

Reputation & Property Rights the Mining Industry

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Overview

- Background to the Study – the Mining Industry
- Reputation and Performance – Resource Based View
- Corporate Reputation – a Stakeholder Perspective
- Reputations and Competitive Advantage – the Mining Industry
- Mineral Resources and Property Rights
- Implications for Reputation as a Strategic Resource

The Mining Industry – A Special Case

- Location specific operations
- Uncertainty and technical nature of mining
- Limited contact with final customers
- Limited product differentiation
- Price takers
- Historically poor performance

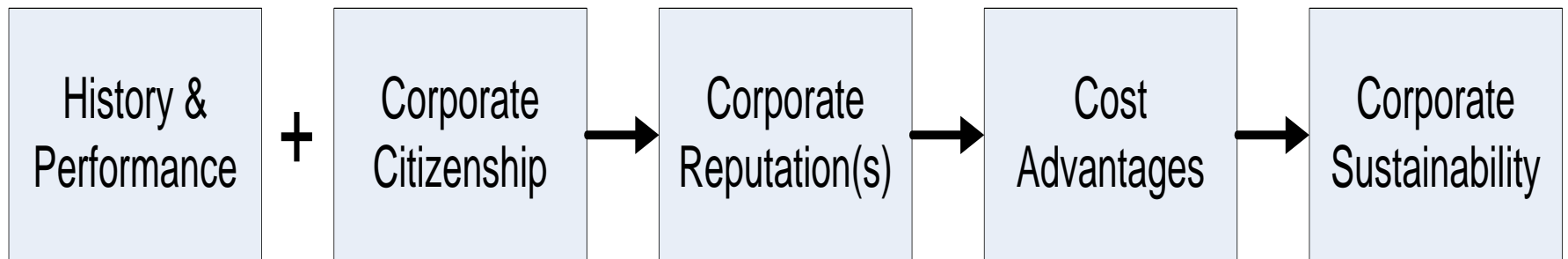
Reputation – The Australian Mining Industry

- Imperative – Access to Resources
- Key Stakeholders – Host Communities
- Impacts of Industry Reputation

Reputation – Rare, Inimitable and Valuable

- Day-to-day operations
- Regulatory zeal
- Access to new mine sites
- Access to capital and labour

Conceptual Model – Reputation & Performance



Exploratory Study – Australian Mining Industry

- Industry Focus Group
- Delphi Study – Expert Opinion Survey
- Case Studies

Industry Focus Group

Industry Reputation

Rooted in history
Biased by industry laggards

Who are the stakeholders?

Stakeholders will differ across sites
Importance of local community

Corporate Reputation

Importance at entry and exit
Impact of managing crises
Importance of trust
Site v company reputation

Delphi Study

- Variation in the determinants between stakeholder groups
- Determinants – company, industry and stakeholder actions
- Variations in importance of types of determinants
- Limited focus for some stakeholder groups

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Case studies

- Confirmation of Delphi Findings
- Explanation for multiple (stakeholder-specific) reputations
 - Role of trust, knowledge and access to information
 - Varying impacts - actions other companies and industry reputation
 - Varying stakeholder priorities and relationship with the company

Corporate Reputation – A Stakeholder Perspective

- Differentiated View of Reputation - Stakeholder Specific Reputations
- Network View - Stakeholder Network Effects
- Reputational Interdependencies - Industry Effects

Reputations and Competitive Advantage

Complementarity of Resources

Stakeholder Reputations
Reputations and Resources

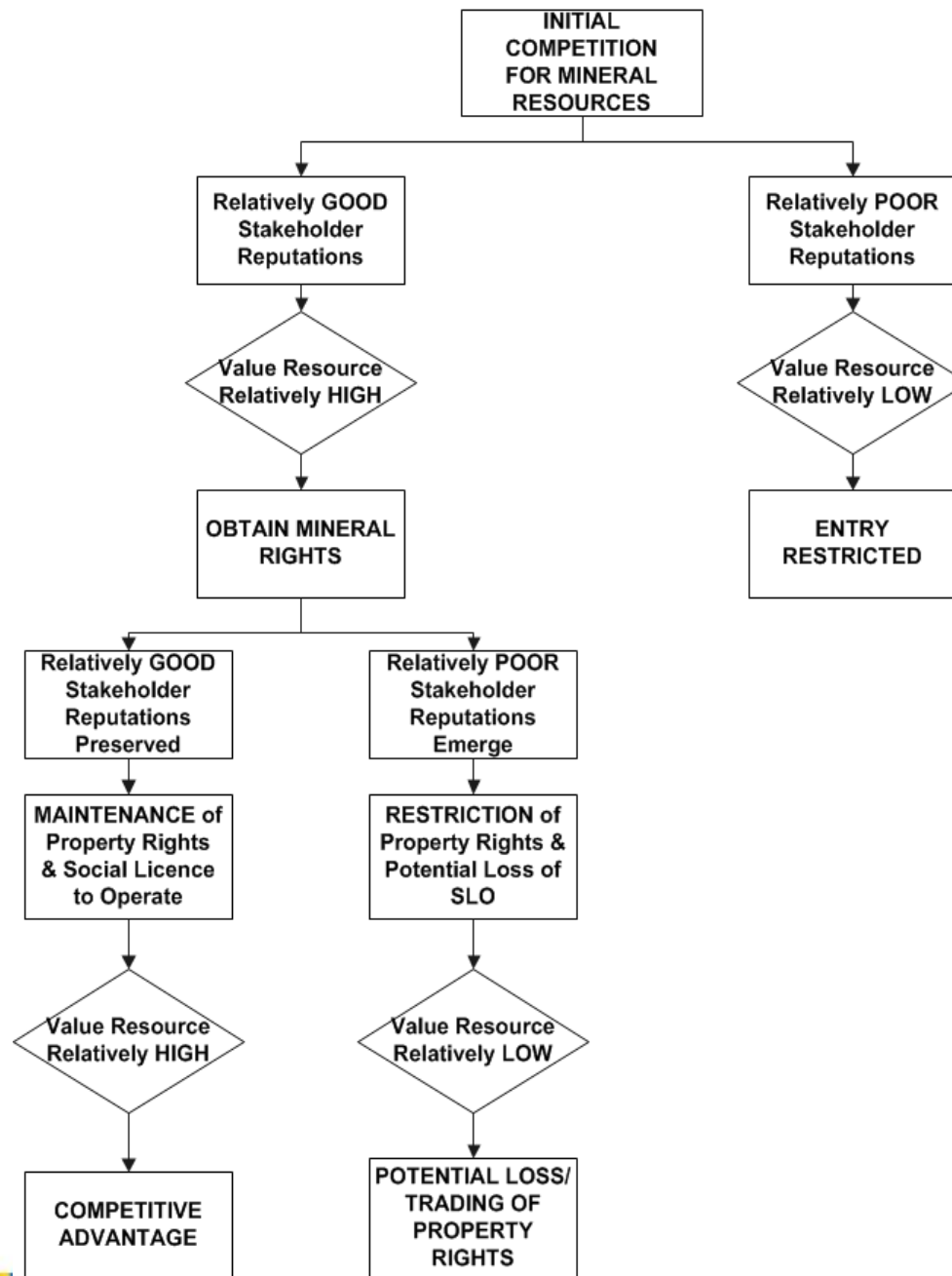
Firm Embeddedness

Uniqueness/Rareness
Level of Fit to Environment

Mineral Resources and Property Rights

- Mining industry - pro-active approach to stakeholder engagement
- Social license – property rights to mineral resources
- Stakeholders reputations
 - Obtaining
 - Maintaining
 - Minimising constraints
 - Reducing costs of operation

Social License



Reputations and Mineral Resource Value

Relative Mineral Resource Value			
		High	Low
Stakeholder Reputations	High		
	Low		

to Conclude ...

- Reputations as strategic resources – Social License
- Mobility or Immobility?
- Managerial considerations
- Future Research