakeholders within the employee group have different views on conflict resolution *fi(8)* and avoidance *fi(4)* by the Chinese managers when building stakeholder relationships. The Chinese managers are said to resolve conflict when it arises, and other stakeholders give accounts that are contrary to that effect as they say that the managers do nothing to address grievances and they do not help. Respondent P12 shared the following:

*P12: If there were any misunderstandings the Chinese foreman would just get into his car and go to the offices to get an interpreter. The interpreter will then ask what the problem is, and we would explain to him then he would intervene and explain and resolve the matter. Then we'll continue with our work.*

Contrary to P12 respondent P1 who was a translator shared the following:

*P1: Because even me when the employees raise their complaints nothing will be done*

The findings as inferred from the interview data illustrate that there are different ways in which the building and managing of relationships with multiple stakeholders within the context of government influence and the differences in how things are done with employees and the community. This adds to the multiplicity and conflicting nature of the different stakeholder interests. Hence, the Chinese managers use different ways to build and manage relationships with multiple stakeholders in different contexts.

For instance, when building a relationship with the government the relationship was built through the government *fi(9)*. Whereas with the community the Chinese managers just arrived *fi(7)* and there was a signing of contract *fi(4)*, this suggests that the Chinese managers did not obtain SLO from the community. The relationship with the employees was built through friendship *fi(7)*, signing of contract *fi(4)* and referral *fi(4)*. As stated in section 3.5.3 organisations build diverse types of relationships with multiple stakeholders based on the value attached to the outcome of the relationship (Herremans, Nazari and Mahmoudian, 2016: 420). Moreover, it is evident in the findings as inferred from the interview data and interpretations that organisation-stakeholder relationships develop within a social context with contextual factors (Elfenbein and Zenger, 2014:223) that influence how the relationship is managed.

The Chinese organisation managed their relationships with multiple stakeholders differently. According to the findings the employees felt that the Chinese managers were authoritative *fi(15)*, hard, rough and ruthless *fi(21)*, lack competency *fi(10)* and resolve conflict *fi(8)*. The community's relationship was managed through a third party *fi(10)*. The Government expressed that the Chinese managers wanted the Chinese way of doing things *fi(11)* when managing their relationship with the government organisations.

As discussed in chapter 3 section 3.5.4, stakeholder relationships are managed according to the context. The different approaches used by the Chinese managers are based on different situations, the available resources and how the Chinese managers identified and analysed the stakeholders. This is evident in the findings as the community emphasises that the Chinese managers did not manage their relationship but rather through the government officials and their traditional leaders. Respondents from the community P8 and P7 had this to say:

*P8: A person would just come and say I have spoken to the Chinese and they said A,B,C,D. So, this is what is going to happen after this happens. So that's what we are waiting for.*

*P7: Communicating with the Chinese? We never spoke to the Chinese some people would speak on their behalf maybe they were lying.*

The use of third parties to manage the relationship is part of a deliberate strategy used by the Chinese managers as they view the local government authorities and Chiefs to be key contacts

(Cooke et al., 2015:2757). In the research done by Cooke et al., (2015) the Chinese managers from a Chinese multinational mining organisation that had subsidiaries in Africa including Zimbabwe, are of the view that if they develop a good relationship with the local authorities and chiefs it makes it easier for them to do business in the host country. However, from the account given by the community the local government is not managing the relationship properly as they are seen to lie and misuse the funds given to assist the community.

Whereas, the employees based on their experience of working with these managers on a daily basis viewed the Chinese managers as authoritative *f(15)* when managing the relationship with employees. According to the respondents the Chinese managers were authoritative *f(15)*. The finding is conceivable because the same findings were given by Chigwendere (2018:203), where African experts who work with Chinese nationals expressed that they found the Chinese to be authoritative leading to the view that the Chinese managers are autocratic and demanding. A person who is autocratic accepts orders and instruction from some who has more authority than they do just because they are the boss (Griffin, 2016:267).

There are differences between stakeholder groups, where the employees' situation is different from the community and the government stakeholders. The stakeholders would offer conflicting views, the employee respondents would state that the managers are hard, rough and ruthless *f(21)*, and the government respondents viewed them to be kind, supportive and motivating *f(2)*. The Chinese managers hard, rough and ruthless *f(31)* management of stakeholder relationships is corroborated by Cooke, et al. (2015: 2752). as the Chinese use a military management style (associated with endurance of hardship for the greater good). Cooke, et al's. (2015:2753) empirical findings on Chinese mining organisations, who had subsidiaries in Africa indicated that local employees were often resistant to the management style used by Chinese managers. In the past the Chinese mining organisations in China were owned by the government and were managed in a military style. The work ethics of these organisations was based on self-discipline, self-sacrifice for the good of all and employees were expected to endure hardship (Cooke, et al. 2015:2754).

The diverse responses shared by the respondents are indicative of how complex it is to manage multiple stakeholder relationships as they are dynamic and taking place within a context of stakeholder multiplicity where stakeholders have multiple, conflicting, complimentary or

cooperative claims on the organisation. The stakeholders share how the relationship with the Chinese managers was built through friendship, negotiation, pretend not to understand, referral, signing a contract, started with problems, they just arrived and through the government. At the same time, the same stakeholder relationship was being managed by the Chinese managers by being hard, rough and ruthless, authoritative, Chinese way of doing things, used avoidance, lack of competency, through a third party and resolving conflict.

In the next section stakeholder relationship characteristics will be presented.

## **5.7 STAKEHOLDER RELATIONSHIP CHARACTERISTICS INFLUENCE ON HOW RELATIONSHIPS ARE MANAGED**

To give effect to the research objective:

- vi. *Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.*

The relationship characteristics found in the narratives of the respondents (P1 to P13) on relationship characteristics will be presented in a tabular and graphical form and thereafter the quotations of the most frequently ( $f_i < 15$ ) cited relationship characteristics will be discussed. Then the relationship characteristics will be compared to how managers manage stakeholder relationship to explain the influence that relationship characteristics have on the management of the stakeholder relationships. It should be noted that there was no cut-off point while listing the cited relationship characteristics by respondents and at times a quote was presented in more than one instance as it reflects different aspects of the relationship between Chinese organisations and their multiple stakeholders.

### 5.7.1 Stakeholder relationship characteristics

The stakeholder relationship characteristics of the different stakeholder groups are presented, first in Table 5.5 and then graphically in Figure 5.9. In Table 5.5, the first column lists the respondents from whom the information on stakeholder relationship characteristics are inferred. The second column gives categories of stakeholder relationship characteristics. The third column gives the first sub-theme of stakeholder relationship characteristics. The fourth column gives the second sub-themes of stakeholder relationship characteristics. The last column indicates the frequencies which is the number of times the description was indicated according to the stakeholder groups. After the tabular and graphical presentation, quoted extracts of the frequently cited descriptions are given.

As indicated in Table 5.4 and Figure 5.9, the respondents indicated that the most frequently cited stakeholder relationship characteristics are power  $fi(53)$ , trust  $fi(38)$ , fear and friendship  $fi(29)$ , commitment  $fi(28)$ , accountability  $fi(27)$ , communication  $fi(25)$ , cooperation  $fi(21)$  and transparency  $fi(24)$  shared values  $fi(16)$  and flexibility  $fi(15)$ . Quotations supporting the most frequently cited  $fi(= < 8)$  stakeholder relationship characteristics will be discussed.

**Table 5.5:** Relationship characteristics comparison between stakeholder groups.

Respondent	Relationship Characteristics			Frequencies ( <i>f<sub>i</sub></i> )			
				Community	Employees	Government	Totals
P6; P7; P3; P4	Power		Power dynamics	1	1	7	9
P1; P6; P11; P13			calling the shots	0	5	5	10
P1; P5; P6; P12; P8; P10; P2; P4			Chinese had the power	3	6	5	14
P1; P5; P12; P8; P10; P2; P3; P4; P11; P13			government power	3	3	9	15
P5; P6; P4; P13			intimidation	0	3	2	5
P6, P7, P8, P9, P10, P2, P4;	Trust	Negative Trust	deception and misrepresentation	5	1	4	10
P1, P5, P6, P7, P8, P3, P4, P11, P13			depends on experience	4	4	8	16
P9, P10, P2, P3,			are they conveying exactly what is being said	2	0	2	4
P12, P6, P8, P2, P8, P10		Positive Trust	began with an open mind	2	3	3	8
P1; P5; P6; P12; P2; P4	Fear and friendship		Fear	0	20	2	22
P5; P6; P2; P4			Friendship	0	4	3	7
P1, P5, P2, P3, P4, P11, P13	Commitment		a show of investment	0	3	9	12
P1, P5, P6, P12, P8, P7, P9, P10, P2, P3, P4			lack of commitment	6	5	5	16
P1, P5, P6, P9, P2, P3	Accountability		depends on situations	2	3	3	<b>8</b>
P1, P12, P7, P8, P10, P2, P4, P11, P13			not accountable for their actions	7	2	10	<b>19</b>
P7; P10; P13	Communication		done through a third party	3	0	1	4
P1; P5; P13;			one way and open	0	2	1	3
P6; P7; P10; P12; P2;			there was no communication	3	0	1	4
P4; P6; P12; P9; P7; P2; P3			understanding, connotations and interpretations	4	3	7	14

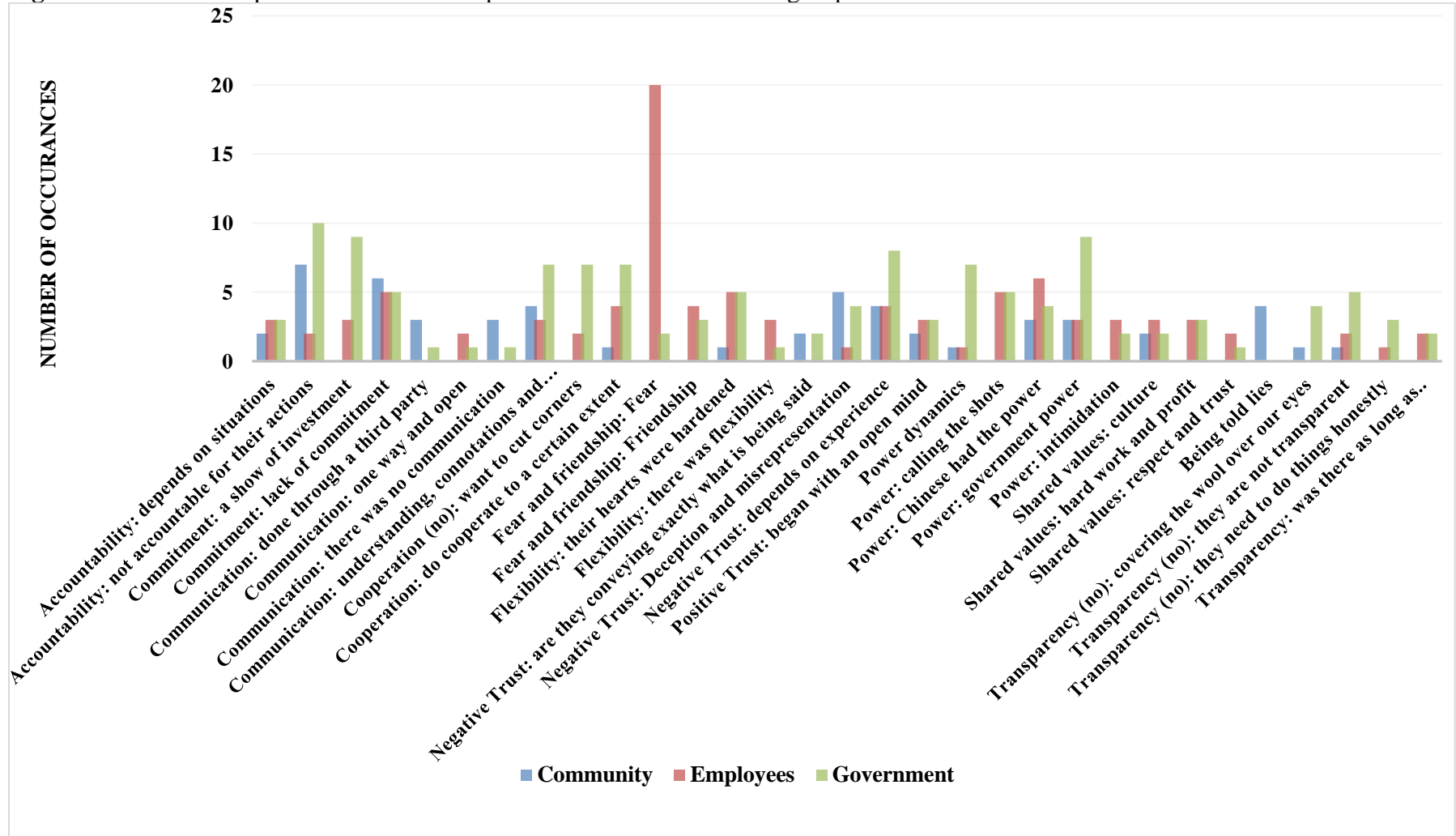
Source: Researcher's own construction.

**Table 5.5:** Relationship characteristics comparison between stakeholder groups (continued).

Respondents	Relationship Characteristics			Frequencies ( <i>f<sub>i</sub></i> )			
				Community	Employees	Government	Totals
P5; P6; P12; P9; P2; P3; P4; P11; P13	Cooperation		do cooperate to a certain extent	0	2	7	9
P1, P5, P3; P4; P13;		No Cooperation	want to cut corners	1	4	7	12
P1; P12; P10; P2; P3; P4; P13	Flexibility		their hearts were hardened	1	5	5	11
P5; P6; P2			there was flexibility	0	3	1	4
P7, P8, P10,	Transparency	No Transparency	Being told lies	4	0	0	4
P10, P4, P11,			covering the wool over our eyes	1	0	4	5
P1, P7, P5, P2, P4, P11, P13			they are not transparent	1	2	5	8
P12, P4, P11			they need to do things honestly	0	1	3	4
P6, P12, P3		Transparency	was there as long as	0	2	1	3
P1; P6; P8; P9; P2	Share Values		culture	2	3	2	7
P5; P12; P3; P13			hard work and profit	0	3	3	6
P1; P5; P3			respect and trust	0	2	1	3

Source: Researcher's own construction.

**Figure 5.9:** Relationship characteristics: Comparison between stakeholder groups.



Source: Researcher's own construction.

### 5.7.1.2 Power

Power was defined in Chapter 2, Section 2.2.2 as the ability of one party to possess coercive (force), utilitarian (rewards and benefits) and normative (group) means to impose its will in the relationship (Mitchell et al., 1997:865). The parties involved can use either form of power to achieve their goals. Some stakeholders can use either form of power to directly or indirectly influence organisational outcomes (Polonsky et al., 2002: 117). Power plays an important role in the “birth, development, decline and termination” of the relationship between an organisation and stakeholders (Martins et al., 2017:50).

Power in the relationship between the Chinese managers and respondents (P1; P2; P3; P4; P5; P6; P8; P9; P10; P11; P12; P13) as inferred from the responses in the interview data is characterised by government power  $fi(15)$ , Chinese had the power  $fi(14)$ , calling the shots  $fi(10)$ , power dynamics  $fi(9)$ , and intimidation  $fi(5)$ . The quotations of the most frequently cited ( $fi=>8$ ) *relationship characteristics* will be discussed.

#### a) Power dynamics

The respondents (P6; P7; P3; P4) shared how there were power dynamics  $fi(9)$  in the relationship between Chinese managers and stakeholders.

#### Employees

According to respondent P6, the employees once raised their concerns about the food that they were being given which was being purchased by their fellow black managers :

*P6: We once formed. We raised a concern about the food that we were given. The food that we were being given, was being bought through other black people (maBhoyi) muChina (Chinese) used to give money to muBhoyi (blacks). But maBhoyi did not use all the money they were given, so we would get little food. So, we told them that the food is unacceptable, we are supposed to eat this and this. So, amongst ourselves as black people (maBhoyi) that's where we would squabble.*

#### Community

According to respondent P7, the Chinese could not do the things they wanted to do with the community as there were another “powers” controlling them.

*P7: you see those tinned roofs that they put for us on the houses that get blown away by the wind, the Chinese had said they wanted to build houses like the ones they build back where they come from, they put insulation, that's how they wanted to build. But the people took the money and told them to buy tin. On the floors we wanted to put tiles, back where we come from we don't put cement, we put tiles, but we were told to stop that by Mr X, do not put tiles, tiles are expensive buy cement.*

## **Government**

In the relationship between the government respondents and the Chinese managers there was distribution of power. Respondent P3 explained how power was shared with the Chinese managers:

*P3: the chairperson of that board was from our organisation and the deputy chair was the Chinese investor, on the management side the CEO was Chinese, and the deputy was myself a Zimbabwean. So, there was like a balanced power, yes.*

However, respondent P4 expressed how the Chinese managers failed to respect the Zimbabwean ways of doing business as they always referred to how the Chinese do things. Respondent P4, shares his frustration and the Chinese managers impose their Chinese experience on them instead of considering that the Zimbabweans have their own way of doing things that they should respect. Expressing how the Chinese managers' power is borrowed.

*P4: You know with the Chinese guys when they come to Zimbabwe it is very unfortunate that they do not have an appreciation of the way we function as a country. Right. They want to take their experiences in China and try to impose on us.... Their power is borrowed power, riding on someone's back on their own they do not have any power.*

The same view is corroborated by respondent P3, who explains it as the "Chinese way of doing business".

*P3: in a meeting you hear somebody saying that "we Chinese we do not do this" it's really, they're talking about the Chinese government and the Chinese culture of doing business.*

## b) **Calling the shots**

Respondents (P1; P6; P11; P13) as inferred from the responses in the interview data, power was referred to as calling the shots *fi(10)*. Respondents experience some power over the Chinese managers in different contexts in accordance to the type of relationship.

### **Employees**

According to respondent P1, as a skilled employee he was able to call the shots in his relationship with the Chinese managers because the Chinese needed the skills he possessed. Hence, the managers were willing to meet his terms. However, respondent P1 also shares how the general workers did not have that same privilege.

*P1: It depends on the position. like for me I will call the shots ok me because I knew they needed a translator. And I knew they could not find one. Like for me okay this is the salary I want the living conditions the food I eat they had to supply, and I was based in Harare and I had to come and stay close to the mine. For me it was okay because they needed me but if it is the general works like they know the people are unemployed. And they really need that money.*

Furthermore, respondent P6, explained how the employees had some form of power through the use of unions and worker's representatives.

*P6: Yes, we had some power. telling the managers that they worked for and they went to the office to tell them. We formed a, a, am not sure of the word, like we would select a representative to go and present our grievances to the Chinese and when they take it to the office the translator would then tell the Chinese boss.*

In this case the Chinese managers are in need of special skills and they are willing to compromise in order to retain the much-needed resource.

### **Government**

Respondent P11, was of the opinion that the other people who pegged the mining area were the ones who had power over the Chinese managers. The Chinese managers were said to not show any power when they came to the government offices.

*P11: They don't show that side, but most of the cases the peggers do the talking so there we don't know how the power dynamics plays out. The peggers, they have power, because the peggers can just say if you don't have money I would not peg for you. If you don't give us the money we are not*

*going to show you where it is. Because they have the maps and the know-how, they have influence there.*

According to respondent P13 the government has the power

*P13: Because they are responsible for giving export licences to the mines and without the licences they (Chinese) cannot do commercial exploits.*

Power is described by the stakeholders according to possession of resources by either the stakeholder or the Chinese managers. It is conceivable because when applying the resource dependence theory to understand how stakeholder relationships are built and managed, it means that organisations will be more attentive to stakeholders who control critical resources of the organisation. The dependence of the organisation on the resources controlled by stakeholders gives power to the stakeholder (Mitchell et.al. 1997) affording them leverage over the organisation (Frooman, 1999; Jawahar and McLaughlin, 2001:402).

### **c) Chinese had the power**

The respondents (P1; P5; P6; P12; P8; P10; P2; P4) according to the inferences from responses found in the interview data, shared how the Chinese had power fi(14).

#### **Employees**

The Chinese managers had all the power. The respondents P6 and P12 shared how the Chinese had the power even over the black managers who were in the offices.

*P6: There were other blacks who were managers in the offices, but the power was with the Chinese.*

Respondent P12, shared how the employees were supposed to do as they were told and not question the Chinese managers.

*P12: Regarding power they are the ones who had the power. We did not have any power over them. When they say something, we are the ones who were supposed to follow what they say.*

#### **Community**

There is a sense of powerlessness experienced by the community.

According to P10 the community has no power they need someone who has power to represent them in this relationship with the Chinese managers. While they wait for their grievances to be addressed there is nothing they can do.

*P10: In our view we do not have any power we need someone to stand for us who has power who will represent us and take forward our grievances. For us now it's like whatever comes whatever happens and if our trust takes forward our grievances and they are taken into consideration but if not then there's nothing we can do about it.*

Respondent P8, explains how they just need to survive or else they are the ones to lose out.

*P8: It's just that now we have to find a way to survive if you try and look into these things you will be the one to lose out.*

## **Government**

A government respondent P2, explains how the Chinese as a people have an advanced civilisation. That the Chinese managers like to be in charge.

*P2: The Chinese are a powerful people, they are powerful people in the context that if you look at their civilization it is very old it is one of the oldest civilizations in the world... They love to be in charge they want to be in charge because they think we are not as advanced as they are but somehow*

According to respondent P4, the Chinese managers affiliated themselves with the military and people they consider to be powerful, so their power is borrowed.

*P4: So, if this Chinese link with the military and believe you me many of them are connected with those guys. If the military comes in here and they know P4 is a problem, not a problem as in seeing that here he is following the book. They may try to use their background as military and if you blink you are gone. So basically, when such situations or if can you quickly tell them look, I am following this by the book. If you are not happy with the way that I am doing things, then you have the right to go to my principals like the permanent secretary or the minister*

### **d) Government power**

The respondents (P1; P5; P12; P8; P10; P2; P3; P4; P11; P13) as inferred from the interview data, referred to government power *fi(15)*. The following views were shared by the respondents with reference to government power.

## **Employees**

According to respondent P12 the government in the form of the army had the power as they were the ones who played a role to resolve the strike when the employees went on strike at the Chinese mine.

*P12: Yes, because when we had raised our concerns that things are not well, and he wanted more money and we had stopped working on the machines. They said we cannot stop working on the machines, but it still stopped working. after that that's when the chefs the soldiers came and told everyone, that their jobs were terminated.*

## **Community**

Respondents P10, viewed the government to have the power in the relationship with the Chinese managers.

*P10: I view the local government officer because he has the power because at times he's the one who has to come here with the Chinese when they initially started coming.*

## **Government**

The information shared by the government respondents shows how the government had legitimate power in the relationship with the Chinese managers. P2, P3, P4, P11 and P13 shared the following, respectively:

*P2: The Chinese people's army. It's a very powerful organisation I have dealt with two of its companies before*

*P3: So, I believe that their government is very powerful of course the private but they take a leaf from the regulations promulgated by the government.*

*P4: I hold the power and I do not budge but if they are complying with the laws then we walk hand in hand there's nothing wrong.*

*P11: We are an important stakeholder because they cannot sale their produce without obtaining exporting licences from us.*

*P13: Yes, we (our organisation) have power. We play a regulatory role and are mandated to enforce what is stipulated in the mines and minerals Act.*

The form of power described by the respondents is legitimate power (Griffin, 2016:329) which is defined as power that is accorded to people occupying a particular position. In this case the government has the authority and legitimate power to impose their will over the Chinese mining organisations and the Chinese managers.

### **5.7.1.3 Trust**

According to the respondents (P2; P1;P4;P3; P5;P6; P7;P8; P9; P10;P11:P13) as inferred from the responses trust  $fi(53)$  was an important relationship characteristic. Trust is defined as the willingness to be vulnerable (Hoffmann, Joost and Wies, 2011: 898; Polonsky, Schuppisser and Beldona, 2002:114) and rely on the actions (Moorman, Zaltman and Deshpandé, 1992: 315) of another party in whom one has confidence in. To put it in another way, trust refers to a belief that one can be confident and have faith in the fairness, honesty, and integrity of another person (Ferris et al., 2009 :1389). Therefore, trust essentially implies predictability of the other party's behaviour, and the quiescence associated with such predictability. This leads to a reduction in costs and opportunism, resulting in higher relationship performance. Hence, trust is a critical component of any kind of relationship and is essential for relationship effectiveness and success (Ferris et al., 2009 :1389; Zaefarian et al., 2017:71). The term negative trust is an oxymoron, yet the respondents shared on more than just deception and mistrust but rather on various forms and contexts in which trust was not present in their relationship with the Chinese managers. The following categories as inferred from the responses will be discussed, namely positive trust: began with an open mind  $fi(8)$ , Negative trust: deception and misrepresentation  $fi(10)$  and Negative trust: depends on experience  $fi(16)$  will be discussed.

#### **a) Positive trust: began with an open mind**

As indicated by the respondents (P12; P6; P8; P2; P8; P10) and the frequencies inferred from the response found in the interview data, trust  $fi(8)$ , was present at the beginning of the relationship as the stakeholders had an open mind at the beginning of the relationship.

## **Employees**

According to respondents P6 and P12, the Chinese are said to have trusted the employees and the employees trusted their managers to renew their short-term contracts (3month to 6months contracts) as long as they performed their work. Respondent P6 and P12 explained the following respectively:

*P6: Yes, because that is what was there. We worked knowing that we will renew. We would just accept it because that is what was there, and we could do nothing about it. And we needed the job, 3months. So, we got used to that condition. First time we were concerned that it was just 3months and concerned whether they would renew it or not. Until we got used to it and saw that was the Chinese system, to renew contract.*

*P12: Trust was there. They did not have any suspicions since people who did not understand or know how a diamond was like they didn't think that we would steal they actually thought that a diamond was like water, so they didn't think that we would steal them or even see them cause we were just working with stones.*

## **Community**

According to the respondents P8 and P10, the community trusted the Chinese although they are not sure if the Chinese trusted them. Respondents P8 and P10 shared the following:

*P8: We started off by trusting them.*

*P10: Yes, there was coming from others in the community. I don't think they trusted us.*

In this case, respondent P10 explains how the community trusted the Chinese managers but was of the view that the Chinese did not trust the community.

## **Government**

The government respondent P13 trusted the Chinese until they gave them a reason not to trust them. Respondent P13, shared the following:

*P13: Trust is there until there is a reason to suspect that quantities produced are not what appears in the books. Then in that case we visit the site and check.*

## **b) Negative Trust: Deception and misrepresentation**

As inferred from responses in the interview data, the different respondents (P6, P7, P8, P9, P10, P2, P4), government, employees, and the community expressed a sense of being deceived by Chinese managers as they did not keep promises and made false representations. According to the responses as inferred from the interview data the respondents explained how there was no physical evidence of the things that had been promised at the beginning of the relationship. The delivery of the promises which did not meet expectations of the community and the government. The stakeholders expressed the following sentiments on deception and misrepresentation *fi(10)*.

### **Employees**

Respondent P6, shared on how the Chinese managers would promise to attend to their grievances, but these were never addressed.

*P6: They would say we will fix it, but they do not take our problems to the Chinese.*

### **Government**

The government respondent P2 shared how the Chinese manager misrepresent themselves and pretend to be something that they are not.

*P2: It was our organisation and an individual calling himself by this name. When he presented himself, he presented himself as a person who was coming from the government and then we later discovered that he is an individual now we have had hassles with him*

P4 explains how the Chinese managers pretend to be nice when they are in the government offices but when they go to the mines, they treat their employees differently.

*P4: There are times when you go to those site visit in the mines you know the guys when they see us they cry out to us please help us and then you ask them how do you want me to help you because of the way they treat them then you start thinking but when they come to our offices they pretend as if they are very good people.*

## Community

According to respondent P7 and P10 the respondents did not see the change and the compensation promised by the Chinese managers as what had been promised to the community and what they found when they arrived at the location area were two different things. There was no physical evidence of the things that had been promised at the beginning of the relationship.

*P7: When we got here, we didn't see anything that changed even that compensation we didn't get it.*

*P10: Well for us we thought that as they had explained that where we are going they would do this and that for example the money for compensation we're still trying to get that money for compensation and the water we are paying high bills here it is hard to pay the water bill as for electricity we were told there will be electricity when we arrive.*

Respondent P7, explained that their community comes from an area where polygamy is practiced as part of their religion, and a man would have built a house for each wife and this was not done when they were relocated with two wives leaving in one house.

*P7: Even these households were a man has 6 wives you have been given 3 houses then two wives stay in one house. And the water, we were given taps but if you move around less than three quarters of the houses are still using those taps.*

The community was asked to sign documents that they are not sure of what they were signing is what had been explained to them. According to respondent P8, the community was promised that they would get their promised compensation once they arrive at the relocation area and signing that there is electricity whereas there was no electricity.

*P8: So, we agreed as it was good, they came to test the electricity in our houses and then you could see that the kitchen lights are going on in the dining room there's electricity. Not knowing that signing those papers meant that were signing to say that electricity is coming on. When they went where ever they went there then told them that electricity is there look at where they signed. That's the same story with all those papers we were made to sign. They would tell us that was what we are signing you are signing to say that we were not given anything here we are going to be given everything when we get there to the relocation area. The US\$1000, the houses and then soon as you get there we will give you your*

*compensation. We were just told sign here and signed there as if that's what they'd explained to us. And then they said such and such a time we will come and pick you up to relocate you. So that was the signing that we did for us to know what we're signing so we really don't know.*

**c) Negative Trust: depends on experience**

According to the responses as inferred from the interview data, respondents (P1; P5; P6; P7; P8; P3; P4; P11; P13) viewed trust as negative trust: depends on experience *fi(16)*.

**Employees**

Respondent P1 explains how the Chinese managers did not trust their employees because they were afraid that they would steal from them as a result of the way that they treat the workers.

*P1: There was no trust. They do know that they are exploiting the people, they do not leave anything valuable lying around because they know like obviously if the person is not happy on the job they will steal so they probably knew that there was no trust*

According to P5 the Chinese managers did not trust the employees as they would dismiss a Zimbabwean worker if they were suspected to have stolen minerals at the mine.

*P5: There was no trust. Usually they favoured themselves, like the case which involve the Chinese found with minerals and the Zimbabwean having been found with minerals, the Chinese place or just be taken easily just brush it off, as for Zimbabweans they are sent home immediately.*

Respondent P6 explains how the employees were given short-term contracts to ensure that the workers performed well, the Chinese managers did not trust that the employees will give them value for money if they gave them long-term contracts.

*P6: Because I think they had that spirit that if someone signs a contract for a year they will cheat them. So, they end up paying for someone who is not working that is the belief they have. They do not want to give long contracts. They have doubt*

## **Community**

The same sentiment explained by the government and employee stakeholders, is shared by the community respondents that once trust is broken it becomes hard to build the trust. The respondent P7, expressed a lack of trust when it came to the Chinese managers with them lying to the community. According to respondent P7 the community started off trusting the Chinese but ended up not trusting them after realising that the things they promised never materialised and they were being lied to.

*P7: We started by trusting them but then we ended up not trusting them because we saw that there was nothing coming out from them (P8: Not one thing) all the things that they were saying nothing was being done. Going there to be told lies it's better to stay in your house.*

*P8: Even people see it when they are called for meetings they do not even come because they know that they are being lied to.*

According to respondent P9, the Chinese managers also did not trust them as they would not give their husbands jobs because they thought that they would steal diamonds.

*P9: They would say the thieves have come back.*

The Chinese managers are viewed to not trust their employees and the community as they were afraid that they would steal from them.

## **Government**

The government respondents (P3; P4; P11; P13) exhibited a lack of trust and suspicion of the business conducted by the Chinese managers. Respondent, P4, gave the following comments respectively:

*P4: But me as an office I do not trust them. As soon as a Chinese person steps into my office I am on high alert. Until he proves to me.*

In corroboration to what P4 shared, respondents P11 and P13 explain how they were on guard when working with the Chinese managers.

*P11: But if they come as a syndicate now we don't trust them we have no reason to trust them because they're coming from outside of the country they are not resident companies. Whether what they have mined is what they have actually mined. So that's what we look into.*

*P13: One is always on guard to make sure that what they (Chinese) present in their books is the same as what they actually produce.*

Respondent P3 shares how difficult it was to rebuild trust with the Chinese managers once it had been broken likened it to a marriage.

*P3: If you lose a Chinese trust then you will not go nowhere if you lose I think at one point even between governments between government officials if you lose a Chinese trust regaining it but I think it happens even with relationships if your husband cheats on you getting the trust back it's a problem and it's very tough with the Chinese once you mess them up it is very difficult they try but it's very difficult...but once they believe or they have got a sense that you are not treating them fairly or you are not being honest they then just change attitude yes they will say they will invest but they will not do it.*

#### **5.7.1.4 Fear and friendship**

According to respondents (P1; P5; P6; P12; P2; P4) as inferred from the interview data, categories of fear *fi(22)* and friendship *fi(7)* emerged. The two categories will now be presented. Unexpected relationship characteristics of fear and friendship were evident in the findings as inferred and interpreted in the interview data. Fear and friendship were not discussed in the literature chapters of this study as they were not prevalent stakeholder relationship characteristics addressed by researchers. Fear is a negative emotion and it is a generalised experience of apprehension (Ashknasay and Nicholson, 2003:24). Friendship is voluntary and entered into freely as well as constructed and contextually situated (Rumens, 2017:1154).

As relationship characteristics of fear and friendship were not covered in the literature, in Chapter 1 to 3, the emerging category of fear and friendship will be explained according to the context of the different stakeholder groups as inferred from the interview data of the present study. According to the findings and frequencies on fear and friendship employees exhibited the highest frequency of fear *fi(20)* and friendship *fi(4.)* whilst the government experienced fear *fi(2)* and friendship *fi(3)*.

As fear and friendship are contextual and socially constructed (Rumens, 2017:1154) and partially determined by the management practices found in the workplace (Ashknasay and Nicholson, 2003:25). These are seen in the views shared by the employee respondent P5 and P6 who were apprehensive to speak to their managers.

*P5: No. because if you raise a point. you can also find yourself outside of the company. They were the feared ones the Chinese.*

*P6: Because they would also be afraid to go tell the Chinese bosses*

In contrast respondent P5, explains how he managed to create a friendship with his Chinese managers in a particular context of translating in the sorting house.

*P5: It depends with the department you are working, how are you connecting with the bosses. Also, those workers the Chinese, even myself I was working we had 4 Chinese ladies and another male, so it depends on how you connect the friendship*

Fear and friendship are found in different places or departments of the organisation rather than something that appears throughout the organisation (Ashknasay and Nicholson, 2003:27).

#### **a) Fear and friendship: friendship**

Friendship is a unique dimension of the workplace. Friendships are voluntary, and they include an individual which are for person or socio-emotional benefits (Dickie, 2009:128). This is evident in the information shared by respondents (P5; P6; P2; P4) on friendship *fi(9)* in their relationship with the Chinese managers in the mines.

#### **Employees**

According to respondent P5, friendship was built with the Chinese managers as it depends on how the connection is created.

*P5: Here and there. It depends with the department you are working, how are you connecting with the bosses. Also, those workers the Chinese, even myself I was working we had 4 Chinese ladies and another male, so it depends on how you connect the friendship. Depends on how you get connected during work. It depends with the department you are working, how are you connecting with the bosses. Also, those workers the Chinese, even myself I was working we had 4 Chinese ladies and another male, so it depends on how you connect the friendship.*

Respondent P6, explains how there was no time to socialise with the Chinese managers as they only worked together, and they lived in separate barracks. This did not give them an opportunity to socialise.

*P6: We did not have the time to talk to the Chinese. Once we finished work they would go to their barrack. And we went to our own barrack. There was no time to socialise it was just work only.*

## **Government**

Respondent P2, shares how the government organisation thought that when they were doing business with the Chinese managers they would build on the existing friendship that had been established between the Chinese government and the Zimbabwean government.

*P2: But the government really because of the history and the role played by the Chinese government during our liberation struggle I think there and then the government is forced to pay some service to them because these guys did a tremendous favour to Zimbabwe.*

*Because when they came we were expecting the benevolent Chinese that assisted us during the war maybe we keep on our friendship and would show them what we've got, and they would understand how poor we are, and they would look at us and bring us up too.*

Respondent P4, expresses how the Chinese managers are friendly people.

*P4: So, they always try to manipulate to get their way. Of course, some of them do it genuinely of course they're friendly people*

The employees and the government stakeholders referred to friendship in their responses. Where some of the stakeholders created opportunities to develop friendships and others did not have the time to socialise with the Chinese managers. The government stakeholder expected that they would continue in the same friendship formed by the government during the liberation struggle but then discovered that was not the case when it came to business.

### **b) Fear and friendship: Fear**

The respondents (P1; P5; P6; P12; P2; P4) as inferred in the interview data, expressed how their relationship with the Chinese managers is based on fear *fi*(22). Fear is a negative experience in the

relationship with Chinese managers as fear is a generalised experience of apprehension in the workplace (Ashknasay and Nicholson, 2003:24) .

## **Employees**

Respondent P1, explains how the employees who work in the mines are exploited and how the Chinese managers took advantage of the employees.

*P1: and people are even afraid to complain because they will say that if you do not want you will lose your job... There was no trust. They do know that they are exploiting the people*

Respondent P5, reverberates the same explanation shared by respondent P1. Respondent P5, explains how the employees were afraid to raise their points because they may lose their jobs.

*P5: because if you raise a point. you can also find yourself outside of the company. They were the feared ones the Chinese.*

According to respondent P6, the employees were afraid at work because the Chinese managers would shout at them. Respondent P6, explains how the other Chinese employees and black managers were also afraid of the Chinese managers.

*P6: first days I would work with fear because they used to shout at us the black managers will say no do what the Chinese want, because they are afraid of being fired from the job because all the power is with the Chinese. Because the Chinese like those that came, they were also afraid of their boss.*

In addition to respondent P1, P5 and P6, respondent P12 explains how employees could not refuse some difficult tasks in fear of being told to go home and lose the job.

*P12: Sometimes it was difficult but as a worker for your job and you have a family you had no choice you had to do what was required of you at that time because if you don't do what you have been told to do even though it's very hard and difficult if you refuse they would say "go homer" (go home.)*

## **Government**

Respondent P2, explains how the Chinese managers took advantage of the government organisation in the way that they were conducting business.

*P2: in the process they also were taking advantage of us just like the Europeans did.*

Again, respondent P4, a government official shares how the employees at the mine are marginalised and are being exploited by the Chinese managers in the mines.

*P4: you know our guys out there in the rural areas, they are marginalised, but these guys exploit them. There are times when you go to those site visit in the mines you know the guys when they see us they cry out to us please help us and then you ask them how to do you want me to help you because of the way they treat them*

The experience of hardship and fear explained by the stakeholders could be attributed to the Chinese traditional management style of building business through endurance of hardship with poor living and working standards (Cooke, Wang, Yao, Xiong, Zhang and Li, 2015:2754). This is a management style that Zimbabwean employees are not used to.

#### **5.7.1.5 Commitment**

According to respondents P1 to P13, as inferred from the interview data, commitment *fi(28)* was present in the relationship between stakeholders and the Chinese organisation. However, commitment as inferred from the responses in the interview data, manifested in different categories. Namely commitment as a show of investment *fi(12)* and lack of commitment *fi(16)*. The following sections will discuss commitment as a show of investment.

##### **a) Commitment: a show of investment**

According to the respondents (P1; P5; P2; P3; P4; P11; P13) as inferred from the responses in the interview data, commitment is viewed as a show of investment *fi(12)*. Respondents describe commitment in their relationship with the Chinese managers as their willingness to improve the relationship with the employees through solving problems and in terms of meeting their contractual obligations. As inferred from the responses in the interview data, the community respondents *fi(0)* did not refer to commitment as a show of commitment by the Chinese managers.

## **Employees**

According to an employee respondent, P1 the Chinese managers are only committed if they can benefit from the person and all they want is to make money. In his case they looked for him when he had left the job.

*P1: As for me I just left them without notice. I packed my bags and left, and they tried to talk to me, but I was done with the job. They even asked the guy who referred me to talk to me, but I told him no. If they (Chinese) are benefiting from you, they are committed but if they can easily replace you then no.*

This shows that the Chinese managers were committed to P1 because when there is commitment in the relationship one party takes action to preserve the relationship taking action to create a self-interest stake in the relationship (Bosse and Coughlan, 2016 :1206) to the extent of asking P1's friend to negotiate on their behalf.

According to respondent P5, the Chinese managers were committed to their employees. Respondent P5 associated the show of commitment by the Chinese managers to how they solved problems. The Chinese managers solved the problems of transportation and accommodation faced by the employees.

*P5: Yeah, they do. Problems is they tried to solve, like transport and food they introduce the canteen and then also accommodation, put a choice if you want to use the barracks you use the Barracks if you don't want to you just go where you need to be free.*

This is plausible because the problem solving by the Chinese managers can be argued to be a relationship specific investment made by the Chinese managers in their relationship with their employees. The solving of problems can be viewed as a sacrifice made by the Chinese managers in order to establish a stable and beneficial relationship with the employees (Zaefarian et al.,2017:71).

## **Government**

According to respondents P3 and P13, there was commitment because responsibilities are stipulated in the contracts signed by the Chinese organisation and their organisation.

*P3: Each one has got his own responsibilities in the contracts.*

*P13: There is a form of commitment because in the contract there are obligations expected from either party.*

Respondent P11 gave his own view on commitment as he states that the Chinese managers are committed because when they want to get a mining title they are always following up to check on the process.

*P11: The miners are serious, because they want to get the mine. They're committed because they keep on phoning us to check on the progress of their application.*

Similarly, respondent P4 shares the same view as P11 regarding commitment as he explains that the Chinese managers were committed, and they would push to try and get the mining project in order to meet their objectives.

*P4: If they know that they are set to gain something they will try but it's because they're trying to achieve their goal or their objective.*

#### **b) Commitment: lack of commitment**

According to the respondents (P1; P5; P6; P12; P8; P7; P9; P10; P2; P3; P4) as inferred from the interview data there was a lack of commitment *fi(16)*. The Chinese managers are seen not to be committed to the relationship with their stakeholders. Stakeholders associate commitment with the level of relationship investment made by the Chinese managers.

#### **Employees**

Chinese managers are not willing to commit to their employees as they do not offer them permanent employment. Respondents, P1 and P5 explained how the Chinese managers were not committed to their employees when it came to permanent employment contracts.

*P1: From the Chinese side they are not committed.*

*P5: Here and there? usually they don't want to guarantee permanent contracts. Because in those 6 months if you become lazy like not attending work coming late there's early dismissal. By the end of those 6 months they will not renew your contract. That is why they don't want to give people permanent contracts.*

The employees were given short-term contracts throughout their employment history with the Chinese mining organisation. The reluctance to give employees permanent contracts shows a lack of commitment and avoidance in investing in the employees. On the other hand, the fact that their

contracts were renewed at the end of each cycle demonstrates the Chinese managers' willingness to undertake consistent future behaviour (Bosse and Coughlan, 2016 :1206; Polonsky, Schuppisser and Beldona, 2002:117). In other words, the Chinese managers demonstrate some aspects of commitment but not wholly committed to their employees when it comes to employment contracts.

### **Community**

According to respondent, P10 there was no form of commitment from the Chinese managers. The promises that were made by the Chinese managers to the community never materialised. Promises were made to resolve problems, but the problems were never resolved. The lack of commitment is evident in their reluctance to deliver the promises that they made to the community which resulted in the relationship not being maintained. The community respondents P8 and P10 had this to say about the commitment of the Chinese managers:

*P8: They said they'll take our children to school from grade 1 till form 4 (high school), that's is 11 years and I don't have to pay but it never materialised.*

*P10: No there was no form of commitment I think in my view.*

Stakeholders share the views that the Chinese managers exhibit a lack of commitment as they do not fulfil what they promise.

### **Government**

According to respondent P4, the Chinese managers do not want to make such a commitment.

*P4: You find in all they (the Chinese) are self-centred, they want to come and take and take and take they do not give. Go to any Chinese operation, we are always fighting with them they do not develop and when they come, they take (vanotora) they take to the maximum (kutoreratu).*

Commitment is associated with relationship investment, in this case to develop the area surrounding the mine. However, the Chinese managers did not want to make such an investment in the community in which they were operating. All that they wanted to do was to take and not give back.

Again, respondent P2, refers to a specific relationship investment that serves to demonstrate commitment from the Chinese counterpart. The lack of capital and performance by the Chinese in the partnership which had been entered into by the Chinese and respondent P2's organisation was indicative to the lack of commitment by the Chinese manager.

*P2: No zero commitment, this Chinese was a useless piece of... Yes, we had the commitment we had the resource and we were prepared to give him the resource, but we were waiting for the money and the money did not come in.*

The Chinese managers will promise to invest but they will not do it. Respondent P3 shares the same view.

*P3: they will say they will invest but they will not do it.*

In conclusion, the lack of investment in the relationship with the stakeholders is seen as a lack of commitment by the Chinese managers. There is an unwillingness to make sacrifices by the Chinese managers for the betterment of the relationship with its stakeholders. Cooperation will be discussed next.

### **5.7.1.6 Accountability**

Accountability *fi(27)* is defined as being answerable and taking responsibility for actions in legal or contractual terms (Ferris et al., 2009 :1391). In this case it also includes physiological contracts entered into by the organisation with its multiple stakeholders. Accountability reflects meeting the expectations tied to maintaining high-quality relationships. However, it is important to establish the correct balance of accountability as too little or too much accountability in a relationship produces dysfunctional consequences (Ferris et al., 2009 :1391).

#### **a) Accountability: not accountable for their actions**

In general, there is no accountability *fi(19)* by the Chinese managers as inferred from the responses by the respondents (P1; P12; P7, P8; P10; P2, P4; P11; P13)

#### **Employees**

An employee respondent, P1 gives two different responses to accountability. In one instance the Chinese managers are accountable in solving problems, but in terms of remuneration the managers were not accountable. The Chinese managers would change the form of remuneration when it was time to pay wages, instead of paying wages to the mine workers in cash, they asked the workers to open bank accounts. As accounted by respondent P1:

*P1: then sometimes they say we are paying you cash. And then when the time for payment came, they were like right now you know in Zimbabwe cash you can't get cash you have to open a bank account.*

Respondent, P12 another employee feels that they are not accountable when an injury occurs at work they blame the employees. This is in contradiction to what the other respondents P1 and P5 stated when it comes to problem solving by Chinese managers.

*P12: Very few of them. If you get injured, they would say to you "you don't know what you're doing that's why you get injured".*

This shows that the accountability of Chinese managers depends on the situation and different stakeholders, in this instance in the case of employee stakeholders.

## **Community**

The community respondents (P7; P8; P10) indicated that there was a lack of accountability fi( by the Chinese managers in terms of the things that they were promised by the Chinese organisation before they were relocated. According to respondents P7, P8 and P10, the things that were promised before they were relocated was not what they found in the relocation area, there was no electricity and they never paid for the school fees for the children of the relocated families. The things were just being changed once families were relocated. P8 comments:

*P8: Then things changed. Then they brought in pivots (irrigation) that they put there, then things changed, and they said everybody who wants to go and farm there should bring a certain amount (P9: US\$500) that someone can't even raise that money.*

The community never saw anything materialise, in terms of paying schools fees for those relocated families with children, electricity in houses, and the farming land that was promised to sustain the livelihood of the relocated families.

*P10: some of the promises that they made before they moved us are totally different from what we confronted when we arrived at the relocation place it was very different.*

## **Government**

Respondents (P2, P4; P11;P13) reverberate that the Chinese are not accountable, as it is not clear what happened to the minerals that they mined, they are not sure whether what they said they have mined is the actual output they have produced. At times falsely representing themselves as being from the Chinese government. According to P13, the Chinese are said to falsely present the quality and grading of the minerals and when their export licences expire, they blame the export agents.

*P13: We want them to follow the trends in terms of quality or grading. At times they falsely represent those things, and we must check and raise our concerns.*

According to P4, the Chinese managers were not accountable as they went against the advice given and turn around and blame others when things do not turn out well. The Chinese managers delayed paying mining fees.

*P4: They are not accountable for their actions in terms of filing in their tax returns, paying their mining fees. It is not clear what happened to the minerals that they extracted. When you tell them something they turn around and blame the other person and not take responsibility for their action :but you told me to." which will not be what you would have told them., misrepresenting the quantities and the quality of the minerals to the export agents and blame them when export licences expire before exporting what they would have contracted. " ah no Mr P4, you know" then I say to them "no, no, no, no, no I clearly explained to you what was supposed to be done" so my boss supported my position. And you know what those guys did, unfortunately they turned around "but you, mining commissioner you even told us to go ahead and register that place".*

## **b) Accountability depends on situations**

The Chinese managers are viewed to be accountable as they respond to problems timeously, resolving problems as they arise. The payment of salaries was done on time. According to the respondents (P1; P5; P6; P9; P2; P3), as inferred from the responses, the Chinese managers were accountable depending on the situation. Especially when they did not want to draw attention to themselves. and they are accountable to themselves.

### **Employees**

As seen in Table 6.3 employee respondents felt that their Chinese managers were accountable, respondent P6 in terms of remuneration,

*P6: Money was in time and in good time they would give us. The date that they tell you that they will give you money the money would be given. They paid. The pay was good.*

Respondent P5, commented on the accountability of the Chinese managers in terms of them solving problems when they arise.

*P5: Yes, they were usually if there were problems, they would attend to them immediately.*

Although they solve problems to avoid scrutiny when they know there are mine inspections. As seen in the comments provided by respondent P1:

*P1: Like I say they are accountable, but it depends with the situation. Like if you are just like if you fuss about something like what I was saying with the inspection because they know that they cut corners, so they do not want to bring too much attention to them so obviously at the end if they see that people are fussing, they just deal with the situation.*

## **Community**

There is a different view from one community member as they viewed that the Chinese managers did all that was required of them. According to the respondent P8, everything that the Chinese were told by the government they did, they gave the money that was required, it was the people who were given the money who were not accountable. Accountability is not a problem when the responsibilities are clearly identified in the contract.

*P8: In my view the Chinese were people who were understanding. All the things that we needed they would give the money, but the money was being held by our own people who use to lead us.*

## **Government**

On the other hand, based on the responses of P2 and P3 the Chinese managers are seen to be accountable to themselves.

*P2: Well I don't know according to me the Chinese are accountable to themselves.*

According to P3 accountability is not a problem as they are contractually obligated to meet the terms of their contracts.

*P3: Yes, you have to be accountable for your decisions and for your actions .... if it is a producer a Zimbabwean with a Chinese or any other, they also have a responsibility to produce so because of the responsibilities identified in the contracts, performance is not very much a problem.*

As a relationship characteristic accountability is very important as it influences the relationship experience by the different stakeholders. As inferred from the interview data accountability is experienced differently amongst the different stakeholder groups.

#### **5.7.1.7 Communication**

Respondents (P4; P6; P12; P9; P7; P2; P3; P;10; P12; P13) as inferred from the responses from the interview data communication  $fi(25)$  occurred through different means in the relationship with the Chinese managers. Namely, communication is viewed as understanding, connotations and interpretations  $fi(14)$ , there was no communication  $fi(4)$ , was done through a third party  $fi(4)$  and one way and open  $fi(3)$ . The relationship characteristic of communication as understanding, connotations and interpretations will be discussed as it presented a high frequency  $fi(14)$  amongst the communication categories.

Communication facilitates shared information between two parties that may be valuable to the operations of the other party. Timely communication fosters trust, because communication that is experienced in the past helps to build trust between partners (Zaefarian, et al., 2017:17). Although, communication in organisation and stakeholder relationships varies in frequency, direction , modality and content (Polonsky, Schuppisser and Beldona, 2002:116).

##### **a) Communication: understanding, connotations and interpretations**

The respondents (P4; P6; P12; P9; P7; P2; P3) view communication as understanding, connotations, interpretations and meaning  $fi(14)$ . Communication is described as being able to understand by respondents from employee, government and community groups, with the Chinese managers not understanding what the stakeholders are conveying.

## **Employees**

Respondent P6, shared how disagreements would arise between the employees and the Chinese managers because they did not understand when the workers tried to explain something.

*P6: because they did not understand. If you try and explain, then they think you are being insubordinate. It's as if you are telling them what to do.*

In addition, respondent P12, provides an account on how the employees and the Chinese managers would use an interpreter when they did not understand each other but then they started understanding each other.

*P12: if we did not understand each other we would go and get an interpreter to come and mediate, that is if we don't understand each other. But most of the times the communication was there we could understand what they're saying so when they speak to us if they were to say "Gooder" then we know he means good. When they say something then we know what they mean. So, as time went by, we started understanding each other.*

## **Community**

The community respondent P9, views communication as understanding because the Chinese did not understand them then there was no communication between the community and the Chinese managers.

*P9: Those (Chinese) that where at the money (mining site) we never got a chance to speak to them because now we have been relocated here and we can't go there.*

According to respondents P9 and P7, the Chinese managers may have been present in the meetings, but they did not speak, and the Chinese did not understand the language it was futile, because the community did not hear from the Chinese managers except for what they heard being spoken on their behalf from a third party. P7 and P9 shared the following:

*P9: There was no communication with them because they didn't understand us.*

*P7: Communicating with the Chinese? We never spoke to the Chinese some people would speak on their behalf maybe they were lying.*

## **Government**

In reference to communication, respondent P2 is concerned about the connotations and meaning that the Chinese's managers would get from English when they communicate. Particularly, of concern was their understanding when there are technical issues that need to be conveyed.

*P2: The Chinese themselves I do not know how much of English they get or what sort of connotations they get from a sentence being spoken in English because today maybe they're translate it to their Chinese whatever in their brain and what comes out may not be what you wear meaning*

Respondent P4, is sceptical on how much English the Chinese managers know because they put in their own interpretation of what would have been said. Hence, communication is difficult because in the absence of an interpreter there was no communication.

*P4: And you know what they act as if they don't really know English but maybe yeah language some of them are not very articulate in English. So, when you tell him something, he put it in his own interpretation and he will say "you told me". But then you say, "I didn't say that". I said this and then you say no, no, no, no, no you said this*

According to the respondents there were misunderstandings, connotations and different interpretations with stakeholders because the Chinese managers did not understand English. Cooperation will be discussed next.

#### **5.7.1.8 Cooperation**

Cooperation happens when parties “work together to achieve mutual goals” (Morgan and Hunt, 1994:62). This implies that parties involved in a relationship come together to build a successful relationship. However, it is not in the interest of the parties to cooperate unless sufficient guarantees such as contracts or relationship specific investments induce the other party to reciprocate (Zaefarian, et al., 2017:71).

According to responses of respondents, (P5; P6; P12; P9; P2; P3; P4; P11; P13; P10; P1) as inferred from the interview data cooperation *fi(21)* was present in the relationship with the Chinese managers. Cooperation as inferred from the responses of respondents (P1; P5; P3; P4; P13) there was no cooperation as the Chinese managers want to cut corners *fi(12)*. There was cooperation (P5; P6; P12; P9; P2; P3; P4; P11; P13) as the Chinese managers do cooperate to a certain extent *fi(9)*.

### a) **No Cooperation: want to cut corners**

According to respondents, (P1; P5; P3; P4; P13) as inferred from the interview data, the stakeholders indicated that the Chinese managers want to cut corners *fi(12)*. The Chinese managers want things to be done quickly and appear to be pushy. The respondents from the community *fi(0)* as inferred from the interview data did not share any information on the Chinese managers cutting corners.

### **Employees**

Respondent, P1 explained how the Chinese managers did not pay attention to the workers problems even though the employees cooperated and the problems raised were never resolved.

*P1: Because even me when the employees raise their complaints nothing will be done*

Also, respondent P5, describes a time when the employees were on strike and the Chinese managers ignored the unions and they did not listen to their grievances.

*P5: They would just ignore the union. People just came from home and they gathered, and they would just sing and doing slogans. but they were not listened to. So, the Chinese ended up saying no everyone needs to work here so a lot of people just ignored a strike and started to do their work.*

In this particular instance the Chinese managers did not cooperate with the unions and the employees to reach a consensus.

### **Government**

According to respondents P4 and P13, the Chinese managers do not cooperate as they want to cut corners and have their things circumvent due process.

*P4: most of them (Chinese) they want to cut corners.*

*P13: They sometimes try to cut corners and circumvent the law when they try to speed up processes.*

The managers want to circumvent the procedures that are set by the organisation. At times when the organisation makes a mistake with mining titles, they are not willing to cooperate if they are requested to give up the mining title.

**b) Cooperation: do cooperate to a certain extent**

According to respondents (P5; P6; P12; P9; P2; P3; P4; P11; P13) as inferred from the interview data, the Chinese managers cooperated to a certain extent *fi(9)*.

**Employees**

According to respondent, P5 cooperation was there. The Chinese managers would handle the difficult situations at work and resolve the problems to create a relationship.

*P5: There was a plant manager that one was the one who used to take down the grievances. And handling all those difficult situations and then later he would go back to the Chinese to address everything and put everything in order. So usually if there is a problem in the plant, he would address the Chinese and they would say you do this and do this and to create the relationship and to deal with the complaints.*

Although, the cooperation was limited by divisions like the Chinese on their own side, as elaborated by respondent P5:

*P5: Cooperation was there it was limited by divisions, like the Chinese for on their side.*

According to respondent P6, there was cooperation in their relationship with the Chinese managers if the employees worked well the managers would cooperate.

*P6: They did cooperate. As long as you worked well, they would cooperate.*

The Chinese managers would cooperate and when things got better the employees would also cooperate as shared by respondent P12:

*P12: Some of them they were cooperative then when things got better we were also cooperative with the workers we had no problems.*

This is true of cooperation as it is easier for parties to cooperate if there are mutual gains from that cooperation. If the employees work well then it is easier for the Chinese managers to cooperate because it is not in the interest of the parties to cooperate unless sufficient guarantees such as contracts or relationship specific investments induce the other party to reciprocate (Zaefraian et al., 2017:71). In this case the performance of the employees is seen as a specific investment. This shows that the Chinese managers worked together with their employees to achieve mutual goals.

## Community

Only one community respondent P9, was of the view that the Chinese managers did what was asked of them and they presented as being understanding.

*P9: All the things that we needed they would give the money, but the money was being held by our own people who use to lead us*

The response given by respondent P9 illustrates how the Chinese managers were cooperating and doing what was asked of them by those representing the community although the representatives where not fully representing the needs of the community.

## Government

Respondent P2, shares how the Chinese managers are willing to accept things that they are given them and cooperate to a certain extent.

*P2: The Chinese are willing to accept things that you give them to a point they are not fastidious.*

A detailed account given by respondent P3, illustrates how there was cooperation and compromise in the relationship.

*P3: Yes, we would discuss and say well for this trip if it is a local trip we ended up saying if it is local trip I use economy and if it was business and I was coming back to especially the long-haul flights I would use business class. I think they understood, and we appreciated what they were saying they were saying this is a new company we need to save money and it made sense, but I think it was like a compromise situation.*

Particularly, respondent P3's response when asked about cooperation shows how cooperation is necessary in the relationship.

*P3: Yes, there has to be.*

Respondent P11, views on cooperation, were interesting as he states that the Chinese managers were human beings and that the mining business is a hustle "Chikorokoza" and the other people come on their behalf.

*P11: Well they are human beings this business of mining is like "chikorokoza, chikorokoza" (hustling), someone comes on behalf of somebody else and those people are the ones who will be playing the leading role in most cases the ones that come here, but we don't know what is happening behind the scenes but the ones that come wanting to do business.*

The response by respondent P11, shows how there is need for cooperation because the managers have to rely on other people when they are coming to the government office. It is true as cooperation depends on the interdependences between the parties involved in the relationship (Zaefraian et al., 2017:71).

According to respondent P13, the Chinese managers cooperate because they have to follow the set procedures and law.

*P13: but we still follow due process. They do as we say.*

There is a diverse view on how cooperation takes place in the relationship between the Chinese organisation and its stakeholders. According to the responses given by the interviewees in the different stakeholder groups cooperation manifests differently within the groups with the employees focusing on problem solving, the community in terms of provision for funds requested and the government in terms of compliance to procedures and regulations.

#### **5.7.1.9 Flexibility**

Flexibility *fi(15)* according to respondents (P1; P12; P10; P2; P3; P4; P13; P5; P6), as inferred from the interview data, was described as their hearts were hardened *fi(11)* and there was flexibility *fi(4)*. Flexibility their hearts were hardened *fi(11)* will be discussed as it was the most frequently cited in the responses as inferred from the interview data.

##### **a) Flexibility: their hearts were hardened**

According to respondents (P1; P12; P10; P2; P3; P4; P13) the Chinese managers as being rigid with their hearts hardened.

##### **Employees**

Respondent P1, states that the Chinese managers are not flexible, he explains how he brought up a solution to a problem and they did not take up his suggestion.

*P1: There is no flexibility... they say we are paying you cash. And then when the time for payment came they were like right now you know in Zimbabwe cash you can't get cash you have to open a bank account, and these are like people who stay in the compound like they don't some of them they don't have phones or anything and then they were like tell them if they want their money this week they open a bank account to open a bank account you need like a \$20,00 cash deposit to open*

*an account so it was like then we try and try then I will be like Okay you can transfer the money into my account and then I can give the people their money and it did not want.*

The incident described by respondent P1 shows how the Chinese managers were unwilling to be flexible and when solving problems.

Another employee respondent P12, shared how the Chinese managers' hearts are hardened as they would not let the employees rest even when it was hot they were not allowed to take a break.

*P12: They were not flexible their hearts were hardened they were not flexible... even if it's very, very, hot today no one should rest you should be working on your machines.*

According to respondent P12, when the workers went on strike asking for more money the employees lost their jobs.

*P12: Yes, because when we had raised our concerns that things are not well, and he wanted more money and we had stopped working on the machines. They said we cannot stop working on the machines, but it still stopped working. after that that's when the chefs the soldiers came and told everyone, that their jobs were terminated.*

## **Community**

According to respondent P10, whatever the Chinese were doing then the community must just be content with it because even if they say anything nothing would be done.

*P10: In my view whatever they were doing then you must be satisfied with it.*

## **Government**

According to the respondents P2, P3 and P4, as inferred from the interview data, the Chinese are said to be rigid because they had a boss who was always there, and once they say "we Chinese" then they would not change their standing. Respondent P2 shared his views:

*P2: The Chinese are a bit rigid. They are rigid because there is a boss, there is a banner cougar all the time.*

Respondents P3 and P4 explained that once the Chinese managers had set their sights on something and believed that things should go a certain way they could not be moved.

*P3: Yes, but at times the Chinese can be very rigid they can be very rigid especially if they say we Chinese we do not do it this way it is very difficult to move them*

*P4: They are rigid they are difficult, they are rigid you know a Chinese guy I don't know how they are they are difficult. Once they stick their sight on something to convince him otherwise it will need all your will power it will need all your strength it's a difficult.*

According to the stakeholders the Chinese are rigid as they want things to be done the way that they think it is to be done. The relationship between the Chinese managers and the stakeholders was rigid, as stakeholders describe how the Chinese managers' hearts were hardened and once the Chinese managers had made a decision there was no changing their mind.

#### **5.7.10 Summary on stakeholder relationship characteristics**

Relationships are complex and multi-faceted in nature, with different characteristics that determine the structure of the relationship with multiple stakeholders (Zaefarian, et al., 2017: 70). The complexity is further compounded by the dynamic interactions between multiple stakeholders with complementary; competitive and/or cooperative interests, as their interests may vary according to the underlying context. This is evident in the different contexts and ways in which each stakeholder describes and expresses how they experienced the different relationship characteristics in their relationship with the Chinese managers. The stakeholder relationship characteristics found in the relationship between stakeholders and the Chinese managers are power *fi(53)*, trust *fi(38)*, fear and friendship *fi(29)*, commitment *fi(28)*, accountability *fi(27)*, communication *fi(25)*, cooperation *fi(21)* and transparency *fi(24)* shared values *fi(16)* and flexibility *fi(15)*.

Power in the relationship between the Chinese managers and stakeholders is comprised of power dynamics *fi(9)*, calling the shots *fi(10)*, Chinese had the power *fi(13)*, government power *fi(15)* and intimidation *fi(5)*. Based on the findings power is a prevalent relationship characteristic. As power is present in stakeholder relationships the dependence and interdependence of Chinese managers on another party creates differences in power (Martins, de Faria, Prearo and Arruda, 2017:50) and the different forms of power that are present in the findings.

As inferred from the responses in the interview data, the respondents were of the view that once trust is lost in their relationship with the Chinese managers it is difficult to gain it back. Overall, respondents were suspicious of the Chinese managers who they interact with. In the relationship

between the Chinese managers and their multiple stakeholders there appears to a sentiment of negative trust depending on experience  $fi(17)$  and deception and misrepresentation  $fi(10)$  between the Chinese organisation and its multiple stakeholders.

Relationship characteristics of fear and friendship emerged in the findings inferred and interpreted in the interview data. Fear and friendship were not discussed in the literature chapters of this study as they were not prevalent stakeholder relationship characteristic addressed by researchers. Fear  $fi(22)$  and friendship  $fi(7)$  are relationship characteristics that emerged from the data in the relationship between the Chinese managers and its stakeholders. This phenomenon is of interest as it is highly contextual and determined by situations in which fear and friendship occur in the relationship. It is observed that where incidents where a stakeholder experienced fear in one context and friendship in another different context. Fear is a negative emotion and it is a generalised experience of apprehension (Ashkanasy and Nicholson, 2003:24). Friendship is voluntary and entered into freely as well as constructed and contextually situated (Rumens, 2017:1154).

In terms of commitment in the relationship between the Chinese managers and its stakeholders as inferred from the interview data it was characterised by a show of investment  $fi(12)$  and lack of commitment  $fi(16)$ . This is due to the implicit and explicit nature of commitment (Hoffmann, Joost and Wies, 2011: 898) as it is either implied or clearly demonstrated, with the stakeholders experiencing commitment differently based on context of their relationship with the Chinese managers. Commitment is based on the investment made by the Chinese organisation towards maintaining a relationship with its multiple stakeholders. It is not enough to promise or to verbalise intentions but rather to show the commitment through action. In instances where commitment was discussed by the respondents the Chinese managers had demonstrated their commitment through problem solving, calling to check for progress, hunting down employees, meeting their contractual obligations. Where a lack of commitment was cited by the respondents, the Chinese managers would not have fulfilled their promises, not developing the area they mined, and not performed according to agreed standards. In essence commitment is experienced differently by different stakeholders in different contexts.

As reflected by the frequencies on accountability as inferred by the interview data, Chinese managers are not accountable for their actions with a *fi* (19) and their accountability depends on situations *fi*(8). .

Communication in the relationship between the Chinese managers and their stakeholders as indicated by the frequencies inferred from the interview data, communication is viewed as understanding, connotations and interpretations *fi*(14), illustrating how differently the stakeholders experienced communication just as their relationship with the Chinese managers is dynamic depending on the type of the relationship (Payne and Frow, 2013; Ferris, Liden, Munyon, Summers, Basik and Buckley, 2009). This is indicative of how communication varies in frequency, direction and modality (Polonsky, Schuppisser and Beldona, 2002:116).

According to the respondents who shared their experience, the Chinese managers cooperate to a certain extent *fi*(21). The Chinese managers' cooperation is described differently by the interviewees as each stakeholder group experienced cooperation under different circumstances and contexts which are particular to their type of relationship. The Chinese are said to not cooperate when it comes to pricing of minerals and when they try and circumvent procedures and processes set by the government. The Chinese managers want to cut corners to hurry things along which is seen a problem.

The relationship between the Chinese managers and the stakeholders was rigid, as stakeholders describe how the Chinese managers' hearts were hardened and once the Chinese managers had made a decision there was no changing their mind. on the other side there was flexibility described by other employees and government stakeholders. Overall, there are different characteristics that are found in the relationship between the Chinese mining organisation and its multiple stakeholders, with some characteristics being negative and others positive.

In the next section, the influence of stakeholder relationship characteristics on how stakeholder relationships are managed will be presented and discussed.



## **5.8 INFLUENCE OF RELATIONSHIP CHARACTERISTICS ON HOW STAKEHOLDER RELATIONSHIPS ARE MANAGED**

The different descriptions of how Chinese managers manage stakeholder relationships, based on the respondents were presented in Section 5.5. In Section 5.7 the findings pertaining to the different relationship characteristics were presented. In this section the findings pertaining to how stakeholder relationship characteristics influence how stakeholder relationships are managed, will be presented. As such the following objective will be addressed:

- vi. *Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.*

The positive and negative influence of stakeholder relationship characteristics on how stakeholder relationships are managed are presented in Table 5.5. A code co-occurrence was done to understand what was mentioned by stakeholders who shared information on both relationship characteristics and managing of stakeholder relationships by the Chinese managers. The supporting quotations for stakeholder relationship characteristics and managing of stakeholder relationships were already discussed in sections 5.4.1 and 5.3.2 respectively.

**Table 5.6:** Influence of stakeholder relationship characteristics on how stakeholder relationships are managed.

Positive			Negative		
Relationship Characteristics	Managing	Respondents	Relationship Characteristics	Managing	Respondents
Fear & friendship: Friendship	Favouritism, Inaccessible	P6 P9	Fear & friendship: Fear	Authoritative	P12,
Flexibility: There was flexibility	Corporate governance emphasised, Performance and reward	P2 P6	Flexibility: Their hearts were hardened	Authoritative, Hard, rough and ruthless	P1; P12; P2; P10
Power: Power dynamics	Blame Shifting and pushy, Chinese way of doing things Controlling, Corporate governance emphasised	P9 P9, P8 P4 P3	Chinese had the power	Authoritative, Avoidance, Controlling	P12; P6 P8 P2
Accountability: Depends on situations	Controlling, Compliant, Kind, supportive, motivating and understanding Resolved conflict Through third party	P9, P8 P9 P9 P1 P9; P8	Power: Intimidation	Blame Shifting and pushy	P4
Commitment: A show of investment	Blame Shifting and pushy	P4	Accountable: Not accountable	Avoidance, Blame Shifting and pushy Hard, rough and ruthless, Through third party	P3 P13 P10; P1;P7
Cooperation: Do cooperate to a certain extent	Compliant, Controlling, Kind, supportive, motivating and understanding, Resolved conflict,	P2 P9 P9 P5;P11; P9	Commitment: Lack of commitment	Avoidance Resolved conflict, Through third party	P3; P8 P2 P10
Trust: Began with an open mind	Chinese way of doing things Hard, rough and ruthless, Performance and reward	P6 P2 P6	Communication: Understanding, connotations and interpretations	Avoidance Blame Shifting and pushy Inaccessible Kind, supportive, motivating and understanding, Through third party	P9 P4 P9 P7 P7; P9
			Communication: Done through a third party	Through third party	P7
Shared values: Hard work and profit	Chinese way of doing things; Hard, rough and ruthless; Performance and reward, Kind, supportive, motivating and understanding	P3 P12 P5 P5	No cooperation: Want to cut corners	Avoidance, Ignore procedures	P1, P5 P13
Shared values: Culture	Kind, supportive, motivating and understanding	P7; P9	Trust: Are they conveying exactly what is being said	Avoidance	P9
			Trust: Deception and misrepresentation	Avoidance	P6
			Trust: Depends on experience	Avoidance	P3
			<b>Transparency</b> Being told lies	Hard, rough and ruthless	P10
			Not transparent	Hard, rough and ruthless	P2

Source: Researcher's own construction

### **5.8.1 Summary and discussion on how stakeholder relationship characteristics influence how stakeholder relationships are managed**

Both positive and negative characteristics influenced how stakeholder relationships are managed. It was found that positive characteristics are associated with positive management of stakeholder relationships and vice versa. Firstly, a summary providing an overview of how stakeholder relationships influence how stakeholder relationships are managed is given. Then a discussion and summary on how the positive relationship characteristics influenced the positive management of stakeholder relationships will be given. Lastly the negative influence of stakeholder relationship characteristics on how stakeholder relationships are managed is then discussed.

As illustrated in Table 5.6 and inferred from the responses in the interview data, the relationship characteristic of friendship is associated with the management aspects of favouritism and inaccessible. Flexibility, as relationship characteristic was associated with corporate governance, performance and reward in managing the relationship. Furthermore, flexibility is associated with performance and reward. Whilst power dynamics was associated with the Chinese managers managing the relationship through blame shifting and pushy; Chinese way of doing things; controlling and corporate governance being emphasised. The relationship characteristic of accountability depends on situations; was associated with Chinese managers managing the relationship through being controlling; compliant; kind, supportive, motivating and understanding, resolved conflict and through third party stakeholder relationship management. Whilst, the relationship characteristic of cooperation: do cooperate to a certain extent is associated with the Chinese managers managing the relationship through being compliant, controlling, kind, supportive, resolved conflict; through third party, motivating and understanding. Trust: began with an open mind as a relationship characteristic is associated with the Chinese managers managing the relationship through the Chinese way of doing things; hard, rough and ruthless; performance and reward. Lastly, the relationship characteristics of shared values: hard work and profit and culture are associated with the Chinese managers managing the relationship through the Chinese way of doing things; hard, rough and ruthless, performance and reward, kind, supportive, motivating and understanding stakeholder management.

There was a positive; kind, supportive, motivating and understanding managing of the stakeholder relationship by the Chinese managers associated with a negative communication relationship characteristic. This was explained through the opposing views of the Chinese managers not understanding the community and yet being kind and understanding through helping them when they saw them struggle carrying water for great distances.

*P7: We are not clear about that because we never used to speak to them. But at times they would feel aggrieved or conflicted because at times when they would come to this place, when we were busy maybe fetching the water from a very far place like Area A, wanting to take that water back to area D or area C, they would feel pity for us (P9: "no gooder"). They would have their dump truck they would say "no gooder" it's not good what you are doing, then they would stop their dumper (truck) that has water and say come and fetch your water for laundry and bathing then you can go and look for water to drink.*

The positive relationship characteristics are associated with kind, supportive, motivating and understanding *fi(4)*; and controlling *fi(3)* stakeholder relationship management by the Chinese managers. In a similar fashion, there are also positive relationship characteristics that are associated with positive management of stakeholder relationships by the Chinese managers. The relationship characteristic of *friendship* is linked to *favouritism* and *inaccessible* managing by the Chinese managers.

*P6: We did not have the time to talk to the Chinese. Once we finished work they would go to their barrack. And we went to our own barrack. There was no time to socialise it was just work only.*

*Friendship* is linked to *favouritism* in that there was no opportunity for the employees to create friendship with the Chinese managers as the Chinese had their own accommodation at the mines.

*There was flexibility* was associated with *corporate governance* was emphasised; *performance* and *reward*. Where there was corporate governance there was flexibility.

*P2: We were supposed to form a committee and 9-member committee with the Chinese and ourselves.*

Setting up structures to govern the relationship requires flexibility and a willingness to negotiate in the relationship between the stakeholders and the organisation.

*There was flexibility* is associated with *performance* and *reward*, P6 shares the following:

*P6: If you get along with them (Chinese) and you worked well, if you do your job quickly and work like that you get along. You're not have any troubles with them.*

When employees were rewarded for their performance if they were willing to work hard. The Chinese managers were willing to be flexible in this regard in order to reward the employees if there was performance.

*Power dynamics resulted in blame shifting and pushy, Chinese way of doing things, controlling and corporate governance being emphasised*

*P8: you see those tinned roofs that they put for us on the houses that get blown away by the wind, the Chinese had said they wanted to build houses like the ones they build back where they come from, they put insulation, that's how they wanted to build. But the people took the money and told them to buy tin. On the floors we wanted to put tiles, back where we came from we don't put cement, we put tiles, but we were told to stop that by Mr X, do not put tiles, tiles are expensive buy cement.*

It would appear that with the community, power dynamics resulted in the Chinese managers being controlled by government authorities resulting in them not being able to do what they wanted.

*Power dynamics* is associated with the *Chinese way of doing things* and *controlling* as the Chinese managers want to always impose their way and to control the stakeholders. P4 explains the power dynamics and the control of the Chinese managers.

*P4: You know with the Chinese guys when they come to Zimbabwe it is very unfortunate that they do not have an appreciation of the way we function as a country. Right. They want to take their experiences in China and try to impose on us.*

Moreover, *power dynamics* is also associated with *corporate governance being emphasised*.

*P3: Yes, because we also had the board and the board the chairperson of that board was from our organisation and the deputy chair was the Chinese investor, on the management side the CEO was Chinese, and the deputy was myself a Zimbabwean.*

The relationship characteristics of *accountability* is associated with managers being *compliant* and *resolving conflict*. The relationship characteristics and the management of the stakeholder relationship are positive. In terms of accountability as a relationship characteristic, *accountability depends on situations* was associated with *controlling; compliant; kind, supportive, motivating and understanding; resolved conflict; and through third party*.

*P9: In my view the Chinese were people who were understanding. (P8: They were being confused by the people) All the things that we needed they would give the money, but the money was being held by our own people who use to lead us.*

However, the relationship characteristic of *commitment: a show of investment* is associated with *blame shifting and pushy* which is a negative stakeholder relationship management by the Chinese managers. While it would be seen as though *commitment: a show of investment* is a positive relationship characteristic and yet it is associated with what appears to be negative relationship management. Respondent P4 explains this phenomenon:

*P4: Because what these guys do, they get money from their country, and then they come here with their millions, so they'll be saying I have to get that project. Whether he is taking out a mortgage or what and then they ask you want to invest in Zimbabwe take this money and then they see that you are being a stumbling block. Then they will fight with you, (munonetsana) you will fight. That's my experience.*

This is because the relationship characteristic of *commitment: a show of investment* is discussed in the same light as the Chinese managers managing through blame shifting and being pushy. Their commitment and investment in the relationship or the outcome results in them being pushy. In this case the relationship characteristic influences how Chinese managers manage the relationship with the stakeholder. Commitment refers to an implicit or explicit pledge to maintain a relationship (Hoffmann, Joost and Wies, 2011: 898). Commitment refers to the willingness of both parties to make interim sacrifices in the view of long-standing stable and lucrative relationships (Zaefarian et al.,2017:71). When one party commits itself to a relationship they take actions that create a self-interest stake in the relationship. This demonstrates to the other party the willingness to undertake consistent future behaviour. Commitment then binds the parties as it becomes difficult to renege because of the relationship specific investments that have been made (Bosse and Coughlan, 2016 :1206; Polonsky, Schuppisser and Beldona, 2002:117).

Unsurprisingly, *cooperation: do cooperate to a certain extent* as a relationship characteristic is associated with *compliant; controlling; kind, supportive, motivating and understanding; resolved conflict; and through third party*

*P8: the Chinese had said they wanted to build houses like the ones they build back where they come from, they put insulation, that's how they wanted to build. But the people took the money and told them to buy tin. On the floors we wanted to put tiles, back where we come from we don't put cement, we put tiles, but we were told to stop that by Mr X, do not put tiles, tiles are expensive buy cement*

*Controlling* is associated with *cooperation* in this case as the Chinese managers are being controlled by the local authorities and they cooperate with the authorities by doing as they request. The relationship characteristic of *cooperation* is associated with managing *through a third party* because to be able to work with a third party there is need to be cooperative as discussed by P11.

*P11: someone comes on behalf of somebody else and those people are the ones who will be playing the leading role in most cases the ones that come here, but we don't know what is happening behind the scenes but the ones that come wanting to do business.*

*Trust: began with an open mind* as a relationship characteristic is related to the *Chinese way of doing things; hard, rough and ruthless; performance and reward*. The stakeholders trusted the Chinese managers in this case in terms of renewal of contracts and doing business with them but then the managing of the relationship associated with *negative hard, rough and ruthless* stakeholder relationship management by the Chinese managers. It can be inferred from the interview data that there is knowledge-based trust in the stakeholder relationship between the Chinese mining organisation and its multiple stakeholders. The stakeholders and the Chinese organisation have known each other for some time, which makes it easier to predict the actions of the other be they positive or negative. The type of trust experienced by stakeholders and the Chinese managers in this instance is referred to as knowledge-based trust, which relies on information and knowledge that is gathered when parties have known each other for some time which makes it easier within a specific situation for one party to predict the actions of the other. in this instance both positive and negative effects are experienced (Polonsky, Schuppisser and Beldona, 2002:115).

The relationship characteristics of *shared values: hard work and profit and culture* are associated with *Chinese way of doing things; hard, rough and ruthless; performance and reward, kind, supportive, motivating and understanding*.

*P8: But at times they would feel aggrieved or conflicted because at times when they would come to this place, when we were busy maybe fetching the water from a very far place like Area A, wanting to take that water back to area D or area C, they would feel pity for us (P9: "no gooder"). They would have their dump truck they would say "no gooder" it's not good what you are doing, then they would stop their dumper (truck) that has water and say come and fetch your water for laundry and bathing then you can go and look for water to drink.*

*Shared values* as relationship characteristic led to *performance* and *reward*, *kind*, *supportive*, *motivating* and *understanding* stakeholder relationship management as shared by the respondents.

Respondent P12, also shares on the shared values found in the relationship with the Chinese managers.

*P12: The Chinese are very hard working, you know that a Zimbabwean they're hard working, but they are more hard-working than we are. They do the hard jobs they don't sit down they don't rest even if it's very, very, hot today no one should rest you should be working on your machines.*

This is conceivable because once shared values are established, they guide to behaviour that is independent from the effects of rewards and punishments as consequences of actions in the relationship (Kashyap and Sivadas, 2012:588).

The negative relationship characteristic as indicated in Table 5.6 is associated with their hearts were hardened and the Chinese managing the relationship through authoritative, hard, rough and ruthless avoidance *fi(4)*. As inferred from the interview data negative relationship characteristics and managing of stakeholder relationships include fear and authoritative; stakeholder relationship management respectively. Their hearts were hardened was associated with authoritative, hard, rough and ruthless. Chinese had the power resulted in authoritative, avoidance and controlling stakeholder relationship management. Intimidation was associated with blame shifting and pushy management of stakeholder relationships. With the exception of one positive management of stakeholder relationship kind, supportive, motivating and understanding being associated with a negative characteristic of communication: understanding, connotations and interpretations.

It is important to note how positive or negative relationship characteristics influence how stakeholder relationships are managed by Chinese mining organisations. In the presence of positive relationship characteristics there is a kind, supportive, motivating and understanding management of stakeholder relationships. It is therefore proposed that:

**Proposition:** *negative or positive relationship characteristics, result in negative or positive stakeholder relationship management by the Chinese managers.*

This illustrates relationships are complex and multi-faceted, exhibiting different relationship characteristics that in turn influence how the relationship is managed under different contexts and power dynamics.

In the next section, the challenges faced in the management of stakeholder relationships by the Chinese managers will be presented and discussed.

## 5.9 CHALLENGES EXPERIENCED IN STAKEHOLDER RELATIONSHIP MANAGEMENT

In this section the following last empirical research objective will be addressed:

- vii. *Identify and describe the challenges experienced in the management of stakeholder relationships.*

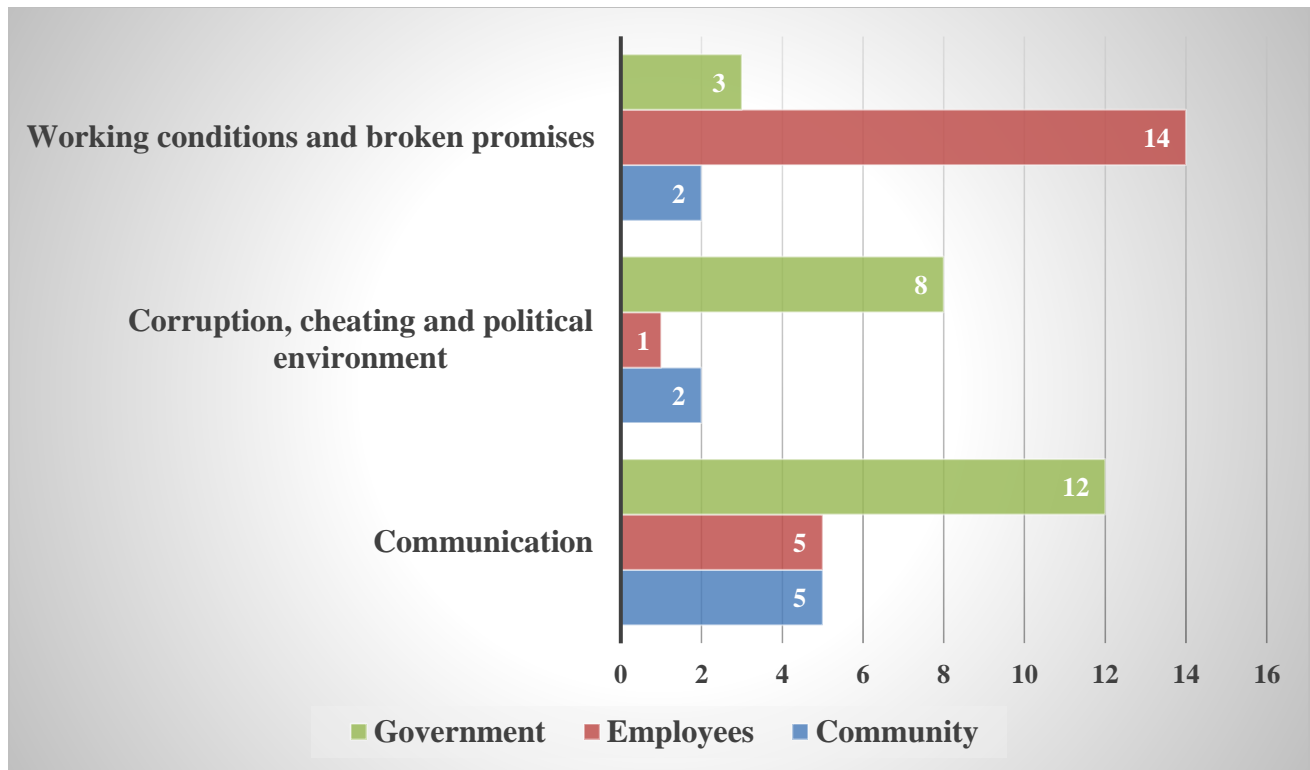
The challenges experienced in the management of stakeholder relationships as inferred from the responses are presented in Table 5.7 and illustrated in Figure 5.9. All the challenges experienced in the management of stakeholder relationships were listed and the quoted extracts of the challenges with the highest frequencies were presented.

**Table 5.7:** Challenges experienced in stakeholder relationship management.

Respdents	Challenges	Frequencies ( <i>f<sub>i</sub></i> )			
		Community	Employees	Government	Totals
P5; P6; P12; P7; P9; P2; P3; P4; P11; P13	Communication	5	5	12	22
P1; P5; P8; P7; P3; P4; P11	Working conditions and broken promises	2	14	3	19
P1; P7; P8; P9; P2; P3; P4;	Corruption, cheating and political environment	2	1	8	11

Source: Researcher's own construction.

**Figure 5.10:** Challenges experienced in stakeholder relationship management.



Source: Researcher’s own construction.

As shown in Table 5.7 and Figure 5.9, as inferred from the interview data as well as interpretations, the challenges experienced in the management of stakeholder relationships are communication *fi(22)*; working conditions and broken promises *fi(19)*; corruption, cheating, political environment *fi(11)*. The extractions of the quotations from the interviews supporting the cited challenges experienced in the management of stakeholder relationships will now be provided.

### 5.9.1 Communication

The respondents (P5; P6; P12; P7; P9; P2; P3; P4; P11; P13) cited communication *fi(22)*, as one of the challenges experienced in their relationship with the Chinese managers. This is based on the frequency counts as presented in the in the interview data. The only respondent who did not raise the challenge of communication was respondent P1, who was an employee in the Chinese mine. The different respondents shared information regarding communication.

## **Employees**

The communication challenges raised by the employee respondents were language barrier. According to respondents P6 and P12, employees found it difficult to communicate with their managers and if they were to ask questions it would be seen as if they were being insubordinate and could lose their job. Respondent P6 shared the following:

*P6: If you speak to them then you would disagree, because they did not understand. If you try and explain, then they think you are being insubordinate.*

In addition, respondent P12, shared how communication was a barrier and it would result in unnecessary problems for the workers.

*P12: will discover that there was a lack of communication maybe it was the tone of voice that was used which made things to escalate and then you would say that I did not shout at the foreman or be disrespectful it's just that I talk a lot and he didn't hear what I was saying and thinks that I insulted him.*

## **Community**

According to respondent P9, during mass meetings with the community, the Chinese managers could not understand what the community were saying even though they would be part of the meetings, they would just clap as though what was being said was good.

*P9: There was no communication with them because they didn't understand us.*

*At times we would go for meetings and the Chinese will be present. The things that you are talking about they don't even understand them in that meeting. These people will be speaking to them in the language that they understand and then they say to you that we have spoken to the Chinese we already done concerning this Chinese have told them this and that and they said they said this and that. The Chinese person doesn't even understand he doesn't speak to you it does nothing but is also present in the meeting. Looking at you thinking, that things are going well 'ululu' (ululating) expression of happiness when people clap their hands they also clap their hands. There's nothing there.*

The community raises the challenge of the Chinese managers not addressing them or speaking to them directly as they used interpreters. For that reason, the community were unsure of whether what the interpreters, translated was truly representative of the Chinese managers' views.

*P7: We never spoke to the Chinese some people would speak on their behalf maybe they were lying.*

## Government

The government respondents P2 and P3, also raised communication as a challenge that they faced with the Chinese managers. The Chinese managers would pretend to understand English or not to understand English as they would want to hear what is being discussed by the others in the meeting.

*P2: The Chinese themselves I do not know how much of English they get or what sort of connotations they get from a sentence being spoken in English because today maybe they translate it to their Chinese whatever in their brain and what comes out may not be what you wear meaning.*

*P3: you communicate and discuss but they will be understanding they just don't want to admit that, they want you to continue discussing things*

As discussed previously communication is an important part of a relationship. The presence of a relationship or the absence of a relationship between the Chinese organisation and its stakeholders may lead to no or little interaction, and limited exchange of resources, including information (Drogendijk and Andersson, 2013:383). The absence of communication leads to mistrust and misunderstandings as shared with the respondents.

### 5.9.2 Working conditions and broken promises

According to respondents (P1; P5; P8; P7; P3; P4; P11) as inferred from the responses in the interview data, working conditions and broken promises *fī(19)* was a challenge in their relationship with the Chinese managers.

## Employees

The respondents P1 and P5, share on how the Chinese managers were not willing to remunerate the workers and were unwilling to provide safe working conditions for the employees in terms of protective clothing.

*P1: I have noticed working in the mines, safety, they do not buy work suits safety shoes respirators you buy your own stuff if you do not want you can lose your job.*

The employees went on a strike to ask for better wages and the Chinese managers did not address that matter. P1 and P5 share the challenges faced in this regard.

*P1: The salaries, they are not even asking for much just like good working conditions, salaries and safety*

*P5: There was a strike it went on for two weeks. It was for salaries. but it was not addressed. During those times we were also expecting better living conditions, better payments, better working conditions. Because sometimes there was a lot of dust at the mine.*

## **Community**

The Chinese managers did not meet their obligations towards the relocated families.

Respondents P7 and P8, explain how their children were not attending school because they had been promised when they were being relocated that the Chinese mining organisation would pay the fees for the children when they attended school. Expressing their frustration over the lies that they were being told. P7 and P8 shared the following information:

*P7: Now children are being sent home from school because we don't have any money here.*

*P8: We despise them. Never make the mistake of going to the whaleback rock (ruware) and lie to people you leave that place when people are insulting you.*

*P7: Even the government official when he would come for the meetings he would leave when people wanted to do a fist fight. Then he would run away.*

## **Government**

According to respondent P11, the Chinese managers were not willing to pay mining fees.

*P11: but the other people with these Mines they don't want to pay the fees but because they are afraid that their mine (mugodhi) may be closed so they are forced now to pay the fees, but they delay in paying.*

Respondent P3, was concerned about the working hours of the Chinese manager she worked with who would not take a break from work in fear of losing her job.

*P3: from the team that I was working with the business development manager was telling me that she has never been on leave for the past 20 years and I asked her why she was saying if you go and leave you get somebody who can perform better than you when you want to come back they will say no we are happy with this person so you try and avoid as much as possible to go and leave. I found it a little bit because I believe in taking a break after period of hard work, they have their different work ethics.*

Furthermore, respondent P4 explains the plight of the mine workers in the Chinese mine that they were treated badly.

*P4: given reports saying guys our workers are being treated badly they're not even being given safety shoes or even a shoe if you go to an operation you find someone coming out with no helmet wearing something that you even ask them, you're coming with flip flops sandals.*

### **5.9.3 Corruption, cheating and political environment**

Respondents (P1; P7; P8; P9; P2; P3; P4) as inferred from the response from the interview data, an array of challenges pertaining to corruption, cheating and political environment *fi(II)*, were raised by the stakeholders.

#### **Employees**

According to respondent P1, the Chinese managers would just bribe the inspectors from the government for them to retain their mining licence.

*P1: they just give the inspector some money and bribe him and then it is done.*

#### **Community**

According to respondents P9 and P8, the government officials chosen by the Chinese managers to represent the Chinese managers would take the money that was meant to assist the community.

*P9: He was always around in this place. He told them "do not buy tiles they are expensive" buy cement.*

*P8: The bulk of the money they would "eat" (vodya).*

The government officials would now request money from the community for the things that the Chinese managers would have promised them for free. This was explained by respondent P7 and P8:

*P7: The chairman are the people who are asking for that money.*

*P8: If you take your case to the government official, he is the one to give you the permit to take your grievances to "Area A" to the company, but the government official if he is told he keeps the matter under wraps. Which means that he was the one that wants that money.*

## **Government**

The Chinese managers that came to the government would misrepresent themselves and try and under-price the minerals that were being exported. The Chinese managers would try to cheat to get their way as explained by respondents P2, P3 and P4. Respondent P2 offered the following explanation:

*P2: When he presented himself, he presented himself as a person who was coming from the government and then we later discovered that he is an individual now we have had hassles.*

Respondent P3, explained how the Chinese managers would try and under-price the minerals when it came time to export the minerals.

*P3: argument that the Chinese use volumes they would want to get a discounted price, but we kept on saying no.*

According to respondent P4, the commitment of the government with the Chinese mining organisation was compromised because of the economic and political environment that is inconsistent.

*P4: believe that if the economic environment of a country is not conducive it creates a burden and that makes it difficult for us to do that commitment. If your policies are not consistent, today you say this, tomorrow you turn around it becomes very difficult. I will give you an example, remember that mine where the Chinese and some other companies had... mining concessions in place A. There were Chinese mining companies who had invested well they said they had invested well I'm not sure but anyway and we have accepted them. We registered them. And then because maybe because of some other reasons the political environment then failed these guys were cheating stealing. What did we do? We forcibly removed them. They had put their infrastructure, they had put their investment and then we removed them. Whether it was good, or it was bad, but you attract a lot of attention. So, the outside world will then say but look you invite and then you take away, and the people go without any compensation. So, for me to commit myself now in that environment it becomes difficult because if the political and economic policies are not it becomes difficult*

### **5.9.4 Discussion on challenges experienced in stakeholder management**

The challenges that are found in the management of stakeholder relationships are communication *fi(22)*; working conditions and broken promises *fi(19)*; and corruption, cheating, political environment *fi(11)*. The findings of corruption and poor working conditions are similar to those

found by Cooke et al (2015). Communication, cheating, political environment and broken promises were raised by the stakeholders who were interviewed in this study. Communication was one of the major barriers raised by the stakeholders. The challenge of corruption was also raised by Cooke, et al. (2015:2757) where the Chinese managers interviewed in their study, raised their concerns about the practice of corruption by some Chinese mining organisations who are willing to bribe people when mining in Africa to get favours, in terms of obtaining mining rights. Arguing that the behaviour perpetrated by those organisations worsen the climate of corruption in Africa. The challenge of corruption is also prevalent as shared by respondents in this study.

## **5.10 SUMMARY**

In this chapter, the biographical information of the sample for the study was provided, showing the distribution of the three stakeholder groups who have had a number of years of experience in their various and multiple positions in their interaction with the Chinese mining organisation. In addition, three of the four empirical research objectives of the study have been addressed, with supporting quotations. Namely, describing and understanding how multiple stakeholder relationships are built and managed; explaining the influence of stakeholder relationship characteristics on how stakeholder relationships are managed; lastly identifying and describing the challenges experienced in the management of stakeholder relationships. In addition, the combination of both positive and negative relationship characteristics and management of stakeholder relationships emerged from the interview data.

- Regarding the building of multiple stakeholder relationships (Section 5.4), the stakeholder relationships are built through friendship, negotiation, pretend not to understand, referral, signing a contract, started with problems, they just arrived and through the government. There appears to be a mix of negative (started with problems, pretend not to understand) and progressive (friendship, negotiation) use of terms to describe how the Chinese managers build multiple stakeholder relationships.
- Regarding the managing of multiple stakeholder relationships (Section 5.5), the stakeholders emphasised that the Chinese managers were hard, rough and ruthless authoritative, Chinese way of doing things, used avoidance, lack of competency, through

a third party and resolved conflict when managing stakeholder relationships. Whilst at the same time, the Chinese managers were also viewed to be kind, supportive, motivating and understanding, blame shifting and pushy, delegation, ignore procedures, performance and reward, controlling, corporate governance emphasised, inaccessible, favouritism and compliant in the managing of stakeholder relationships.

- Regarding building and managing multiple stakeholder relationships (Section 5.6), the Chinese managers built the relationship through friendship, negotiation, pretend not to understand, referral, signing a contract, started with problems, they just arrived and through the government. With the same relationship being managed by the Chinese managers by being hard, rough and ruthless, authoritative, Chinese way of doing things, used avoidance, lack of competency, through a third party and resolving conflict when managing stakeholder relationships. Showing that the building and managing of stakeholder relationships is socially constructed and experienced differently by stakeholders.
- Regarding stakeholder relationship characteristics (Section, 5.7), found in the relationship between stakeholders and the Chinese managers are mostly negative trust: deception and misrepresentation, depends on experience; commitment: a show of investment, lack of commitment; cooperation: do cooperate to a certain extent; no cooperation: want to cut corners; understanding, connotations and interpretations; their hearts were hardened; power dynamics; calling the shots; Chinese had the power; government power; depends on situations; not accountable for their actions; and fear.
- Regarding the influence of stakeholder relationship characteristics on how stakeholder relationships are managed (Section 5.8), positive or negative relationship characteristics influenced how stakeholder relationships are managed by Chinese mining organisations. In the presence of positive relationship characteristics there is a kind, supportive, motivating and understanding management of stakeholder relationships. Whilst, negative relationship characteristics, according to the findings also result in negative stakeholder relationship management by the Chinese managers. In conclusion, relationships are complex and multi-faceted, exhibiting different relationship characteristics that in turn influence how the relationship is managed under different contexts and power dynamics.
- Regarding the challenges that are experienced in stakeholder relationship management (section 5.9), are communication, corruption, cheating, political environment, working

conditions and broken promises. Communication was the most frequently cited challenge by the stakeholders.

The next chapter provides a summary of the whole study and draws conclusions by including the influence of the negative and positive stakeholder relationship characteristics on how stakeholder relationships are managed into the dynamic, multidimensional stakeholder relationship management process developed in Chapter 3, Section 3.6.

# **CHAPTER SIX**

## **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **6.1 INTRODUCTION**

The aim of this study was to describe and understand how multiple stakeholder relationships are built and managed. Leading to the development of a dynamic multidimensional stakeholder relationship management process for a Chinese mining organisation in Zimbabwe. The conceptualisation of stakeholder relationship management for this study focused on the building and managing of multiple dynamic stakeholder relationships. To achieve the aim of this research, two approaches were used, a literature review and an empirical qualitative research, both of which were underpinned by the stated research objectives.

The current study proposes to have made a contribution to the body of knowledge in stakeholder relationship management theory within the sparsely researched area within the Chinese-African organisational context. As such the purpose of this research was achieved through the development of a dynamic multidimensional stakeholder relationship management process.

The literature review, resulted in the researcher using a scaffolded approach to develop a conceptual dynamic, multidimensional stakeholder relationship management process as a guide to help understand how multiple stakeholder relationships are built and managed. Drawing from stakeholder theory, resource dependency theory, stakeholder management theory, customer relationship management and marketing management the researcher was able to develop an iterative process of how multiple stakeholder relationships are to be built and managed by the organisation. The main focus was on the relationship as it was viewed to be autonomous even though the organisation has to build and manage multiple stakeholder relationships. It was not clear from the literature how managers build and manage multiple stakeholder relationships instead; the relationship is not the central focus but rather the management of behaviours and influences from either the organisation or the stakeholders. In this study the stakeholder relationship management process refers to how managers of an organisation manage the relationship with multiple stakeholders, that have dynamic interactions and complementary; competitive and/or cooperative varying interests according to dynamic multidimensional contexts.

An empirical qualitative study was then conducted to explore the different aspects that contribute towards building and managing multiple stakeholder relationships as well as ascertaining the influence of stakeholder relationships on how stakeholder relationships are managed in the Chinese mining organisation in Zimbabwe. The empirical findings indicated that both negative and positive stakeholder relationship characteristics influenced how stakeholder relationships are managed. In addition, the findings described how multiple stakeholder relationships are built and managed by the Chinese managers – these were incorporated in the altered dynamic, multidimensional stakeholder relationship management process. A brief overview of the study in terms of chapter by chapter is now provided.

**Chapter one** provided an overview of the research. The background of the research was discussed, and a theoretical overview was provided. The significance of the study, research aim, purpose and objectives were provided. The research design and methodology were explained. The delimitation of the study, definition of terms and the structure of the thesis were provided.

**Chapter two** provided a discussion on stakeholder theory. The three levels in which stakeholder relationship management takes place were presented and discussed. The first level in which stakeholders are identified is done through defining the context in which the identification is done. Thereafter, the mapping of stakeholders is done considering stakeholder influence and stakeholder salience attributes of power, legitimacy and urgency. This leads to stakeholder analysis which is the second level in which stakeholder relationship management takes place. The second level begins with the setting of boundaries, different methods of stakeholder analysis (which include social network analysis, market segmentation and other methods) that results in stakeholder categorisation. The third level of stakeholder relationship management was then discussed. A network theory of stakeholder analysis is discussed which helps to explain how an organisation behaves when confronted with stakeholder pressures. Similarly, the behaviour of how stakeholders influence organisational behaviour is also discussed. This led to the conclusion that stakeholder relationship management literature focuses on the management of the behaviour and the impact of both stakeholders and the organisation but not the relationship between the between the organisation and its stakeholders.

In **chapter three** the relationship between the organisation and multiple stakeholders was discussed. The main theoretical foundations of the convergent stakeholder theory and resource dependency theory were explained as a foundation to understand the relationship. Stakeholder relationships were discussed with a special focus on the relationship which is viewed as being autonomous. The different relationship motivators that result in either the organisation or the stakeholders to get into a relationship were explained. In addition, the relationship has different relationship dimensions and characteristics which are complimentary. The process of building and managing stakeholder relationships is viewed to be an iterative dynamic process which is influenced by SLO, relationship development stages, types of stakeholder relationships and the managing of stakeholder relationships. Lastly, the conceptual dynamic multidimensional stakeholder relationship management process was presented and explained.

**Chapter four** explained how the data analysis for the study was done. Elaborating on the methodological process that was followed in this study which comprised of in-depth semi-structured interviews with 13 respondents drawn from three stakeholder groups of the Chinese mining organisation, namely employees, government and the community. The CIT was adopted in developing the interview questions and facilitated the data collection process. Resultantly, from the interview data participants described 36 critical incidents which helped the researcher to describe and understand how stakeholder relationships are built and managed. This study followed the epistemological position of interpretivism as it was suitable in achieving the purpose of this study which was to describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships. And ultimately developing a revised dynamic multidimensional stakeholder relationship management process (Chapter 6, Section 6.5).

**Chapter five** provided the data analysis and a discussion of the findings of the research according to the research objectives was done.

**Chapter six** provided the summary, conclusions and recommendations of the study based on the stakeholder relationship process proposed in Chapter 3 and the literature review and empirical research findings. The significance of the research in the form of the amended dynamic multidimensional stakeholder relationship management process and a research proposition was

offered. Including the classification of negative and positive relationship characters on how stakeholder relationships are managed was presented. The areas for further research were provided and finally a conclusion of the thesis, by giving a summary of the findings and addressing the purpose of the research.

## 6.2 CONCLUSIONS

In this section the discussion and conclusions will be presented as guided by the stated theoretical and empirical research objectives summarised in Table 6.1.

**Table 6.1:** Research objectives and findings of the study.

Research objectives	Outcomes	
Describe the influence of stakeholder networks on how multiple stakeholder relationships are managed.	There are <i>different interactions</i> within <i>stakeholder networks</i> and between stakeholder groups <i>based on different attributes such as power, influence and legitimacy and even proximity.</i>	Chapter two
Describe the influence of SLO on how stakeholder relationships are built and managed.	The different strategies and steps to <i>obtaining and maintaining a social licence</i> to operate can <i>provide input</i> on how an organisation can <i>build stakeholder relationships.</i>	Chapter three
Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.	Stakeholders give <i>different</i> accounts on how the Chinese managers built the relationship with the different multiple stakeholders, in <i>those difference there are also commonalities found amongst different stakeholder groups.</i>	Chapter five
Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.	In the presence of positive relationship characteristics there is positive management of stakeholder relationships. In the presence of negative relationship characteristics, there is negative stakeholder relationship management by the Chinese managers.	Chapter five
Identify and describe the challenges experienced in the management of stakeholder relationships.	Communication, corruption, cheating, political environment, working conditions and broken promises are the challenges experienced in the management of stakeholder relationships.	Chapter five
Make recommendations on how the management of stakeholder relationships can be improved based on the dynamic multidimensional stakeholder relationship management process, for the mining organisation.	Recommendations were made using the incorporated new relationship characteristics and the positive and negative influence on how stakeholder relationships are managed into the dynamic multidimensional stakeholder relationship management process. The new elements identified in the building and managing of stakeholder relationships were then added to the dynamic multidimensional stakeholder relationship management process.	Chapter six

Source: Researcher's own construction.

## **6.2.1 Theoretical objectives**

The discussion and conclusion of each of the following two theoretical objectives will be presented in this section:

- i. Describe the influence of stakeholder networks on how multiple stakeholder relationships are managed.*
- ii. Describe the influence of SLO on how stakeholder relationships are managed.*

### **6.2.1.1 The influence of stakeholder networks on how multiple stakeholder relationships are managed**

The theoretical objectives were addressed in Chapters 2 and 3 respectively. The outcome of the theoretical objectives formed part of the building blocks to the conceptualisation of the dynamic multidimensional stakeholder relationship management process. They helped in the formulation of the stakeholder identification process and the conceptualisation of the stakeholder analysis process. The stakeholder identification process helped to bring forward the importance of defining the context in which stakeholder identification takes place. The emphasis on context highlights the importance of setting the context for stakeholder analysis through identifying a focus and setting boundaries of the stakeholder analysis process. Once the context for conducting the stakeholder analysis is complete, the relevant methods for categorising and investigating stakeholder relationships are then employed.

### **6.2.1.2 The influence of SLO on how stakeholder relationships are managed**

SLO alludes to the notion of homogeneity of interests within community stakeholders. The assumption is flawed, as communities and other stakeholders affected by the mining organisation have heterogeneous values, interests and expectations. Hence, the organisation must consider that stakeholders have complementary; competitive and/or cooperative interests, as it obtains and maintains its SLO. Hence the organisation needs to be responsive to any change in approval and acceptance by the community in which it operates, making SLO context specific.

## **6.2.2 Empirical objectives**

The discussion and conclusion of each of the following empirical objectives, based on the findings as given in Chapter 5, Sections 5.3 to 5.9 will be presented in this section:

- iii. *Describe and understand how managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships.*
- iv. Explain how stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation.
- v. *Identify and describe the challenges experienced in the management of stakeholder relationships.*

### **6.2.2.1 How managers in a Chinese mining organisation in Zimbabwe build and manage multiple stakeholder relationships**

To give effect to the empirical objectives the ways in which stakeholder relationships are built is considered first.

#### **a) Building stakeholder relationships**

Relationship with the Chinese managers is built primarily through friendship, negotiation, pretend not to understand, referral, signing a contract, started with problems, they just arrived and through the government. Different stakeholder groups viewed the above differently. According to the government stakeholder group, their relationship with the Chinese mining organisation was built through the government. Whereas with the community stakeholder group the Chinese mining organisation just arrived and there was a signing of contract. The relationship between the Chinese mining organisation with the employees the relationship was built through friendship, signing of contract and referral. The relationships are built according to different contexts according to the different stakeholder groups, reflecting both positive and negative ways of building stakeholder relationships.

#### **Positive and negative building of stakeholder relationships**

It seems as the building of multiple stakeholder relationships is a complex undertaking. There appears to be a mix of negative (started with problems, pretend not to understand) and progressive (friendship, negotiation) use of terms to describe how the Chinese managers build multiple

stakeholder relationships. Stakeholders gave different accounts on how the Chinese managers built the relationship with the multiple stakeholders, in those differences there are also commonalities found. For instance, the referencing of friendship by the employees and the government stakeholders was commonality found between two different stakeholder groups. Whereas the community did not refer to friendship like the other two stakeholder groups. This could be attributed to the Chinese managers never interacted with the community as it was sensed during the interviews and referred in the interview data provided by the community. The commonalities across the stakeholder groups (employees, government and community) was that the relationship started with problems and signing a contract.

#### **b) How relationships are managed**

Simultaneously the same relationship was being managed by the Chinese managers by being hard, rough and ruthless, authoritative, Chinese way of doing things, used avoidance, lack of competency, through a third party and resolving conflict when managing the multiple stakeholder relationships. Hence depicting a positive and a negative way of managing stakeholder relationships.

#### **Positive and negative managing**

There appears to be a mix of negative (hard rough and ruthless; avoidance, authoritative) and progressive (delegation, resolved conflict, performance and reward; corporate governance emphasised) use of terms to describe how the Chinese managers manage multiple stakeholder relationships. Furthermore, stakeholders give different accounts on how the Chinese managers built the relationship with the different multiple stakeholders, in those difference there are also commonalities found. The stakeholder groups viewed that the managing of the relationship by the Chinese mining organisation was hard, rough and ruthless; authoritative; through avoidance; kind, supportive, motivating and understanding; and inaccessible.

The presence of negative relationship characteristics, according to the findings also result in negative stakeholder relationship management by the Chinese managers. Leading to the following *research proposition*:

*Negative or positive relationship characteristics result in negative or positive stakeholder relationship management by the Chinese managers.*

The proposition contributes to the theory of stakeholder relationship management.

### **6.2.2.2 How stakeholder relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisation**

The findings demonstrated how positive or negative relationship characteristics influence how stakeholder relationships are managed by the Chinese mining organisations. According to the findings in the presence of positive relationship characteristics there was positive management of stakeholder relationships. The negative relationship characteristics resulted in negative stakeholder relationship management by the Chinese managers. For instance, the negative stakeholder relationship characteristic of flexibility: *their hearts were hardened* and the Chinese managing the relationship through *authoritative, hard, rough and ruthless and avoidance*.

Similarly, positive relationship characteristics and positive management of stakeholder relationships included *power dynamics* which was associated with *Chinese way of doing things fi(2)*. Accountability depends on situations, was associated with *controlling* and *through third party fi(2)* stakeholder relationship management. Whilst, *cooperation: do cooperate to a certain extent* was associated with *through third party*. Lastly, *shared values: culture* was related to *kind, supportive, motivating and understanding* stakeholder management. This reiterates the complexity of multiple relationships nestled within complementary, competitive and/or cooperative, stakeholder interests. These interests result in different relationship characteristics that in turn influence how the relationship is managed under different contexts and power dynamics. The different stakeholder relationship characteristics were also discussed in Chapter three, section 3.4.3. However, the relationship characteristics were not presented in relation to managing of stakeholder relationships.

### **6.2.2.3 The challenges experienced in the management of stakeholder relationships**

*Communication, corruption, cheating, political environment, working conditions and broken promises* are the challenges experienced in the management of stakeholder relationships as

indicated by the findings. The identification of the challenges is to help Chinese organisations and stakeholders to be aware of the challenges and enact remedial action to overcome such challenges. The dynamic multidimensional stakeholder relationship management process was subsequently revised to accommodate the new relationship characteristics and their positive and negative influence on how stakeholder relationships are managed. New elements identified in the building and managing of stakeholder relationships were then incorporated into the dynamic multidimensional stakeholder relationship management process as indicated in Figure 6.1.

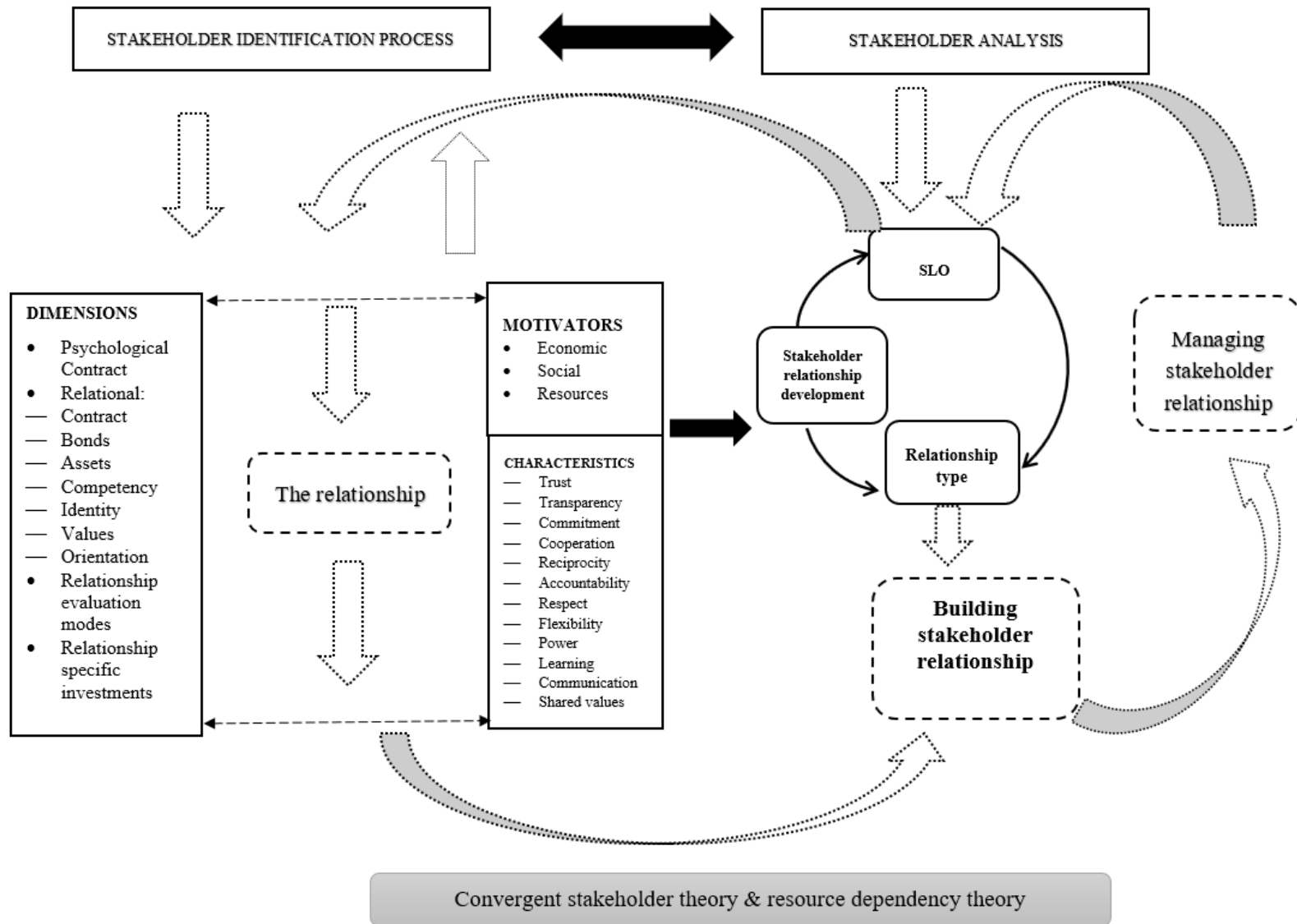
### 6.3 RECOMMENDATIONS

As stated in the last empirical research objectives giving effect to:

- vi. *Make recommendations on how the management of stakeholder relationships can be improved based on the dynamic multidimensional stakeholder relationship management process, for the mining organisation.*

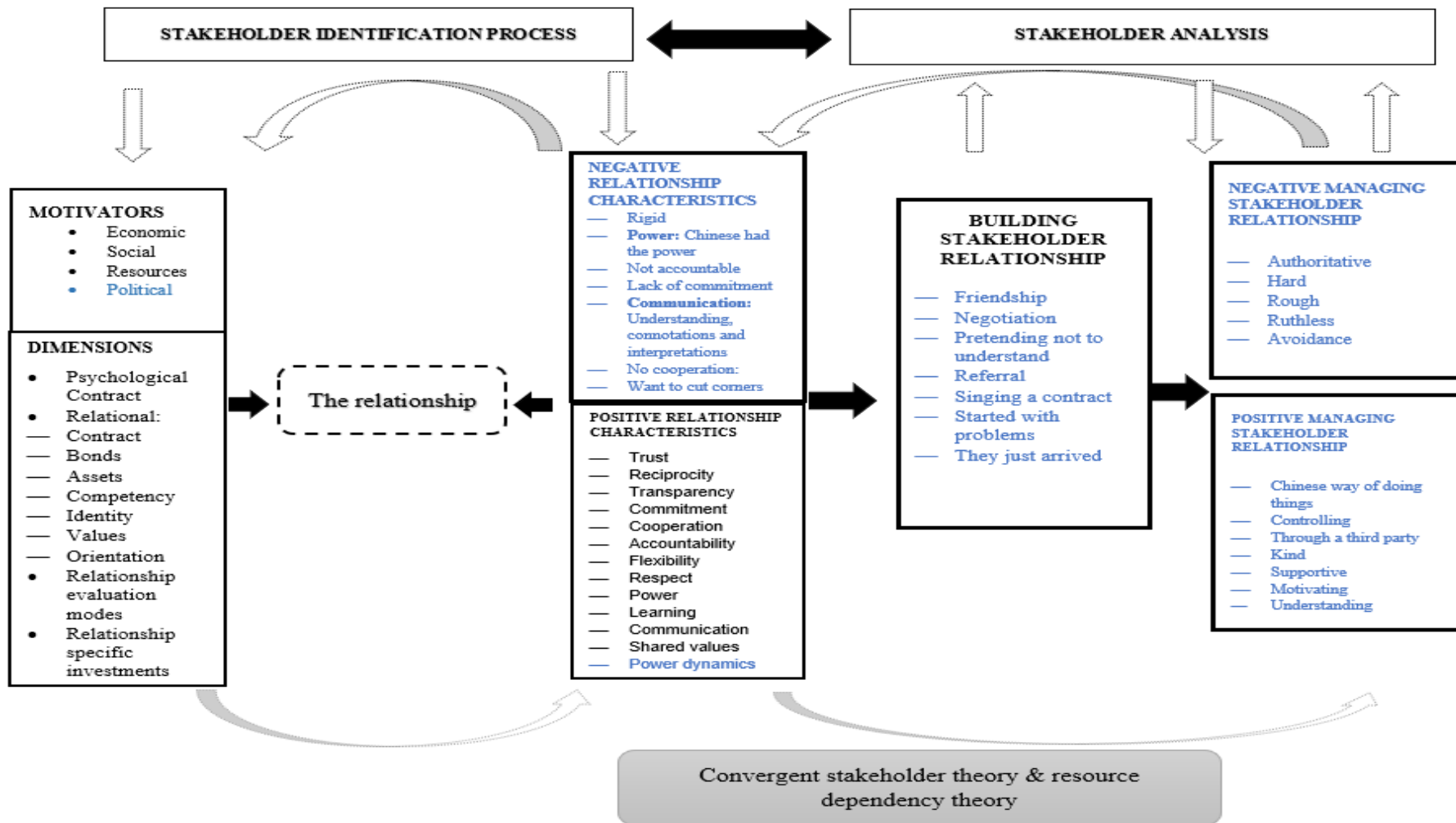
The study of theory (Chapter 2 and Chapter 3) resulted in the scaffolded approach of conceptualising the relationship between the organisation and its multiple stakeholders, the relationship motivators (economic, social and resources) and the relationship dimensions, that are part of the relationship. The relationship dimensions and motivators are influenced by the relationship characteristics that are found in the relationship which influence the building and managing of stakeholder relationships. In other words, the relationship is comprised of relationship motivators, dimensions and characteristics. In the literature review conducted in Chapter 2 and 3, there were no attributes provided on how multiple stakeholder relationships were built and managed by the organisation this is illustrated in Figure 3.4, in Chapter 3, Section 3.6. As indicated in the conceptual dynamic multidimensional stakeholder relationship process, the building and managing of stakeholder relationships (as indicated by broken lines) were not populated (Figure 6.1) as the review of literature was not clear on how stakeholder relationships are managed. In Figure 6.2, as shown in blue ink, building and managing stakeholder relationships are populated with the different ways in which stakeholder relationships are built and managed. In addition, the stakeholder relationship characteristics was further divided to show how they influence the building and managing of stakeholder relationships.

**Figure 6.1:** Conceptual dynamic multidimensional stakeholder relationship management process.



Source: Researcher's own construction.

Figure 6.2: Revised dynamic multidimensional stakeholder relationship management process.



Source: Researcher's own construction.

As illustrated in Figure 6.2 the relationship characteristics have been divided into negative and positive input quadrants indicating how negative or positive relationship characteristics result in the managing of stakeholder relationships.

The empirical findings of the study indicated that the relationship characteristics have both negative and positive influences on the managing of stakeholder relationships. Providing more information on how managers of a Chinese mining organisation build and manage multiple stakeholder relationships. The negative and positive ways in which stakeholder relationships are built and managed are then subsequently added to the dynamic multidimensional stakeholder relationship management process. The following alterations (written blue colour) are made to the conceptual dynamic multidimensional stakeholder relationship management process as illustrated in Figure 6.2. Namely, positive relationship characteristics, which include power dynamics. Negative relationship characteristics as inferred from the interview data and from the the responses for the respondents included, rigid; Chinese had the power; not accountable; lack of commitment; communication understanding, connotations and interpretations; no cooperation and want to cut corners.

In addition, the other finding of this research on the influence of stakeholder relationship characteristics on the management of stakeholder relationships showed a positive and negative influence as indicated in Figure 6.2 and Table 6.2. As illustrated in Table 6.2, positive or negative relationship characteristics influence how stakeholder relationships are managed by Chinese mining organisations. In the presence of positive relationship characteristics there is positive management of stakeholder relationships. The dynamic multidimensional stakeholder relationship management process also offers a guide on how to conduct research on stakeholder relationships and stakeholder relationship management which can be used by both practitioners and academic researchers.

**Table 6.2:** Extract of Influence of stakeholder relationship characteristics on how stakeholder relationships are managed.

Positive		Negative	
Relationship Characteristics	Managing	Relationship Characteristics	Managing
		<b>Flexibility:</b> Their hearts were hardened	Authoritative, Hard, rough and ruthless
<b>Power:</b> Power dynamics	Chinese way of doing things	<b>Power:</b> Chinese had the power	Authoritative,
<b>Shared values:</b> Culture	Kind, supportive, motivating and understanding	<b>Accountability:</b> Not accountable	Hard, rough and ruthless,
		<b>Commitment:</b> Lack of commitment	Avoidance
		<b>Communication:</b> Understanding, connotations and interpretations	Through third party
		<b>No cooperation:</b> Want to cut corners	Avoidance

Source: Researcher's own construction.

### 6.3.1 Other recommendations

It is important that the Zimbabwean government and the business community get to understand how the Chinese manage their organisations so that they can use this understanding when formulating policies and devise strategies that can help them to engage with the Chinese. This can help the government to make informed choices when it comes to engaging with the Chinese in terms of government to government joint ventures. Moving away from the political and cultural focus that tends to dominate literature on China's presence in Africa. Training programmes and workshops can be developed from the framework for the dynamic multidimensional stakeholder relationship management process.

In terms of the communication challenges experienced in the management of stakeholder relationships it is recommended that both parties if possible, should have their own translator present to help in communication. If it would be possible for both cultures to learn and understand each other's languages and culture to help facilitate the relationship. This could be done through implementation of a training programme for those involved in the Chinese mining organisation.

#### **6.4 SIGNIFICANCE AND CONTRIBUTION OF THE STUDY**

The main contribution of this study in the form of a framework on the dynamic multidimensional stakeholder relationship management process which was developed within the context of a Chinese mining organisation in Africa. As described in Chapter 1, Section 1.1 China has in the past decade increased FDI in Africa and in Zimbabwe, leading to the formation of various joint ventures between the Zimbabwean government and Chinese organisations within the mining industry. This has resulted in the need to understand how Chinese mining organisations operate. This study also adds to the existing stakeholder theories (Mainardes et al., 2012; Fassin, 2009; Reed et al., 2009; Mitchell et al., 1997; Rowley, 1997; Goodpaster, 1991; Freeman, 1984). The dynamic multidimensional stakeholder relationship management process is founded on the resource dependency theory (Pfeffer and Salancik, 1978) and done within the dynamic context of multiple stakeholder networks with complementary; competitive and/or cooperative interests, whilst taking into account that interests may vary according to the underlying context. The frameworks found in literature, describe a dyadic static approach on how stakeholder relationships are managed not offering a clear process on how dynamic stakeholder relationships are managed. Currently such a dynamic multidimensional stakeholder relationship management process does not exist.

## **6.5 LIMITATIONS OF THE STUDY**

Due to the inaccessibility of the Chinese employees who were now based in China at the time of the study, only local employees and government stakeholders who had vast experience of working with the Chinese managers in the mining industry could be interviewed.

To help combat the aforementioned limitation the interview schedule developed encouraged participants to share critical incidents in their relationship with the Chinese mining organisation. The assistance given by the Ministry of Mines and Mining development helped to identify participants who had experience with the Chinese mining organisation as indicated in the biographical information in Chapter 5, Section 5.1.

The other limitation was the time in which the interviews were done. It was during the time of general elections in Zimbabwe. This gave the researcher a limited time of conducting interviews and having to secure appointments in a short period of time. However, due to the feeling of hope and change in the political atmosphere, the participants were free to share information that they would not have otherwise been willing to share. This resulted in rich thick descriptions and numerous incidents shared by the stakeholders on their relationship with the Chinese mining organisation.

From a theoretical perspective, the vast divergent stakeholder theories resulted in different contesting views shared in the literature. However, there was no specific literature that addressed the aim of the study, namely, to describe and understand how multiple stakeholder relationships are built and managed. Hence, to combat the limitation the researcher had to draw from different theories from stakeholder, stakeholder management, resource dependency, customer relationship management and marketing management theories.

## 6.6 RECOMMENDATIONS FOR FUTURE RESEARCH

According to the findings of this study, the following recommendations for further studies are suggested.

- Further research should be conducted employing quantitative research to empirically test the framework for the dynamic multidimensional stakeholder relationship management process in other industries within different and similar contexts.
- Additional quantitative research can be carried out to further interrogate the research proposition made in the study.

*Negative or positive relationship characteristics result in negative or positive stakeholder relationship management by the Chinese managers.*

- Quantitative research should also be done to establish how the building of stakeholder relationships influence how stakeholder relationships are managed.
- Furthermore, it would be recommended that research be done that includes both local and Chinese stakeholders to establish how stakeholder relationships are built and managed. This includes Chinese government officials as well as in accordance to the findings of this study that most stakeholder relationships are built through the government.
- Lastly, it is suggested longitudinal research focusing on cross cultural perspective on how stakeholder relationships are built within the context of Chinese organisations in Africa should be explored.

In conclusion, this study suggests that the framework on the conceptual dynamic multidimensional stakeholder relationship management process be used as basis to understand and to describe stakeholder relationships within the context of a Chinese mining organisation in Zimbabwe. The dynamic multidimensional stakeholder relationship management process also offers a guide on how to conduct research on stakeholder relationships and stakeholder relationship management.

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## 7 ANNEXURES

### Annexure A: Invitation to participate in the study



**RHODES UNIVERSITY**

*Grahamstown • 6140 • South Africa*

DEPARTMENT OF MANAGEMENT • Tel: (046) 603 8246 • Fax: (046) 603 8913 • e-mail: t.amos@ru.ac.za

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23 July 2018

Dear Participant,

#### **REF: Invitation to participate in the study**

You are invited to participate in a research study entitled “**Stakeholder relationship management in a Chinese mining organization in Zimbabwe**” which is a requirement for the fulfilment of my PhD at Rhodes University, Grahamstown South Africa. The aim of the study is to describe and understand how multiple stakeholder relationships are built and managed in the selected mine. Your participation and cooperation is important so that the results of the research are accurately portrayed.

The research will be undertaken through the use of semi-structured in-depth interviews. The data to be collected for this research will include your responses to the interview questions that will be asked. It is estimated that the interview will take one hour of your time. Your identity and that of the organisation will be anonymous. Any published or distributed materials will not contain your name. The data collected will be treated with confidentiality. The data will be deleted from personal computers and stored in a secure place.

You will be provided with all the necessary information to assist you in understanding the study and an explanation of what would be expected of you as the participant. These guidelines will include the risks, benefits, and your rights as a study subject. It is important for you to be aware that this study has been approved by Rhodes University Human Ethics Standards Committee.

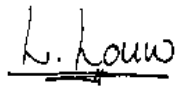
Your participation in this study is completely voluntary and this letter of invitation does not obligate you to take part in this research study. To participate, you will be required to provide written consent that will include your signature, date and initials to verify that you understand and agree to the conditions set out for your participation. Please note that you have the right to withdraw at any given time during study without penalty.

Thank you for your time and I hope that you will find our request favourable.

Yours sincerely,



Kudakwashe Chodokufa  
Research Student



Professor Lynette Louw  
Supervisor

**Annexure B: Informed consent**



**RHODES UNIVERSITY**

**INFORMED CONSENT FORM**

**Department of Management**

<b>Research Project Title:</b>	<b>STAKEHOLDER RELATIONSHIP MANAGEMENT IN A CHINESE MINING ORGANISATION IN ZIMBABWE.</b>
<b>Principal Investigator(s):</b>	<b>KUDAKWASHE CHODOKUFA</b>

<b>Participation Information</b>
<ul style="list-style-type: none"><li>• I understand the purpose of the research study and my involvement in it</li><li>• I understand the risks of participating in this research study</li><li>• I understand the benefits of participating in this research study</li><li>• I understand that I may withdraw from the research study at any stage without any penalty</li><li>• I understand that participation in this study is done on a voluntary basis</li><li>• I understand that while information gained during the study may be published, I will not be identified, and my personal results will remain confidential</li><li>• I understand that I will receive no payment for participating in this study</li></ul>

<b>Information Explanation</b>
The above information was explained to me by: _____
The above information was explained to me in: <input type="checkbox"/> English <input type="checkbox"/> Shona <input type="checkbox"/> isiNdebele <input type="checkbox"/> isiZulu

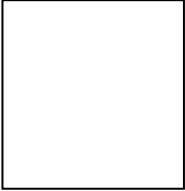
Other: Chinese

and I am in command of this language

**OR**, it was comprehensibly translated to me by: \_\_\_\_\_

### Voluntary Consent

I hereby voluntarily consent to participate in the above-mentioned research.

Signature:	<b>OR</b> , right hand thumb print	Date:    /    /
		
	Witness signature:	

### Investigator Declaration

I, \_\_\_\_\_, declare that I have explained all the participant information to the participant and have truthfully answered all questions ask me by the participant.

Signature:	Date:    /    /
------------	-----------------

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<b>Translator Declaration</b>	
<p>I, _____, declare that I translated a factually correct version of:</p> <ol style="list-style-type: none"><li>1. all the contents of this document</li><li>2. all questions posed by the participant</li><li>3. all answers given by the investigator</li></ol> <p>In addition, I declare that all information acquired by me regarding this research will be kept confidential.</p>	
Signature	Date:    /    /

## **Annexure C: Interview schedule government and community**

### **Introduction of the research PhD research study**

My name is **Kudakwashe Chodokufa**. I am a PhD candidate at Rhodes university under the supervision of Professor Lynette Louw. I will be conducting interviews with different stakeholders of a Chinese mining organisation and you are one of those stakeholders that I will be interviewing. In the past decade, China has been playing a crucial role in the development of Africa, through Foreign Direct Investments (FDI) and by providing grants to African governments. This has resulted in Chinese organisations establishing subsidiaries and joint ventures and mining agreements in Zimbabwe. Reports by the media and researchers allude to potential challenges in the relationships between the Chinese mining organisation and its stakeholders. Hence, the views of multiple stakeholders will assist in describing and better understanding how stakeholder relationships are built and managed in order to enhance the relationships.

The reason for interviewing you is because of your experience as an employee in the selected Chinese mining organisation. It is estimated that the interview will take approximately one hour of your time.

I would like to request your permission to record the interview on a digital voice recorder. The voice recorder will help me to accurately capture your words and your ideas. During the interview I may take down some notes for me to keep track of the interview as it progresses.

You have the right to withdraw your participation at any given time during this study without penalty. There are no foreseen risks associated with your participation in this study. Your identity will be kept anonymous by using pseudonyms. Your name and that of your organisation will not appear in any published or distributed materials. The information will only be used for research purposes. It is important for you to be aware that this study has been approved by Rhodes University Human Ethics Standards Committee based on your approval for me to conduct the interviews.

Please can you complete the following informed consent form. [I will provide the informed consent form as included in the ethics application. If the interviewee prefers to provide verbal consent, it shall be recorded]

Do you have any questions or require clarity on what I have shared before we start?

[Turn on the voice recorder]

Date of Interview	Participant ID # (e.g. P1, P2)	Nationality	Sex		Ethnicity	Stakeholder Group	Informed consent
			Male	Female			

**A. General Questions**

- A.1** Can you please explain your position and the responsibilities associated with your position in your organisation?
- A.2** How long have you been working for the mining organisation?
- A.3** Please can you share an incident that describes your experience when you interacted with the managers of the Chinese mining organisation?

**B. Stakeholder theory**

- B.1** As an employee of the Chinese mining organisation would say that the organisation views employees as a stakeholder?  
If answer is Yes or No probe further [what makes you say that?]
- B.1.1** During your employment with the Chinese mining organisation please comment on how management interacted with you and/or employees in general?
- B. 1.2** What type of procedures or process are used when managers interact with employees?  
Probe [ Please elaborate on that?]
- B.2** Which stakeholders of the Chinese mining organisation would you say have the means to impose their will (power) on the Chinese mining organisation.  
Why do you consider the stakeholder (s) you have mentioned in your response to have such an ability?
- B.3** Which stakeholders of the Chinese mining organisation would you consider to be legitimate stakeholders? [Could you please explain why?]
- B.4** From the stakeholders that you have described in the previous response as being legitimate, which stakeholders do you think require urgent attention from the Chinese mining organisation?
- B. 5** Can you please explain whether you and/or employees of the organisation interact or have a relationship with the stakeholders you have mentioned?

Probe [Please can you explain a little more?]

**B.6** As an employee what would you say are the expectations of the employees from the Chinese mining organisation?

**B.7** Can you also explain some of the benefits that employees expect from the Chinese mining organisation?

**B.8** Would you say the expectations and benefits you have mentioned, in the previous responses, require urgent attention from the Chinese mining organisation's management? If so, explain which ones are more urgent and why.

**C. Stakeholder specific questions**

**C.1** As a part of the Chinese mine's stakeholder group, would you say that employees, have power (the ability to impose ones will) over the Chinese mining organisation?

[If yes, please describe the type of power employees have over the Chinese mine]

**C.2** Can you share an incident where power (imposing of one's will) was used by employees as stakeholders in the relationship with the Chinese mining organisation?

Please can you share an incident where power (imposed their will) was used by the Chinese mining organisation in their relationship with employees.

**C.3** Please describe a situation where legitimate concerns were made by the employees of the Chinese mining organisation?

**C.4** As a stakeholder how would you describe the influence employees have over the Chinese mining organisation?

**C.5** As a stakeholder how would you describe the influence the Chinese mining organisation has over your employees?

**C.6** Are there any other stakeholders of the Chinese mining organisation that employees have relationships with? If so, could you name them please.

**C.7** Please describe the nature of the relationship between employees with the above-mentioned stakeholders.

**D. The relationship**

**D.1** As an employee, please explain how you are informed of the Chinese mining organisation's operations?

**D.2** As employees, were you involved in any decision-making in matters that affect you in the Chinese mining organisation? If you were involved, please describe the extent to which you and/or employees in general were involved.

**D.2.1** Would you say that there was a relationship between employees, as a stakeholder, and the Chinese mining organisation?

**If No, ask: D.8**                      **If YES, ask D.3 to D.8**

**D.3** If yes, please indicate who initiated this relationship.

**D.4** If yes, how would you explain the development of this relationship.

**D.5** If yes, please can you share an incident that you can recall during the development of this relationship.

**D.6** If yes, please explain the role you as an employee played in establishing this relationship.

**D.7** Please can you share an incident that helps to illustrate the role played by yourself and/or employees, as a stakeholder, in the relationship with the Chinese mining organisation?

**D.8** Was there any form of contract or agreement between you, as an employee and the mining organisation?

**If NO to D.8, ask D.9, D. 10 and then D.13 to D.18:**              **If YES to D.8, ask D.11 to D.18:**

**D.9** Please can you describe how the relationship, or the interaction between employees and the Chinese organisation was governed?

**D.10** Please can you share an incident that you can recall that can illustrate how the relationship was governed?

**If YES to D.8, ask D.11 to D.18:**

**D.11** How would you describe the contract or the agreement that existed between you, as an employee, and the Chinese mining organisation?

**D.12** Please can you share an incident that you can recall during the contractual or agreement process?

**D.13** Was there any form of commitment from either party [i.e. the employees and the Chinese mining organisation]? [Please elaborate on that.]

**D.14** Please describe the role that employees, as a stakeholder group play in the relationship with the Chinese mining organisation?

- D.15** Can you please explain how the following relationship characteristics manifested (were visible) in the relationship between employees and the Chinese mining organisation:
- 1) trust, 2) transparency, 3) commitment, 4) cooperation, 5) power, 6) communication, 7) accountability, 8) flexibility, 9) shared values
- D.16** Can you please share how employees as a stakeholder group, manage the relationship characteristics we have just explained?
- D.17** Can you explain how the Chinese mining organisation managed the relationship characteristics we have just explained?
- D.18** Is there anything else you would like to share with me?

Ok this marks the end of our interview. I would like to thank you for taking the time participate in this interview. I appreciate your assistance.

Thank you once again.  
[switch off recorder]

### **Researcher's Notes**

**Power** is based on relationships between social actors where “one social actor, A, can get another social actor, B to do something that B would not have otherwise done” (Weber, 1947; Pfeffer, 1981 as cited in Eesley and Lenox, 2006: 767). Power can be defined as the ability of one party to possess coercive (force), utilitarian (rewards and benefits) and normative (group) means to impose its will in the relationship (Mitchell, et al., 1997:865; Currie et al., 2009).

**Legitimacy** is defined as a generalised perception or assumption that the actions of an organisation are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995:574 as cited in Mitchell, et al. 1997:866).

**Interests** refer to something(s) that brings advantages to or affects someone or something (Cambridge, 2018). When one infers meaning, finding something that affects their needs and goals.

**Influence:** To cause someone to change a behaviour, belief, or opinion, or to cause something to be changed (Cambridge, 2018). Hence, stakeholder influence is determined by the power and legitimacy of the stakeholder (Eesley and Lenox, 2006).

**Interact:** is to communicate with or react to (Cambridge, 2018).

**Urgency** is defined as “the degree to which stakeholder claims call for immediate attention” (Mitchell, Agle and Wood, 1997:867). It is based on time sensitivity, (where a delayed response by managers to stakeholder claims or relationship is unacceptable to stakeholders), and criticality.

## **Annexure D: Interview schedule employees**

### **CHINESE MINE EMPLOYEE INTERVIEW SCHEDULE**

#### **Introduction of the research PhD research study**

My name is **Kudakwashe Chodokufa**. I am a PhD candidate at Rhodes university under the supervision of Professor Lynette Louw. I will be conducting interviews with different stakeholders of a Chinese mining organisation and you are one of those stakeholders that I will be interviewing. In the past decade, China has been playing a crucial role in the development of Africa, through Foreign Direct Investments (FDI) and by providing grants to African governments. This has resulted in Chinese organisations establishing subsidiaries and joint ventures and mining agreements in Zimbabwe. Reports by the media and researchers allude to potential challenges in the relationships between the Chinese mining organisation and its stakeholders. Hence, the views of multiple stakeholders will assist in describing and better understanding how stakeholder relationships are built and managed in order to enhance the relationships.

The reason for interviewing you is because of your experience as an employee in the selected Chinese mining organisation. It is estimated that the interview will take approximately one hour of your time.

I would like to request your permission to record the interview on a digital voice recorder. The voice recorder will help me to accurately capture your words and your ideas. During the interview I may take down some notes for me to keep track of the interview as it progresses.

You have the right to withdraw your participation at any given time during this study without penalty. There are no foreseen risks associated with your participation in this study. Your identity will be kept anonymous by using pseudonyms. Your name and that of your organisation will not appear in any published or distributed materials. The information will only be used for research purposes. It is important for you to be aware that this study has been approved by Rhodes University Human Ethics Standards Committee based on your approval for me to conduct the interviews.

Please can you complete the following informed consent form. [I will provide the informed consent form as included in the ethics application. If the interviewee prefers to provide verbal consent, it shall be recorded]

Do you have any questions or require clarity on what I have shared before we start?

[Turn on the voice recorder]

Date of Interview	Participant ID # (e.g. P1, P2)	Nationality	Sex		Ethnicity	Stakeholder Group	Informed consent
			Male	Female			

**E. General Questions**

- A.1** Can you please explain your position and the responsibilities associated with your position in your organisation?
- A.2** How long have you been working for the mining organisation?
- A.3** Please can you share an incident that describes your experience when you interacted with the managers of the Chinese mining organisation?

**F. Stakeholder theory**

- B.1** As an employee of the Chinese mining organisation would say that the organisation views employees as a stakeholder?  
If answer is Yes or No probe further [what makes you say that?]
- B.1.1** During your employment with the Chinese mining organisation please comment on how management interacted with you and/or employees in general?
- B. 1.2** What type of procedures or process are used when managers interact with employees?  
Probe [ Please elaborate on that?]
- B.2** Which stakeholders of the Chinese mining organisation would you say have the means to impose their will (power) on the Chinese mining organisation.  
Why do you consider the stakeholder (s) you have mentioned in your response to have such an ability?
- B.3** Which stakeholders of the Chinese mining organisation would you consider to be legitimate stakeholders? [Could you please explain why?]
- B.4** From the stakeholders that you have described in the previous response as being legitimate, which stakeholders do you think require urgent attention from the Chinese mining organisation?

**B.5** Can you please explain whether you and/or employees of the organisation interact or have a relationship with the stakeholders you have mentioned?

Probe [Please can you explain a little more?]

**B.6** As an employee what would you say are the expectations of the employees from the Chinese mining organisation?

**B.7** Can you also explain some of the benefits that employees expect from the Chinese mining organisation?

**B.8** Would you say the expectations and benefits you have mentioned, in the previous responses, require urgent attention from the Chinese mining organisation's management? If so, explain which ones are more urgent and why.

**G. Stakeholder specific questions**

**C.1** As a part of the Chinese mine's stakeholder group, would you say that employees, have power (the ability to impose ones will) over the Chinese mining organisation?

[If yes, please describe the type of power employees have over the Chinese mine]

**C.2** Can you share an incident where power (imposing of one's will) was used by employees as stakeholders in the relationship with the Chinese mining organisation?

Please can you share an incident where power (imposed their will) was used by the Chinese mining organisation in their relationship with employees.

**C.3** Please describe a situation where legitimate concerns were made by the employees of the Chinese mining organisation?

**C.4** As a stakeholder how would you describe the influence employees have over the Chinese mining organisation?

**C.5** As a stakeholder how would you describe the influence the Chinese mining organisation has over your employees?

**C.6** Are there any other stakeholders of the Chinese mining organisation that employees have relationships with? If so, could you name them please.

**C.7** Please describe the nature of the relationship between employees with the above-mentioned stakeholders.

**H. The relationship**

**D.1** As an employee, please explain how you are informed of the Chinese mining organisation's operations?

**D.2** As employees, were you involved in any decision-making in matters that affect you in the Chinese mining organisation? If you were involved, please describe the extent to which you and/or employees in general were involved.

**D.2.1** Would you say that there was a relationship between employees, as a stakeholder, and the Chinese mining organisation?

**If No, ask: D.8**                                **If YES, ask D.3 to D.8**

**D.3** If yes, please indicate who initiated this relationship.

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**D.5** If yes, please can you share an incident that you can recall during the development of this relationship.

**D.6** If yes, please explain the role you as an employee played in establishing this relationship.

**D.7** Please can you share an incident that helps to illustrate the role played by yourself and/or employees, as a stakeholder, in the relationship with the Chinese mining organisation?

**D.8** Was there any form of contract or agreement between you, as an employee and the mining organisation?

**If NO to D.8, ask D.9, D. 10 and then D.13 to D.18:**                **If YES to D.8, ask D.11 to D.18:**

**D.9** Please can you describe how the relationship, or the interaction between employees and the Chinese organisation was governed?

**D.10** Please can you share an incident that you can recall that can illustrate how the relationship was governed?

**If YES to D.8, ask D.11 to D.18:**

**D.11** How would you describe the contract or the agreement that existed between you, as an employee, and the Chinese mining organisation?

**D.12** Please can you share an incident that you can recall during the contractual or agreement process?

- D.13** Was there any form of commitment from either party [i.e. the employees and the Chinese mining organisation]? [Please elaborate on that.]
- D.14** Please describe the role that employees, as a stakeholder group play in the relationship with the Chinese mining organisation?
- D.15** Can you please explain how the following relationship characteristics manifested (were visible) in the relationship between employees and the Chinese mining organisation:  
 1) trust, 2) transparency, 3) commitment, 4) cooperation, 5) power,  
 6) communication, 7) accountability, 8) flexibility, 9) shared values
- D.16** Can you please share how employees as a stakeholder group, manage the relationship characteristics we have just explained?
- D.17** Can you explain how the Chinese mining organisation managed the relationship characteristics we have just explained?
- D.18** Is there anything else you would like to share with me?

Ok this marks the end of our interview. I would like to thank you for taking the time participate in this interview. I appreciate your assistance.

Thank you once again.

[switch off recorder]

#### **Researcher's Notes**

**Power** is based on relationships between social actors where “one social actor, A, can get another social actor, B to do something that B would not have otherwise done” (Weber, 1947; Pfeffer, 1981 as cited in Eesley and Lenox, 2006: 767). Power can be defined as the ability of one party to possess coercive (force), utilitarian (rewards and benefits) and normative (group) means to impose its will in the relationship (Mitchell, et al., 1997:865; Currie et al., 2009).

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**Interests** refer to something(s) that brings advantages to or affects someone or something (Cambridge, 2018). When one infers meaning, finding something that affects their needs and goals.

**Influence:** To cause someone to change a behaviour, belief, or opinion, or to cause something to be changed (Cambridge, 2018). Hence, stakeholder influence is determined by the power and legitimacy of the stakeholder (Eesley and Lenox, 2006).

**Interact:** is to communicate with or react to (Cambridge, 2018).

**Urgency** is defined as “the degree to which stakeholder claims call for immediate attention” (Mitchell, Agle and Wood, 1997:867). It is based on time sensitivity, (where a delayed response by managers to stakeholder claims or relationship is unacceptable to stakeholders), and criticality.

#### **Reference List to Researcher's Notes**

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**Annexure E: Letter of introduction**



**RHODES UNIVERSITY**

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DEPARTMENT OF MANAGEMENT • Tel:+27 (46) 603 8246 • Fax: +27(46) 603 8913 • Email: [l.louw@ru.ac.za](mailto:l.louw@ru.ac.za)

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Ministry of Mines and Mining Development  
6<sup>th</sup> Floor, ZIMRE Centre  
Cnr L.Takawira St/ K. Nkrumah Ave  
Harare  
Zimbabwe

07 June 2018

Dear Permanent Secretary

**Ref: Request to conduct PhD Research**

My name is Kudakwashe Chodokufa. I am a PhD candidate at Rhodes University in Grahamstown. I am seeking your permission to conduct my research in your organisation.

Please find attached the following:

- a letter requesting permission to conduct research;
- a letter requesting any form of documentation to assist with the research;
- a proof of registration for PhD studies; and
- a copy of the interview questions.

If there are any other questions or any related focus area that you feel I need to add to my interview schedule that can assist your organisation, please let me know so that I can add them.

Thank you for your consideration I trust you will find my request favourable.

Yours sincerely,



Kudakwashe Chodokufa  
Research Student

## Annexure F: Sample of transcript

### Stakeholder Interview Schedule I – Interviewer P- Participant

I: What did you work as in the Chinese organisation?

P12: I was a driller machine operator.

I: Ok. How long did you work there?

P12: 1 year 7 months

I: When did you start working there? Do you know the year?

P12: I started in 2011.

I: In your section or in your department did you have any managers or Foreman?

P12: Yes, we had a foreman.

I: How did you communicate with the Chinese foreman how did it work?

P12: We had at times if we did not understand each other we would go and get an interpreter to come and mediate, that is if we don't understand each other. But most of the times the communication was there we could understand what they're saying so when they speak to us if they were to say "Gooder" then we know he means good. When they say something then we know what they mean. So, as time went by we started understanding each other.

I: In your view did the Chinese view you as stakeholders as if you were important?

P12: Yes, some of them used to view us as people who are clever. Very few of them went to school and understood that we are people just like them.

I: During your employment how did the managers interact with you? Were there meetings.

P12: It was not so formalised if there were any misunderstandings the Chinese foreman would just get into his car and go to the offices to get an interpreter. The interpreter will then ask what the problem is, and we would explain to him then he would intervene and explain and resolve the matter. Then we'll continue with our work.

I: In your experience working with the Chinese who has power there? in the mines of the Chinese who has the power?

## Annexure G: Ethical clearance approval



**RHODES UNIVERSITY**

*Grahamstown • 6140 • South Africa*

DEPARTMENT OF MANAGEMENT • Tel: (046) 603 8250 • e-mail: t.amos@ru.ac.za

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Date: 23 July 2018

Dear Kudakwashe Chodokufa

**Research Ethics Approval Feedback (Letter 2: Institutional/Gatekeeper Permissions)**

Research Title: Stakeholder relationship management in a Chinese mining organisation in Zimbabwe.

Research Type: PhD

Supervisor: Prof Lynette Louw

Ethics Application Reference: Ref: 2018 Man 02.

As indicated and required by the previous application the following Institutional (Gatekeeper) Permissions have been received as required.

**List of Permissions as per Ethics Application:**

Ministry of Mines and Mining Development.

At a meeting of the Department of Management Ethics Sub-Committee held on 23 July 2018 the Committee resolved to **Recommend the application for approval to the RUESC.**

**Please note that data collection can now commence.**

**Notes (if applicable):**

As outlined in your covering letter (dated: 19 July 2018) and discussed with your co-investigator/supervisor (Prof L Louw), permissions are not required for the Local government (location of mine) and the Chinese Mine as you confirm that Local government (location of mine) and the Chinese Mine are covered by the permissions given by the Ministry of Mines and Mining Development.

Given this clarification the committee discussed the matter on the 23/07/2018 and agree to allow you to continue with data collection in the "Ministry of Mines and Mining Development and all its parastatals within the Zimbabwean mining industry".