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Original Article

Managerial and stakeholder perceptions of an Africa-based multinational mining company's Corporate Social Responsibility (CSR)

Andrew Ngawenja Mzembe *, Yvonne Downs [1]

University of Huddersfield, The Business School, Huddersfield HD1 3DH, West Yorkshire, United Kingdom

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ABSTRACT

Corporate Social Responsibility (CSR) has become an important concern in the mining sector in recent years but has been overlooked heavily in the context of developing countries. This article helps to bridge this gap by exploring management and stakeholders' perceptions of a Malawian-based Australian multinational mining company's CSR strategy. The findings suggest that management's views of CSR differ significantly from those of stakeholders. While managers have a classical and limited view of the firm's role in mining communities and wider society, stakeholders generally have a broader idea of what social responsibilities companies can assume within wider society.

1. Introduction

Until the mid-2000s, global mining companies extracted mineral resources without due concern for their environmental and social impacts on wider society (Jenkins, 2004). Prior to this period, the global media was awash with stories about the unprecedented records of abandoned mines, air and water pollution, radioactive contamination, industrial accidents and threats to biodiversity. However, the end of the 1990s witnessed the emergence of a Corporate Social Responsibility (CSR) movement, in response to growing public sentiment to hold global mining companies accountable for their social and environmental externalities. Multinational mining companies have responded to this pressure by stepping up their efforts in the area of CSR (Jenkins, 2004; Warnaars, 2012). Essentially, mining companies have operationalised their CSR agenda through sustainable waste management, corporate philanthropy, stimulating the growth of local businesses, good working practices, and upholding the rights of marginalised communities.

Although the notion of CSR seems to have been enthusiastically embraced by many multinational mining corporations, in many ways, it continues to be an elusive concept (Campell, 2012; Jenkins, 2004; Hilson, 2014; Mutti et al., 2012; Warnaars, 2012; Yakovleva and Vazquez-Brust, 2012). Within the industry, evidence suggests a variation in understanding of CSR between management and other stakeholder groups (Cragg and Greenbaum, 2002; Kapelus, 2002; Yakovleva and Vazquez-Brust, 2012). It is generally accepted that a company's direction towards the CSR agenda is shaped by managerial and stakeholder conceptions of an organisation's social responsibilities within a given society (Pedersen, 2010). A mismatch between these perceptions, particularly in a controversial sector such as the extractive industries, can give rise to confrontational relationships and conflicts (Calvano, 2007; Warnaars, 2012).

There is growing scholarly interest in CSR is interpreted and embraced by mining companies operating in the developing world (Hamann and Kapelus, 2004; Kapelus, 2002; Warnaars, 2012). But few studies undertaken to date share managerial and stakeholders perspectives on CSR at mines in the likes of sub-Saharan Africa, Asia and Latin America (Mutti et al., 2012; Yakovleva and Vazquez-Brust, 2012). Most tend to focus on CSR and stakeholder engagement practices and drivers (Campell, 2012; Dashwood, 2005, 2007; Fabig et al., 2002; Hilson, 2007; Warnaars, 2012).

This article seeks to help bridge this gap by surveying the perspectives of managers and stakeholders on the CSR strategy of Paladin (Africa), a subsidiary of a global mining company Paladin (Energy), operating in Malawi. We adopt an interpretative approach in comparing and contrasting managerial and stakeholder perceptions about CSR in the Malawian mining industry. We also do this by drawing heavily on studies that have tested

* Corresponding author.
E-mail addresses: andmzembe@yahoo.co.uk (A.N. Mzembe), y.downs@hud.ac.uk (Y. Downs).
[1] Tel.: +44 01 484 472665.

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Carroll's Pyramid of Social Responsibility (1979, 1991) in different geographical regions, as well as more recent studies in the global mining industry.

We begin by reviewing the contemporary literature on CSR, giving particular prominence to the Carroll (1979, 1991) and Visser (2008) models. We then touch on the literature related to CSR in the global mining industry before providing the background to the case study country, and moving on to present the study itself. We conclude by summarising the purpose of the study, acknowledging its limitations, outlining the contribution it makes to the field, public policy and practice, and identifying fruitful avenues for further research.

2. Conceptualising Corporate Social Responsibility (CSR)

Overall, CSR is a highly-complex concept which has been the subject of heated academic debates for over seven decades. The most durable and commonly used definition comes from Carroll (1979, p. 499), who defines CSR as the social responsibility of business that encompasses the 'economic, legal, ethical, and discretionary categories of the business performance' at a given point in time. Despite the popularity of Carroll's definition, CSR remains one of most 'contested' concepts in the contemporary field of business and society (Moon, 2007). Crucial to the contested nature of CSR is its multi-disciplinary nature (Crane et al., 2008) which means that it is difficult to find a universally-accepted definition (Dahlsrud, 2008).

In recent times, nonetheless, there have been sustained efforts aimed at finding a widely-accepted definition of CSR that could replace Carroll's (1979, 1991) definitions. To this effect, Dahlsrud (2008) identified five principal dimensions that any CSR definition should cover. These are: economic, social and environmental value creation, voluntariness and stakeholder relations. The first three dimensions of CSR mirror the triple bottom line framework (Elkington, 1997) which stipulates that businesses should take into consideration and mitigate the impacts of their operations on people and the ecosystem in pursuit of profits. In recognition of the significance of stakeholders in the creation of value for business (Freeman, 1984), Dahlsrud (2008) includes a cross-cutting issue – stakeholder relations – in which he implies that businesses should consider the interests of all stakeholders, regardless of their salience. Dahlsrud's proposition regarding the voluntariness element of CSR, however, does not fully support Carroll's pyramid of social responsibilities, which regards legal compliance as the second tier social responsibility a company can assume within the society (Carroll, 1991).

The task of constructing a unified CSR definition is not limited to theorists. In recent years, there has been a proliferation of interest from some Western governments and various industry bodies to come up with a working definition of CSR. The European Commission recently defined CSR as 'the responsibility of enterprises for their impacts on society. It further expands the definition by stating that:

> 'respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights, consumer concerns into their business operations and core strategy in close collaboration with their stakeholders' (European Commission, 2011, p. 6).

It is important to note that the recent European Commission's CSR definition can arguably be considered the most comprehensive definition formulated to date, as, in addition to clearly outlining the major dimensions of CSR, it also takes into account the vital role a company's stakeholders can play in making the CSR agenda effective.

But there are other comprehensive definitions that have emerged. According to the UK Department for International Development (DFID), for example, CSR comprises 'the voluntary actions that business can take over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society' (DFID, n.d.). From a business perspective, the World Business Council for Sustainable Development (WBCSD) defines CSR as 'the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large' (WBCSD, 2000, p. 3). Essentially, however, all of these definitions underscore how CSR has both moral and instrumental dimensions, and further suggest that in understanding the social responsibilities of a firm, the instrumental and normative case of business engagement should be taken into account (Carroll and Shabana, 2010; Ketola, 2013; Moir, 2001).

The social responsibilities companies can assume within a given society have national, cultural and geographical dimensions (Baughn et al., 2007; Maignan and Ralston, 2002; Maignan, 2001; Maignan and Ralston, 2002; Visser, 2008; Welford, 2005). Studies that have tested Carroll (1979, 1991), for example, suggest a cross-national variation in the prioritisation of firm's social responsibilities (Maignan and Ralston, 2002; Maignan, 2001), and how the prioritisation of various responsibilities demonstrates the pervasive influence of the communitarian and individualistic value systems on managerial and stakeholders' understanding of the notion of CSR (Haake, 2002; Matten and Moon, 2008; Tengblad and Ohlsson, 2010). In societies where communitarian values are dominant, stakeholders (consumers) tend to be strongly concerned with general societal well-being, and are more interested in seeing companies assist the state in addressing socio-economic challenges. Conversely, in societies with strong liberal values, such as those found in the United States, stakeholders generally regard companies as private properties whose resources should not be directed towards the achievement of social goals. In such societies, there is a huge prioritisation of economic and legal responsibilities, which may have been influenced by the strong individualistic and legalistic values generally associated with the US (Matten and Moon, 2008; Tengblad and Ohlsson, 2010).

Similarly, Visser's (2008) pyramid of social responsibilities accords economic responsibilities a huge priority by placing them at the bottom of the pyramid, followed by philanthropic, ethical and legal responsibilities. As noted elsewhere in this article, such a re-ordering of social responsibilities reflects the significance attached to societal expectations and cultural norms and realities in the developing countries in the determination of the nature and scope of social obligations a company can – if willing, of course – assume (Sethi, 1975; Suchman, 1995). In developing countries, poor infrastructure, high levels of unemployment and low levels of economic development often pressure companies to play an expanded role in the area of CSR: investing in social amenities, strategising to create jobs, stimulating the development of the local economy, and contributing to the national economy through payment of royalties and taxes. Nevertheless, it is fundamental to acknowledge the influence of the western trends in CSR debates in other geographical regions, given their strong connections with the big Western multinational companies (Warnaars, 2012; Yakovleva and Vazquez-Brust, 2012). These multinational companies tend to have elaborate CSR programmes that influence the practices of their subsidiaries operating in other geographical regions (Warnaars, 2012; Welford et al., 2007; Yakovleva and Vazquez-Brust, 2012).