

Stakeholder Priorities v Industry Perception

Reputations & Relationships in the Australian Mining Industry



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What are the reputations that are important to the sustainability and competitiveness of Australian mining companies?

What are the relative contributions of mining company corporate citizenship policies to these different reputations?

How is reputation managed in the Australian mining industry?



“Reputation matters, but only when it concerns those things that matter to those people that matter to the organization.”
(Spencer, 2005)



Accounting
Measurement & value

Marketing
Products & consumers

Strategic
Asset

Definition!

An integrative

View

Sociological
Legitimacy

Economic
Asset

Organizational
Company culture & identity



Observers' collective judgements of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time.

(Barnett, Jermier, and Lafferty, 2006)



Patterns in Reputation and Social Performance

	Below Average Social Performance	Above Average Social Performance
Below Average Reputation	HIGH TECHNOLOGY SECTOR	
Above Average Reputation		RESOURCES SECTOR



Why is Reputation Important for Mining Companies?



REPUTATION

Rare, Inimitable and Valuable Resource

Reputation as it facilitates

- day-to-day operations
- regulatory zeal
- access to new mine sites
- access to capital and labour

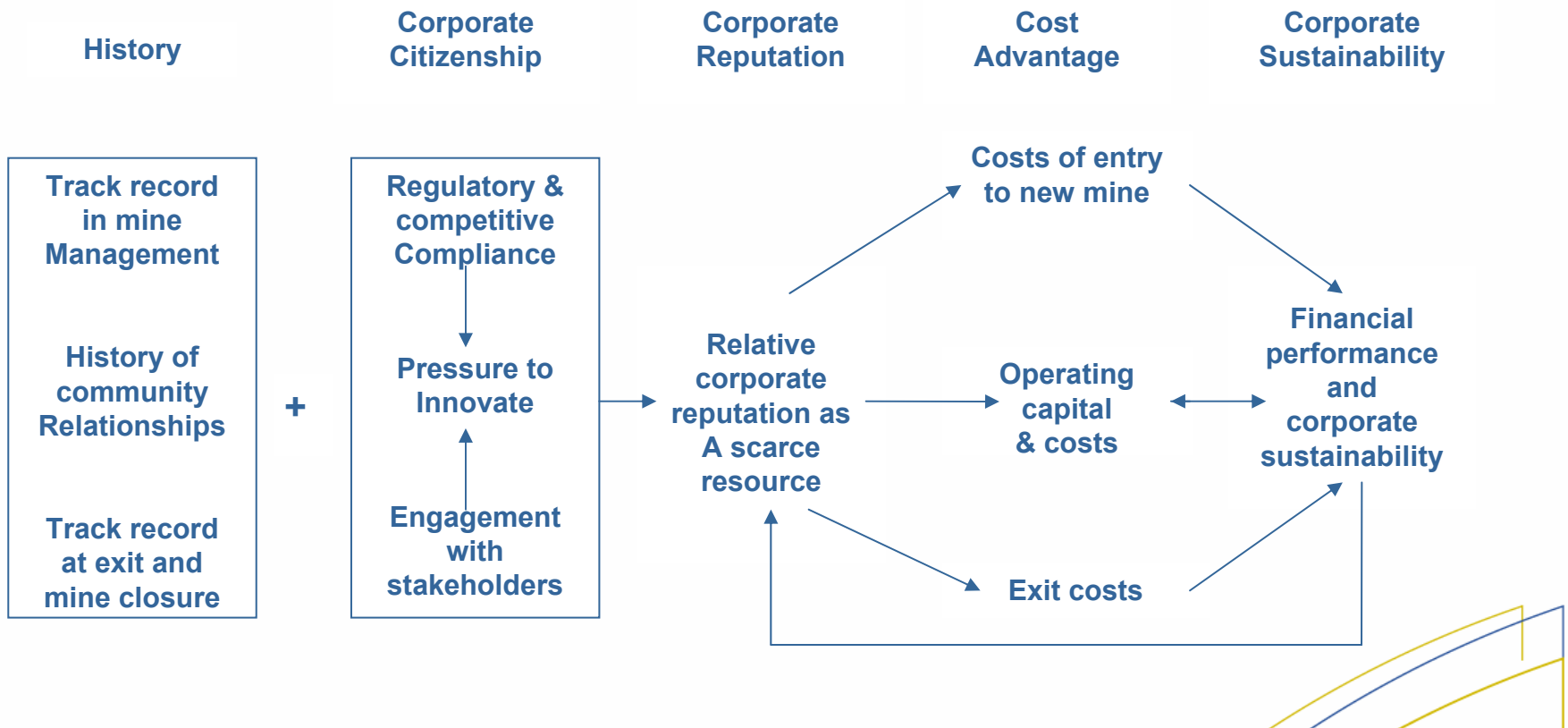


Corporate Citizenship

The role, through its activities,
a business plays in society



Conceptual Model Mining Company Reputation and Performance

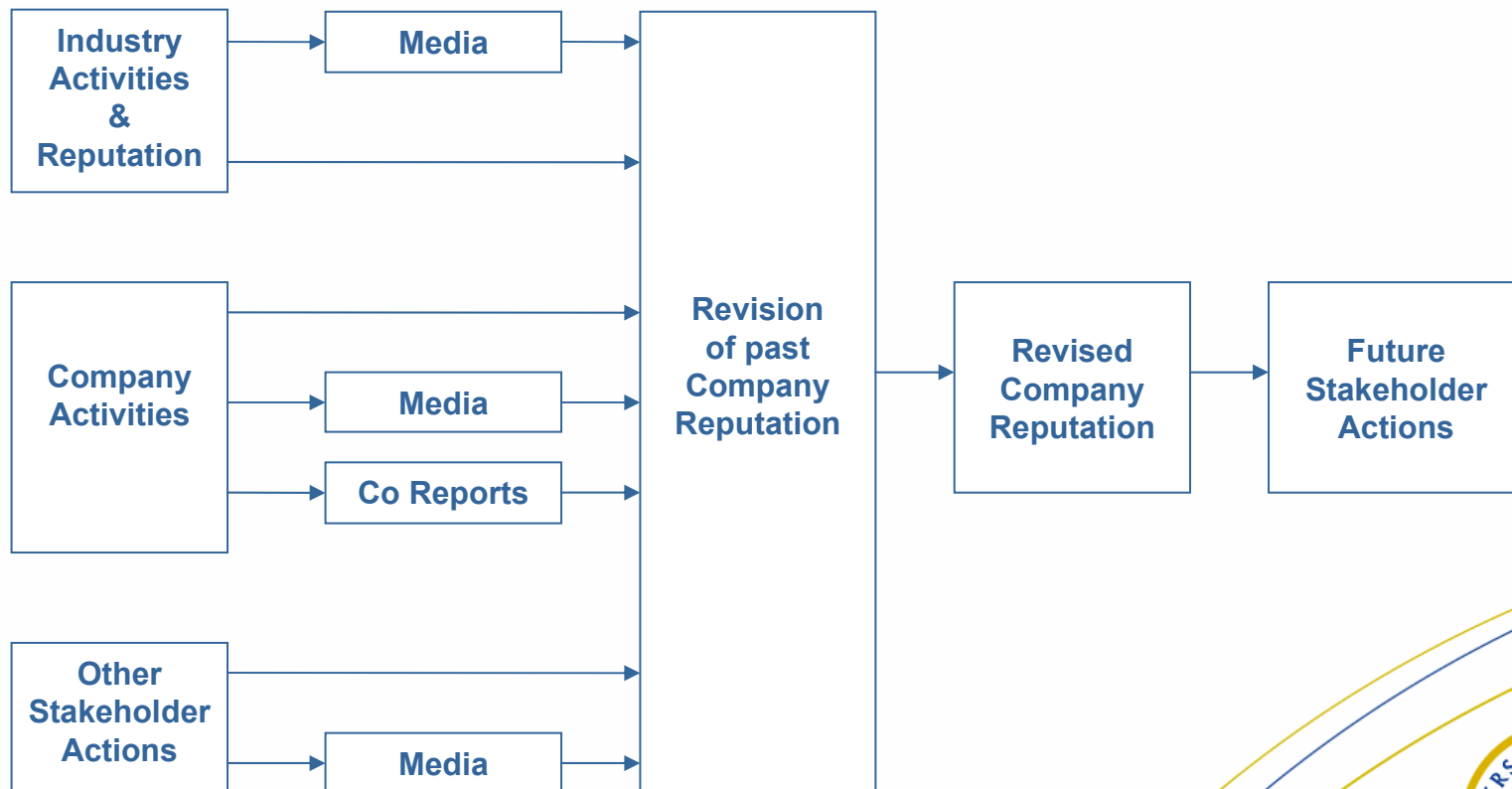


Research Propositions

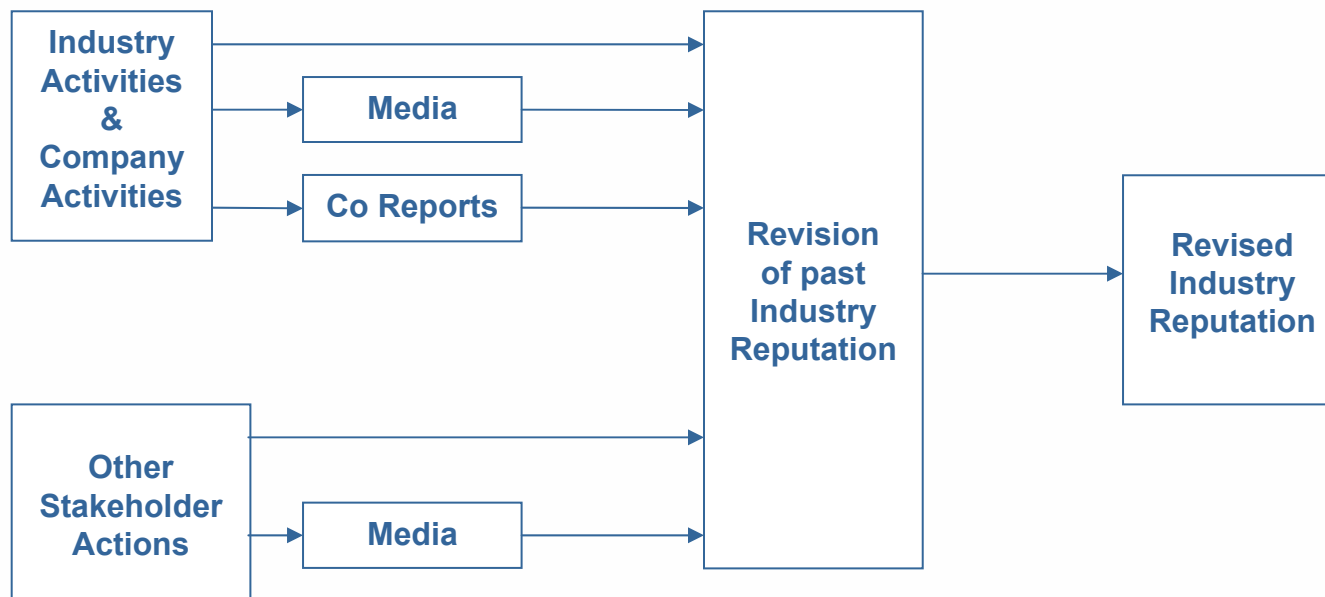
- That different stakeholder groups form reputation, based upon differing signals and messages.
- That the properties and attributes of the reputation held by a stakeholder group will differ from those of other stakeholder groups.
- That a company's Corporate Citizenship policies through its actions, in addition to its performance, will impact upon reputation formation.
- That the prior reputations held by the other stakeholder groups, through their actions, will impact upon the future formation of reputation by a stakeholder group.
- That the industry reputation and other company actions will impact upon reputation formation for an individual company.
- That the signals and messages from the various drivers of reputation identified, are induced through either communication, including the media, or past experiences.



Company Reputation Formation Stakeholder Perspective



Industry Reputation Formation Stakeholder Perspective



Methodology

Industry focus group

Delphi Study



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



Focus group Summary of findings

- Reputation matters and varies
- Stakeholders vary from site to site
- Industry reputation impacts on corporate reputation
- History matters
- Host community reputation is crucial



Delphi Study – Expert opinion survey

Stakeholder groups & Industry group

- Rd 1 – Open Question
- Rd 2 – Rating of Identified drivers
- Rd 3 – Revision & Consensus

Industry

- Rd 4 – Rating of drivers – stakeholder groups



Identified Themes

	Industry	Community	Employees	NGO's/Environment	Shareholders/Financiers	Regulators
Community Engagement/Communication	√	√	√		√	√
Stakeholder Engagement	√			√		√
Environment	√	√	√	√	√	√
Company performance	√		√	√	√	√
Economic Contribution	√	√	√	√	√	√
Employees	√	√	√		√	√
Company Leadership/Management	√	√	√	√	√	√
Corporate Social Responsibility	√	√	√	√	√	√
Miscellaneous - Company Related	√	√	√	√	√	√
Global Mining Industry Performance	√	√	√	√	√	√



Company Performance

	Industry	Community	Employees	Shareholders/ Financiers	NGO's/ Environment	Regulators
Company financial performance, including returns to shareholders	√		√	√		√
* Profit performance				√		
* Market capitalisation				√		
* Management of cash costs				√		
* Debt repayment record				√		
* Disciplined capex expenditure				√		
* Company's financial performance history				√		
Company 's regulatory compliance	√			√	√	√
Company evaluation of performance	√			√		√
Company's participation in research, including environmental and social research	√			√		
Company reports			√			
Mineral exploration success				√		
Ability to build new mines				√		
Company performance v industry best practice					√	
Company's policies/practices v industry guidelines					√	



Company Related Factors

	Industry	Community	Employees	Shareholders/ Financiers	NGO's/ Environment	Regulators
The commodity/commodities being mined by a company, and the final uses, eg Uranium, coal etc	√	√		√	√	
Company size	√		√	√		
Company origin/ownership, domestic versus overseas	√					
Company operating location(s), eg protected or sensitive areas	√	√		√		
Company performance at all sites especially when operating in remote areas		√				
Company approach to life cycle product stewardship	√				√	
Media coverage of the company, including local, national and international	√		√	√	√	√



Corporate Social Responsibility

	Industry	Community	Employees	Shareholders/ Financiers	NGO's/ Environment	Regulators
Company performance beyond compliance	√	√		√	√	√
Social benefits beyond those required by regulation	√		√		√	√
Environmental benefits beyond those required by regulation	√		√		√	√
Economic benefits beyond those required by regulation	√		√			
Company sponsorship of community programs	√	√	√	√	√	√
Community partnership program, with defined support criteria	√		√	√		
Company support for community education/training	√	√	√	√		
Company sharing knowledge/expertise with community (capacity building)	√		√	√		
Public accountability	√	√				√
Company adoption of independently audited standards and systems	√				√	√
Company/NGO partnerships on social & environmental issues	√	√			√	
Engagement in sustainable development		√				



	Community		Employees	Shareholders/ Financiers	NGO's/ Environment	Regulators
✓ Stakeholder group Identified as a driver						
X Industry identified as significantly important						
Company community involvement and communications policies	✓	X	X	✓	✓ X	✓
* Designated community liaison person located at site	✓	X			X	✓
* Company having a community consultation program		X			✓ X	✓ X
The accessibility and responsiveness of company management	✓	X	X		X	X
Company engaging local and regional communities in open dialogue		X	✓	✓	✓ X	✓
Engaging local and regional communities in decision making	✓	X			X	✓
Information sharing between company and community, including newsletters, open days and community		X	X			
Company responsiveness and sensitivity to community concerns	✓	X	X	✓	✓	✓
* Company sensitivity to indigenous peoples' issues	✓	X		✓	✓ X	✓
* Company sensitivity to near neighbours	✓	X	X			✓ X
* Respecting cultures and values		X	X	✓	X	✓

Community Engagement/Communication





Further Research

Industry Case Studies

Enhanced understanding of the relationships between corporate citizenship and reputation is of vital importance for both mining companies and their stakeholders

