

The Corporate Instigation of Community-Based Organizations

Analysis of Two Oil and Gas Companies in India

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Abstract

There is increasing evidence to suggest that Corporate Community Involvement (CCI) has gone beyond philanthropy towards more innovative approaches in addressing complex social problems. One example is particularly evident in developing countries where corporations organize the local community in their operational areas into community-based organizations (CBOs), such as self-help groups, and enable them to tackle social problems by themselves. In this thesis, I explore this emerging CCI mode, termed *Corporate Instigation of Community-Based Organizations* (CICBO), by focusing on the contexts in which such engagement is conceptualized, the process through which it is put into practice and the outcomes of such engagement.

I adopt an institutional perspective, grounded in the umbrella concept of institutional work that highlights the recursive relationship between institutional environment and organizational actions within which a new CCI mode emerges. An analytical framework is built around the constituent components of institutional work (e.g., enabling conditions, agency, actions and consequences) that allows for a process-oriented exploration of the emergence of a CCI mode as an organization-level institution. The framework is employed to examine three key aspects of CICBO: company motives to initiate the mode and the contextual factors that influence those motives, the micro-processes through which the mode emerges, and its outcomes at multiple levels. In doing so, my study presents an alternative theoretical perspective on CCI, one based on institutional work. At the same time, it also contributes to the bottom-up theorization of institutional work.

This research is interpretive in nature. A case study method is utilised for in-depth investigation of the CICBO mode of two oil and gas companies in India, the Oil India Limited and the Cairn India Limited, applying multiple qualitative research techniques such as interviews, focus group discussions and document analysis. The empirical findings provide valuable insights on the antecedents, processes and consequences in the emergence of the CICBO mode in particular and broader CCI discourse in general. This situates my research among the few studies that contribute to the processual understanding of CCI.

The study identifies a legitimacy crisis at the community level arising from incompatible institutional arrangements, recognition of future business threat or opportunity, and a company's habitual orientation towards community engagement as the key drivers for CICBO. However, prevalence of such a contingent environment alone is not enough to manifest the CICBO mode. As an intelligent and reflexive actor, the company reflects on its past, assesses the present, projects itself into the future, and assigns different levels of importance to each of these factors. As observed in the study, CICBO emerges when securing future business interest is associated with ensuring long-term social legitimacy through effective solutions to critical social issues. This finding makes explicit the connection between strategic motives and subsequent framing of CICBO as the solution to achieve them.

CICBO aims to create a community-level practice of CBO-oriented collective problem solving. It focuses on gradually building important community capital in a way that enables the community to maintain the practice without company support. This signifies a dual institutional creation work where the activities for creating community-level practice in the field occur under the umbrella of a temporary CCI practice that is created in parallel. The company's intention to continue the support for a limited time only reflects its commitment to community empowerment, rather than inflicting further dependence.

CICBO unfolds through iterative phases of conceptual (design) and operational (implementation) activities, where a stable template gradually emerges through repeated incorporation of ongoing learning. As such, the emergence of CICBO depicts high interactions among company, community and other social actors. In particular, the process highlights diverse roles of the local community as the initial adopters of the CBO-oriented practice, supporters in the promotional activities, part of the maintenance mechanisms, and most importantly eventual upholder of the practice. The findings identify the ability of CICBO to create shared values for the CCI actors and potential for community empowerment. More importantly, the success of CICBO is observed to inspire various social actors including other organizations and the wider community to engage in similar and complementary practices, resulting in widespread diffusion of CBO-oriented activities. The findings bring new insights for practitioners, policy makers and communities, particularly in developing countries, who seek to design and implement similar practices as effective and sustainable solutions for complex social issues.

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Acronyms and Abbreviations

AAGSP	All Assam Gana Sangram Parishad
AASU	All Assam Students Union
ADS	Area Development Scheme
ADP	Agriculture Development Program
AOC	Assam Oil Company
AR&T	Assam Railways and Trading Co. Ltd
BOC	Burmah Oil Company
BoM	Bank of Madura
BPCL	Bharat Petroleum Corporation Limited
CBOs	Community-Based Organizations
CCI	Corporate Community Involvement
CDD	Community Driven Development
CICBO	Corporate Instigation of Community-Based Organizations
CIL	Cairn India Limited
CSR	Corporate Social Responsibility
DCC	District Co-ordination Committee
DDP	Dairy Development Project
FGD	Focus Group Discussion
GoI	Government of India
HTPC	Handicraft Training and Production Centre
HUL	Hindustan Unilever Limited
IFC	International Finance Corporation
JVC	Joint Venture Company
KVK	Krishi Vigyan Kendra
MCC	Milk Collection Centre
MNCs	Multi-National Companies
MoU	Memorandum of Understanding
NELP	New Exploration Licensing Policy
NPOs	Non Profit Organizations
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
PDL	Placer Dome Ltd.
PHINMA	Philippine Investment Management Consultants
PRI	Panchayat Raj Institution
PSC	Production Sharing Contract
SGSY	Swarnajayanti Gram Swarojgar Yojana
SHGs	Self-help Groups
SIRD	State Institute of Rural Development
SURE	Society to Uplift Rural Economy
SWP	Social Welfare Programme
WC	Working Committee

CHAPTER ONE
Introduction

1.0 Introduction

The last century has observed various patterns of corporate behaviour, for example, charitable contributions, employee volunteering and so on, for providing financial or non-financial support to the community. Such practices are framed under the umbrella construct of *Corporate Community Involvement* (CCI) (Brammer and Millngton, 2004) within the broader Corporate Social Responsibility (CSR) literature. Although charitable contributions on an ad hoc manner remains a popular practice, companies have been embracing a more integrated approach towards CCI such as collaboration with voluntary sector organizations, partnership with community enterprises, integrating communities in business value chain. These initiatives are argued to bring greater benefits to both the business and the community compared to mere philanthropic contributions (Tracey et al., 2005; Muthuri et al., 2009; Austin and Seitanidi, 2012b, Porter and Kramer, 2011). A recent development in corporate-community relationship is marked by companies organizing formal or informal *community-based organizations* (CBOs) (more elaborately discussed later in chapter two), in order to address the challenging social problems such as unemployment and poverty in their operational areas. Such a mode of community engagement is growing in examples, particularly in developing countries where communities are grappling with complex developmental problems. I refer to such corporate and community engagement as *Corporate Instigation of Community-Based Organizations* (henceforth CICBO). Despite the recognition of corporate engagement with existing CBOs as a potential strategy for long-term and sustainable local development (Tracey et al., 2005), this emerging phenomenon of CICBO has to gain attention from CCI scholars. Therefore, this thesis aims to advance our understanding of why and corporations instigate CBOs as a mode of community engagement and what are the consequences of such practice. This means unpacking the contextual realities in which such a practice is conceptualized, takes shape and is put into practice (Muthuri et al., 2012). This

line of enquiry draws together and directs the specific research questions, guides the selection of theoretical framework, informs the methodology, provides focus for the discussion, and is explored with reference to two instances of CICBO in India.

Keeping 'CCI' central to my thesis, I take a process-oriented approach in understanding CICBO, drawing on the concept of institutional work (Lawrence and Suddaby, 2006; Lawrence et al., 2009, 2011). The importance of process-oriented approach for exploring CCI has been mooted for the analysis of how structural context and actors' interactions shape corporate-community relations (Muthuri et al., 2009). Institutional work, which posits that actors purposively disrupt, maintain or create institutions within dynamic institutional terrain, provides the required theoretical lens that has not been considered within the CCI discourse so far. I conceptualize a CCI mode as an organization-level institution that reflects a particular pattern of corporate-community relations constructed through the purposeful actions and interactions of relevant actors in a situated context. Generating data from in-depth interviews, focus group discussions and documents, I explore those actions and interactions in the emergence of CICBO, the factors influencing those actions, and the impact this mode has on the embedded as well as wider social actors. Applying an institutional work lens to CCI helps to garner new insights on the emergence of CCI modes within multi-layered institutional environment, particularly in terms of the unintended consequences and responsive actions that goes hand in hand with deliberate actions. At the same time, it also contributes to the bottom-up theorization of institutional work.

All in all, the thesis contributes to the extant repertoire of CCI literature by providing a theoretical model of antecedents, processes and consequences of CICBO as well as proposing key characteristics of it. Ultimately, this helps us to reflect on and possibly plan for how such practice can be adopted to fight complex developmental problems among the disadvantaged communities, particularly in developing countries.

Having presented a short introduction of the thesis, the next section expands on the topic of investigation and positions the research in the extant CCI

conversation. Section 1.2 introduces more specific research objectives and questions guiding the study. Section 1.3 lays out content and flow of the chapters in the thesis. Finally, section 1.4 summarizes the key contributions of the thesis.

1.1 Origin of the Research

Corporate community involvement refers to business involvement in meeting the social and economic needs of the communities through the contributions of financial, in-kind assistance and human resources (Moon and Muthuri, 2008). CCI is considered as the origin of the wider concept of CSR (Muthuri, 2007), and remains a core part of companies' social responsibility agenda (Chapple and Moon, 2005). Over the years, various modes of community engagement have emerged, ranging from philanthropy (e.g., cash donations) to transactional (e.g., strategic philanthropy, cause-related marketing, employee volunteering,) to those more integrated with business objectives (e.g., collaboration with NPOs, partnership with community enterprises) (Moon and Muthuri, 2008). The extent, motives and forms of CCI are highly contextual (Chapple and Moon, 2005; Visser, 2008), and influenced by the broader institutional arrangements, i.e., national- or industry regulations, along with the local contexts within which the companies operate (Campbell, 2007; Marquis et al., 2007; Matten and Moon, 2008; Brammer et al., 2012). The evolution of CCI across the world marks it as a widely accepted discretionary responsibility of corporations (Carroll, 1991), as well as a response to normative and regulative pressures, and even as a source of strategic advantage in a volatile economic environment (Hess et al., 2002; Matten and Crane, 2005).

In the context of developing world, corporations are expected to go beyond discretionary responsibility and assume the role of a development agent which is not desired of them in the developed world (Leisinger, 2007; Mel and Paladino, 2008). Developing countries[1] are often characterised by resource deficient governments and weak civil society, and afflicted with multifaceted complex social problems such as poverty, illiteracy, unemployment, insufficient infrastructural facilities and poor health conditions. In those challenging contexts, resourceful

[1]Developing countries are defined according to their Gross National Income (GNI) per capita per year. Countries with a GNI of US$ 11,905 or less are defined as developing according to the World Bank.

companies are regarded as key agents of community development (Visser, 2008; Muthuri et al., 2009, 2012). Nevertheless, there is a consensus among researchers that companies often prefer to engage with community in an ad hoc or short-term manner prioritizing business agenda over the community needs (Newell, 2005). Being insensitive to local context, these CCI practices have largely been proven to be inadequate to meet the deficits in social entitlements experienced by the communities (O'Faircheallaigh and Ali, 2007). As observed by Margolis and Walsh (2003), these practices do not tackle the underlying social problems rather increase community expectations and dependence manifold, which often leads to a social license to operate crisis in the locality (Muthuri et al., 2009). The other side of this failure is attributed to the limited community involvement in the planning, decision-making and implementation of CCI projects (Muthuri et al., 2009; Idemudia, 2011). In light of these criticisms and increasing encounters with practical problems in the field (e.g., labour dissatisfaction, operational instability, stakeholder pressures), the turn of the 21st century saw the focus of CCI, particularly in developing countries, shifting towards broader social issues such as poverty, education, healthcare and infrastructure development (Eweje, 2006; Hamann et al., 2008; Muthuri et al., 2009), framed within the discourse of 'sustainable community development', 'poverty alleviation' and 'millennium development goals' (Idemudia, 2007a; Visser, 2008; Muthuri et al., 2012).

This thesis aims to explore and understand an emergent CCI mode in developing countries, where companies are organizing formal or informal community organizations in their operational areas to address diverse developmental problems associated with social, economic, political and environmental issues. These unique community-based organizations, in the forms of micro credit groups, issue-based self-help groups (SHGs), community associations, village development committees, or service user groups, are sub-sets of the community which are constituted and governed by the people living in a confined geographic area, and not to be synonymized with externally governed voluntary sector organizations *working for the community*. As the companies are observed to *instigate* and nurture these CBOs rather than engaging with existing CBOs, I refer to this promising community engagement mode as *Corporate Instigation of Community-Based Organizations*.

The potential of corporate engagement with existing CBOs, such as partnership with community enterprises (Peredo and Chrisman, 2006), is highlighted in the CCI literature as the possibility for corporations to move beyond philanthropic donations towards a more sustainable form of intervention involving long-term commitments to communities (Tracey et al., 2005). However, CICBO is a relatively new prospect and still remains an under-researched area in the CCI literature despite the growing number of examples (see section 2.5). This raises the opportunity to explore some obvious questions: Why do companies enter into a relationship with the community by instigating CBOs? What context necessitates such engagement? How does this new CCI practice emerge? Is it only the company and the community, or are there other societal actors involved in the process? What are the challenges that the involved actors come across in the process? What is the nature and extent of community involvement in this CCI mode? What are the consequences of such practice on the involved actors as well as the wider society?

My research aims to answer these questions by analysing the CICBO practice of two leading oil and gas companies in India, who organize local communities in their operational areas into self-help groups to pursue collective livelihood activities. The selection of extractive sector and situating my study in India was guided by two key factors. *Firstly,* extractive sector companies in the developing world have larger stakes in sustainable community development due to their proximity to the communities in operational areas and the multitude of possible negative impacts on the environment and community (Hamann et al., 2005; Idemudia, 2009, 2011; Muthuri et al., 2009). These companies often benefit from low production cost and higher profit, but they also need to tackle the concerns of exploiting "under-developed labour markets, social standards and guardianship of natural resources" (Moon, 2007, p.301; Muthuri et al., 2012). In addition, these companies often encounter huge community expectations for local development in exchange for social license to operate (Muthuri et al., 2009). Therefore, extensive engagement in community development is often seen as the ultimate solution to manage the rising social expectations and risks in those challenging circumstances (Livesey, 2002; Hamann et al., 2005; Idemudia, 2007a). Evidence suggests that CICBO has been particularly popular among the extractive sector

companies in developing countries (e.g., McPhail and Davy, 1998; IFC, 2000; Tankha, 2002).

Secondly, India is a developing country in South Asia with one of the fastest growing economies in the world. Yet more than 25% of her population lives below the poverty line. The country has a rich history of business philanthropy with roots in religious philosophy, and subsequently the Gandhian trusteeship theory (Sundar, 2000). With increased corporate activity and growing profitability following the pro-business political shift in the 1980s (Kohli, 2012), the corporate sector involvement in mainstream development concerns has gradually increased over the years. Given the fact that India has a long tradition of self-organized CBOs following the Gandhian approach of self-help and subsequent co-operative movement (Vaswani, 2011), the last decade has seen more and more companies involving in and around CBO-based community development practices (National Voluntary Guidelines India, 2011). The examples are not only limited to engaging with existing CBOs, but also include instigation of CBOs as potential customers and suppliers (IFC, 2000; Tankha, 2002).

By exploring the CICBO cases of oil and gas companies in India, the thesis builds the critical understanding of contextual realities in the developing world and provides practical guidance to resourceful companies on how such context-appropriate practice can be adopted to counteract the problems of local communities that they impact.

1.2 Research Objectives and Questions

The main objective of this research is *to explore the emerging phenomenon where corporations instigate CBOs as a mode to engage with the community and address complex social problems in their operational areas*, referred to as *CICBO*. The sub-objectives of the research are as follows:

- To identify and analyse the contextual factors that drive the corporations to engage in CICBO
- To explore the actions and interactions among the corporations, communities and other societal actors through which CICBO emerges

- To investigate the challenges associated with the process
- To understand the consequences of CICBO on CCI actors (e.g., corporation, community and other societal actors) and on the broader institutional environment.
- To delineate key characteristics of CICBO.

In light of the stated objectives, this research aims to answer three specific questions:

> ***RQ1.*** *Why do corporations instigate CBOs as a mode of community engagement in their operational areas?*
> ***RQ2.*** *How does such a mode emerge through the interactions and actions of the corporation, community and other societal actors?*
> ***RQ3.*** *What are the consequences of such a CCI mode?*

The research questions focus on 'drivers and motives', 'process' and 'consequences' of CCI modes. This leads to the relevant literature reviews of CCI. I recognise the need to complement this with community development literature, in order to further aid our understanding of contemporary CCI practices focusing on 'sustainable community development' or 'community empowerment', particularly in the context of developing countries. I then develop an analytical framework for understanding the emergence of CCI modes and the consequences of such process, drawing on the concept of institutional work and conceptualizing CCI modes as organization-level institutions. I employ a qualitative, interpretive methodology cognisant with my topic and supportive to my research questions. The analysis and interpretation is organized in two separate stages, where the research findings are first discussed in light of the developed analytical framework and then further evaluated drawing on the CCI and community development literature. In the section below, I provide an overview of the thesis structure.

1.3 Thesis Structure

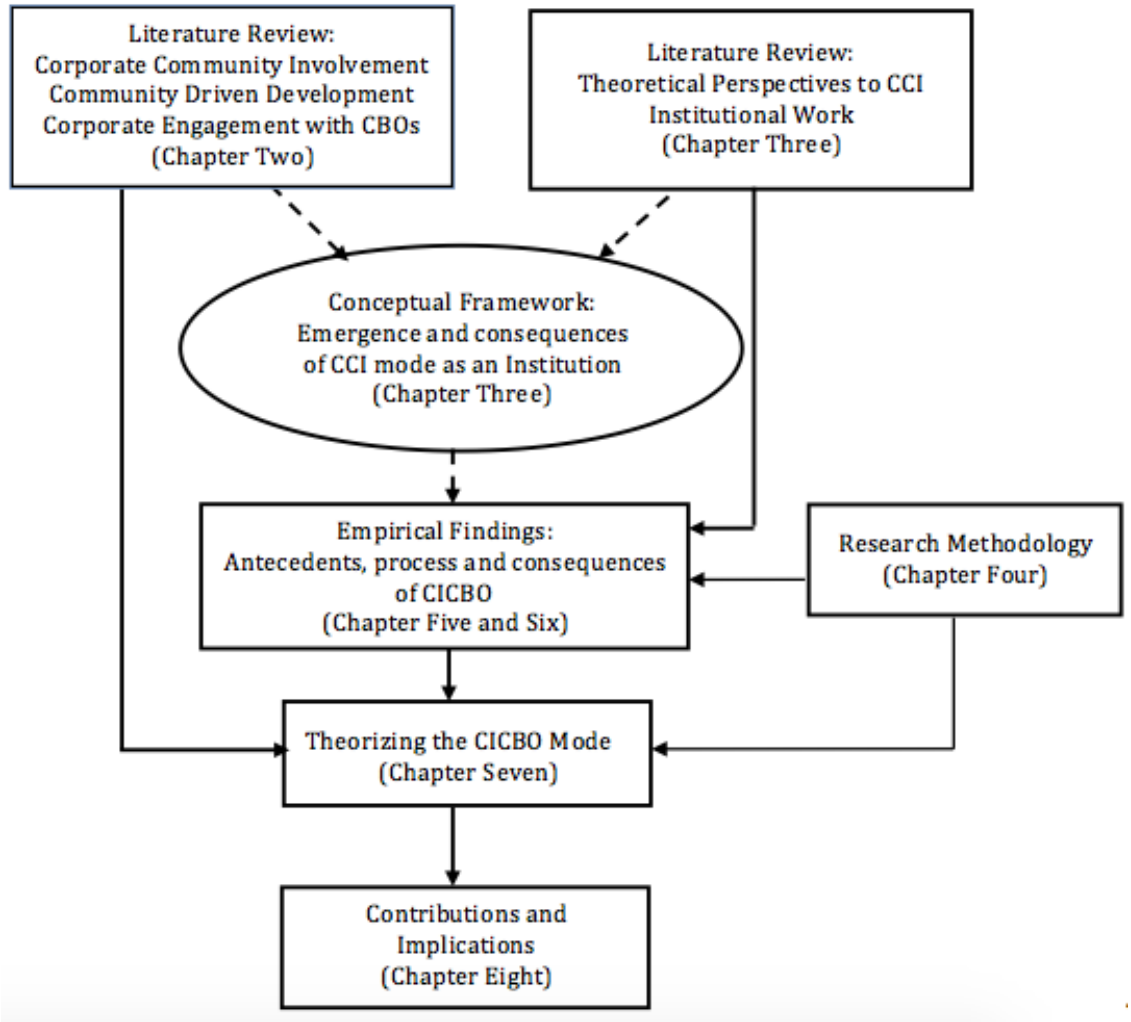
The rest of the thesis is structured into seven chapters. The flow of these chapters and connection among them are presented Figure 1.1.

In **Chapter Two,** I introduce and critically evaluate the current literature on CCI – the core construct of this research. The review focuses on three major streams of CCI literature: antecedents, implementation and consequences of CCI. I provide a categorization of CCI modes comprising of four forms of community engagement: 'philanthropic', 'transactional', 'transitional' and 'transformational'. I identify that corporations are increasingly adopting practices that are aligned with mainstream community development models, however the emergence of such practices and their implications has not been systematically explored in the extant CCI literature. Therefore, I introduce the community development literature as it helps to better explain the recent trend of transformational CCI practices in developing countries focusing on community empowerment or sustainability of the CCI deliverables. Moving on to the research topic, the chapter also provides an overview of corporate engagement with CBOs and their implications for this research. As the thesis explores two instances of CICBO in India, the chapter ends with a review of historical and contemporary development in the field of CCI in India.

Chapter Three critically appraises existing theoretical approaches to CCI and argues the usefulness of institutional work as the theoretical lens to analyse emergence and consequences of CCI modes. I recognise that bulk of the earlier CCI studies portray CCI as the outcome of instrumental, normative or strategic motives of the organizations or influential individuals (e.g., owners, managers) within the organization (e.g., Porter and Kramer, 2002; Hess et al., 2002; Orlitzky et al., 2003; Margolis and Walsh, 2003; Saiia et al., 2003), and thereby neglect the effects of the broader institutional environment on organizational behaviour (Chapple and Moon, 2005; Muthuri et al., 2009). On the other hand, studies taking on institutional perspective examine corporate interactions with their broader institutional environment (Campbell, 2007; Matten and Moon, 2008; Muthuri and Gilbert, 2011), but tend to portray companies as passive agents who respond to various institutional pressures by engaging in isomorphic social activities. Emergence of new CCI modes therefore remains a grey area in institutional analysis of CCI. Institutional work allows the examination of the purposive actions of organizations aimed at institutional change and creating new institutions (Lawrence and Suddaby, 2006). It provides the required theoretical lens to analyse the emergence of new CCI modes as individual organization-level

institutions and its effects on the field. I review the institutional work literature and discuss the key concepts relevant for this study such as 'enabling conditions', 'agency', 'institutional work' and 'consequences' (Lawrence et al., 2009; Battilana and D'Aunno, 2009; Pawlak, 2011). Finally, the chapter develops an analytical framework drawing on the relationships among those core concepts. The framework is applied in the case study chapters (chapter five and six) to answer the specific research questions that concern drivers and motives, the process and the consequences in the emergence of CICBO mode.

Figure 1.1: Research Map.



Source: Author's own

Chapter Four sets out the research methodology that guided the investigation of exploratory research questions. I discuss my philosophical standpoint on the research subject, justify adoption of case study method to conduct the research

and introduce the details of my two cases. Further, I elaborate the grounded theory approach of data generation and analysis. The chapter also discusses important issues concerning research quality and ethics. Finally, it outlines the methodological limitations and how these limitations are addressed in the process.

According to the methodology as outlined in chapter four, the cases are analysed in two stages. The first stage of analysis is done from the institutional work perspective following the analytical framework introduced in chapter three. The primary and secondary data are analysed against three units of analysis consistent with the three research questions: i) the enabling conditions and agency behind initiating the CICBO mode; ii) the purposive actions, and associated adaptations and mutations in the process through which CICBO emerged; and iii) consequences of the CICBO mode. The findings are presented in two empirical chapters, where each chapter corresponds to one case: Project Rupantar of Oil India Limited in Upper Assam (**Chapter Five**) and Dairy Development project of Cairn India Limited in Barmer, Rajasthan (**Chapter Six**). Both chapters follow a similar structure, focusing on the findings against the three research questions in separate sections.

The second stage of analysis is presented in **Chapter Seven**, which relates to theorizing of CICBO. I evaluate and further interpret the empirical findings in light of the CCI and community development literature reviewed in chapter two. Being cognisant with the research objectives posed earlier, this chapter provides a theoretical model of antecedents, process and outcomes in the emergence of CICBO mode, and positions this new corporate-community relationship within the transformational category of CCI modes by outlining its defining characteristics.

I conclude the thesis, in **Chapter Eight**, by reflecting on the contributions of my thesis, briefly summarized in the section below. I elaborate the key contributions of the research to two specific steams of literature – CCI and institutional work. I also highlight the practical implications of this research for practitioners, policy makers and local communities, particularly in the context of developing countries. I also acknowledge the limitations of the study, shortcoming of the research methodology, and offer suggestions for future areas of research.

1.4 Research Contributions

By answering the exploratory research questions, this research makes several contributions to the CCI literature in two distinct directions.

The first set of contributions relates to a recent CCI discourse, where CCI is seen as a mechanism to empower community so that they can take ownership of their own development – referred to as transformational corporate-community engagement in this thesis (see detail in chapter two sub-section 2.3.1.4). Such engagement emphasizes increased community participation in CCI that affect their development, and manifests through practices such as corporate partnership with community enterprises (Tracey et al., 2005), or incorporating community within the CCI governance (Muthuri et al., 2009) or within core business functions (Porter and Kramer, 2011). As demonstrated in this thesis, CICBO depicts a unique form of transformational CCI, drawing on the idea of bottom-up development through top-down support (Mansuri and Rao, 2004; Narayan, 2005; Tanaka et al., 2006) and creation of an enabling environment (Berger and Neuhaus, 1977), a prominent community development approach generally pursued by governments, NPOs and development agencies. Corporations create a separate community-level practice of CBO-oriented collective problem solving and focus on gradually building important community capital in a way that enables the community to maintain the practice without company support. The design and operationalization of CICBO signifies a dual practice creation work: the activities required to promote and sustain an external practice, enveloped within a temporarily embedded internal practice. CICBO emerges through iterative phases of design and implementation activities, where a stable template gradually unfolds through repeated incorporation of field-level learning, negotiations and consensus. The instigated CBOs act as the platform for sustainable community capital building, initially nurtured by CCI support, only to become independent later and generate a positive demonstration effect for the wider community (Balkin, 1989). A significant finding is the apparent temporary nature of such a mode despite the high level of corporate-community interaction and resource commitment. The study suggests that such temporary institutionalization is essential to achieve the desired objective of community empowerment. This is in direct contrast with the traditional conception where sustainable community

development is associated with sustaining company support (e.g., integrating community in core business functions). Such CCI practice, which mirrors the mainstream community development mechanism by non-profit actors, also provides a strong case for combining the fields of CCI and community development, in both theory and practice.

The study provides a theoretical model of antecedents, processes and consequences of CICBO that are of practical significance for the corporations operating in developing countries. CICBO requires a high level of financial investment. It also demands commitments and specialized skills from the company in organizing and capacity building the community, which is generally not considered one of the core competencies of corporations, particularly those in the extractive sector (Frynas, 2005). Yet, companies embark on such practice from strategic interest (ensuring profit or competitive advantage through compliance to community expectations), which is directly linked with tackling legitimacy crisis in the locality. In the context of developing countries, the ad hoc philanthropic and transactional practices are beneficial for gaining short-term rather than long-term social legitimacy. Persistence of incompatible internal and external institutional arrangements that undermine community interests along with the limitations of short-term focused CCI practices often result in a vicious cycle of recurring legitimacy crises. CICBO emerges as a viable solution in such context that enables the community to take ownership of its own problem and eventually become less dependent on the CCI support. The empirical findings suggest that CICBO can create shared values for both the company and the community, and has the potential for community empowerment. More importantly, CICBO is observed to inspire diffusion of similar and complementary practices in the locality, as the success of instigated CBOs positively influences perceptions of its feasibility and social desirability among other organizations and the wider community (Bygrave and Minniti, 2000). By highlighting the complexity and challenges in the enactment of CICBO, the study has implications for practitioners and policy makers, particularly in developing countries, who seek to design and implement similar practices as effective and sustainable solutions for complex social issues.

The second set of contributions relates to the process-oriented approach towards understanding CCI, a suggested way to investigate how structural context and

actors' actions and interactions shape the corporate-community relationship (Muthuri et al., 2009). As presented in chapter three, the research opens up a novel avenue of exploring CCI modes as company-level institutions and advances a powerful theoretical perspective on CCI grounded in institutional work. Incorporating institutional work within the premise of CCI studies allows examination of endogenous CCI change within the recursive relationship between institutions and organizational actions. The analytical framework developed in the thesis can shed light on three key aspects in the processual description of a CCI mode: company motives to initiate the mode and the contextual factors that influence those motives, the micro-processes through which the mode emerges, and its outcomes at multiple levels. Although this study applies the framework to explain the emergence of a CCI mode, the framework is equally applicable to analyse the maintenance or disruption of CCI modes, and therefore offers a much-needed opportunity to develop a process-oriented approach to studying CCI.

The empirical findings also reveal new dynamics and understanding around various constructs in the CCI conversation. The current understanding of CCI motives provides a unidimensional view often scaled on a continuum from moral to strategic (Madden et al., 2006). In contrast, the study highlights a multi-dimensional temporal view of organizational motives oriented towards past, present and future (Emirbayer and Mische, 1998), along with a relational perspective emphasizing domination of single or multiple dimensions of temporality influencing the subsequent design of the mode. Throughout the course of a CCI project, the design and corresponding operationalization activities can be iterative to ensure those motives are satisfied. The findings also highlight the temporal orientation of CCI drivers and demonstrate how the past events, the present institutional environment and perception of the future threat or opportunity shape these specific motives. The temporal orientation of drivers and motives are indicative of the evolution of CCI modes within organizations over time, reflecting the changes in concerns, expectations and preferences of a broad array of stakeholders (Moon and Muthuri, 2008). The study also sheds light on the degree of institutionalization of CCI modes within the company and suggests the presence of both fully institutionalized (e.g., making community part of value chain) as well as temporary CCI modes depending on company motives. Finally, the study develops a multi-level approach of theorizing outcomes of CCI modes, as

opposed to the current actor-centric discussion of CCI benefits. The empirical findings also shed light on the perceptions of success and failure of a CCI mode and show how companies decide on the future of a mode based on those perceptions. A mode can be implemented successfully but it may not bring the benefits as intended originally. The opposite can be true as well where a CCI mode can be proved to be significantly beneficial for the CCI actors despite the apparent failure in enacting the mode. The study demonstrates how such partial accomplishments may drive a company to continue the mode, and provides a useful link between consequences and degree of institutionalization of a CCI mode.

An additional set of contributions relates to the study of institutional work. The analytical framework developed for the processual examination of CCI and the findings of CICBO stemming from the application of this framework offers several important contributions to the theorization of institutional work. Battilana and D'Aunno (2009) incorporated the concept of enabling conditions within the premise of institutional work to explain the factors that enable actors' agency. Subsequently, a stream of analytical studies focuses on explaining the interrelationship between agency and institutional work (Battilana and D'Aunno, 2009; Smets and Jarzabkowski, 2013), drawing on a relational, multi-dimensional understanding of agency oriented towards past (in its habitual aspect), present (in its practical evaluation aspect) and future (in its imaginative aspect) (Emirbayer and Mische, 1998). Nevertheless, the relationship between enabling conditions and temporal dimensions of agency are yet to be explained in the institutional work literature (Battilana and D'Aunno, 2009).

My study provides empirical evidence on how various temporally oriented enabling conditions together create an enabling environment and trigger different dimensions of agency leading to particular form of institutional work. This thesis also advances a new interpretation of agency at a conceptual level that represents actors' preferences, intentions and expectations under the influence of enabling conditions. Recognizing the opportunist nature of institutional entrepreneurs (DiMaggio, 1988), this interpretation of agency captures the individual actor's ability and rationale for acting towards specific forms of institution. It also provides the basis for a potential theoretical explanation of how individual actors with different interests might come together to work on a common project or

disrupt each other's activities – a recent interest in the literature which considers institutional work as a distributed phenomenon (Lawrence et al., 2011).

The study also contributes to an emerging stream of empirical studies exploring dynamics of multiple institutional work within the same framework (Jarzabkowski et al., 2009; Marti and Mair, 2009; Zietsma and McKnight, 2009). My study makes explicit interdependencies in dual institutional creation work in the empirical cases. In this regards, the study introduces a new form of institution, termed *conditional institution*, which reflects the conditional existence of an institution depending on the accomplishments in another institutional work. The conditional nature of institution implies the existence of a new type of institutional work – *conditional embedding* – creation of temporary structures and practices to ensure the institutional work for the "target institution" is preserved and reproduced into routine organizational behaviour for a fixed period. The study also brings the local poor community, often identified as marginal actors (Marti and Mair, 2009), under the limelight as an important institutional worker and demonstrates how the "powerful" actors (Marti and Mair, 2009, p.95) and less powerful actors may collaboratively work to achieve shared objectives.

Finally, the thesis also provides a multi-level conceptualization of the consequences in institutional work at *action*, *institutional work* and *institution* levels, which have wider implications for researchers who so far have paid less attention to this core construct (Pawlak, 2011). The empirical findings reemphasize the emergent nature of institutional work (Lawrence et al., 2009), and reveal *abandonment* and *indifferences* as action-level consequences alongside with *insertion* of new actions or *modification* of existing ones (Slager et al., 2012). In relation to the institutional work level consequences, the empirical evidence suggests that institutional workers do not necessarily compromise with the intended objectives or abandon the project when the institutional setting fails to reach a stable state after the institutional work has been triggered. Rather institutional workers' tenacity or willingness can eventually lead to accomplishments according to the intentions. This supports an important extension to the only typology of unintended consequences currently found in the literature (Pawlak, 2011).

CHAPTER TWO
Corporate Community Involvement

2.0 Introduction

With the research aim to investigate the emergence and consequences of a particular CCI mode, *Corporate Instigation of Community-Based Organizations* (CICBO), this chapter reviews the relevant literature related to the research topic and research questions. The umbrella concept of CCI – the core construct of this research – is introduced in section 2.1. Current discussions and debates around the key constructs of CCI modes are discussed next. The discussion is presented under three broad themes: antecedents (section 2.2), implementation (section 2.3) and consequences of CCI (section 2.4). The next section establishes the connection between CCI and community driven development (CDD) - the currently recommended participatory approach towards community empowerment - by presenting a review of CDD and highlighting the significance of corporate engagement with community based organizations (CBOs) in delivering the promise of CDD. This section also discusses examples of corporate and CBO engagement in developing countries. The chapter ends (section 2.6) with a review of CCI trends in India.

2.1 Corporate Community Involvement

Corporate Community Involvement (CCI) refers to the various ways in which a company channels its financial, material, or human resources (e.g., time and skill) to meet the social and economic needs of the communities (CAF Report, 2007; Muthuri, 2007; Moon and Muthuri, 2008). It encompasses diverse forms of company support to the community, including charitable donation, sponsorship, employee volunteering, cause-related marketing, collaboration and community driven development, to address a broad range of social issues and causes (CAF Report, 2006, 2007; Moon and Muthuri, 2008). CCI is located within the broad construct of Corporate Social Responsibility (CSR). CSR focuses on the

fundamental role that businesses should play in the society (Idowu and Papasolomou, 2007) and corroborate the idea that companies should extend their obligations beyond their shareholders to other stakeholders (e.g., communities, employees, customers, government, civil society organizations). CCI is the most visible manifestation of CSR towards one of the key stakeholders – the community – followed by responsible production processes and employee relations (Chapple and Moon, 2005).

The modern era of CSR is marked by the seminal work of Howard R. Bowen, from 1953 (Carroll, 1999), that recognizes corporate responsibility towards society. The early literature (e.g., Drucker, 1954; Davis, 1960; McGuire, 1963; Friedman, 1970) focused on philosophical debates over whether businesses should face social obligation. From the 1970s, the literature focused more on the 'operationalization' of this construct, and CSR discourse became more segmented around specific issues deemed relevant by practitioners and scholars. The literature remained split into various themes, consistently widening the concept and increasingly aligning it with companies' financial performance (Carroll, 1999). Whilst historically CSR was synonymous with philanthropy, the construct has now grown into an umbrella term (Whitehouse, 2006), incorporating various concepts such as business ethics, corporate citizenship, corporate accountability, sustainability, socially responsible investing (Ingley, 2008) and CCI (Seitanidi and Ryan, 2007).

Despite years of extensive literature, there is no universally accepted definition of CSR due to varied conceptions of the construct (Bagnoli and Watts, 2003; McWilliams et al., 2006; Whitehouse, 2006). Some see CSR as the advancement or promotion of social good (Paul and Siegel, 2006), while others include environmental and economic concerns as well (Wood and Jones, 1995). The variance presented in academia is reflected in practitioner's conceptions of CSR. CSR means different things to different stakeholders – governments, consumers, communities, employees, etc. (Dawkins and Lewis, 2003; Frankental, 2001). Nevertheless, the general conception of CSR is similar to the concept of triple bottom line and focuses on how businesses take account of impacts on the environment (natural systems including the eco-system, land, air and water), society (the social system within which it operates) and economy (stakeholders'

resources and economic systems at the local, national and global levels) in their operations (Carroll, 1991; Hill et al., 2003).

Carroll (1979) developed a conceptual model to describe the various levels of corporate responsibilities to the society. Depicted as a pyramid, the model starts with an 'economic focus' at the base that represents profit as mandatory to secure a company's existence and supporting investment to the upper levels of the pyramid. The second level, the 'legal focus', represents the company's obligations to adhere to the law of the land and ensures the survival of the business. The top two levels are ethics and discretionary responsibilities, which are regarded as the actions that a company can pursue voluntarily. Various other models have been proposed much in the same vein (Edmondson and Carroll, 1999; Podnar and Golob, 2007), but Carroll's model remains the most widely referenced within CSR literature. Historically, corporate responsibility to the community, in whichever way community is defined or interpreted, has been considered as voluntary that is often exercised through philanthropic giving (Madden et al., 2006). This has put CCI in the upper level of Carroll's pyramid and categorized CCI as the 'discretionary' responsibility for companies.

Discretionary spending and philanthropy motivated by benevolence or altruism had been a dominant CCI mode until the middle of the 20th century (Brammer et al., 2006). More recently CCI has moved away from philanthropy with growing concern for its efficacy (Seitanidi and Ryan, 2007), little return on investment, scepticism from society over corporate motives and possible negative public exposure through arms-length relationships with the community. Consequently, many companies have been adopting more active, integrated and controlled involvement with the community in the form of collaboration with NPOs (Austin and Seitanidi, 2012), social partnerships (Selsky and Parker, 2005) or partnerships with community enterprises (Tracey et al., 2005). Such initiatives are argued to bring greater benefits to both the community and businesses compared to mere philanthropic contributions (Tracey et al., 2005; Muthuri et al., 2009; Austin and Seitanidi, 2012). CCI is increasingly valued as a means to gain competitive advantage (e.g., Hess et al., 2002; Matten and Crane, 2005), and companies are investing more and more to support various community projects (Kotler and Lee, 2005).

CCI is now the banner term for various activities ranging from philanthropic (e.g. cash and kind donations) to transactional (e.g., fundraising with customers, cause-related marketing, employee volunteering, strategic philanthropy) to more integrated community relations (e.g., collaboration and partnership with NGOs or community enterprises), embracing all the synonymous concepts such as Corporate Giving, Corporate Support and Corporate Community Investment. However, the motives, modes and extent of support in community engagement vary widely with the context (Chapple and Moon, 2005) and are influenced by various factors at the industry, national or transnational level as well as locality specific scenarios (Campbell, 2007; Marquis et al., 2007). This reality raises the questions of what influences companies to engage in CCI and why they do it, how they do it, and what are the outcomes of such engagements. The next three sections provide an overview of current development in CCI literature on these three aspects.

2.2 Antecedents of Corporate Community Involvement

CCI practices vary from company to company (Burke, et al., 1986), across industries (Brammer and Millington, 2004) and countries (Brammer and Pavelin, 2005; Chapple and Moon, 2005) and even within local communities (Marquis et al., 2007). The basic enquiry of why companies get involved in various CCI practices leads to two separate yet interconnected questions: What motivates companies to initiate a community engagement activity? What are the underlying factors that lead to such motivations? Academic debates around these two fundamental questions are extensive, yet the conceptual separation and connection between the answers are somewhat ignored. This situation leads to inconsistent and overlapping results in many CCI studies on why companies initiate a social activity (Arli, 2012). For example, factors such as *compliance* or *competitive advantage* were described as 'company level motivations' for CCI in the CAF Report (2006), which were later labelled as 'drivers' in Moon and Muthuri (2008). Here, I intend to avoid the debate on the terminology, and rather focus on the original two questions to provide a literature review on the reasons behind CCI practices. The first question relates to the construct of 'motives' that describes company-level motivations and expectations behind CCI actions subsequently taken. The second question relates to the construct of 'drivers' describing sets of

contextual factors that might influence the company (or its motives) to engage with the community in the first place. I adopt the constructs 'drivers' and 'motives' as they are the most popular among CSR and CCI researchers to discuss the antecedents of CCI, although the general literature often ignores or implicitly assumes the inherent separation and causal relationship (drivers lead to motives) between them.

This section provides an overview of the CCI drivers (sub-section 2.2.1) and motives (sub-section 2.2.2) discussed in the literature.

2.2.1 Drivers of Corporate Community Involvement

The various drivers discussed in CCI studies are grouped into two broad categories of drivers: *external* and *internal*. The external drivers refer to the contextual factors relating to the broader institutional environment as well as the concerned community that create an enabling environment for the company to engage with the community. On the other hand, the internal drivers refer to the company-specific factors or characteristics that influence the scope and scale of community engagement.

2.2.1.1 Broader Institutional Factors

Studies have widely emphasized the importance of broader institutions and institutional arrangements as external drivers (e.g., CAF Report, 2006; Moon and Muthuri, 2008; Muthuri and Gilbert, 2011). Companies do not operate in a vacuum, but rather within an institutional environment defined by regulative (legally sanctioned), normative (morally governed) and cognitive (recognizable, taken-for-granted) systems that directly or indirectly influence the nature of corporate social action (Marquis et al., 2007). This external business environment, shaped by government, civil society organizations and the market, has major influences on companies' engagement with the communities that they impact upon (Moon and Muthuri, 2008).

At the country level, formal laws and regulations that are enforced or encouraged by government can influence the CCI behaviour of companies. This reflects the

growing trend of governments' interest in encouraging socially responsible corporate behaviour (Moon, 2004). For example, company law reform in the 1950s triggered corporate giving and the subsequent rise of in-house foundations in the USA (Varadarajan and Menon, 1988). In South Africa, the Broad-Based Black Economic Empowerment Act introduced in 2003 has been a key driver for the institutionalization of comprehensive CCI programmes targeting poverty alleviation, social injustice, and sustainable community development (Hamann, 2004). Increasingly, governments in both the developed and developing countries are reshaping the national CCI environment with policy guidelines and fiscal incentives for companies to work for and with the community (Fogarty and Christie, 1990; Moon and Muthuri, 2008).

Explicit demands from a broad range of stakeholders (Brammer and Millington, 2003; Moon, 2007) as well as pressures from powerful societal organizations such as activist NGOs (Miles, 1987; Swanson, 1995) also drive companies to engage in socially responsible behaviour. In the new market economy, companies operate in a dynamic environment characterised by globalization of markets, trade liberalization and the global supply chain (Zadek, 2001). As a result, they often face significant pressures from consumers, employees, investors, suppliers and customers to keep up socially responsible practices (CAF Report, 2006; Moon, 2007). The emergence of big multinational companies (MNCs) as a by-product of globalization draws increased spheres of stakeholders and growing expectations for more charitable activities (Casson, 1993). Increased MNC interests in the developing world to capitalize on low production cost and higher profit also raises concerns about the exploitation of under-developed labour markets, social standards and guardianship of natural resources (Moon, 2007; Muthuri et al., 2012). Civil society organizations and media play a decisive role in shaping public awareness through constant scrutiny of corporate activities across the world (Bendell, 2000). Media, as well as human rights organizations, not only focus on stories related to misconducts but also how corporations manage and account for their responsibilities (CAF Report, 2006). Exposure of unethical practices creates public scepticism about the motives of the companies who fail to meet societal expectations (Sethi, 1975). Engaging in various social initiatives in the host country therefore becomes an imperative for companies as a response to these external pressures (Fox, 2004). Over the last two decades, stakeholders' moral,

desires and expectations regarding corporate behaviour in social investments, social reporting and ethical consumption have significantly changed the dynamics of the market (Hess et al., 2002), and manifested various soft and hard regulations such as Dow Jones Sustainability Index, Global Reporting Initiative guidelines, FTSE400 CSR standard, Business In the Community Corporate Responsibility index. Being a part of this *moral market place*, companies try not to fall below socially acceptable performance standards (CAF Report, 2006).

CCI behaviour is also influenced by the actions of peers within the industry or professional networks. For instance, CCI personnel in different companies share information and performance evaluation of NGOs seeking funds (Galaskiewicz and Burt, 1991). An innovative or unprecedented CCI project of a company is often replicated and sometimes surpassed by other companies in the same industry or the same geographic location (Burke et al., 1986). Being members of the same professional business network, companies often benchmark their practices with the 'best' in their field (CAF Report, 2006), resulting in the institutionalization of specific CCI trends across the industry (Marquis et al., 2009).

2.2.1.2 Community Factors

Most of the early CCI literature ignores or implicitly assumes influence of the community on corporate social action. This is probably because of the traditional conception of community as the CCI beneficiary or the "Stakeholder as Ends" (CAF Report, 2007, p.9). Only recently has a stream of literature started to emphasize how the *community context* influences CCI practices, particularly in the developing countries (e.g., Visser, 2008; Muthuri et al., 2009, 2012). How a company defines its 'community' matters in this regard. The big companies often stratify communities into the local (operational areas in the country), national (host as well as home country) and international levels; and assign a different sense of responsibility for different strata (Muthuri et al., 2012). The socio-cultural (local norms, values, network, identity), economic (poverty, unemployment, poor health and infrastructure), political (poor governance, war, social movement) and geographical (natural disaster, topography) factors of the operational area as well as the country often forces a company to redefine its role in the community, particularly in the provision of social welfare. As a consequence of the shrinking

capacity of governments in providing social welfare on their own, resourceful and powerful companies are assuming the role of government and providing a range of social services such as health care, education, economic welfare, infrastructure development, communication, and environmental protection (Moon, 2002; Boehm, 2005; Hamann et al., 2008; Muthuri et al., 2012). Especially for the companies whose business operations directly impact the lives of the local communities but at the same time depend on them for core business resources (e.g., extractive sector companies), CCI activities are often shaped by community expectations (Gabriel, 2006; Eltham et al., 2008) and local demands (Muthuri et al., 2009). This trend reflects the increasing recognition of the community as a high-priority stakeholder (Boehm, 2005) or "Stakeholder as Means" for business (CAF Report, 2007, p.9).

2.2.1.3 Internal or Company-Specific Factors

The characteristics of a company or the sectoral representation can influence its CCI behaviour. In a study of 200 publicly-listed companies, Brammer and colleagues (2006) concluded that company-specific factors often have a greater impact on levels of CCI than external factors. These internal traits may include age or size of the business (Brammer et al., 2006), location of headquarters (Burke et al., 1986), financial performance (Buchholtz et al., 1999; Campbell, 2004), or public visibility and advertising (Boatsman and Gupta, 1996; Brammer et al., 2006). For highly visible companies (e.g., retail or banking), reputation, legitimacy and goodwill are vital drivers. For the companies representing hazardous sectors (e.g., energy, chemical), CCI is seen as a means to minimize or compensate for the negative impact of the business on the society (Andriof and McIntosh, 2001). The ownership structure, such as the composition of the non-executive board (Bartkus et al., 2002), ethnic representation among shareholders (Edmondson and Carroll, 1999) or family ownership are also shown to influence CCI. Other company-related drivers include senior management commitments as well as their involvement with other charity or non-profit organizations (Useem, 1988) and the institutionalization of community involvement functions within the company (Altman, 1998).

2.2.2 Motives for Corporate Community Involvement

CCI studies provided recurring themes to describe the motivations and expectations behind CCI (e.g., CAF Report, 2006; Aguilera et al., 2007; Moon and Muthuri, 2008; Raghubir et al., 2010). Understanding company motives for CCI is an important theoretical concern as the variance in motives can inform different forms of CCI. For example, Seitanidi and Ryan (2007) stated that desire to be socially responsible is the motivation to engage in social partnership, whereas return on investment is often the expectation from social sponsorship. The literature review points towards two major categories of motives: *moral motive* (giving without expecting any return) and *strategic motive* (expecting return from engagement in reaction to external drivers).

2.2.2.1 Moral Motive

Although the primary goal of the business is to satisfy its fiduciary duties, corporate benevolence towards social welfare with no expectation in return is a common practice (Campbell et al., 2003; Seitanidi and Ryan, 2007). The moral motive suggests that businesses have a moral duty towards the society regardless of regulatory pressures or stakeholder expectations. Studies showed that altruism can be rooted in the personal values and beliefs of the company founders or managers (Fogarty and Christie, 1990; Hemingway and Maclagan, 2004; Raghubir et al., 2008), driven by a positive duty approach (Swanson, 1995) or influenced by a desire to do good (Smith, 2003; Seitanidi and Ryan, 2007). Hsieh (2004) found in a survey of 236 publicly-listed companies that sense of responsibility is the top motivation behind CCI. In the contextual reality of developing countries, CCI practices targeting developmental problems can also be motivated by strong moral commitment of the companies to their stakeholders (Kapelus, 2002 cited in Muthuri et al., 2012).

2.2.2.2 Strategic Motive

Strategic motive considers CCI as a means to achieve business objectives through the provision of social welfare. The conversation of strategic motives can be further classified into three broad categories: *profit motive* (improving the

financial performance of the company), *compliance motive* (act in accordance with internal or external requirements), and *competition motive* (gaining competitive advantage over other companies).

Profit Motive: Increasingly, it is recognized that corporate social action can have a positive impact on the financial performance of a company (e.g., Waddock and Smith, 2000; Orlitzky et al., 2003; Smith, 2003). In addition, various studies have identified *enlightened self-interest* (Grayson, 1993) as the motive where CCI is seen as a means to achieve various benefits: obtaining a tax incentive (Fogarty and Christie, 1990), bottom-line benefits such as improved economic performance through good relations with the local community (Maignan and Ralston, 2002; Orlitzky et al., 2003; Kotler and Lee, 2005; Campbell, 2007; Raghubir et al., 2008), building customer goodwill and improved corporate reputation (Hemingway, 2002; Zappala, 2004), and new business opportunities, cost savings and employee satisfaction (Fox, 2004; Zappala, 2004).

Compliance Motive: With increasing visibility and widespread interactions between companies and other societal actors including the community, ensuring legitimacy of the business has become a key motive behind CCI (Bansal and Roth, 2000). This has also been described as a relational (Aguilera et al., 2007) or circumstantial (Raghubir et al., 2010) motive, reacting to comply with pressures from external stakeholders as well as the community. As companies are increasingly observing government "as a potential partner or customer as well as a regulator" (CAF Report, 2006, p.10), they are more driven to comply with the tacit or mandated expectations of the government regarding social responsibility. Especially in developing countries, companies are working in collaboration with government to address diverse social challenges (Warhurst, 2001; Selsky and Parker, 2005; Muthuri et al., 2009). Apart from government, companies also need to comply with the explicit demands of the constituents of the moral marketplace to avoid potential social risks. Gradually, businesses are observed to give more importance to issues such as corporate governance, transparency and accountability (Solomon and Solomon, 2004) to appease these stakeholders who could bring moral considerations in their decisions to work with, buy from and invest in businesses (CAF Report, 2006).

Competition Motive: In the increasingly competitive market atmosphere, the need for belongingness (Aguilera et al., 2007) and maintaining financial competitiveness (Bansal and Roth, 2000; Bhattacharya and Sen, 2003) provide more reasons to satisfy the stakeholders. CCI has been perceived as a "hard to imitate" source of *competitive advantage* for the business (Hess, et al., 2002, p.113). Social reputation and legitimacy gained through CCI projects are seen as just as important as the traditional sources of competitive advantage like technology or financial capital (Godfrey, 2005). Intense marketplace competition has led companies to develop unique competencies such as employee performance or business innovation that also provide them with *comparative advantage* (Hess et al., 2002; CAF Report, 2006). Aligning community investment with core business strategies can maximize shared value (Porter and Kramer, 2011), and contributes to healthy corporate-community relations and gratification of the ultimate business objective in the long run.

In summary, it can be argued that the motivations for engaging in CCI are always driven by some kind of self-interest (Moon, 2001), regardless of whether CCI is strategically driven for commercial purposes alone, or also partly driven by an individual's altruistic concern (Maclagan, 1998). As the company's decision to engage with the community can be driven by multiple factors, empirical evidence suggests that any particular CCI mode can be guided and justified by multiple motives as well (Batson and Shaw, 1991; Sanchez, 2000; Saiia et al., 2003), scaled on a continuum between moral to strategic (Madden et al., 2006) and cannot be seen as mutually exclusive (Hemingway, 2002). Progressively, CCI has become a company-wide concern, particularly in managing external risks, enhancing reputation, improving efficiencies and cost savings, and taking advantage of social opportunities for business growth and survival. As a result, companies are gradually moving away from traditional forms of dishing out money and adopting more systematic approaches in the management of community issues (Pearce and Doh, 2005). The next section discusses various forms of corporate community engagement in light of the literature.

2.3 Implementation of Corporate Community Involvement

The second stream of CCI literature explores how companies implement community engagement activities in practice, mainly focusing on the empirical investigation of various CCI modes. A vast catalogue of CCI modes and their associated drivers, motives, characteristics, resource entitlements and observed benefits are found in CCI literature (see Moon and Muthuri, 2008 for details). The few conceptual studies on CCI implementations use a foundational concept of 'community engagement continuum' to propose the typologies of various CCI modes through systematic review of empirical studies. A recent segment of studies also focuses on CCI governance and associated structures, which along with the discussions of CCI modes could provide a holistic view of the process of corporate-community relationships. This section first presents a review of existing CCI modes by organizing them in a continuum of community engagement (sub-section 2.3.1), and later provides a review on the different governance structures in CCI implementation (sub-section 2.3.2).

2.3.1 Corporate Community Involvement Continuum

The range of CCI modes employed by companies has been expanding in recent years. This evolution and continual emergence of new CCI modes are indicative of the drivers and motives which would continue to evolve the same way reflecting the changes in expectations and preferences of a broad array of stakeholders (Moon and Muthuri, 2008) as well as the limitations of earlier modes to accommodate those concerns (Seitanadi and Ryan, 2007). Several models have been proposed in the attempt to systematically categorize a large number of CCI modes in a small number of groups based on relative similarities against a few selected criteria. Most of these models posit CCI activities along a 'continuum' where community engagement strategies and intensity of engagement can be ordered in ascending order (ranging from least to most involved). One group of scholars focuses on corporate motivations, expectations as well as the subsequent level of company involvement in CCI activities. For example, one of the earliest models proposed by Austin (2000) places CCI activities along a Collaboration Continuum that ranges from *philanthropic* (peripheral driven by altruism) through *transactional* ([semi-] peripheral driven by instrumentality) to *integrative*

(integral to business strategy; collaborative addressing of social issue) community involvement. Much in the same line, Selsky and Parker (2005) proposed a two-stage model identified by *transactional* and *integrative* involvement. Another stream focuses on the degree of community consultation in CCI decision making. Alberic and van Lierop (2006) distinguished between CCI modes with 'inside-out' transmission of information (and therefore resources) from company to community and 'outside-in' approaches that draw in community perspectives. Morsing and Schultz (2006) categorized corporate social action as a manifestation of *informing* (company-to-community information dissemination), *responding* (community consultation before decision-making) to *involving* (collaborative decision-making and implementation) communities, which resembles the earlier model of *informative*, *consultative* and *decisional* forms of CCI suggested by Oxley-Green and Hunton-Clark (2003).

With the widespread recognition of the community as a priority stakeholder and the eventual manifestation of more innovative CCI modes, new theoretical categorizations are constantly emerging. For example, Nwankwo and colleagues (2007) developed a model which places various CCI modes on a two-dimensional matrix according to the level of accountability to the local community and also the level of sustainability[2]. Based on the criteria of community participation in the governance of CCI, Muthuri and colleagues (2009) proposed a CCI trajectory that ranges from *traditional* (no participation) through *developmental* (moderate participation) to *relational* (high participation) approaches. Through a systematic review of over 200 academic and practitioner knowledge sources, Bowen and colleagues (2010) developed a typology of three community engagement strategies: *transactional* (giving back to the community through investment), *transitional* (building bridges with the community through involvement) and *transformational* (changing society through integration of community) engagement.

The above discussions show significant level of agreement across the different models of the continuum despite the application of a wide variety of perspectives. In general, these models note increasing levels of community engagement from

[2]Referred to as the ability for the CCI activity to continue generating results after the initial investment

one-way resource and information sharing, through two-way dialogue and collaboration, to community leadership or empowerment (Bowen et al., 2010). The model proposed by Bowen et al. (2010) provides by far the widest range of criteria including corporate stance, communication flow, interaction, learning, control and outcome in categorizing CCI actions. However, the continuum is built on the core assumption that corporations engage with community for strategic reasons only, and ignore the primitive CCI practices (e.g., corporate donations) that may occur from purely altruistic motives. Although such practices are no longer treated as non-profit maximizing behaviour of a company (Moon and Muthuri, 2006), I consider the theoretical possibility of the existence of such practices and extend the model of Bowen et al. (2010) to categorize CCI modes into 'philanthropic', 'transactional', 'transitional' and 'transformational' forms of engagement.

2.3.1.1 Philanthropic Community Engagement

At the most basic level, companies may engage with the community by providing philanthropic donations (cash or kind) or engage in paternalistic welfare practices (e.g., local infrastructure development). This is the oldest form of corporate-community engagement (Chapple and Moon, 2005), implemented to accrue benefits for the community and from moral motives alone. Historically, such practices are characterised by low level of corporate community interactions where companies channel cash and kind resources to the communities, often 'sub-contracted' through external structures such as NPOs (Husted, 2003; Tracey et al., 2005, Moon and Muthuri, 2008). The management is mostly ad-hoc, reactive, unstructured and decoupled from the core business activities. Such modes of community engagements are often criticized for patronage (Frynas, 2005), being insensitive to local priorities (Fox, 2004) and for perpetuating community dependence and powerlessness (Muthuri et al., 2009). Reliance on intermediary organizations, which might lack the capacity to deliver the social outcomes, effectively implies a company's lack of control over the CCI outcomes (which might be intended) and the recipient organization's financial dependence on the company to carry out development activities (Tracey et al., 2005). Current trends show that companies are more prudent in their choice of external structures and employ community organizations, funding organizations or charity organizations

who have broader networks and better understanding of community needs (Moon and Muthuri, 2008). Companies are also increasingly observed using in-house structures such as corporate foundations to control the delivery of social objectives (Tracey et al., 2005).

2.3.1.2 Transactional Community Engagement

Transactional engagement is premised on communicating with and investing in communities on a transactional basis, i.e., with expectations of instrumental returns (Bennett, 1998). The various CCI modes in this category include employee volunteering, strategic philanthropy to achieve synergy between social problems and company value motivated by enlightened self-interest, or more strategic commercial initiatives, such as cause-related marketing, that engage customers in fundraising for the benefit of a social cause and improve company image or brand awareness at the same time (Moon and Muthuri, 2008). Most communication and resource are transferred one-way from the company to the community. Benefits from the engagement accrue to company and community independently (Bowen et al., 2010). The company retains overall control of the engagement process and conducts the activities in a more structured and professional manner, through in-house structures or external expert organizations working as intermediaries. The activities are designed to prioritize the needs of the business and connect it with the needs of the community in a way that contributes to the success of the company but is not necessarily integrated in the core business strategies (Moon and Muthuri, 2008). Therefore, compared to philanthropic modes, this type of engagement may require more investment on the community as well as intermediary organizations to ensure achievement of the specific CCI objectives (Husted, 2003; Tracey et al., 2005).

2.3.1.3 Transitional Community Engagement

Transitional community engagement is characterised by two-way communication, consultation and collaboration with the community, where a company moves beyond the 'one-way communication/resource transfer' of the transactional approach and engages in dialogue with the community (Bowen et al., 2010). Transitional engagement generally reflects a company's long-term commitment of

integrating community engagement activities with various core business functions to improve competitiveness (Porter and Kramer, 2002, 2006), reconciling conflicting community demands, or maintaining the (fragile) community trust (Bansal and Ewart, 2007). The two-way, repeated interactions with community stakeholders allow the company to capture local residents' mental models and helps to design, manage and implement context-appropriate as well as business-aligned CCI modes (Austin and Seitanidi, 2012; Muthuri et al., 2012). Various forms of 'social partnership' (Selsky and Parker, 2005, 2010) are a natural manifestation of such engagement. Realizing the value of the collaborative approach to resolve social issues, companies engage in longer-term partnerships with government, NGOs, suppliers and other stakeholders (Moon and Muthuri, 2008). In order to better understand and identify local priorities, in other words to enhance the outcome of two-way communication, companies also partner with grassroots community organizations working for the community (Tracey et al., 2005) or community enterprises (Peredo and Chrisman, 2006), bypassing traditional intermediaries such as external NPOs. However, the control of the resources as well as the final decision-making aspect in transitional engagement remain with the company rather than being fully shared with the community. Therefore, although more benefits to both the company and community are expected from transitional engagement compared to transactional engagement, these benefits still accrue to both parties independently rather than conjointly (Bowen et al., 2010).

2.3.1.4 Transformational Community Engagement

Transformational community engagement is the natural and expected extension of transitional engagement reflecting a company's commitment towards community empowerment in the long run. This form of engagement is characterised by joint learning and sensemaking (Hart and Sharma, 2004; Payne and Gallon, 2004), joint management of CCI projects with the community (Natcher and Hickey, 2002; Newman et al., 2004), community leadership in decision-making (Amnon, 2005; Rasche and Esser, 2006) leading to community empowerment (Muthuri et al., 2009). Such engagement aims at building the community's capacity to meaningfully engage in interactions and empower it to participate in decision making and goal setting with other social actors (Muthuri

et al., 2009). This form of CCI adopts a broader CSR perspective where companies involve communities in the decision-making aspect of CCI as well as in resource management, implementation and monitoring of the project. This is the most interactive community engagement approach indicative of a recent rise in public-private-community (tri-sector) partnerships where corporations enter into governance relationships with communities (Warhurst, 2001; Muthuri et al., 2009).

Transformational engagement is distinctive because a company may achieve outcomes that are unattainable without active engagement of the community (Bowen et al., 2010). Control over the engagement process is shared and both process learning and benefits jointly emerge to both parties through the process (Loza, 2004). For example, a company may see the advantage of building the economic level of the community, which can reduce the extent of community dependence on the company's philanthropic support as well as increase the quality of the supply chain (Moon and Muthuri, 2008; Porter and Kramer, 2011). The empirical examples of transformational engagement include linking the community in the value chain (Tracey et al., 2005; Porter and Kramer, 2011), corporate-community interactive CCI governance (Muthuri et al., 2009), supporting community enterprises by providing institutional funding that helps building their governance structures and organizational capacity to meaningfully engage with the company as stakeholders and providing better services to the community (Tracey et al., 2005).

Overall, transformational engagement marks mutual goals, joint values and benefits, and collaborative actions that are achieved through an interactive and long-term relationship among company, community and other social actors with possible redistribution of power and responsibility (Austin, 2000; Tracey et al., 2005; Moon and Muthuri, 2008; Muthuri et al., 2009). However, transformational engagement modes are both resource intensive and sensitive (Muthuri et al., 2009, 2012; Bowen et al., 2010). Communities often accuse companies of elite capturing or running away from responsibilities by pushing out one-way corporate communications in the name of collaboration (Bowen et al., 2010), whereas the community's desire to shift their role from legitimating actor to that of control agent poses a source of concern for companies (Muthuri et al., 2009).

In summary, this section has presented a new categorization for CCI modes building on the popular concept of community engagement continuum. The concept allows the freedom not to strictly place a particular CCI mode in a particular category, as a mode can combine characteristics of more than one form of community engagement. For example, 'check book' philanthropy (Zappala, 2004; Galbreath, 2006) is often lauded for its altruistic motive, but researchers have also questioned whether there are ulterior motives behind such a practice (CAF Report, 2006) in which case it represents transactional engagement. Some forms of collaboration and partnership are intended to be transformational, but end up being transitional in their implementation (Googins and Rochlin, 2000). To distinguish between transformational and merely transitional forms of engagement, one needs to get beneath the surface of the engagement to identify the extent to which authentic learning, leadership and empowerment have occurred within the process (Hardy and Phillips, 1998; Payne and Gallon, 2004 cited in Bowen et al., 2010). It is also acknowledged that a company does not necessarily progress chronologically through various stages of the CCI continuum (e.g., Austin, 2000), although that might be the case for some companies (e.g., Muthuri et al., 2009). The concept of continuum is useful for this research as we shall explore in chapter seven, it helps to position the mode under investigation in particular category based on the empirical findings.

2.3.2 Governance of Corporate Community Involvement

The CCI landscape has long been dominated by philanthropic and transactional forms of engagement both in practice and theory. As discussed in the previous sub-section, these modes focus on short-term objectives, and therefore companies often do not feel the requirement for a separate structure to manage such activities, and rely on existing structures such as accounting, human-resource, marketing or accounts departments, or completely outsource it to external expert organizations. This is reflected in early CCI literature where the discussion of governance received limited attention. The separate focus on various governance arrangements for CCI has only started to gain momentum recently with increasing empirical evidence of various transitional and transformational modes. The professionalization of CCI is more visible now and manifested in the emergence of newer governance arrangements (Moon and Muthuri, 2008). The literature

review points towards four popular types of CCI governance arrangement: *outsourcing, internalizing, collaboration* and *partnership*.

Outsourcing represents involvement of expert or specialized organizations which are responsible for identifying, managing, and organizing CCI activities as specified by the company (Husted, 2003). This limits company interactions with the beneficiary community, and allows the company the flexibility to switch CCI resources among external organizations and adjust CCI expenditures in response to changing social priorities without being involved directly in the delivery of social outcomes. However, this approach is criticized for certain weaknesses, such as a lack of company control over the CCI outcomes, possible failure in achieving the desired outcomes due to lack of expertise of the 'expert' organization, being short-term oriented and oppressing social innovation (Tracey et al., 2005).

The limitations of the outsourcing approach leave many corporations to consider **internalizing** their CCI activities through in-house structures. Usually, this involves establishing a dedicated CSR department or specialized unit under the finance, central administration, marketing or public relations departments (Brammer and Millington, 2003). These internal structures are responsible for planning, coordinating, implementing and evaluating CCI projects as well as other CSR objectives. Companies also manage their CCI activities through intermediary structures like corporate foundations, which are run by an independent board of directors but not necessarily decoupled from the company (Moon and Muthuri, 2008). An important implication of 'internalizing' (Husted, 2003) is that it allows companies to control the delivery of social objectives through a coherent set of activities that are integrated and consistent with the strategic aims and organizational capabilities. Moreover, it facilitates some degree of community participation because the company communicates directly with the local stakeholders. However, this requires significant commitment and a high level of investment with additional in-house recruitment. Adjusting the scope and scale of CCI activities according to changing business priorities could also become an issue (Tracey et al., 2005).

Collaboration is a more promising mode of governance that represents a greater commitment towards a broader range of CCI activities but at the same time allows

flexibility in sharing responsibilities**.** Companies often collaborate with other organizations (e.g., government or voluntary sector) to jointly manage, implement and evaluate CCI projects. Apart from sharing responsibilities, collaboration facilitates capacity and skill development of the company in the area of community engagement that can be applied to other projects. Similarly, such collaborative effort enhances the capacity and stability of these voluntary sector organizations to deliver social outcomes. However, the collaborating organizations remain heavily reliant on the transfer of resources from companies that can hinder their capacity and long-term sustainability. More importantly, this approach does not enable sustainable community capacity building, and is symptomatic of the dependency that acts as an obstacle to community regeneration (Tracey et al., 2005).

Considering the financial independence and sustainability of the 'recipients' of CCI activities (both voluntary sector organizations and communities), Tracey and colleagues (2005) identify **partnership** as the fourth and emerging mode of governance. Partnership presents a more equal relationship among companies, the collaborating organizations and the target communities. They argue that 'partnership' substantively differs from 'collaboration' with respect to interaction among participating organizations, the role of the local community and the company's ability to contribute to local regeneration. Partnership requires "two-way transfer of resources between the partners rather than a one-way donation" from the corporation to collaborating organizations (Tracey et al., 2005, p.338). Key partnership features include an equal relationship, resource sharing and interdependence among partners including local stakeholders, greater transparency and accountability, and long-term sustainable development through community capacity building. Partnership is a relatively recent facet of CCI governance and best captures the essence of transformational engagement under which corporations enable the poor and marginalised communities to drive their own development agenda instead of creating a vicious cycle of dependency on philanthropic contributions. The concept of 'interactive governance' explored by Muthuri and colleagues (2009) presents the situation where the company enters into a governance relationship with the community and they become partners in the local development process. Advancing the process-oriented

approach to CCI, their study highlights community participation into the CCI process in a way that is rarely possible in other modes of governance.

In sum, the discourse of CCI governance is still at a nascent stage, under-theorized and often disconnected from the core discussion of CCI. However, the limited empirical evidence suggests that CCI modes and governance arrangements are interconnected and should be discussed in harmony. The adoption of particular CCI governance structures is often associated with the choice of CCI modes, and vice versa. Outsourcing or internalizing is preferred for carrying out short-term philanthropic and transactional engagement, whereas collaboration and partnership modes of governance are suitable for more complex forms of social engagement. A company may enter into a hybrid governance arrangement for a single CCI mode where more than one form of governance structure coexists (Moon and Muthuri, 2008). A company may engage in multiple CCI modes concurrently to manage a mixed portfolio of community engagement activities, in which case the company can simultaneously resort to different governance arrangements with different social objectives in mind. At the end, companies choose CCI modes and governance structures that seem appropriate at the time to respond to the changing internal and external context within which they operate and by considering the likely benefits.

2.4 Consequences of Corporate Community Involvement

The third and a relatively small stream of literature discusses the consequences of CCI. Most of the studies in this stream analyse the benefits of the corporations (Moon and Muthuri, 2008) compared to very limited studies on the consequences to the recipient community and the broader society (McWilliams et al., 2006; Du et al., 2008). CCI being traditionally perceived as discretionary acts and attached with strategic interests, the financial effects of various CCI modes on the company have been the major focus in literature (Margolis and Walsh, 2003). Porter and Kramer (2006) contend that many companies emphasize the resource spent on volunteering in their formal publications, but rarely discuss the impact on the community. Other researchers voice a similar concern as to what extent the intended recipients benefit from CCI initiatives (Kotler and Lee, 2005; Blowfield, 2007; Raghubir et al., 2008; Muthuri et al., 2012).

Collectively, the literature discusses the consequences of CCI practices in terms of benefits to three groups of actors: company, community and collaborating organizations. As mentioned previously in sub-section 2.3.1, the benefits of philanthropic engagement mainly transfers to the community; transactional and transitional approaches reap benefits for both company and community, but only independently to each party; whereas transformational approaches lead to shared or conjoint benefits. A small number of articles also talk about the relevant CCI consequences on the wider institutional environment. The literature also reveals that not all the consequences are necessarily positive, as the over-reliance on certain CCI modes often leads to unintended or unexpected results.

2.4.1 Consequences to the Company

The studies on corporate social performance mainly focus on the positive impact of CCI on the financial performance of the corporations (e.g., McWilliams and Siegel, 2001; Margolis and Walsh, 2003; Orlitzky et al., 2003; Du et al., 2008). Some of these studies also highlight the development and enhancement of societal legitimacy through CCI from the geographical communities where the companies operate (Ellis, 1984; Wheelams, 2007). It is argued that increased legitimacy leads to improved credibility, trust and positive relationships with stakeholders (Lichtenstein et al., 2004; Kotler and Lee, 2005), can be used as an insurance policy in crisis situations (Ricks, 2005), and contributes to enhanced employee satisfaction through attainment of their citizenship aspirations (CAF Report, 2006). Companies also gain competitive advantage through CCI, such as improved risk management (Carey et al., 2007), internationalization, new market penetration and expansion (Rochlin and Christoffer, 2000; Hess et al., 2002), effective promotion of their services to the community (Atakan and Eker, 2007; Buys and Bursnall, 2007), or innovation (Lowndes et al., 2001). Bowen and colleagues (2010) also argue that more proactive forms of engagement such as transformational ones yield learning benefits to the company through a more reflective practice of corporate citizenship (Payne and Gallon, 2004; Muthuri et al., 2009) and the institutionalization of social concerns within the organization (Litz, 1996; Epstein and Roy, 2001; Bindu and Salk, 2006). As shown by Muthuri and colleagues (2009), transformational approaches lead to mutual understanding and agreement about company responsibility in addressing social problems (Unerman

and Bennett, 2004; Alberic and Van Lierop, 2006), even to the transformation of the problem domain itself (Westley and Vredenburg, 1997), and ultimately lead to lasting healthy corporate-community relations. Their study also highlights the possible negative consequences of different CCI practices. For instance, over-reliance on philanthropic practices gradually increases community dependence on the company for social welfare, which may become a constant source of legitimacy crisis in future. On the other hand, transformational engagement through redistribution of responsibilities in CCI governance may turn the community into a control agent that might become a great concern for the company.

2.4.2 Consequences to the Community

The primary intended consequence of CCI is social development, i.e., improving and maintaining the quality of life of the community upon which the companies impact. The nature of this improvement and maintenance varies widely according to the substantive focus of the invested resources on improving the physical and economic capital of the community, including provision of housing (Kolleeny, 2006), healthcare and education (Ray and Hatcher, 2000), ecosystem management (Muhweezi et al., 2007), infrastructure and facilities development (CAF Report, 2006), or emergency relief (Fernando, 2007). Specific transactional forms of engagement can lead to communities gaining important human capital such as information and knowledge through training (Stern, 2001), professional or technical upgrading (Jones, 2001) or developing local capacity (Evans, 2004). The most sustained benefits can be obtained from the transformational engagement process through a shared ownership of the social problem and a shared vision of solutions (Lowndes et al., 2001; Tracey et al., 2005) which, along with physical, economic or human capital, helps to build on and improve the social capital (trust, networking, collective action, sense of unity, sense of independence) (Moon, 2001; Moon and Muthuri, 2008), leading to an empowered and more cohesive community (Davis-Smith, 1997; Muthuri et al., 2009). However, negative consequences for the community are also observed, as there is a danger of developing dependency on the company for philanthropic resources resulting in community frustration when supply does not meet expectations (Muthuri et al., 2009). The same is true for transactional engagement, where the benefits acquired are in general not sustainable (Jones, 2001). It is also reported that uneven

distribution of CCI resources incites conflict within the broader community (Muthuri et al., 2009).

2.4.3 Consequences to the Collaborating Organizations

CCI practices can have a positive "spill over" effect on the strategic allies in the voluntary sector (Lafferty and Goldsmith, 2005; Beckmann, 2007; Austin and Seitanidi, 2012b). Shrinking funds of donor agencies is turning the non-profit sector towards the for-profit sector for fundraising and collaborations to carry out their development agenda (Moon and Muthuri, 2008). Through CCI, non-profit organizations not only gain required finance but also acquire valuable skills, knowledge and expertise from the company that helps these organizations to achieve their visions and missions (Moon and Muthuri, 2008; Austin and Seitanidi, 2012b). Furthermore, successful collaboration with companies has a positive impact on their reputation and credibility, particularly in the eyes of other companies (Beckmann, 2007), which would allow them to attract further funding and increase their spheres of influence (Moon and Muthuri, 2008).

2.4.4 Consequences on the Broader Institutional Arrangements

A handful of articles mention the possible impact of CCI practices on the society at large that goes beyond the boundary of the concerned company, the target community and collaborating organizations. I contend that this is because most of the empirical studies analyse the impact of CCI practice from the company perspective, effectively concentrating on the events around the company alone. However, established and well-promoted community engagement practices are often viewed as performance scripts that provide templates for further corporate social actions (Marquis et al., 2007). As mentioned earlier, successful or innovative CCI practice of a company can influence another company within the same geographic area or in the same industry to adopt similar or better social practices (Burke et al., 1986). This can contribute to a cumulative effect on community development. The recognition of 'best' CCI or CSR practices through awards at national or international level allows other companies to know about the developments, which they can embrace in their own corporate culture. The

successful institutionalization of a particular CCI mode can also bring changes in public policy that could further guide the corporate social action of others.

2.5 Corporate Community Involvement and Community Driven Development

Although the discussions of CCI and community development have emerged separately as distinct streams of literature, CCI in developing countries is increasingly framed within the discourse of community development as an avenue for business involvement in development (see for example Eweje, 2006; Idemudia, 2007a, 2007b; Hamann et al., 2008). This reconceptualization is due to the large corporations' increasing realisation of adopting CCI practices as a strategy to maximize opportunities that come with operating in developing countries as well as to manage associated risks. Accordingly, many corporations are now seen as sources of solutions to some of the pressing problems facing the people in poor countries. The new role of corporations as the 'agents of community development' (Visser, 2008) demands introduction of new CCI modes and new governance structures that "have the potential to enhance the capabilities of local people to pursue transformative and emancipatory possibilities for sustainable development" (Manteaw, 2008, p.428). As a result, development models such as participatory development approaches are becoming increasingly popular with the private sector and impacting CCI practices.

While the corporations have embraced the community development practices to innovate in their relationship with communities, the CCI literature has not systematically explored the emergence of such CCI practices and their potential implications for sustainable community development or community empowerment (Muthuri et al., 2012). Despite the potential for community empowerment inherent in the transformational forms of CCI (discussed in detail in section 2.3.1.4), most of the CCI studies focus on philanthropic, transactional or at best transitional practices addressing one-way communication, or two-way dialogue and consultation (Bowen et al., 2010). This is problematic for this thesis as my core concern is to better understand a particular community engagement practice in developing country context, where extractive sector companies

organize the local communities in their operational areas into CBOs around livelihood issue. Superficially, this CCI practice resembles community driven development (CDD) approach - a participatory development model currently promoted by mainstream development agencies targeted at sustainable community development and community empowerment. I recognise that my research on corporate instigation of CBOs can only be benefited from a clear understanding of the community driven development approach and linking it to the predominant modes of CCI as presented in section 2.3.1.

I begin this section with the review of community driven development approach, the contemporary mainstream community development approach. Next I discuss the significance of community-based organizations (CBOs) as a tool for ensuring community participation in the development process and delivering the promise of CDD. Finally, I present a few examples of corporate-CBO engagement collected from academic and practitioner knowledge sources, make a case for the potential of corporate-CBO engagement in sustainable community development, and consider the implications for CCI literature.

2.5.1 Community Driven Development

Community-driven development (CDD) is one of the recent participatory development approaches, promoted by the World Bank and adopted by development agencies for community empowerment worldwide. CDD has its root in the community-based development (CBD) approach of late 1980s. As a critique to the state-led, top-down approaches of community development, CBD marked the paradigm shift in the development arena that advises social inclusion of beneficiary communities in the design, management and implementation of the development projects (Holston, 1989; Kabeer, 1994; Escobar, 1995; Mitchell, 2002). Within the broader spectrum of CBD, CDD advocates greater social inclusion at every step of a development project from preliminary idea generation to project implementation, monitoring and evaluation and giving control of resources to the project beneficiaries (Mansuri and Rao, 2004; Waweru, 2015).

The history of community-based forms of development can be traced back to the first wave of participatory development in the 1950s, notably influenced by the

cooperative movement and the Gandhian notions of village self-reliance and small scale development. Newly independent states, such as India, adopted CBD for their nation building efforts with substantial support from both the US and UN (White, 1999). By 1960s, these approaches have spread to more than 60 countries in Africa, Asia and Latin America (Mansuri and Rao, 2004), largely through the financial contributions of the US. The basic model utilized village workers, rather than centrally located staffs, to engage with community members and assist them in creating a village plan for development through identifying needs and solutions at grassroots level. However, lack of external funding and subsequent lack of interest from the development agencies led to the discontinuity in most of the CBD projects by 1970.

The rise of state regulated development programmes were observed from late 1970s, influenced by the works of Olson (1973) and Harden (1982) on collective action to pursue a common interest. By the mid-1980s, the poor performance of government initiated development programmes especially in the developing countries with corrupt and unstable government, significant negative environmental impacts resulting from rapid degradation of common pool resources, and explicit recognition of the multi-dimensional nature of poverty reawakened the interest in local management of decisions and resources. Among many others, Robert Chambers (1983) was instrumental in spearheading the second wave of participatory development movement, who applied the ideas on collective action to small scale development that would allow the poor to be informed participants in development with external agents acting as facilitators and fund providers (as cited in Mansuri and Rao, 2004). Scholar such as Escobar (1995) and Scott (1998) supported this view of participatory bottom-up approaches while criticizing the centralized, top-down, modernist and authoritarian approach as disempowering and ineffective. The pioneering ideas from Chambers (1983) and colleagues, along with Sen's (1985, 1999) influential broad based capability approach to "empower" poor people in development agenda, led to the inclusion of participation as crucial for allowing the poor to have control over decisions. Today, CBD is an umbrella term employed to describe the community development approaches based on *active community participation*, ranging from "simple information sharing; to consultation in design; to collaboration in implementation and management; to social, economic, and

political empowerment of community groups by giving them direct control and responsibility of development projects" (Mansuri and Rao, 2004, p.5).

CDD, the recent extension of CBD, integrates people into the development prospects through social capital and harnesses greater social inclusion with wider participation at the grass root level. The underlying assumption is that people (individually or collectively at the community level) are the best judges of how their lives and livelihoods can be improved, and they can organize themselves to provide for their immediate needs if given adequate support, resources and access to information (Tanaka et al., 2006). Efficiency, sustainability and community empowerment being the central concern, CDD not only strives for active community participation, but requires it at every step from the preliminary idea generation to project implementation, monitoring and evaluation (Dongier et al., 2003; Mansuri and Rao, 2004; Barasa and Jelagat, 2013; Waweru, 2015). CDD is expected to provide equal access to information, equal distribution of resources and opportunities to exercise power at the local level irrespective of gender, social status, class or ethnicity.

There are five possible defining characteristics of CDD projects as related to their life cycle (Tanaka et al, 2006; Barasa and Jelagat, 2013). The essential defining characteristic of a CDD operation lies in its ***community focus*** as the target beneficiary is some form of community groups or representative local government of a community. Given this, the operation essentially consists of numerous small-scale subprojects at the community level. The design of the community-level subprojects is done through ***participatory planning*** by the community itself; only then can it be termed community driven. There should be at least some form of transfer and ***control of resources*** given to the community, although the level of control may vary. ***Community involvement in the implementation*** often takes the form of direct supply of inputs, labour or funds (as part of "community contributions" to the subprojects), or indirect inputs through management and supervision of contractors, or operation and maintenance functions. Another not so much "necessary" but increasingly common element of CDD project design is ***community based monitoring and evaluation***, that includes social accountability tools, such as participatory monitoring, community scorecards, or grievance redress systems, to ensure downward accountability to the community. The

intensity of community participation in the form of having actual control over decision making and project resources at nearly all stages of a project cycle and particularly the community based monitoring and evaluation distinguishes CDD from the more passive forms of CBD projects (Cliffe et al., 2003).

The latter half of the 1990s saw CDD emerge as one of the fastest growing mechanisms for development assistance and investment lending in various development organizations, including the multilateral development agencies. The failure of earlier CBD approaches led to the recognition of the fact that local development in a predominantly poor community is not only about increasing income among target population, but also addressing other socio-political factors, such as lack of voice, lack of empowerment and lack of good governance (World Bank, 2001). Consequently, a change has been observed in development agencies' approaches to poverty reduction initiatives and local development, which includes a more holistic attempt at inducing community empowerment so that people can take control of their own lives and continue to do so in sustainable manner without external support.

As evident from the discussion above, the specific focus of CDD approaches is community empowerment, which is a process through which the community achieves greater freedom of choice and control over their own affairs (Lyons et al., 2001). For poor community, that freedom is severely curtailed by their voicelessness and powerlessness embedded in a culture of unequal institutional and economic structure (Narayan, 2002). Empowerment, especially in the context of a predominantly poor community, thus refers to expansion of assets and capabilities of the people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives (World Bank, 2002; IFAD, 2009). This implies, firstly, an increase in material assets; secondly, an increase in ability to manage internal affairs; and finally, an increase of the collective ability to negotiate with external agents. Acknowledging empowerment as a process of assisting previously 'less empowered' individuals or groups suggests that someone can act in favour of others to make them empowered, i.e., to gain greater control than they presently have over local resources; to strengthen their ability and right to define collective goals; to make decisions; to learn from experience (Edwards and Hulme, 1992, p.24). In this context, the role of outside agents, such

as civil societies and private sector, is crucial in terms of adopting the appropriate community empowerment strategies. The CDD approach suggests that the outside agents can expedite the empowerment process through:

- Assisting the community to create or expand their assets and capabilities (Narayan, 2005; IFAD, 2009), thereby enhancing community capacity to make their own choices and the right ones (Alsop and Heinsohn, 2005);
- Creating enabling structures or intimate social institutions that enable community to participate in the institutional mechanism that affect their lives (Berger and Neuhaus, 1977; Sandbrook and Halfani, 1993; Yalegama et al., 2016), thereby allowing community to transform their choices into desired actions and outcomes (Alsop and Heinsohn, 2005).

Next I discuss how community groups or organizations provide the fitting platform for achieving the empowerment goal.

2.5.2 Community-Based Organizations: A Community Driven Development Tool

Examples of communities organizing themselves in groups, for self-help, reciprocity, security, survival, urgent needs, or in time of crisis, are widely observed in the history of mankind (Malena, 1995). Nevertheless, the trend varies from country to country. Due to pressing needs and poverty in the developing countries, such formal and informal community groups are widespread and spontaneous. These grassroots organizations work as a highly-valued safety net in which the community can put their trust more willingly. The important roles of such indigenous and organized community groups or networks are noted with significance under the discourse of collective action (e.g. Ostrom, 1990,) and social capital (e.g. Putnam, 2000; Harris and Rochester, 2001). These groups are commonly termed as community based organizations (CBOs) - "grassroots organizations managed by members on behalf of members" (Edwards and Hulme, 1992), and marked as an important tool in delivering the promise of CDD. However, scholars and diverse interest groups (donor agencies, government) categorize these organizations in significantly different ways, reflecting the diverse spheres of community life (Thake, 2006). Therefore, I establish a clear and concise definition of CBO first in order to differentiate it from other voluntary

organizations working for or within the community, and most importantly to define the scope of my study.

Due to the lack of general agreement on definitions of various types of voluntary and community organizations, it is not unusual to find varied forms of organizations categorized within the scope of CBOs. For example, broader concept such as 'voluntary organizations' includes organizations focusing on communities are often defined as CBOs; but, any regional, national or even international group, organization or project with voluntary or community objectives may fall under this term (Harris and Rochester, 2001). Thus, a clear boundary should be set to characterise CBOs in order to gain a better understanding of the potential roles, strengths and limitations of these organizations in CCI. According to Dongier and colleagues (2003), CBOs are formal or informal membership-based organizations made up of a group of individuals in a self-defined community who have joined together to further common interests related to production, consumption, the use of common pool resources, or delivery of services. Yachkaschi (2009) defines CBOs as small, informal, voluntary organizations of local residents who are based within the communities they serve. Drawing on these two definitions, this thesis defines the following characteristics of a CBO:

- It is a voluntary association of homogeneous or heterogeneous groups of people from a geographically confined community, brought together to further common interest(s).
- It is located within the community they serve (rural, urban or peri-urban context).
- It can work under a membership- or non-membership-based institutional framework with a formal or informal legal structure.
- It is governed by the majority of community members who are both participants and users.
- It may depend on voluntary contributions or external sources for finance.
- It may pursue a wide range of functions including economic, social, religious or recreational issues.

Applying this definition, various formal or informal groups (e.g., self-help credit groups), clubs (e.g. service clubs), associations (e.g., farmer associations) and

cooperatives (e.g., production, market, service) are included within the scope of CBOs.

CBOs have their roots in the *community sector*, a new sector emerging within the boundary of the voluntary sector with a distinctive set of characteristics in terms of its reach, scale, approach and intervention (Thake, 2006). CBOs emerge from the community founded on the core principle of self-help, whereas NPOs are generally regarded as organizations working for or with the community. By definition, CBOs are a form of NPOs and constitute the large majority of NPOs. But CBOs are often further from the public eye as their sphere of operation is often limited to the confined geographical community (Thake, 2006).

Recent policy interest in the developing countries has tremendously shifted towards utilizing CBOs as key actors in community development. Efficiency and sustainability being the central concern, CDD advocates giving control over planning decisions and investment resources to CBOs as they are better suited for incorporating local knowledge and preferences in the community development project design and ensuring community ownership of the project (Dongier et al., 2003; Mansuri and Rao, 2004). CBOs provide members with a structure to gain control over their lives, participate in decision-making and provide opportunities for shared responsibility and leadership (Yalegama et al., 2016). CBOs are often categorized into two groups: *self-organized CBOs,* and *purpose-made CBOs* organized by various external actors such as NPOs, government, companies, CBO Federation and donor agencies. Self-organized CBOs often emerge in response to resolving social problems through collective action when formal institutions are deficient in providing the solution (Coleman, 1988; Ostrom, 1990; Putnam, 2000). These CBOs are imperative for rural development in poor countries where government is unable or unwilling to provide much needed social services in rural areas (Edwards and Hulme, 1995). These groups are likely to have local knowledge (Mansuri and Rao, 2004) and can work in partnership with other actors such as NPOs and the private sector (Dahl-Ostergaard et al., 2003). Partnership with CBOs is deemed successful in channelling resources, selecting target beneficiaries, important decision making at community level, mainstream community's decision making in local governance, and managing common-pool natural resources (Ostrom, 1990; Dongier et al., 2003; Mansuri and Rao, 2004).

Empirical studies show that the outcomes of CBO-managed development projects in the areas of infrastructure, education, livelihood and natural resource management are more cost efficient and effective compared to state-led or contractor-led projects (Dongier et al., 2003).

The risks of local elite capture and free rider problem remain when conducting development activities through CBOs (Mansuri and Rao, 2004). The creation of new groups is suggested when existing groups are "highly inequitable" (Dongier et al., 2003, p.5). External development agents might also need to instigate CBOs, as lack of organizational capacity at the grassroots level is very common (e.g., Mansuri and Rao, 2004; Das gupta and Beard 2007; Dill, 2009). Dongier and colleagues (2003) argue that new or special purpose CBOs are more efficient when they are built on the positive cultural traditions of a community. The example of the SHG-based microcredit movement in Bangladesh shows that, given clear rules of the game, access to information and appropriate support, poor men and women can be effectively organized into CBOs for the provision of goods and services that meet their immediate priorities. Not only do poor communities have greater capacity than generally recognized, they also have the most to gain from making good use of resources targeted at poverty reduction (Alkire et al., 2001).

2.5.3 Corporate Engagement with Community-Based Organizations: A New Direction to Corporate Community Involvement

Engagement with CBOs provides an alternative mechanism for corporations to behave in socially responsible ways (Tracey et al., 2005). In their article, Tracey and colleagues (2005) discussed potential forms of corporate partnership with community enterprises – a type of CBO with economic focus – that raise the possibility of moving beyond paternalism towards a more sustainable form of CCI involving long-term commitment to the communities. Yet the theoretical discussion on the corporate-CBO relationship has not advanced in CCI conversation afterwards. Therefore, I focus here on examples of corporate engagement with CBOs in light of the definition and classification of CBOs discussed earlier.

The evolution of CCI across the world has observed diverse CCI modes that move beyond one-way resource transfer (philanthropic or transactional CCI) to two-way information sharing in the form of consultation (transitional CCI) to community empowerment (transformational CCI). The empirical evidence suggests that increasing corporate engagement with CBOs is representative of this paradigm shift. In general, the common form of engagement occurs with already established CBOs, either self-organized or promoted by other external actors (see examples in Box 1). The other set of examples in Box 2 represents instances where companies organize CBOs, either directly or via intermediaries, as a part of CCI. These examples are compiled from disparate sources such as academic articles, donor and policy reports, and company websites and categorized with respect to the continuum of community engagement presented in sub-section 2.3.1.

The examples in Box 1 range from philanthropic to transformational community engagement. Example 1 shows that companies can engage peripherally with CBOs by donating cash where the CBO is the recipient/beneficiary of the corporate resources. Examples 2.1 and 2.2 show that companies also partner with CBOs (Tracey et al., 2005) as a part of the core business function. As these examples demonstrate, waste management and plastic recycling companies sensitize the community to waste management and recycling by utilizing the specialized skills, services and grassroots network of CBOs to achieve business goals. Such engagement resembles the characteristics of transitional community engagement. These examples simultaneously highlight characteristics of transactional community engagement. Companies invested in these CBOs with an aim of developing their capacity to deliver CCI projects that are intertwined to achieve the company's functional objectives. In such relationships, the company reserves control, prioritizing business interest over community priority.

As discussed in sub-section 2.3.1.4, transformational engagements move beyond providing short-term community benefits and intend to deliver long-term gains to the target community by developing important economic, human, social, political, or physical capital. The focus of this capital may significantly vary depending on the situated context and company motives. The final examples of Box 1 (3.1 and 3.2) depict the features of transformational engagement, where the companies targeted self-reliance of the marginalized community as a CCI agenda. It is

interesting to observe that companies deployed two distinct modes of governance targeting long-term benefits of the CBOs. PHINMA utilized in-house competencies (e.g., skilled employees) whereas BPCL collaborated with expert NPOs to deliver the project targeting community empowerment. Both projects focused on developing human capital by providing enterprising and livelihood skills so that the CBOs can become self-reliant in achieving their objectives.

Box 1: Corporate–CBO Engagement

Example 1: Philanthropic Engagement
Example from India (BPCL, 2008) Bharat Petroleum Corporation Limited (BPCL), one of the largest public sector oil marketing companies in India, initiated a project called *Swanirbhar Achani* (Self-Help programme), and provided one-off grants worth £500 to 50 SHGs comprising both men and women in 2007-08.

Example 2: Transactional/Transitional Engagement: Strategic Partnership with CBOs
2.1 Example from Uganda (Broekema, 2004): Private waste management companies partnered with CBOs to assist with sensitization of communities on waste collection and timely payment of waste collection services. Some companies extended philanthropic support (e.g., cash) to the CBOs for purchasing equipment and building the recycling site.

2.2 *Example from India (Tukahirwa, 2010):* Plastic recycling companies in Hyderabad engaged with CBOs to build awareness among local communities on recycling activities. Companies also provided in-kind support (e.g., sugar, soap, salt) to local communities through these CBOs. Such collaborations aimed at satisfying business motives of the companies as well as providing philanthropic support directly to the CBOs or the communities. In the process, CBOs acted as an interface between company and the community.

Example 3: Transformational Engagement with CBOs
3.1 Employee volunteering in the Philippines (IFC, 2000): Philippine Investment Management Consultants (PHINMA) is one of the largest domestic companies in the Philippines. The company defines its role in community development as one that helps its "neighbours help themselves" and states that it wants to achieve this objective by helping them "acquire skills, organize themselves, improve their quality of life, and develop strong community- and society-oriented values" (p.60). Community participation is at the centre of all its CCI activities. Faced with economic and political crisis in 1985, the company entailed to redesign its CCI project to reduce community dependence and design projects targeting self-reliance of the local community. Subsequently, the company engaged with CBOs through employee volunteering. The company extended support to develop capacity of the CBOs in various technical areas including engineering, finance and marketing so that these organizations were able to sustain themselves and provide required services to the target community.

3.2 Collaboration in India (BPCL, 2008): BPCL imparted livelihood skills to the members of various SHGs across the country. Aligned with the national vision of inclusive growth, the company conducted livelihood workshops to train and equip villagers with income-generating skills in collaboration with "active and responsible" local CBOs (p.62) to empower the marginalized community. By doing so, the company intended to promote self-reliance among the vulnerable sections of the community.

Box 2: Corporate Instigation of CBOs

Example 4: Transformational Community Engagement
4.1 Instigation of a membership-based association as an intermediary in Venezuela (McPhail and Davy, 1998): Placer Dome Limited (PDL) commenced gold exploration in southern Venezuela in 1992. Poor social infrastructure and livelihood provisions led to illegal mining becoming the only source of economic survival for the artisanal miner. In 1994, PDL initiated a technical support programme, in consultation with artisanal miner communities, as a part of small-scale mining known as Los Rojos to capacity build and develop organized mining. PDL assisted in creating a legal membership-based association as an intermediary between the company and artisanal miners. This association provided the miners with required leadership, knowledge and ensured their participation in collective decisions of Los Rojos operations. The association gradually increased its control over small-scale mining activities. In effect, a collection of uncontrolled illegal operations was transformed into a legal entity for generating community livelihood with appropriate health, safety, and environmental standards.

4.2 Instigation of SHGs as a new customer base in India (Tankha, 2002): Private banks in India started to promote savings- and credit-based SHGs as their potential customer base from late- 1990s. Some developed in-house governance structures while others partnered with NGOs or government agencies to promote and nurture these groups. In localities with no suitable NGOs, banks employed individual volunteers to instigate SHGs. Some banks also combined in-house and outsourcing. The SHG linkage programme of ICICI bank is particularly exemplary where the bank merged with Bank of Madura to gain access to 1,200 SHGs formed and trained by the later. By 2002, this collaboration promoted a total of 10,175 SHGs reaching out to 200,000 women across 2,400 villages. Later, ICICI outsourced part of the project to a micro-finance institution.

4.3 Creation of village development committee as a supply chain in India (IFC, 2000): In mid-1970s, the dairy unit of Hindustan Unilever Limited (HUL) was operating at 50% capacity and incurring substantial losses due to inadequate milk supply. In order to improve the situation, HUL started an Integrated Rural Development Programme to increase the milk supply in the Etah district of Uttar Pradesh state. The company started animal husbandry projects in addition to literacy projects, health care programmes, basic infrastructure projects and a concerted effort to build village development committees. As a result, milk supply increased significantly as well as the improvement in basic living conditions. The project was rapidly replicated in 400 villages. HUL linked the project with employee volunteering that enabled communities to benefit from the skills of the company's employees and helped the managers to develop leadership skills and a better understanding of the company's rural market.

Box 2 presents the cases where companies organize various types of CBOs such as SHGs, village development committees and community associations in their operational areas. CBOs are instigated with an intention to tackle legitimacy crisis (example 4.1), create a new customer base (example 4.2) or a supplier base (example 4.3) mainly influenced by strategic motives. Examples 4.2 and 4.3 demonstrate that companies instigated CBOs and incorporated them within the core business functions (Porter and Kramer, 2011).

In contrast, example 4.1 reveals that an extractive company, being unable to make low skilled locals part of the supply chain (Muthuri et al., 2009), provided an alternative source of livelihood to the community building on indigenous skills. These cases are considered as transformative community engagement, as the available information indicates companies' intentions to secure long-term benefits for both community and company that are unattainable without active community involvement.

In summary, companies engage with existing CBOs for short-term philanthropic or transactional reasons. However, companies' long-term commitment towards community development can also be realized through engaging with CBOs. Usually, the companies intend to contribute to capacity development of these CBOs so that they become self-sufficient in the long-run. When the target communities are not already organized, companies are observed to organize the target community into CBOs around specific purposes and invest for their development. It is also common for the companies to utilize these CBOs as an external governance structure in future to deliver social benefits to the wider community (Tracey et al., 2015).

2.5.3.1 Toward Transformational Community Engagement

Development agencies and policy makers have long been emphasizing the potential role of the private sector as a resourceful actor in CDD initiatives (USAID, 2006). However, due to the lack of guidance on how best to incorporate companies into CDD programmes by drawing on the social responsibility agenda, the role of the private sector in CDD remains relatively limited to philanthropic contribution to social funds or direct investment in CDD programmes run by development agencies or NPOs (World Bank, 2006). However, in the contextual realities of developing countries where corporate social action continues to be one of the major sources of community wellbeing, adopting CDD approach in CCI practices has obvious appeal to the private sector as a mechanism to fulfill their community engagement agenda. CDD approach emphasizes community empowerment through wider participation at the grassroots level by giving direct control and responsibility of the development projects to the community groups. An empowered local community would have reduced dependence on the company

for the provision of social entitlements and implies healthier corporate-community relation.

The end target of mutual goals, accruing joint values and benefit, and community empowerment are suggested as the key characteristics of transformational CCI (see section 2.3.1.4). Companies are increasingly observed to adopt transformational CCI practices that are aligned with the CDD principles, such as ensuring community participation in CCI governance (Muthuri et al., 2009) or executing CCI projects in partnership with community organizations (Tracey et al., 2005). The empirical examples discussed earlier also demonstrate that companies can directly play the role of external development agents by organizing CBOs, investing in them and guiding them in decision-making, implementation, resource management and monitoring of development activities so that the community becomes sufficiently empowered in the long-run to drive their own development agenda without contributions from the company or other actors. Corporate engagement with CBOs, particularly when instigating them, thus holds the promise of transformational community engagement while revealing striking resemblance with CDD approach. Such similarities open up the opportunity to apply the CDD lens to better understand transformational CCI, which has rarely been discussed within the discourse of CCI, if not rare in practice. Although the CCI literature is inundated with concepts such as 'partnership' and 'collaboration' (see section 2.3.2), most of these conceptual or empirical studies mainly talk about collaborative action among corporate, NPOs or government directed towards innovative design, implementation and management of CCI resources, and rarely discuss community's role as potential implementing partner (Bowen et al., 2010). However, the handful of CCI literature that examined such situation reveal that active participation of the community in the development activities can have a true 'empowering' effect on the community. The discourse of transformational CCI, and CCI literature in general, therefore can only be enriched through the incorporation of ideas that can be drawn from the CDD literature, about the opportunities and risks associated with such practice in developing countries, the challenges that persist both for the communities and for the corporations themselves, and the implications for the process and outcomes of such practices.

2.6 Corporate Community Involvement in India

National CSR agendas are generally a product of historical and cultural factors, and often continue to mature according to the prevailing economic and political priorities of the country (Idemudia and Ite, 2006). India has a long tradition of paternalistic philanthropy, particularly in family-based companies with a strong community ethos. Although the concept of CSR, or more specifically CCI, has been acclaimed within organizations only recently, the process itself has been followed since ancient times. The idea of helping the poor and disadvantaged is supported in all the widely followed religions in the region. As a result, terms such as "charity" and "philanthropy" have been prevalent in business circles since the colonial period. Scholars have identified four major phases of development in corporate-community relations in India (Sundar, 2000; Kumar et al., 2001; Arora and Puranik, 2004) that strongly reflect the parallel historical development of the country: the pre-independence era of charity and western forms of philanthropy (from 1850 to 1914); the mature era of philanthropy (from 1914 to 1960); the post-independence era of state-driven community development (from 1960 to 1980); and stakeholder-driven CCI under economic liberalization (1990s onward).

CCI was a voluntary practice for indigenous industrial families and foreign companies in colonial India during the first phase. Sundar (2000) differentiated the community engagements of these two groups. Cash or kind donations to natives belonging to the same cast or class for religious or relief purposes by the merchants were considered as charitable giving. Welfare provisions for a wider section of the community in the form of healthcare, education and infrastructure development by the foreign companies were labelled as the western and inclusive approach of philanthropy. The second phase saw donations to political causes as well as increased contributions to social and cultural causes by the newly rich Indian family businesses. It is believed that they were influenced by Mahatma Gandhi's concept of "trusteeship" of wealth (Narayan, 1966) that advocated contributions of the wealthy class towards the social welfare of the vulnerable sections of society. Not only did businesses see the country's economic development as a protest against colonial rule, they also participated in its institutional and social development. This trend of business philanthropy continued after Independence in 1947.

The third phase of Indian business philanthropy coincided with a period of economic and political troubles, in which business operations were considerably constrained. The era was driven by the socialist agenda of the government championed by the leader Jawahar Lal Nehru. The government increasingly took on many social obligations (Chaturvedi, 1987) while the role of the private sector in social development receded. The national strategy – import-substitution industrialization, foreign-exchange control, reservations for and protection of small-scale enterprises, industrial licence and quota systems for "raw material" production, and so on – led to a declining interest in corporate philanthropy, together with an increase in corporate malpractice and manoeuvring for survival and profits. This was abetted by monolithic bureaucracy and corruption at national level.

The fourth phase was characterised by a dynamic corporate sector on the one hand and a variety of approaches to social development on the other. The gradual changes in the economic paradigm from the 1980s onward saw a large increase in corporate activity under economic liberalization. With increased competition from both domestic and foreign companies, integrating social initiatives within business became an important strategy for sustainability. By the late 1990s, the growing profitability of many corporations increased their willingness and ability to give, which coincided with a surge in the expectations of public and government from business (Sundar, 2000). This contemporary phase moved "away from charity and traditional philanthropy towards more direct engagement in mainstream development concerns and in helping disadvantaged groups in society" (Sundar, 2000, p.13).

There has been a growing realization that social progress is necessary for sustainable growth in business. In the last decade, more and more Indian companies have started to focus on strategic initiatives to contribute towards community priorities not only as a part of their responsibility but also within their business practices. Companies are also increasingly disclosing social initiatives in their official websites, annual reports, sustainability reports and even publishing CSR reports. In a report published in Global CSR Summit (2013) that reviewed 50 companies operating in India, it was shown that 84% of the companies conduct their CCI activities near their area of operation. The most common social issues

covered by these companies include education, healthcare, livelihood, environment and rural development. 90% of the companies are observed to engage in CCI initiatives around livelihood and rural development. Improving skills and employability, and supporting income generation activities for the rural community, especially for women, are identified as the key focus of livelihood-oriented CCI activities. On the other hand, the major rural development activities are found to be building physical infrastructure, awareness generation on various social issues, and rehabilitation initiatives. Most of the companies implement their CCI activities through some form of collaboration with NPOs. Collaborations, not only with NPOs but also with local and state government, are deemed very important for effective implementation as well as long-term sustainability of the change brought about by these social initiatives.

Currently, there is an increased focus and a changing policy environment to enable increased corporate participation in socially inclusive practices. Intensive national-level deliberations on the potential role and responsibility of the corporate sector in contributing towards addressing social issues have been witnessed. Increasingly the government has enhanced its focus on persuading companies to channel their support towards social and developmental issues through CCI. In 2004, the government sought corporate support in giving jobs to disadvantaged groups by introducing a voluntary job reservation policy for the private sector. In 2009, the Ministry of Corporate Affairs released voluntary guidelines on CSR as the first step towards mainstreaming the concept of Business Responsibilities. A more comprehensive set of guidelines that encompasses the social, environmental and economical responsibilities of business were developed subsequently. It is expected that all businesses in India, including the MNCs, will consciously work towards following the guidelines.

The SHG movement of India has emerged as the world's largest and most successful network of CBOs (Reddy and Reddy, 2012). The movement started in the mid 1980's as a means to provide financial services to poor people, and slowly became a movement for social empowerment by around 2000. This movement has been recognized as an effective strategy for mobilisation and empowerment of rural people, particularly poor women and other marginalized groups. Organizing SHGs has been a very popular community development approach among Indian

NPOs (e.g., MYRADA, PRADAN, CGB, PANI) and government institutions (e.g., NABARD, DRDA). Yet, the examples of corporate involvement in India promoting such self-help-based community development had been rare until the last few years. A few companies that previously organized CBOs considered them as potential customers (Tankha, 2002) or suppliers (IFC, 2000). Organizing CBOs without intending to utilize them in core business functions was unheard of before Project Rupantar of Oil India Limited in 2002 (one of the cases to be studied in this research). Following that footstep, few companies (Cairn India Limited, Reliance India Limited, ONGC) have since been involved in the instigation of SHGs and other form of CBOs. CICBO, without a directly justifiable business case, is still considered as too resource-intensive a CCI mode to be widely adopted by profit-seeking companies, and companies feel rather more comfortable in providing philanthropic support to existing CBOs.

2.7 Conclusion

This chapter has critically appraised extant CCI literature in relation to the three research questions posed in chapter one. I pointed out the lack of recognition in literature about the conceptual separation and causal relationship between CCI drivers and motives, and provided separate discussions on CCI motives (company motivations for engaging in CCI) and drivers (contextual factors that influence such motives). The review of CCI implementation literature revealed the dominance of product- or project-oriented descriptions of various CCI modes, with less attention on the governance of CCI.

I provided an overview of existing models that attempted to categorize diverse CCI modes based on the concept of continuum of community engagement and applying various criteria. It revealed a significant level of agreement and overlapping results across models. I extended a model proposed by Bowen and colleagues (2010) to propose a categorization comprising of four forms of community engagement: 'philanthropic', 'transactional', 'transitional' and 'transformational'. The concept of continuum is useful, since a mode can inherit characteristics of more than one form of community engagement as explored in the extant literature as well as in the empirical examples described in sub-section 2.5.3.

The review of CCI consequences explored the various benefits that can be accrued to company, community and other societal actors from CCI practices as well as the implications for the broader institutional environment. It also identified the adverse consequences of CCI on the company and community, especially the vicious cycle of resource dependence that can grow from prolonged CCI support.

As the thesis aims to explore corporate instigation of CBO as a community engagement mode, I reviewed the limited evidence of corporate engagement with CBOs and identified the diversity in such practices ranging from philanthropic through transactional to transformational. However, first, I established the connection between CCI and CDD, a participatory development approach adopted worldwide for ensuring sustainable community development. Then, I proposed a set of characteristics to define the boundary of grassroots organizations referred to as CBOs in this thesis. The review suggested the potential of corporate-CBO engagement to deliver the promise of CDD. But more importantly, I recognised that applying CDD lens to the study of CCI has the potential to enrich our understanding of CCI practices, particularly the transformational ones.

I also reviewed the historical and contemporary development in the field of CCI in India. A gradual transition from pure philanthropy to needs-based initiatives aligned with national priorities was noticed in the broader CCI landscape. The review also identified recent national-level policy to encourage corporate participation in inclusive growth that provided impetus for corporations to increasingly engage in complex social and developmental issues.

CHAPTER THREE
Institutional Work and Corporate Community Involvement

3.0 Introduction

This chapter begins with the critical appraisal of various theoretical perspectives employed for analysing corporate-community relationships (Section 3.1). The review makes explicit the limitations of current conceptualizations of CCI (e.g., instrumental, normative, strategic, institutional perspective) in explaining the emergence of, or change in CCI modes. The concept of institutional work is introduced in section 3.2 as a useful theoretical lens to address that limitation. The section critically appraises relevant literature on institutional change, and discusses the relevant core concepts and their relationships that constitute the umbrella concept of institutional work. Drawing on the key concepts of CCI and institutional work, an analytical framework is presented in section 3.3 for guiding the investigation of antecedents, process and consequences in the emergence of particular CCI modes.

3.1 Theoretical Approaches to Corporate Community Involvement

The last two decades have seen gradual momentum in research on CCI, independently or as a part of broader CSR research. Scholars have applied a broad array of frames to enrich our understanding of why and how firms engage with the community. This section discusses the strengths and weaknesses of the key theoretical schools of thought, which has informed the adoption of an institutional lens to the investigation of CCI in this thesis.

Most of the CSR, and by inference CCI, studies adopt a functionalist approach that advocates an instrumental and business case rationale for social engagement by companies (Brammer et al., 2012). These studies are grounded in prominent management theories such as classical economic theory (Friedman, 1970),

stakeholder theory (Freeman, 1984) or resource dependency theory (Pfeffer and Salancik, 1978). Studies adopting economic theory considers CCI as another way of maximizing economic gain through enhanced reputation, the rationale being that social spending is "akin to advertising" (Burt, 1983, p.419; Webb and Farmer, 1996), or to attract more customers (Creyer and Ross, 1997; Ellen et al., 2000; Sen and Bhattacharya, 2001) and potential employees (Turban and Greening, 1997). The instrumental view of stakeholder theory explains how stakeholder expectations and preferences shape the ways companies organize their responses in terms of CCI aimed at gaining financial and non-financial benefits (Adams and Hardwick, 1998; Brammer and Millington, 2003, 2004). Proponents of resource dependence theory perceive CCI as a means to acquire, control and manage resources as a response towards reducing external environmental uncertainty (Pfeffer and Salancik, 1978).

In contrast to instrumentality, the moral rationale for social engagement is highlighted in an alternative stream of literature drawing on normative stakeholder theory (Donaldson and Preston, 1995). Based on an ethical premise, this normative perspective considers CCI as ought-to-do actions and focuses on the benefits to the beneficiaries rather than the benefactors (Brammer and Millington, 2003; Campbell and Craig, 2005). Conventionally, altruism from the company perspective is seen as "doing what is right for society instead of the company considering their own business interest" (Moir and Taffler, 2004, p.151). Such a view holds that, being a powerful social institution, companies have duties to promote social good (Karp, 2003) and ought to engage in CCI out of a concern for, among other things, human rights and social justice (Margolis and Walsh, 2003).

Both instrumental and normative theories portray extreme theorization of CCI. On one extreme are those who question the appropriateness of CCI in absence of economic gains and on the other extreme are those who advocate for social initiatives irrespective of the economic gains by corporations. Pointing towards these deficiencies, a third perspective referred to as *socio-economic convergence models* (Muthuri, 2007) offers the middle way where both economic and moral obligations of the companies are fulfilled through community engagement. Scholars such as Porter and Kramer (2002), Pearce and Doh (2005) and Husted

(2003) linked corporate goals like profitability to social objectives. CCI from this strategic perspective emphasizes exploiting companies' core competencies and providing resources to address non-business issues that may benefit companies' strategic position (Saiia et al., 2003) and their competitiveness (Porter and Kramer, 2002; Hess et al., 2002) by playing complementary roles to government (Hess et al., 2002) or engaging in collaborative social initiatives (Pearce and Doh, 2005). This 'new paradigm' thinking of corporate-community relationships sees healthy society as a requirement for healthy business and vice versa, arguing that deteriorating societal conditions make it difficult for businesses to achieve their profit motives (Porter and Kramer, 2006). Subsequently, the concept of *shared value* is introduced (Porter and Kramer, 2011), contending that interactions with society as well as addressing social problems would reduce operational costs, drive new business opportunities and create a source of untapped profits.

More recently, the notion of corporate citizenship has become popular within the CCI literature (Wood and Logsdon, 2001; Logsdon and Wood, 2002; Moon et al., 2005; Muthuri et al., 2009), where business and community relationships are examined through a lens of 'citizenship'. Although citizenship revolves around dual concepts – the rights and responsibilities of the citizen – CCI scholars emphasize companies' responsibilities. The citizenship lens is currently used in three ways to explain business-community relationships (Matten et al., 2003; Matten and Crane, 2005). The *limited view* equates the term with voluntary philanthropic activities undertaken by companies in local communities, while the *equivalent view* considers corporate citizenship as a means to minimize the negative consequences of their activities while maximising the positive ones (Marsden and Andriof, 1998). The *extended view* considers that corporate citizenship is a partial attempt by corporations to assume responsibility for protecting those social rights that are formally the responsibility of government, and which the welfare states of the developed world no longer fulfil (Matten and Crane, 2005). Recent corporate citizenship literature also focuses on corporate actions for creating scope for the community to enact their citizenship rights and responsibilities. Such proactive forms of community engagement, through a more reflective practice of corporate citizenship (Payne and Gallon, 2004), can lead to mutual understanding and agreement about various actors' responsibilities in addressing social problems (Alberic and Van Lierop, 2006; Unerman and Bennett,

2004; Bowen et al., 2010). Overall, the citizenship perspective allows researchers to analyse the roles and responsibilities of corporations as well as community and other societal actors in the provision of social entitlements through the governance and management of CCI.

Another stream of literature takes an individual perspective and views companies' giving to social causes as shaped by their managers' behaviour (e.g., Campbell et al., 1999; Brammer et al., 2006; Buchholtz et al., 1999; Hemingway and Maclagan, 2004). Applying agency theory (Jensen and Meckling, 1976; Fama and Jensen, 1983), this perspective suggests that managers may exercise personal, as opposed to organization-level, altruism or enlightened self-interest under their discretion to perform CCI (Arulampalam and Stoneman, 1995). Agency theory states that principals (owners/shareholders) employ agents (managers in charge of CCI decisions) to perform services on their behalf, which involves delegating some decision-making authority to the agent regarding CCI strategy and implementation. However, problems may arise when the principal and agent have conflicting goals and different propensities for accepting risk (Jones, 1995), e.g., philanthropic contributions or particular sponsorship schemes by managers can be perceived as unnecessary by shareholders. It is argued that the agency problem disappears in the presence of trust and commitment between the two parties (Farrelly and Quester, 2003), alignment of managerial interests with owner interests (Bartkus et al., 2002) and healthy return on shareholder investment (Pruitt et al., 2004).

The instrumental, normative or strategic perspective of CCI, when applied at organization- or individual level, can largely explain the empirical reality of community engagement from the company perspective. Despite the contributions, they are limiting in their designs, assumptions and applications to CCI. They all lend a narrow explanation of company's community engagement behaviour, premised on specific company motives (e.g. profit, altruism or competitive advantage; see detail in chapter two, section 2.2.2) and subsequently elaborating on how such motives can be accomplished in relation to particular aspect of business such as stakeholder or resource management. For instance, proponents of economic theory only advocate for CCI aimed at increasing shareholders' wealth (Bowie, 1991) and use communities as a means to an end of profit

maximization. Subsequently, studies adopting economic theory investigate the causal relationship between social activities and their impact on the financial performance of the company (as described in chapter two, section 2.4). The stakeholder management theory is also criticized of being grounded in economic rationality (Margolis and Walsh, 2003), where CCI is projected as a tool for strategic management of community relationships occurring in corporate terms. Most of the stakeholder literature focuses on defining important stakeholders for the corporations, advocating stakeholder management practices, and trying to show how stakeholder management affects various corporate performance goals, such as profitability, stability, and growth (Campbell, 2006). In a similar vein, resource dependency theory focuses on attending the demands of those in its environment that provide necessary resources for the company's continued survival. As such, both these theories justify CCI when community is considered as important stakeholder or resource provider and have failed to attend to the social and economic imperatives that often confront organizations in contradictory ways. They do not generally examine the conditions under which corporations are likely to act in socially responsible ways in relation to the community - precisely the sorts of question this research intends to answer. Also, corporations' attempt to 'manage and control' stakeholders, as suggested in stakeholder theory, impact negatively on community participation and empowerment (Johnson-Cramer et al., 2003) – the complete antithesis to transformational approach toward CCI (see chapter two, section 2.3.1.4).

In general, the functionalist approach has been widely criticized for being skewed towards instrumental than social gain (Porter and Kramer, 2002). The argument for profit and utility maximization also seems unable to explain the diversity of CCI practices across the world (Brammer et al., 2012). The normative perspective toward CCI (e.g., normative version of stakeholder theory) prescribes corporations' involvement in social initiatives on moral grounds. However, the normative perspective, premised on ethical concerns, are generally dismissed for involving high level of abstraction from 'complex' reality, narrow in their application, and being overly academic and prescriptive (Crane and Matten, 2007). The strategic perspective (Husted, 2003; Pearce and Doh, 2005; Porter and Kramer, 2002), on the other hand, falls short of describing how the convergence of social and economic objectives ought to be negotiated among stakeholders. This is a corporate-centric approach to CCI, hardly mentions community participation in

CCI and seems to perpetuate corporate dominance over community issues since it is assumed that pursuit of competitive advantage automatically leads to better community development.

Indeed most of the theoretical perspectives presented here reassert the extent to which CCI is seen as a realm of voluntary action attached with financial or non-financial motive. However, businesses do not operate in a vacuum, rather they are embedded within a wider field of social networks, business associations and political rules. Rather then seeing CCI as yet another way of enhancing corporate performance as the management literature suggest, a growing number of business scholars therefore suggests placing CCI explicitly within a wider field of economic governance characterized by market, state regulation and beyond. Such perspective takes into account the relationship between company and the dynamic institutional terrain in which they operate (Campbell, 2007), and could explain how that relationship triggers company motives and shape how they engage in social activities (Chapple and Moon, 2005; Muthuri et al., 2009). Applying the lens of institutional theory to the study of CCI allows for such perspective to systematically analyse institutional factors, such as the global, national, cultural or local context that influences CCI behaviour (Brammer and Pavelin, 2005; Campbell, 2007; Marquis et al., 2007; Matten and Moon, 2008; Brammer et al., 2012), explains the diversity and dynamics of CCI (Brammer et al., 2012), and offers the framework to analyse CCI beyond the confines of the particular management theories. The next section critically analyses this institutional conceptualization of CCI.

3.2 Institutional Perspective on Corporate Community Involvement

The early institutional studies during 1950s and 1960s focused on the relationship between organizations and institutions (Selznick, 1949, 1957) that was reborn in the late 1970s and 1980s under the rubric of neo-institutionalism (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). Since then, institutional theory has become one of the most prominent theories in organizational analysis and has informed a wide range of studies to examine the role of institutions in

shaping organizational behaviour. The early neo-institutional era emphasized the mimetic process of organizations eventually adopting similar behaviour within a field of activity. Proponents of the institutional perspective view CCI as a corporate response to the coercive, normative and cognitive pressure for social responsibility in order to gain legitimacy and increase the possibility of survival (Meyer and Rowan, 1977; Sharfman, 1994). Several macro-level studies focused on how mandatory state regulations, collective industrial self-regulations or civil society activism (Campbell, 2007; Matten and Moon, 2008; Gjolberg, 2009) as well as societal expectations (Galaskiewicz, 1991; Carroll, 1999) influence and shape the socially responsible behaviour of companies. A number of studies also illustrated how discrepancies in the institutional environment can lead to differences in companies' social practices (Burke et al., 1986; Bennet, 1998; Brammer and Pavelin, 2005; Marquis et al., 2007). In general, institutional theory provides a formidable lens for understanding and explaining cross-national variations of CSR practices (Brammer et al., 2012). It also provides insights into why this concept has become part and parcel of business practices in nearly every major country globally (e.g. Visser and Tolhurst, 2010).

Another stream of institutional studies focuses on how established CCI practices, alongside social, political, cultural, and legal components of institutional arrangements, play a key role in shaping further corporate social behaviour. There is much evidence to suggest that CCI has increasingly become institutionalized within business and in the wider society as norms, rules, policies, governance structures or modes (e.g., Moon, 2002, 2004; Husted, 2003; Porter and Kramer, 2002; Moon and Muthuri, 2008; Muthuri et al., 2009). The diverse CCI modes ranging from philanthropic to transformational engagements imply the breadth of institutionalization of CCI within companies. Established and well-promoted CCI practices are often viewed as performance scripts that provide templates for further corporate social actions. For instance, community consensus about the nature of CCI forces companies to adopt aligned practices, which can be used by other companies in the locality as reference points for patterning their social actions (Marquis et al., 2007). CCI as an institution, therefore, represents the standardized patterns of systems, processes and activities that describe the focal corporation's social practices, and works as the template for others' thought and

actions towards the community, often resulting in isomorphic CCI behaviour across the industry or within a geographic community (Marquis et al., 2009).

To sum up, the popular institutional perspective on CCI highlights how organizations conform to regulative, normative and cognitive pressures in their institutional environment. An additional view suggests how well established and successful CCI practices shape isomorphic or homogenous CCI behaviour among companies. Either way, this perspective implicitly depicts corporations as passive pawns (Tempel and Walgenbach, 2007) or cultural dopes (Giddens, 1984; Creed et al., 2002), who respond to institutional pressures by adopting CCI activities. Although such a limited view is still able to shed light on the diversity of CCI practices at the regional, national or global level (Brammer et al., 2012), it cannot explain the continuous emergence and evolution of new practices. The source of this limitation is grounded in early neo-institutionalism, which focuses on the effects of existing institutions on actors' actions and pays limited attention to the origin of institutions as though they just exist out there (Lawrence and Suddaby, 2006). By looking at the end result of institutionalization, such as isomorphism, neo-institutional scholars have often neglected the process in which institutionalization occurs through the actions of individuals and organizations in response to institutional pressures (Suddaby et al., 2010).

Certainly, CCI as an institution has undergone major phase transitions within organizational (Muthuri et al., 2009) or national boundaries (Moon and Muthuri, 2008) that cannot be explained by the homogeneity and conformity assumption of an institutionalized world. The institutional environment often conditions corporate social action, yet organizations can actively work as well to influence the environment in which they are embedded (Silverman, 1970). This is particularly true for the extractive sector industry in developing countries where innovative CCI practices continue to emerge to meet huge community expectations and to avoid conflict (Muthuri et al., 2012). A better understanding of the emergent nature of business-community relations therefore requires a theoretical lens that pays attention to both the relationship between business and their environment that enables them to invoke institutional change, and subsequent interactions and actions that constitute the micro-processes through which new practice emerges. The next section elaborates on the concept of

institutional work, the latest facet of institutional theory, which offers this required theoretical lens.

3.3 The Concept of Institutional Work

The study of institutional work has emerged as a dynamic research domain over the last decade under the rubric of institutional theory. As explained earlier, institutional studies of the organization have traditionally focused on the relationships between organizations and the fields in which they operate, providing strong accounts of the processes through which institutions govern organizational actions. The concept of institutional work reorients these traditional concerns, shifting the focus to understanding how actions affect institutions (Lawrence et al., 2009).

The neo-institutional studies on organizational behaviour began with a strong emphasis on the cultural processes through which institutions constrained organizational activities (Meyer and Rowan, 1977; Hinings and Greenwood, 1988), leading to isomorphism within the fields of activity (DiMaggio and Powell, 1983; Tolbert and Zucker, 1983). While the "old institutionalism" accounted for the role of actors' agency in institutional change and transformation (e.g., Selznick, 1949), these early neo-institutional studies viewed institutions as external constraints on organizational and human agency and overlooked the role of actors in institutional change (Leca et al., 2008). Relying on an over-socialized view of action (Hirsch and Lounsbury, 1997), actors were often implicitly assumed to have a limited degree of agency (Battilana and D'Aunno, 2009). Such a conception was deemed problematic when the emphasis of institutional theory shifted in the late 1980s to explain institutional change and the role of organizations or individuals in the change process (e.g., DiMaggio, 1988; Leblebici et al., 1991; Greenwood and Hinings, 1996; Fligstein, 1997; Dacin et al., 2002). Central to this line of research is the notion of *institutional entrepreneurship* introduced by DiMaggio (1988) as a way to reintroduce actors' agency to institutional analysis. Building on the work of Eisenstadt (1980), DiMaggio characterised *institutional entrepreneurs* as organized actors with sufficient resources who contribute to the genesis of new institutions in which they see "an opportunity to realize interest that they value highly" (p.14). By doing so, he aimed to explain how actors with a

high level of agency shape institutions despite pressures towards stasis (Holm, 1995; Seo and Creed, 2002).

Since that seminal publication, significant institutional research focused on the processes through which actors affect the institutional arrangements within which they operate (e.g., Lawrence, 1999; Hensmans, 2003; Suddaby and Greenwood, 2005; Greenwood and Suddaby, 2006). In an effort to organize existing research on the role of actors in the transformation of existing institutions and the continual emergence of new norms and practices, Lawrence and Suddaby (2006) subsequently introduced the concept of 'institutional work', referring to "the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions" (p.215). Situating actors within the recursive relationship between institutions and actions, institutional work is primarily interested in actions and its intentional direction towards institutions. Developing out of the key literature of institutional entrepreneurship (DiMaggio, 1988) along with two landmark works of Oliver on strategic responses of institutional process (1991) and the antecedents of deinstitutionalization (1992), the concept of institutional work establishes a broader vision of agency in relation to institutions that avoids depicting actors either as *cultural dopes* trapped by institutional arrangements or as *hypermuscular* institutional entrepreneurs (Lawrence et al., 2009).

There are three key elements surrounding the concept of institutional work. *First*, it recognizes actors' agency by highlighting awareness, skill and reflexivity of individual and collective actors; *Second*, it views institutions as the product of actors' intentional actions by generating "an understanding of institutions as constituted in the more and less conscious action of individual and collective actors"; *Finally*, it suggests that "[one] cannot step outside of action as practice – even action which is aimed at changing the institutional order of an organizational field occurs within sets of institutionalized rules" (Lawrence and Suddaby, 2006, pp.219-220). Institutional work takes up the practice turn in social theory (Schatzki et al., 2001) which allows examination of the distributed nature of actions at different levels at which multiple actors operate and complement each other (Lawrence et al., 2011). The concept highlights not only intentional actions that are obvious and dramatic but also those unintended daily adjustments,

adaptations and compromises of actors that are "nearly invisible and often mundane" (Lawrence et al., 2009, p.1). The unintended or unanticipated consequences of the work involved in the emergence could tell us more about 'what works' in successful institutional work. This offers to move beyond the linear view of institutional processes and reflect on the often discontinuous and non-linear processes that take place in reality (Zietsma and McKnight, 2009).

In summary, institutional work acts as the new umbrella concept to study the creation, maintenance and disruption of institutions within the tenets of institutional theory. The core assumptions and conceptualization of key constructs underlying institutional work are presented next. A clear understanding of these assumptions and concepts is important for this research, as these provide the basis for a conceptual framework (section 3.4) for analysing the emergence and consequence of the CCI mode under investigation.

3.3.1 Field, Actors and Institutions

A key approach to developing an institutional understanding of actors' actions is to establish the connections between fields and institutions. DiMaggio and Powell (1983) conceptualized the field as the totality of relevant actors. Actors are regarded as those knowledgeable entities who are practical in their affairs (Giddens, 1984). Actors can be individual human beings, groups of individuals, organizations or groups of organizations. Such a view gives an impression of the field existing objectively, and therefore the similarities and differences among actors in the field existing objectively (Hoffman, 1999). Instead, it is suggested that similarities and differences in actors' interests over various resources (e.g., political, symbolic, cultural or economic) and subsequent conscious or less calculated actions taken by the actors to fulfil those interests (Creed et al., 2002) are all about what makes up a field (Sahlin-Andersson, 1996). In the process, the relevant actors in the field "interact more frequently and fatefully with one another than with actors outside of the field" and construct a "common meaning system" that is subject to change over time (Scott, 1994, p.207-208). This conceptualization is inspired by Bourdieu (1977, 1993), who suggested that a field is a social arena in which actors are located, and each actor generally manoeuvres and struggles in pursuit of desirable resources to augment their individual

position in relation to other actors in the same arena. The field is therefore considered as *socially constructed* and *dynamic* in spite of the general impression of stability (Hoffman, 1999, p.352) – a basic assumption for the concept of institutional work to hold.

Each field has its rules and meaning systems that develop over time and guide the interactions among actors with diverse expectations, predispositions and resource bases (Bourdieu, 1977, 1993). These rules and meaning systems are commonly known as institutions, which have a high degree of resilience and act as stabilizing instruments for an otherwise volatile field. The three basic components of institutions – the normative, the regulative and the cognitive – provide the basis for evaluating the legitimacy of actors and their actions in the field (Scott, 1995) with distinct types of control mechanism – normative, coercive, and mimetic (DiMaggio and Powell, 1983). The normative component represents "rules that introduce a prescriptive, evaluative, and moral obligatory dimension into social life" (Scott, 1995, p.37) and helps us to understand how actors are subject to the application of morally governed societal norms (Scott, 1995), or occupational and professional standards (DiMaggio and Powell, 1983). The regulative component stresses the presence of "explicit regulative processes: rule setting, monitoring, and sanctioning activities" (Scott, 1995, p.35) that strangles actors' behaviours to comply with legally sanctioned rules. The cognitive elements represent the recognizable, taken-for-granted behaviours that constitute "the nature of reality" (Scott, 1995, p.40), closely associated with culture (Jepperson, 1991), and provide frameworks on which normative and regulative elements are constructed (Ruef and Scott, 1998). Each of the three elements gives rise to appropriateness of actors' behaviours, whether they are culturally aligned, morally correct, or consonant with relevant laws (Scott, 1995). Institutions are therefore multifaceted, durable social structures that enable or impose limitations on the scope for actors' agency by creating legal, moral and cultural boundaries (Scott, 1995, 2001).

The neo-institutionalist view focuses on how institutions shape actors' actions, whereas later research focuses on how they also encourage new actions. Jepperson (1991) argues that institutions reflect sets of "standardized interaction sequences" (p.145), which points towards the possibility of viewing institutions as

the product of specific actions taken to reproduce, alter and disrupt them. This forms the basis of institutional work. Institutions work in both a facilitating and impeding fashion, since they provide guidelines and resources for acting as well as prohibitions and constraints on action. Therefore, institutional work provides a balanced view of the relationship between actors and institutions, which supports analysing the effects of actors' actions on institutions (Lawrence et al., 2009) along with the traditional neo-institutional understanding. As opposed to institutional entrepreneurship literature that highlights the role of heroic individuals or organizations in the creation of new institutions, institutional work also opens the possibility to consider the effort of diverse actors in institutional change. Institutional work concentrates on how each actor in a dynamic *actor configuration* contributes to the institutional process by responding to the effort of others, how those contributions combine, and how the accumulation of those contributions leads to the creation of an institution (Garud and Karnoe, 2003). This recognizes institutional work as collective endeavour (Greenwood et al., 2002; Lawrence et al., 2002; Garud and Karnoe, 2003; Maguire et al., 2004; Lounsbury and Crumley, 2007), even when a core powerful actor can be clearly identified (Munir and Phillips, 2005; Greenwood and Suddaby, 2006).

An important direction of institutional work is to consider institutions, and therefore fields, to exist across multiple levels in nested systems (Holm, 1995). For example, micro-level institutions regulate forms of interaction among members in groups and organizations; macro-level institutions (in organizational field) are those associated with professions or industries, while societal institutions (in the social field) are concerned with gender, religion or family (Lawrence et al., 2005). This has an implication on the conceptual connection between fields, actors and institutions. It is safe to assume that one cannot completely understand the institutional mechanism of a particular organizational field without exploring the mechanism of the social field that surrounds it. Similarly, actors can occupy simultaneous positions in multiple fields. The scope of institutional work therefore may span across different levels of fields, potentially drawing on the institution at one level to create new institutions at another level (Lawrence et al., 2005). It is the contestation and intersection of multiple institutions within nested fields that often provides actors with the reasons and resources to engage in purposive activities for institutional change (Lawrence et al., 2005).

3.3.2 Antecedents of Institutional Change: Enabling Conditions and Agency

Institutional work draws on the relationship between agency and institutions, and recognizes that actors can purposively behave to maintain or transform existing institutions (Lawrence et al., 2009). The concept of agency represents actors' ability to operate independently of the determining constraints of the institutional arrangements (Battilana and D'Aunno, 2009). Agency is often associated with terms such as motivation, intentionality, preference, choice, expectation and autonomy (Leca et al., 2008). Actors are said to display agency when they make choices against the existing institutional environment and engage in institutional work, regardless of whether or not they are then able to bring about the intended institutional change (Battilana and D'Aunno, 2009). The early neo-institutional studies tended to overlook the issue and suggested that institutional change occurs as a result of the reconfiguration process emanating from exogenous shocks such as socio-political jolts or crises. Such shocks are attributed to causing disruption and alteration in the existing institutional order in a rather unpredictable path since no particular causal agent is involved (Boxenbaum, 2004; Leca et al., 2008). In contrast, the concepts of institutional entrepreneurship and institutional work rely heavily on the construct of agency to provide an endogenous explanation for institutional change. However, for the concepts to hold, one must explain the *paradox of embedded agency* (Seo and Creed, 2002) – what facilitates agency despite the existence of institutional pressures towards stasis?

A coherent body of institutional studies has been dedicated to explore what facilitates agency in institutional change. These studies in general attempt to identify the factors and conditions that usher actors to act as institutional change agents. These agency encouraging characteristics are later described as *enabling conditions* (Strang and Sine, 2002; Leca et al., 2008; Battilana and D'Aunno, 2009). Three categories of enabling conditions have so far been recognized in the literature, existing at field, organization and individual human levels. Leca et al. (2008) observed that certain field-level conditions are correlated with agency. Consistent with the exogenous explanation of earlier studies, these conditions represent jolts or crises that triggers actors' agency to diverge from a field's

existing institutions. Such jolts might take the form of social upheaval, competitive discontinuities, technological disruption, or regulatory changes that disturb the socially constructed field-level consensus (Oliver, 1992; Greenwood et al., 2002). Acute field problems such as political instability, poverty and unemployment, environmental issues, or health hazards can spawn crises that may also act as field level enablers for institutional change (Fligstein and Mara-Drita, 1996; Phillips et al., 2000; Wade-Benzoni et al., 2002; Durand and McGuire, 2005). Scholars have also identified that certain characteristics of the institutional environment, such as degree of heterogeneity or incomplete institutionalization, can act as enablers for opportunistic actors (Tolbert and Zucker, 1996; Seo and Creed, 2002; Dorado, 2005; Lounsbury, 2007; Mair et al., 2012).

Researchers, who have weighed in on the organizational characteristics as enablers of agency, have emphasized the role of organizations' position or status in the field. For instance, organizations at the periphery of the field (Leblebici et al., 1991; Haveman and Rao, 1997; Garud et al., 2002) or at the intersections of multiple fields (Phillips et al., 2000; Rao et al., 2000; Boxenbaum and Battilana, 2005) are portrayed as more likely to consider innovative strategic actions and deviate from established norms to initiate institutional change. Leca et al. (2008) also noted that specific characteristics of the organization, such as social skills (Fligstein, 1997) or reflexivity (Mutch, 2007), can play an important enabling role for the institutional entrepreneur. Finally, it is argued that the analysis of institutional change should extend to the individual level and tackle the issue of human agency in order to resolve the paradox of embedded agency (Battilana and D'Aunno, 2009). Individuals or groups of individuals may engage in institutional work (e.g., Fligstein, 1997; Maguire et al., 2004) and undertake divergent practices within a given organizational field (Battilana, 2006). Therefore, Battilana and D'Aunno (2009) suggested exploring the mechanisms that enable some individuals to diverge from dominant institutions. Overall, exploring the enabling conditions at multiple levels provides useful insights in explaining the endogenous change in the institutional environment. The enabling conditions justify why organizations in the same field are more likely to engage in similar activities; but also explain why organizations in the same field might not engage in institutional work to the same extent or why individuals embedded in the same organization in

the same organizational field are not equally likely to engage in institutional work (Battilana and D'Aunno, 2009).

Building on the above discussion, this thesis presupposes that enabling conditions influence actors' agency to engage in institutional work **[enabling conditions → agency]**. Such conceptualization helps to analyse why certain actors act as catalysts and take the lead in institutional change process (Leca et al., 2008). However, institutions are often the product of collaborative, contested or independent actions of multiple actors who operate at the same or different levels in the multi-layered field (Lawrence et al., 2011). To comprehend such institutional work, it requires agency to be conceptualized as a distributed phenomenon. The concept of distributed agency implies the involvement, interactions and conjoint activity of these actors, and reflects the social structure and context as they affect the distribution of agency throughout the system (see Giere and Moffatt, 2003 on distributed cognition). In that respect, individual actors' agencies are mutually responding counterparts of a distributed agency that produces collective action. Actors purposefully take actions on their own guided by their agencies. However, actions can also be taken in the interactions among multiple actors in the field (Mead, 1935), who attempt to make sense of their own situations, anticipate others' behaviour and seek to respond in a manner that could bring change in the field.

The example of 'interactive governance' explored by Muthuri and colleagues (2009) can be useful to shed light on the interactions that turn into meaningful collaborative actions in the emergence of an institution. Drawing on the theories of social action and interaction, they conceptualize that actions occur in the interaction among societal actors' *preferences*, *intentions* and *expectations* within a situated context. Actors' preferences influence their involvement in social actions (Coleman, 1990) and involve complex ordering of alternative choices shaped by existing societal practices as well as the level of desire to fulfil their own interest. Intentions refer to something that one wants and plans to do in order to achieve specific goals (Kooiman, 2003; Pederson, 2006). Actors seek to realize their intentions through actions. Expectations have to do with anticipated behaviours of the other which generate the criteria for assessing the outcomes of their own and others' actions (Oriova, 1982). An actor's inclination to specific actions is often

determined by reciprocal expectations (i.e., expectations about the other actor) and beliefs about the other actor's expectations about them. This thesis conceptualizes that actors' agency represents the amalgamated state of their preferences, intentions and expectations that they develop through making sense of the enabling conditions in the field, understanding the responsibilities and opportunities that come with their social status, and relating to their own specific strengths and weaknesses. Actors interact based on their differences and similarities in preferences, intentions and expectations – as they exercise their power, authority and influence – and develop collective intentionality or *we-intention* (Tuomela and Miller, 1988), manifested in subsequent plans for collective actions in order to achieve some common goals (Pederson, 2006).

The original definition of institutional work includes the phrase "purposive actions" which suggests a high degree of conscious intentionality. This allows researchers to analyse not only the effect of actions on the target institutions, but also to explore the set of actions or practices that are 'aimed' at affecting those same or other institutions, along with their potential impacts or lack of impacts (Lawrence et al., 2009). This thesis envisages that interactions among societal actors' agencies develop collective intentionality to engage in meaningful collective actions **[interaction of agencies → collective intentionality → meaningful collective actions].** Collective intentions direct the nature of goal-driven actions, and are usually informed by past experiences but also oriented towards the future (coordinating action plan) and towards the present (producing present behaviour) (Lawrence et al., 2009). While the concept of agency is sufficient to explain the change-driven actions conceived originally by the core actor(s), considering agency as distributed is useful to recognize the motives of other actors who subsequently join or exit the institutional change process. Considering the base assumption of enabling conditions driving agency, the concept of distributed agency also implies that institutional work of core actor(s) can act as the enabling condition for other actors (e.g., supporters, followers) in the field.

3.3.3 Process of Institutional Change: Institutional Work

Since the 1990s, a stream of institutional entrepreneurship studies has focused on developing micro-dynamic models of institutional change. Based on the empirical studies, these models make different proposals regarding how actors, institutions, and exogenous shocks interact to bring about institutional change (Boxenbaum, 2004). One model conceptualizes institutional change as incremental (Barley and Tolbert, 1997), in which actors develop new institutions by revising scripts – "observable, recurrent activities and patterns of interaction characteristic of a particular setting" (p.98). This model combines institutional theory with structuration theory and contends that institutionalization is essentially a continuous structuration process consisting of four stages: encoding the institution into scripts, enacting scripts in practice, replicating or revising scripts, and externalizing and objectifying scripts. Barley and Tolbert (1997) suggested that an actor's intentionality is more effective in causing change than the unconscious or unintentional deviation from a script. Another model of institutional change is global diffusion (DiMaggio and Powell, 1983; Sewell, 1992; Djelic, 1998; Scott, 2003), which suggests that institutions diffuse across fields and become 'new' institutions in the focal field through various possible modification processes such as translation (Djelic, 1998; Campbell, 2004), hybridization (Pietersen, 1994), bricolage (Campbell, 2004), diffraction (Djelic, 1998), allomorphism (Lippi, 2000), or adaptation (Zeitlin, 2000). A third model of institutional change describes precipitating jolts as antecedents of deinstitutionalization of an existing institution (Greenwood et al., 2002). Actors then make local innovations that are subsequently theorized and become institutionalized through widespread diffusion. As a whole, this model of institutional change contains six consecutive steps: precipitating jolt, deinstitutionalization, pre-institutionalization, theorization, diffusion and re-institutionalization. Tolbert and Zucker (1996) provided a similar account that says institutionalization precedes pre-institutionalization and semi-institutionalization stages representing four sequential processes: innovation, habitualization, objectification and sedimentation.

Most of these early studies of institutional change concentrated on the processual descriptions of institutionalizations: a series of categorical stages describing what

happens to the institutions, how they are transformed, what states they take on and in what order. In contrast, an alternative stream of research focused on the world inside the processes – "the work of actors as they attempt to shape those processes" to create, maintain and disrupt institutions (Lawrence and Suddaby, 2006, p.219). For example, in a review of empirical studies on institutional entrepreneurship, Leca et al. (2008) observed that creation of a new institution requires complex political and cultural work by major actors who develop diverse discursive strategies to mobilise allies in support of the institutional change (Rao, 1998; Fligstein, 2001; Greenwood et al., 2002; Lawrence et al., 2002; Hwang and Powell, 2005), mobilize tangible and intangible resources (Fligstein, 1997; Lawrence et al, 2005), and strategically organize action according to the context (Fligstein, 1997; Maguire et al., 2004; Dorado, 2005). Institutional work consolidated this practice perspective on institutional change in contrast with the process perspective on institutional change.

Based on an extensive review on institutional studies over a fifteen-year period, Lawrence and Suddaby (2006) proposed three broad categories of institutional work: creating, maintaining, and disrupting institutions, which together describe a rough life-cycle of institutional work that parallels the life-cycle of institutions (Tolbert and Zucker, 1996; Scott, 2001). They identified ten forms of institutional work associated with creating institutions, categorized into three types: "overtly political work in which actors reconstruct rules, property rights and boundaries that define access to material resources", "actions in which actors' belief systems are reconfigured" and "actions designed to alter abstract categorizations in which the boundaries of meaning systems are altered" (p.221). They also identified six forms of work aimed at maintaining institutions and three forms of work for disrupting existing institutions.

This seminal paper has led to widespread interest on exploring the creation of institutions from a work perspective. Perkmann and Spicer (2008) examined the role of institutional work in the institutionalization of management fashion and identified political work, technical work and cultural work as critical to this process. Tracey et al. (2011) showed a multilevel process of creating new institutions, which entails work associated with opportunity recognition at the first level, design and implementation of the intended institution at the next level,

and legitimization of the new institution at the final level. In an empirical investigation of the creation and maintenance of a CSR standard, Slager et al. (2012) identified three types of work in standardization – calculative framing, engaging and valorizing – that "support the design, legitimation and monitoring processes whereby a standard acquires its regulatory power" (p.763). In another study, Gawer and Phillips (2013) analysed how Intel Corporation engaged in both internal and external institutional work in the wake of shifts in industry logic, contributing to the field-level change while also adapting to the change internally.

Institutional work as an orienting concept has also begun to develop more integrative models of institutional dynamics that allow us to appreciate the varieties of work within the same context (Zietsma and Lawrence, 2010). Marti and Mair (2009) studied microcredit programmes in Bangladesh, showed the work of traditionally weak and dominated actors in addressing complex societal problems such as poverty, and identified how it required creation of new institutions while simultaneously disrupting some and enhancing others. The recent focus of the researchers is on exploring such messiness in institutional work and developing more integrative models (Helfen and Sydow, 2013). Another important stream of literature focuses on the degree of institutionalization by exploring concepts such as such as proto-institution, provisional institution or temporary institution. Proto-institution refers to the state of intended institution at its earlier (pre-institutionalization) stage, which "may become new institutions if they diffuse sufficiently" (Lawrence et al., 2002, p.281). In that respect, all successful institutions begin its journey as proto-institution. Marti and Mair (2009) highlighted that actors may conceive the idea of a provisional institution with the intention to achieve specific effects in the institutional environment. Actors may instigate such institutions either with an intention to deactivate those after accomplishing the objectives or under the assumption that other actors in the field may disrupt those in the future. Chaux and Haugh (2014) employed the term temporary institution to describe similar institutions. In their study on the institutional dynamics in a refugee camp, they conceptualized the refugee camp as a temporary institution which emerges in response to the emergency that will ultimately pass once the original crisis subsides. Whereas the proto-institutions are intentionally designed, developed and advocated by institutional entrepreneurs to be established as eventual full institutions, provisional or

temporary institutions are intended to serve for a limited time or purpose after which the institutions are expected to be deinstitutionalized (Marti and Mair, 2009).

The above are just a few examples from the now voluminous literature of institutional work. They show that the context, nature and actions required for institutional change vary significantly. Change is not a linear process, but takes an unpredictable path that demands adjustments to achieve the desired institutional effect. Institutional work, therefore, rejects focusing on successful instances of institutional emergence, rather on the actions that might or might not accomplish the intended institutional change (Lawrence et al., 2009, 2011).

3.3.4 Consequences of Institutional Work: Intended and Unintended

Institutional work is inherently purposive. Inclusion of *purposiveness* in the definition allows researchers to focus on "a set of activities", and not on "a set of accomplishments" (Lawrence et al., 2009, p.10). The purposive activities through which the intended institutional change is achieved may vary depending on the dynamic nature of relationship between the field and actors: key actors might manipulate the field in their own direction; key institutional workers may leave the process; actors may reinterpret the changing circumstances and redesign their actions to attain the desired institutional change. Institutional work suggests to look into these unintended or unanticipated consequences of intentional micro actions as well as whether and how they lead to the desired institutional change. Yet, analysis of unintended adaptations and mutations in institutional work have been captured in a few studies. Slager et al. (2012) showed how unforeseen consequences of different types of work are incorporated during the dynamic processes of standard design, legitimation and monitoring. They also showed how organizations continuously capture the effects of their institutional work and keep modifying the elements in their created institution to ensure the target actors comply with the institution.

A more theoretical approach in understanding consequences of institutional work is found in the work of Pawlak (2011). He argued that institutions are dynamic, and therefore one cannot conceptualize institutional change as a closed process

and identify the exact moment when the work is finished and desired institutional change is achieved. Thus, he suggested to evaluate the outcomes of institutional work against actors' intentions behind engaging in the institutional work. He contended that institutionalization according to the original intentions is *accomplishment,* which is a rare and apparently impossible occurrence, and proposed that institutional work may result in *failure*, *institutional compromises* and *constant reinstitutionalization*. Institutional failure is referred to as total abandonment of what is intended to be created. This can be caused by lack of material resources, incoherence with the institutional context, conflict with the dominant institutional logic, etc. Institutional compromise indicates relatively institutionalized practice which, during the course of institutional work, takes a form that is not originally intended institutional workers. It is suggested that most institutions are somewhat compromised as they are the "results of practices performed by actors with different (and sometimes opposite) purposes, motifs, interests, desires or beliefs regarding what is appropriate" (p.365). In the context of the coastal forest industry of British Columbia, Zietsma and McKnight (2009) showed how competition among industry leaders each promoting their preferred proto-institutions led to a final institutional arrangement that was the outcome of competitive convergence as well as collaborative co-creation. Constant reinstitutionalization is defined by Pawlak (2011) as a "state of an institutional field in which after triggering institutional work the institutional setting does not reach relative stability" (p.366). In this hypothetically possible situation, institutional work may deregulate institutional order but not to the extent that satisfies the relevant actors, who constantly engage in the reinstitutionalization process to reach stability (Greenwood et al., 2002)

Few studies also highlighted the unintended or undesired impact of institutional work on the broader institutional arrangement contradicting with the core initial intentions. Marti and Mair's (2009) study on the micro-credit programme for female borrowers in Bangladesh highlights that although such an institution for the poor increased income for the marginalized groups, it had a negative effect of increased violence to the female. In Khan and colleagues' (2007) study of a project on deinstitutionalizing child labour in Pakistan shows how 'success' in eliminating child labour led to loss of employment for a large workforce and plunged their families into abject poverty.

The above discussion suggests that the consequences of institutional work may occur at multiple levels: the unintended events associating purposive actions and how these are mitigated in the process; whether the work leads to intended institutional change or results in failure or institutional compromise; and the impact on the field or actors. The next section develops a framework for analysing institutional change with respect to a specific form of corporate-community engagement, which captures these multi-level consequences as well as the other important constructs in institutional work that have been discussed in this section**.**

3.4 The Analytical Framework for 'Emergence and Consequences of Corporate Instigation of Community-Based Organizations'

CICBO is an emerging CCI mode that this study intends to explore. The previous sections have set the context to employ institutional work as the theoretical lens to investigate CCI modes as company-level institutions, each of which reflect specific forms of corporate-community relationships. In particular, the institutional work lens is selected for this particular research as it allows: *firstly*, the study of the emergence of a CCI mode within the recursive nature of relationships among the existing institutional environment and organizational practices (Lawrence and Suddaby, 2006; Lawrence et al., 2009); *secondly*, the examination of agency, corporations' ability to operate independently of the determining constraints of the institutional arrangements, breaking the underlying assumption of limited or no agency as postulated in early institutional studies of CCI (Lawrence et al., 2009); *thirdly*, the analysis of field conditions that facilitate agency despite the institutional pressures towards stasis (Strang and Sine, 2002; Battilana and D'Aunno, 2009); *fourthly*, the examination of the micro actions, at both individual and/or collective actor(s), and the unintended adaptations and mutations in the process through which a CCI mode emerges; *finally*, the examination of the consequences of a CCI mode against the original intentions that trigger the actions for institutional change (Pawlak, 2011). Integrating the various concepts in institutional work as discussed in section 3.3, this section presents a framework for analysing the emergence and consequences

of the CICBO mode (Figure 3.1). Drawing on the core relationship among fields, actors and institutions, this framework defines and links the concepts of enabling conditions, (distributed) agency, actions and consequences in institutional work. The framework guides the examination of the emergence of a CCI mode as an organization-level practice within the situated context of the cases to answer the three research questions relating to antecedents, process and consequences of CICBO practice.

In this thesis, the field is conceptualized as a dynamic and socially constructed container of institutions and institutional arrangements comprised of regulations, norms and values that have effects on the actions of corporations, community or other actors in establishing corporate-community relations. However, institutional studies have increasingly given importance to the physical and social properties of geographical location within which the related institutional work occurs (Marti and Mair, 2009; Zietsma and Lawrence, 2010). Aligned with the nested conception of the field presented in sub-section 3.3.1, this thesis therefore presupposes that the field not only contains broader institutional arrangements that a company inherits from industry or national level but also the meaning system specific to geographical location where the company operates and interacts with the other social actors including community. Such a nested conceptualization of the field provides a useful lens to examine CICBO as a location oriented practice, which could as well be influenced by the broader institutional arrangements. The field, therefore, represents the totality of actors, institutions, institutional arrangements and geographical boundary that influence both corporations and other societal actors by providing them with the stock of knowledge to reach a common understanding of the present situation. This understanding can prompt practices, which we know as CCI modes, that are "developed empirically and adopted by (an actor or) a set of actors in order to solve recurring problems" in the field (Tolbert and Zucker, 1996, p.180), which may in turn set standards for future CCI actions in the field.

The framework considers the possibility of a dynamic actor configuration in the emergence path of a CCI mode, where corporation and community are the core actors while other societal actors may come and go in the change process. The CCI actors are considered as organizations rather than human individuals. Individual

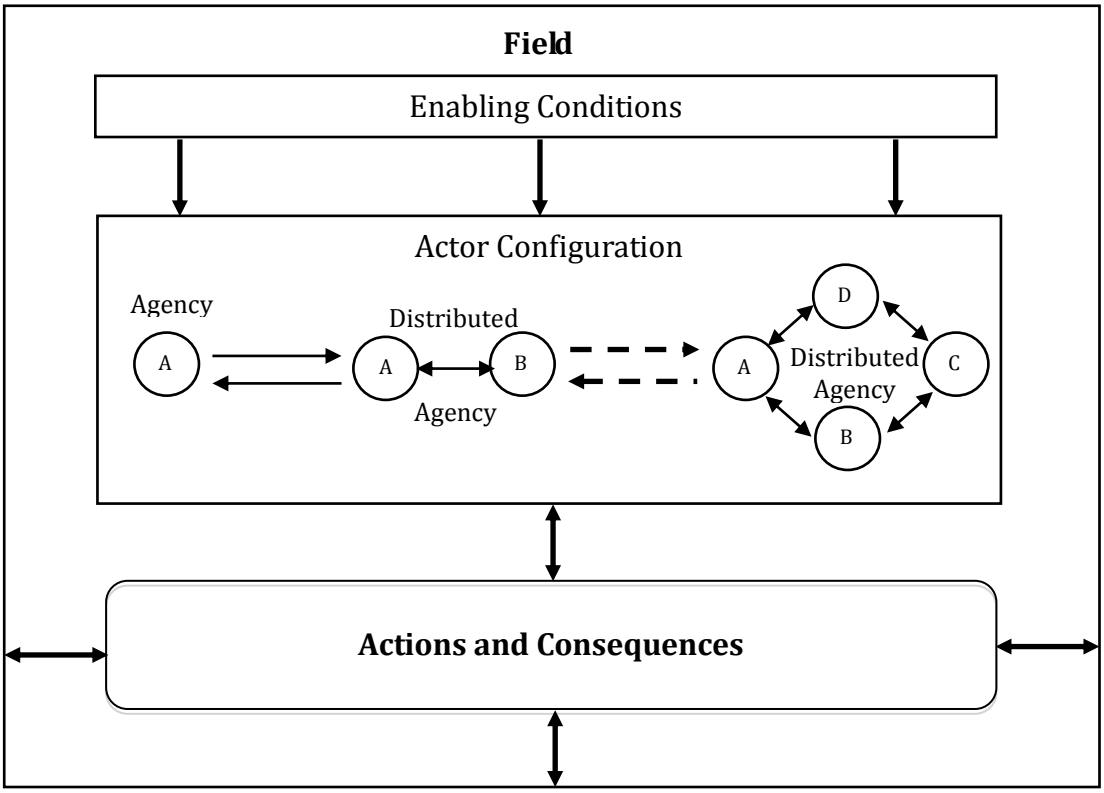
humans are considered as constituting collective entities, where the individuals (e.g., managers or CBO members) participate in the change process on behalf of the organizations (e.g., the corporation or CBO). The CCI literature perceives the companies as the key initiator for any CCI mode. In this sense, companies are the institutional entrepreneurs who "see in [new institutions] an opportunity to realize interests that they value highly" (DiMaggio, 1988, p.14) and initiate the change. A company may prefer to operationalize a mode by itself. Alternatively, the mode can be outsourced or implemented in collaboration with expert organizations (see chapter two, sub-section 2.3.2), in which case the external organization is considered as the 'implementer' in the process. Community is the intended beneficiary of CCI, who are often identified as 'peripheral or marginal actors with less resources' (Marti and Mair, 2009) but can also play important roles in the institutional change process (Marti and Mair, 2009; Muthuri et al., 2009; Tracey et al., 2005). In this thesis, community is defined in terms of locale, a group of people living in a specific geographical locality, i.e., operational area of the company (Marquis et al., 2007), who often share common values (Kepe, 1999) and social ties (Wilkinson, 1970) but also can be a collection of heterogeneous groups with different interests (Muthuri et al., 2009). A CBO, by definition (see chapter two, sub-section 2.5.1), represents a subset of this geographical community. A key enquiry of this research is to identify the roles of these CBOs, as well as the wider community in which they are included, in the enactment of CICBO. Other societal actors can play the role of 'supporters' who act as allies in the path of emergence (Garud and Karnoe, 2003). This thesis adopts an inter-organizational process view (Muthuri et al., 2009) to explain the emergence of CICBO and focuses on how CICBO emerges as an organization-level practice through the actions of and interactions among these various actors in a situated context.

The rest of the components in the framework correspond to answering the specific research questions.

RQ. 1: Why do corporations instigate CBOs as a mode of community engagement in their operational areas?

This question intends to explore the drivers and motives of the CICBO mode. The concepts of enabling conditions and agency are employed to explore the drivers and motives of the companies who initiate the community engagement process. Drawing on the core assumption of enabling conditions guiding agency for subsequent institutional change (Battilana and D'Aunno, 2009), the framework allows the exploration of how the institutional work required for CICBO unfolds within the contexts of selected case studies. The concept of enabling conditions is utilized to explore the contextual factors (i.e., institutional elements and events), both external and internal to the organization, which may drive the companies to diverge from the existing CCI practices and trigger their agency to bring change. Considering companies' embeddedness in a multi-layered field structure, external factors in the broader institutional environment (e.g., national-, industry- or stakeholder-level institutions and phenomenon) as well as those specific to geographical locations (e.g., famine, social unrest and community characteristics) are critical to understand the CCI behaviour of an organization.

Figure 3.1: The Analytical Framework for Emergence and Consequences of CICBO.



Source: Author's own

It is conceived that all actors in the same geographical location are influenced by, or aware of, the *locality-specific conditions*. However, not all of them are exposed to same broader institutional arrangements. For instance, corporations being profit-making and resourceful entities are bounded by more regulatory requirements than local government or NPOs with respect to community engagement. *Actor-specific conditions* are even more variable among the companies. For example, it is observed that domestic companies and MNCs do not experience similar regulatory pressures as well as societal expectations although operating within the same geographical location (Jamali, 2011). Companies whose operations have potential health or environmental hazards (e.g., the extractive sector) are in general more closely scrutinized by public that effects their community engagement strategy. Each company is also guided by their own rules, heritages and prejudices that significantly shape their approach to community. Exploring these three levels of enabling conditions provides a good starting point to understand the context that shapes company agency (motives) in adopting a new approach to CCI and the purposive actions that follow it.

RQ. 2: How does such a mode emerge through the interactions and actions of corporation, community and other societal actors?

The second question relates to the emergence of the CICBO mode and the thesis aims at providing a micro-process oriented explanation of such occurrence. The aim here is to collate the individual as well as collective purposive actions that comprise the institutional work. Each actor involved in the process has their own preferences and expectations shaped by the enabling conditions. The framework also recognizes distributed agency to reflect on the agencies of all these actors whose interactions lead to the development of collective intentionality that produces *collective* 'purposive actions' in the process. The framework thus allows capturing the coordinated actions as well as the dynamic actor configuration in the emergence path where actions of existing institutional workers can influence the entrance of new actors. For example, companies may mobilize other actors, i.e., supporters, in the field to create opportunities for solving community problems (DiMaggio, 1988; Greenwood and Suddaby, 2006; Battilana et al., 2009). Apart from identifying the actions of the companies as the key institutional worker in the emergence of CICBO mode, the framework also allows to analyse the

individual or coordinated actions undertaken by the community, CBOs and other societal actors whose entrance to the emergence path is guided by contextual reality as well as company actions.

RQ. 3: What are the consequences of such a CCI mode?

The final research question focuses on the outcomes of the CICBO mode. Drawing on the literature of the consequences of institutional work (sub-section 3.3.4) and consequences of CCI (section 2.4), the framework allows to capture the consequences at three distinctive levels: action-level, institutional work-level and institution-level.

At the action-level: Besides the intentional actions of institutional workers, this research also focuses on the unintended adaptations and mutations that these actors conduct to accomplish the desired institutional change. The framework essentially allows capturing of the unintended consequences in terms of the occurrence of unintended and unwanted events as well as the revised and/or deviated set of actions that are undertaken by the actors to mitigate them. Such analysis sheds light on the adverse consequences or challenges encountered and incorporated to enact a CCI mode.

***At the institutional work-level*:** Such consequences are more related to the success or failure of the overall institutional project. There are two different aspects of it. The first aspect is whether the institutional work leads to successful creation of an institution as originally intended by the institutional entrepreneur or results in failure or a significantly different institution. From the CCI perspective, this implies whether a mode is operationalized or institutionalized as it has been framed initially or ends up in a separate practice.

The other aspect to consider is whether the institutional work is able to deliver the benefits that are targeted by the institutional entrepreneur. In light of the discussion of CCI consequences (see section 2.4), this study specifically aims to analyse such consequences of CICBO on CCI actors in terms of achieved benefits as well as the surfacing challenges. In general, there is no consistent framework in literature to evaluate the benefits of various CCI actors engaged in the process.

Company benefits from CCI are mostly linked with their financial performance (Orlitzky et al., 2003), which is a dominant area of discussion in the studies of CCI consequences. Community benefits, on the other hand, received less attention in academic research except a few (e.g., Moon, 2001; Muthuri et al., 2009, 2012). Recognizing that gap, this thesis draws on various capital frameworks employed in community development literature (e.g., Flora and Flora, 2004; Roseland, 2012) and identifies a variety of capital to evaluate the outcome of CCI mode for corporation, community as well as other societal actors. The adoption of the capital framework is justified by the fact that the primary intended benefit of any CCI activity is to improve or maintain the quality of community life by investing company resources in improving various capital of the community. The literature suggests that, from philanthropy to transformational forms of engagement, the consequences of CCI activities are observed in the change in *natural* (e.g., natural resource management, reducing adverse impact on natural resources), *physical* (e.g., infrastructure, equipment), *economic* (e.g., finance, employment, income), *human* (e.g., knowledge, skills, competencies), *social* (e.g., trust, network, cohesiveness) and even *political* (e.g., access to societal governance) capital of the community in varying degrees. The consequences to the community are therefore evaluated through the observed/perceived changes in these capital achieved through the process and any unwanted developments associated with it. As institutional entrepreneur, benefits to the companies can also be explored using the same capital framework by evaluating change in any of these capital in relation to their respective motives. The same is applicable for other embedded actors in the process.

At the institution-level: The new institution or institutional change may also affect the field as well as the constituent actors in ways that are not envisaged by the institutional entrepreneur (see sub-section 3.3.4). The framework allows to explore whether CICBO disrupts existing institutions in unintended ways or garners interest from other actors to adopt similar forms of community engagement in the locality (Maguire et al., 2007). The focus here is limited to identifying such effects at the local level. The implications of this practice at industry and national level in terms of change in the existing CCI arrangements or its widespread acceptance through recognition is beyond the scope of this study.

3.5 Conclusion

This chapter has provided an overview of the existing theoretical perspectives on CCI and developed an analytical framework to answer the research questions by employing institutional work as the theoretical lens. The critical appraisal of the instrumental, normative and strategic perspectives on CCI has revealed their common weakness in neglecting organizations' relationships with the dynamic institutional environment in which CCI takes place. The institutional perspective on CCI is shown to overcome this weakness. The institutional account of CCI explains adoption of CCI practice as a response or conformance to exogenous institutional pressures. It also explains the isomorphic CCI behaviour that is often observed across companies. Yet, relying on the early neo-institutional stance that emphasizes how institutions shape actions, the emergence and evolution of diverse CCI modes remains a grey area in such institutional analysis.

In this chapter, I advocated the application of institutional work to investigate the emergence of CCI modes. Rather than considering CCI as organizational actions solely constrained by the institutional environment, I considered each CCI mode as an organization-level institution. This conception allows identification of the purposive actions of various actors through which such institution emerges in a situated context. A detailed review of the various constituent concepts in the umbrella concept of institutional work has been presented. An analytical framework has been developed at the end that combines those concepts in a way that guides the examination of antecedents, the process and the consequences in the emergence of the CICBO mode within the situated context of the cases.

CHAPTER FOUR
Research Methodology

4.0 Introduction

This chapter describes the research methodology employed to meet the research objectives and investigate the research questions. The main objective of this study is to explore a particular CCI mode referred to as Corporate Instigation of Community-Based Organizations (CICBO). As argued in chapters one and two, such a mode is growing in examples in the developing world, yet has not drawn significant attention from CCI scholars. To address this gap, this study entails an in-depth investigation of how companies in developing countries engage in purposive actions and interactions with community and other societal actors through which such a mode emerges, the situated context within which those actions and interactions take place, and the associated outcomes. The research poses three questions to theorize this emergent CCI mode:

> ***RQ1.*** *Why do corporations instigate CBOs as a mode of community engagement in their operational areas?*
> ***RQ2.*** *How does such a mode emerge through the interactions and actions of the corporation, community and other societal actors?*
> ***RQ3.*** *What are the consequences of such a CCI mode?*

Conceptualizing CCI modes as organization-level institutions, an analytical framework is presented in chapter three that incorporates three key components of the investigation: antecedents, process and consequences. In accordance with the nature of the enquiry and my philosophical assumptions about understanding the realities, I chose a multiple case study method within the framework of the qualitative research approach.

The chapter begins by describing the research philosophy behind my methodology (section 4.1) followed by the technical aspects (section 4.2). The

data generation techniques and data analysis process are discussed next (sections 4.3 and 4.4). The chapter ends with a summary of the reliability, validity and transferability of the research (section 4.5), reflecting on the research ethics pertinent to the study (section 4.6) and finally outlining the limitations of the research (section 4.7).

4.1 The Research Methodology

The research methodology concerns philosophical issues that guide the selection of strategy for conducting the research enquiry (Neuman, 2003). Based on the methodology, specific techniques are employed by the researcher to generate and analyse the data. In that respect, methodology reflects the research design at the conceptual level, whereas methods are used to conduct the research in practice. The conceptual aspects of this research are presented in the next sub-sections.

4.1.1 The Research Philosophy

An enquiry in social research process generally starts with some philosophical standpoint or "knowledge claims" of the researcher (Creswell, 2003, p.8) regarding the nature of knowledge or reality of the social world (ontology), and how individuals come to know and understand this world (epistemology) (Creswell, 2003; Gray 2005; Crotty, 2010). The ontological debates concern whether 'reality' can be described as either objective or subjective (Morgan, 1983; Hassard, 1991). Researchers, who view reality as objective, believe that social phenomena exist independently of individuals (Bryman, 2004). In contrast, researchers who view reality as subjective believe reality to be socially constructed (Robson, 2002), i.e., social phenomena and their meanings are created by social interaction between actors. The ontological positioning of the research informs its epistemological grounding. Positivism, a traditionally 'scientific' approach, aligns with the objective nature of knowledge/reality that can only be viewed from direct observation and experience (Robson, 2002). In contrast, the interpretivist perspective concerns interpreting and understanding social phenomena through the meanings that people attach to them (Greenhalgh, 2001). In this way, interpretivism is linked to constructivism, and claims that truth and

reality do not just exist out there, rather those are perceived and created by the subject's (researchers or participants) interactions with the world, i.e., "meaning is not discovered but constructed" (Crotty, 2010, p.42). The social world is 'constructed' by individuals and groups who create the 'reality' in which they operate. Within this subjective reality, the interpretive paradigm guides to identify underlying patterns and order within the social world (Morgan, 1980). This informs the ontological and epistemological bases of this research.

This research is exploratory in nature. I wanted to investigate the emergence and consequence of a social phenomenon that lacked attention from contemporary researchers. I aimed to understand the overall historical, socio-economic, cultural and political context in which the necessity of a particular CCI mode was felt, describe the processes through which it was put into practice within that context, and comprehend the outcome of such practice. The discussion in chapter two indicates that CCI is an evolving concept and subject to varying interpretations both from the academician and practitioners. For example, the discretionary act of philanthropy that is considered as 'desired' from companies in the developed world is considered as 'required' in the developing world (Visser, 2006). The definition of 'community' itself is subjective and ambiguous (Kepe, 1999), as it has been defined in descriptive ways (e.g., as a corporate neighbour) (Altman, 2000; Dunham et al., 2002) as well as in normative ways (e.g., anyone affected by company operations) (Freeman, 1984). Individual companies' interpretation of responsibility towards community is also subjective (Arora and Puranik, 2004), reflected in the presence of diverse CCI modes within the same national, regional or local boundary (Moon and Muthuri, 2008). Yet, companies all over the world continue to adopt 'popular' community engagement modes such as philanthropy , making the causal relationship between contextual factors and selection of CCI mode increasingly fuzzy. Further, the community and other actors in the CCI arena, such as government and NPOs, each perceives the effectiveness of corporate social actions differently under the influence of their own interpretation of reality. As a result, what could be perceived as a 'good act' of a company in one context could be considered 'problematic' in changing social, cultural and economic conditions (Muthuri, 2008, p.141). Therefore, I consider the nature of reality in corporate-community engagement to be socially constructed, sustained or changed through actors' actions and interactions as they engage in CCI and

make sense of the human experiences against the backdrop of their cultural norms, belief systems and regulatory landscape.

The interpretive paradigm adopted in this research focuses on the creation of meaning within certain contexts, and how those meanings and experiences are understood to constitute social action (Spiggle, 1994; Schwandt, 2000; Baker, 2001). Conceptualizing a CCI mode to have emerged through institutional work implies that meaning is created by and for these actors in their interactions with the institutional elements as well as other actors in the field. The research aims to capture these meanings to explain the antecedents, process and outcome of the institutional work in CICBO, by capturing the perceptions of the research participants through conversations and interactions. I act as an interpreter and attempt to provide the subjective meaning of the context, action and impact in a manner that 'gives voice' to participants' 'constructions' or interpretations of the social world where CICBO emerges (Strauss and Corbin, 1990; Schwandt, 2000; Mason, 2002). I do not expect to discover the absolute truth equally shared among various actors (e.g., company, community, supporters) involved in the process. Rather I seek to identify and understand those actors, their roles and their realities, each of which might present a snippet of the whole truth. I then compile and compare those realities by blending with my subjective experience to construct a whole picture.

4.1.2 The Research Strategy

There are two main approaches, namely *qualitative* and *quantitative,* to design a social research study. The choice of research strategy is influenced by the nature of the perceived connection between theory and research implied by the research question, as well as the philosophical stance of the researcher for approaching reality (Bryman, 2004). *Quantitative approaches* are based on prediction, descriptions and prescriptions (Creswell, 2003), and used for more statistical enquiries mainly associated with the positivist approach in natural science. *Qualitative approaches,* on the other hand, are designed to explore, explain and describe a research subject (social phenomenon), which involves some form of interaction between the researcher and participants or research subject. Qualitative research comes from an interpretivist perspective (Neuman, 2003),

and concerns interpreting and understanding the subject. When combined with appropriate research methods (e.g., ethnography, case study, grounded theory etc.), the qualitative approach enables researchers to study a social phenomenon in its natural setting and interpret it in terms of the meanings that people (participants) attach to them (Denzin and Lincoln, 1994). The sources of information are based on texts, symbols and interpretation (Creswell, 2007), not on numbers or statistics.

CCI research has over the years valued positivist orientation (discussed in chapter two, section 2.4) and applied quantitative approaches to find the causal relationships in CCI practices, for example, between social and financial performances exclusively based on readily quantitative and measurable company-level data (see Margolis and Walsh, 2003 for a summary). Such studies, although appropriate for establishing trends and causality, can provide the researcher with limited understanding not only about the CCI agenda of the company, but also the meanings or perceptions various social actors apply to such practice in a given field. As discussed earlier, I favour subjective interpretation of the reality and intend to capture those contextual meanings rather than drawing objectively on the basis of hard scientific evidence (Bryman, 2004). It is because of such an interpretivist epistemological position and constructionist ontological orientation on the social phenomenon under investigation that a qualitative approach was considered fit for this study.

A qualitative approach enables me to understand and construct meanings of the realities of CICBO from the experiences of the research participants, and develop an understanding relating to the antecedents, process and consequences in the emergence of this mode. As the study is exploratory in nature with the primary objective being new theory development for an under-studied phenomenon, the qualitative strategy was fitted with an *inductive* approach for developing ideas and constructs from the field data. Inductive research entails an iterative process of data collection and analysis for generating new themes and avenues for progression of research (Parkhe, 1993), as opposed to a *deductive* approach where empirical data from observation or experiment is used to test a hypothesis/theory about the social world drawn from existing theories. Grounded theory is a prominent mechanism to achieve that (Glaser and Strauss, 1967; Glaser, 1978,

1992, 2002; Strauss, 1987; Strauss and Corbin, 1990), especially when no established theoretical framework exists on the research subject (Partington, 2000), and particularly suited for "the study of local interactions and meanings as related to the social context in which they actually occur" (Pidgeon, 1996, p.75).

I followed the *original view* of the grounded theory approach for developing theory from inductive themes and constructs using the interpreted data only (Glaser and Strauss, 1967; Glaser, 1978, 1992), which "insists that the codes and categories emerge directly from the data" (Reichertz, 2010, p.215). In that respect, I positioned my research away from the *later view* of grounded theory (Strauss, 1987; Strauss and Corbin, 1990) that takes an abductive turn in data collection and analysis where "theoretical pre-knowledge flows into the data's interpretation" (Reichertz, 2010, p.215). Adopting the original view of grounded theory led me to enter into a reality with very little preconceived notions (Pettigrew, 1997), offering complete scope for newer themes in the research setting to emerge and shape the development of theory through a series of data analysis stages. For successful inductive research based on grounded theory, it is imperative to access the field without prior hypotheses to avoid bias (Pettigrew, 2000; Baker, 2001) and immersion in data to guide theory formation (Glaser, 1992). My preliminary desk research suggested that CICBO is an emerging phenomenon in developing countries. Although various concepts around the core construct of CCI (e.g., drivers, motives, modes, benefits) have received significant attention from social researchers, CICBO remains an under-studied instance in CCI as well as in institutional studies. Therefore, I needed the 'flexibility' offered by the grounded theory mechanism to be free from the 'boxed ideas' of rigid predetermined analysis categories (Partington, 2000), and to explore and understand new causal relationships between context, phenomena and implication that are considered more important by the research participants during the field visit. This research strategy also conforms with my choice of relatively open theoretical perspective based on institutional theory and institutional work. As explained in section 3.1, applying institutional lens to CCI offers the opportunity to analyse CCI beyond the confines of the particular management theories. I went to the field with the aim to generate as much information as possible about CICBO without limiting the focus to single issue (e.g., stakeholder management, resource dependency, financial performance) that

the particular school of management theories would have guided. I considered research participants as the prime knowledge holders about their own realities. I listened to their experiences, looked at the documents they produced and held their stories. Since social realities are constructed and therefore sometimes contested, I captured different realities perceived by different actors associated with the CICBO mode in the study areas, and built broader analytical categories and relationships about the socially constructed nature of realities (Taylor and Bogdan, 1984; Basit, 2003), representing the participants' views and my interpretation, and not biased by existing CCI theories.

4.2 The Case Study Research Method

This research adopts an in-depth case study method to capture the contextual richness and complexity of the phenomenon under investigation (Punch, 2005). According to Berg (2009), a case study can be described as: *"... a method involving systematically gathering enough information about a particular person, social setting, event, or group to permit the researcher to effectively understand how the subject operates or functions." (p.317).*

A fundamental problem of the case study method is to define the actual "case" (Yin, 2009, p.29). A clear definition of the case is important in order to distinguish data concerning the subject of the case study from data external to the case (the context) and therefore to determine the scope of data generation. The 'case' can be something to be studied, such as a group of people, a programme, a place or an institution; in this case it is the phenomenon of "*instigation of community-based organizations by a corporation*".

The case study method is useful to study real life continuous phenomenon over which the researcher has little control (Yin, 2009), which is rich in information that is yet to be known (Patton, 2002), and especially where researchers deliberately want to cover contextual conditions (Pettigrew, 1997; Dacin et al., 1999) – all of which are highly pertinent to this research. The case study method allows retention of the holistic and meaningful characteristics of real-life events (Yin, 2009). For that reason, case studies are often favoured with the qualitative approach for the generation of intensive, detailed examinations of a case (Yin,

2009). In addition, the development of "rich, detailed case studies" has been identified as an important and useful tool in both institutional work (Lawrence et al., 2009, p.2) and CCI studies (e.g., Muthuri et al., 2009; Lange and Kolstad, 2012; Arli and Cadeaux, 2014). Consequently, a case study method was deemed more appropriate for meeting the aims of this research.

A case study can contain more than a single case. When this occurs, the study is classified as a *multiple case* design which is regarded as more robust to develop the arguments and to ensure the validity, reliability and effectiveness of the research (Bryman, 2004; Yin, 2009). When multiple cases are used to examine a given phenomenon, a process of replication is understood; each case may either predict similar results – a *literal replication,* or contrasting results – a *theoretical replication* (Yin, 2009). Informed by the initial research, this research adopted a multiple case study method where two different oil and gas companies were chosen as representative cases to exemplify their involvement in instigating CBOs in their operational areas. These cases were not exclusively connected as literal replications, rather it was anticipated that the cases may also represent certain distinctions. Companies may be motivated by various external factors that can vary among different localities as well as internal factors that can vary among different companies. It is also plausible that different companies may instigate CBOs from completely different motivations. The process of how CBOs are organized and persist to serve the interests of both the community and the company may also vary from case to case. Specifically, the research performed a non-comparative evaluation where two or more cases are studied by the use of relatively identical methods to identify the similarities and the differences in the cases (Warwick and Osherson, 1973), and then make cross-case conclusions relating to antecedents, process and implications of the CICBO mode.

Despite the obvious benefits of the case study method, critics make the accusation that the findings from case studies are not generalizable (Yin, 2009). Such criticisms are based upon traditional sampling theory that highlights the representativeness of the sample (Bergen and While, 2000). However, the key purpose of this research is not generalisability, rather the quality of theoretical reasoning – the degree to which the data supports the theoretical arguments that are presented (Bryman, 2004). Learning potential is more important here than

ensuring representation (Stake, 1995). When case studies are properly undertaken, they should not only fit the specific phenomenon studied, but also provide general understanding about similar phenomena (Berg, 2009). One of the main criteria for selecting the cases in this research was the potential of learning from the cases so that analytical generalizations can be made, whereby the results may be transferrable to some broader theory and left for testing via other case studies (Yin, 2009). Therefore, any theoretical understanding developed from this case study, as we shall explore in chapter seven, may well be applicable to other cases of CICBO and similar CCI modes. The next sub-section explains the case selection process.

4.2.1 Selection of the Cases

Selecting the cases is one of the difficult processes when research takes place in natural settings, as the selected cases must not only have the sufficient potential to infer analytical generalization for the other cases (Yin, 2009) but also have to be accessible to the researcher (Tutty et al., 1996). This research was conducted on two oil and gas companies in India, namely Oil India Limited (OIL) and Cairn India Limited (CIL), with an aim to develop a better understanding of the CICBO mode in the context of developing countries. These two companies were implementing CCI projects for organizing and supporting respective local communities in their operational areas into CBOs in the form of livelihood focused self-help groups. The projects were ongoing during the time of this study. The cases represented a mix of processes, people, interactions, and structures of interest from which most could be learnt about the CICBO phenomenon (Marshall and Rossman, 2006).

The case selection process started in early 2012 by identifying the oil and gas companies operating in India who had experiences of instigating CBOs. The oil and gas sector is one of the six core industries in India, and at least 11 major domestic and multinational oil and gas companies were operational in November 2011 (Indian Brand Equity Foundation, 2012). I started reviewing the documents in the public domain and information available on the company websites. The initial data generation identified only three companies who were involved in the CCI projects that could be considered as CICBO. These included two public companies, OIL and ONGC, and a multi-national subsidiary CIL. I contacted the key personnel

responsible for implementation of the respective projects through email. Based on the initial response from Oil India Limited and Cairn India Limited, I embarked on initial data generation process using interviews (via email) to develop a primary understanding of the processes used by these organizations in designing and implementing the respective CCI projects, i.e., Project Rupantar of OIL and Dairy Development Project of CIL.

Later, during my field visit in India, I also came to know about Project BIJ (Bharat-India Jodo) of Reliance Industries Limited. A component of the project was aimed at empowering marginal farmers through developing CBO-oriented sustainable livelihoods. However the project was conducted in different parts of India with no connection to the operational areas of the company's oil and gas blocks. One of the primary objectives of this research is to understand the dynamics of context and interactions through which the CICBO mode exclusively emerges within the localities where extractive sector companies operate. It became apparent during the primary correspondence that Project BIJ does not qualify as an ideal case to explore such dynamics. In the end, Project Rupantar and Dairy Development Project were selected as the cases to present in my research. The two cases are briefly introduced next.

4.2.2 Introduction to the Cases

- ***Project Rupantar in Upper Assam by Oil India Limited***

Oil India Limited is a public sector oil and gas exploration and production (E&P) company in India, ranked 7th in the country on the basis of market capitalization. The genesis of OIL can be traced back to 1889 when Assam Railways and Trading Co. Ltd (AR&T) discovered the Digboi oilfield in Upper Assam. A refinery at Digboi was commissioned in 1901, and a new company – Assam Oil Company (AOC) – was formed in 1899 to look after AR&T's oil interests. In 1921, the Burmah Oil Company Ltd (BOC) of the UK started to take over the control of AOC operations in a phased manner. While AOC/BOC continued the development of the Digboi oilfield, the search for new oilfields continued pre- and post-Independence era. The first oil discovery of independent India happened in 1953 at Nahorkatiya near Digboi and then at Moran in 1956. A promotional agreement was signed between

AOC/BOC and the Government of India (GoI) in 1958, and Oil India Private Limited was formed to exploit the oil resources found in these two fields and also to accelerate oil exploration in the North-East India. In 1959, OIL was registered as a Rupee Company with two-thirds of shares owned by AOC/BOC and one-third by the GoI. By a subsequent agreement in 1961, a joint venture company (JVC) with equal partnership was formed. OIL remained a JVC for over two decades and became a wholly owned GoI enterprise in 1981. Though the nature of ownership changed from the private sector to the public sector between 1959 and 1981, OIL in essence retained its name and continued to carry out its core activity as an E&P company. Because of continuous exploration prospects over one century, Assam remains the focal point of OIL's operational activities. By 2012, seventeen out of the total twenty-one production blocks operated by OIL were in Assam. The highly productive trio of oilfields at Digboi, Nahorkatiya and Moran are located in the administrative division of Upper Assam.

Low income, mounting unemployment and poverty have always been the key areas of concern for Assam. The poor socio-economic condition of Upper Assam is characterised by low agricultural productivity, poor infrastructure, tenuous communications and nascent level of industrial activity. 70% of Assam's workforce is employed in the agriculture sector. However, the small size of farms, the weakness of traditional farming methods combined with low levels of mechanization, non-availability of credit especially to marginal farmers, and the regular occurrence of floods and natural calamities have been important factors behind low agricultural productivity. On the other hand, infrastructural problems, shortage of capital, lack of appropriate forward and backward linkages, frequent periods of strife and poor transportation links with the rest of the country meant slow growth in the underdeveloped industrial sector. Apart from the tea estates and two E&P companies, Assam has few industries of significance that can ensure enough employment in the region, especially for the ever-growing young educated group. Industrial growth is further inhibited by its physical and political isolation from neighbouring countries. The region is landlocked and situated in the eastern most periphery of India and is linked to the mainland of India by a flood and cyclone prone narrow corridor with weak transportation infrastructure. The grim economic picture is compounded by the fact of decades of unrest, agitation and insurgency. Historically, state government has not been resourceful enough to

provide basic services, infrastructure and development in the locality. All these factors have over the years generated a sense of dependency on OIL from community for their attainment of social entitlements. By 1999, Assam's per capita income dropped to 45.5% lower than the national average. In early 2000, Assam had an extremely high proportion of its population living in poverty with more than a third living below the poverty line.

In this context, OIL initiated Project Rupantar (an Assamese word meaning *Transformation*) in September 2003, aiming at providing the unemployed youth and women in rural areas the opportunity to become self-employed. The project was launched in collaboration with the State Institute of Rural Development (SIRD), Assam[3], for providing sustainable sources of livelihood to the target community residing in and around OIL's operational areas in Upper Assam through creation of SHGs and focused investment in the agriculture and allied sectors such as fishery, sericulture, organic farming, and other allied activities like duck farming, pig rearing, goat farming, dairy farming, handloom, and small business. The Action Research phase of the project continued for three years, the success of which led to the extension of the project in two stages until 2013. Between 2003 and 2013, the project formed 1150 SHGs impacting on the lives of more than 130,000 young people and women in Upper Assam (OIL Annual Review, 2014).

- ***Dairy Development Project in Barmer, Rajasthan by Cairn India Limited***

Cairn India Limited is one of the largest private sector oil and gas E&P companies in India, ranked 6th in the country on the basis of market capitalization and contributing approximately 27% of India's domestic crude oil production. CIL was incorporated in 2006 as a subsidiary of UK–based Cairn Energy PLC. Cairn Energy PLC was founded in 1979 with operational focus in the UK, Vietnam, Spain and New Zealand. Cairn's focus turned to South Asia when Indian oil and gas industry deregulated in the early 1990s. In 1996, Cairn acquired Command Petroleum – an Australian company operating in India, and became the operator of Ravva offshore field in Eastern India. Cairn was one of the first foreign companies to invest in the

[3]An apex centre initiated by the government of India for research and training in rural development and implementation of community development projects in various areas within Lower Assam.

Indian oil and gas sector. Between 1997 and 2002, Cairn acquired 100% exploration interest in Rajasthan Block and became sole operator, which subsequently proved to be the most rewarding asset in India (CIL Annual Report, 2011-12). By 2005, more than 25 discoveries were made in Rajasthan with a potential resource base of 7.3 billion barrels. The Mangala field – considered as the largest onshore hydrocarbon find in India in the last two decades – was discovered in January 2004, which provided the basis of Cairn's future development in India. International Finance Corporation (IFC)[4] financed the development of Mangala field. Within five years of discovery, Cairn successfully took this project to production in 2009. In the process, Cairn India Limited was formed to look after the business interests of Cairn Energy PLC in India. At present, CIL has a portfolio of nine blocks – seven in India and one each in Sri Lanka and South Africa.

The Rajasthan block is spread over 3,111 sq.km. in the Barmer district along the Great Indian Thar Desert. The district is divided into four sub-divisions namely Barmer, Gudhamalani, Balotra and Sheo. As per the GoI Census 2011, the district had a total population of approximately 2.6 million living in 1,933 villages with a literacy rate of 58%. Being positioned in the sensitive border region of Pakistan, the region experienced regular influxes of refugees during the Indo-Pak wars of 1965 and 1971. The physiography of the area is characterised by vast sand covered uneven terrains, scarce and saline water sources, low rainfall and extreme temperatures. The communities live in small clusters (known as *Dhani*), which are near to their farmlands and separated from each other by vast distances. The state government often faces huge challenges in the provision of basic amenities to the local population due to scattered settlements. Barmer is one of the most economically laggard districts in Rajasthan (Sharma and Arora, 2012). Agriculture, which is mostly rain-fed, is the main livelihood activity followed by cattle rearing. The vegetation is sparse with scattered areas of cultivation and restricted to those crops that consume less water. The fragile geosystem means frequent occurrence of drought and famine – locally termed *Akaal* – contributing to the perpetual poor socio-economic condition. The socio-economic challenges are further escalated by

[4]A member of the World Bank Group aims to foster sustainable economic growth in developing countries by financing the private sector, and providing advisory and risk mitigation services to businesses and governments.

lack of roads, transportation facilities, electricity and communication means as well as general lack of education and social awareness.

The Mangala plant development required permanent land acquisition from the local community, which caused immediate loss of livelihood for them. Following IFC's rehabilitation and resettlement agenda for land contributors, the Dairy Development Project was conceived to provide alternative self-employment opportunities for the project impacted locals. DDP was initiated in January 2007 in collaboration with a local NGO (Society to Uplift the Rural Economy) as a three-year project in selected villages of Barmer. By the end of 2007, more than 600 dairy farmers were registered in 13 SHGs. The project was further extended for three years in 2010. By 2013, the project impacted on more than 1500 households in Barmer (CIL Sustainability Report, 2013-14).

4.3 The Data Generation Process

Aligned with the ontological and epistemological positioning of this research (discussed in section 4.1), I employed multiple qualitative data generation techniques (Yin, 2009) to capture the multiple perspectives and generate "thick description" on the cases studied (Geertz, 1973, p.27). Qualitative techniques such as semi-structured interviews and FGDs were utilized to generate primary data from the respondents. In addition, I gathered relevant secondary data from a wide range of internal and external documents.

The sampling of respondents for primary data must fit the purpose of the study, the resources available, the questions being asked, and the constraints being faced (Patton, 2002). The main objective of the research is to understand why and how the two selected companies instigated CBOs within the situated context. By considering the points mentioned by Patton (2002), I used purposive sampling to select unique information-rich respondents for in-depth investigation of the subject. As discussed in section 3.4, a CCI mode is manifested through the purposive actions of and meaningful interactions among the company, community and other social actors. Based on the initial data generated from secondary data sources before the field visit (see detail in sub-section 4.3.3), I identified four different groups of actors engaged in the projects, who were selected as the

sources for generating primary data. The *first* category includes the company personnel (e.g., representatives of top management, department heads, senior managers, project committee members) who were directly or indirectly involved in managing the project. Local community members represent the *second* category. I included the members of the CBOs to get their views on the project activities, benefits and challenges. This category also includes the community members who did not participate in the project or eventually discontinued, to obtain valuable insights on the challenges associated with the process. The *third* category includes representatives from the collaborating organizations who assist companies for the implementation of the CICBO mode as well as those providing various services to the CBOs. The *fourth* category of respondents includes individuals from the study communities (e.g., volunteers, social activists, members of local government) who are some of the important actors engaged during design and implementation of the projects.

Considering the cost and accessibility (e.g., visa) issues of conducting field visits in a foreign country, a six-week field visit was arranged between August and September 2012. Within this short period, I arranged visits to four major States (New Delhi, Assam, Hyderabad and Maharashtra) in different parts of India. Before leaving the UK, I informed the Public Relations (PR) Manager of OIL (respondent O3) and the CSR Manager of CIL (respondent C3) about the four categories of respondents I wished to include in my research. I received cordial assistance from these two persons throughout the field visit period in India and afterwards. They provided guidance to schedule the meetings with groups and individuals based on my criteria. They also organized the initial meetings with company representatives from the relevant departments as well as other categories of respondents. A snowball/chain sampling method (Goodman, 1961) was followed in the field to identify further respondents from the initial sets. Being a foreigner, it was challenging for me to organize meetings with the community on my own. O3 and C3 were generous enough to arrange transportation, accommodation and local contacts when required. O3 also accompanied me in various FGDs arranged in sensitive localities of Upper Assam.

4.3.1 Semi-structured Interviews

Semi-structured interviews were selected as a quick way to generate data from individual respondents, especially on the subjects that could not be directly observed such as past events, the meanings people ascribed to their experiences or how they organized the world (Patton, 2002). Interviews were aimed at exploring individual beliefs, perceptions, attitudes and opinions using interview guides for all categories of respondents (see Appendix 2 for the interview guides).

The interviews were guided by mainly open-ended questions arranged in broad thematic order. These themes are consistent with the key components of the analytical framework presented in chapter three. Some of the themes were common to all categories of respondents, whereas some were asked to specific respondents. For example, I asked company representatives about the context in which the project was initiated, major design and implementation steps, regular activities, challenges, benefits; whereas collaborating organization members were asked about their intentions and motivations to get involved in the project, level of contribution, challenges, benefits, etc. The semi-structured interviews allowed the flexibility for adjustment according to the development – questions could be altered and additional questions could be added when necessary (May, 1997). Within the interview setting, I collaborated with the respondents to understand the meanings associated with a particular theme. In line with the pure inductive approach followed in the original view of the grounded theory mechanism, I wanted the respondents' answers not to be influenced by my understanding of various concepts associated with CCI. I carefully removed such bias in my interview questions to avoid 'putting words in mouths' of the respondents, but rather to attend to viewpoints that come naturally to them (Tracy, 2010, p.844). Such an approach was consistent with the interpretive research, focusing on rich, in-depth data in the form of stories, examples and accounts of how individuals understand their own experiences, and provided the foundation for sound theory building and future recommendations related to the development and implementation of the CICBO mode.

Face-to-face interviews were conducted mainly with the first (company), third (collaborating organization) and fourth (other societal actors) categories of

respondents, who were involved with the design, implementation and maintenance of the CCI projects in various capacities. However, telephone interviews and email communications were utilized when a person was not available for the face-to-face meeting during the limited time-frame of my stay in the particular location. While FGDs were preferred as the primary mode of data generation for the second category respondents (discussed in sub-section 4.3.2), in some cases I interviewed individuals, usually the authoritative figures of the CBOs. In the case of DDP, I was not permitted to visit the project villages. The company officials perceived that due to different religious belief, my physical presence might create unnecessary tensions in the predominantly Hindu local community. Therefore, I conducted telephone interviews with CBO members. In the case of Project Rupantar, several individual CBO members were interviewed face-to-face mainly because it was not possible to gather other members in a common place at short notice.

The respondents' interviews were conducted in a variety of places including their offices, at their homes, during the road trip to some villages, even in the field when they were working. Interviews with the company and implementing partner were conducted in English. However, the community and other local actors such as village leaders were interviewed in their local languages (Assamese, Hindi) with the help of local interpreters. Interviews were mainly recorded using an electronic voice recorder only after the respondents orally consented for recording. Recording interviews allowed me to steer the interview like a natural conversation using the interview schedules as a guide. Most respondents were comfortable with the interviews being recorded. However, top management representatives from both the companies did not consent to recording, in which case I wrote the essence of the conversation in a notebook. All the interviews were transcribed verbatim. At the end of each day in general, I listened to the recorded conversations of the day and made a summary. The summaries were shared with C3 and O3 for the purpose of verification. These summaries also facilitated to pinpoint issues that needed further elaboration, which were further discussed with the respondents either in person or via telephone. If the particular respondent was not available, usually C3 and O3 attempted to shed light on the matter.

Table 4.1: Total Number of Interviews of Project Rupantar.

Participant Category		Field Visit Interviews	Post-Field Visit Interviews	Total
Category One	Company	3	-	3
Category Two	Community • Members of 5 SHGs • Non-participants	 5 8	 - -	 5 8
Category Three	Collaborating partner (SIRD)	2	1	3
Category Four	Individuals (facilitators, PRI, village leaders, etc.)	8	1	9
Total interviews of four categories of participants				**28**

Source: Author's own.

Table 4.2: Total Number of Interviews of Dairy Development Project.

Participant Category		Field Visit Interviews	Post-Field Visit Interviews	Total
Category One	Company	13	-	13
Category Two	Members of 3 dairy SHGs	5	2	7
Category Three	Collaborating partner (SURE)	1	1	2
Category Four	Individuals (PRI, village leaders, SARAS etc.)	4	1	5
Total interviews of four categories of participants				**27**

Source: Author's own.

Tables 4.1 and 4.2 provide an overview of the interviews of four categories of respondents (see Appendices 3 and 4 for the detail list). In total, 28 semi-structured interviews were secured with the key informants from Project Rupantar and 27 from DDP, representing approximately 75 hours of recording. A second round of review of the transcriptions, by listening to the interviews, was done after coming back to the UK. Further verification and elaboration of the facts were done with C3 and O3 through email correspondence and telephone conversations.

4.3.2 Focus Group Discussions

Focus Group Discussion (FGD) is an extended moderated discussion among a small number of selected individuals on a selected topic (Davies, 2008, p.100). I

conducted FGDs with the second category of respondents, mainly the CBO members. The purpose of the FGDs was to explore the respondents' experiences and views about the project. The 'group' aspect in the FGD was deemed particularly advantageous for this research as the respondents were in reality organized into groups to engage in livelihood activities. FGDs were further advantageous as the respondents felt comfortable in the presence of the known circle and showed confidence in the discussions. It also helped to extract a true recollection of the past events as individuals often challenged each other to reach a unified stance at the end. Similar to the semi-structured interviews with individuals, the FGDs were guided by open-ended questions arranged in thematic order. In general, CBO members were asked about their motivations to join the project, the process of group formation, internal governance, challenges in dealing with the company or conducting group livelihood activities, the perceived or observed benefits from the project, and future plans.

In total, three FGDs were conducted with the seven functional CBOs, currently or formerly operational under Project Rupantar. The seven CBOs represented difference in livelihood activity undertaken, age of the group, credit accessibility, and relative success or failure according to the project. Due to logistical difficulties, I could not arrange a FGD with non-project participants but had the opportunity to engage in informal discussion with individuals. These discussions helped me to understand why some community members did not choose to participate in Project Rupantar. The electronic recording and transcription of the FGDs followed the same routine as with the interviews.

4.3.3 Documents as Sources of Secondary Data

The documentary analysis of secondary data constituted a significant part of this research. This has been a continuous process throughout the research before, during and after the field visit. This is a quick way to gather retrospective as well as concurrent data about the CCI projects in question. The documentary analysis before and during the field visit was useful to define the criteria of respondent selection for primary data generation. Documentary analysis was extensively used for reconstruction of the context and historical developments to capture the emergence of CICBO. It has helped to develop a deeper understanding of the

dynamic institutional fields in terms of the broader institutional and CCI context in India, community engagement practices of oil and gas sector companies, locality specific context (e.g., socio-cultural, economic, political) where the companies were embedded and last but not least, business and CCI practices of the case companies. The secondary data has also been useful for the purpose of data triangulation.

Secondary data was collected from a variety of paper-based and electronic sources, some of which are available in the public domain (e.g., internet, library, book shop) while others are for restricted use – official documents or reports published by the companies. A full list of secondary data sources is provided in Appendix 1. The secondary data sources are classified into two categories:

- Materials relevant to the context of the case studies – the historical background of case locations and the companies, history of corporate-community engagement in India, and various formal policies at national or industry level impacting on community engagement. The sources include books, academic journals and conference papers, newspaper articles, government official publications, civil society organizations' publications and reports.
- Materials relevant to the overall CCI practices and selected CCI projects of the companies – the sources include annual reports, press releases, a variety of monthly publications, corporate responsibility reports, CSR magazine, CSR policy documents, project proposals, project booklets, MoUs with partner organizations, partner organizations' reports, monitoring and evaluation reports, books, media reports etc. I was not granted access to the materials that include meeting minutes or official memos related to the projects. It was also difficult to gather published materials from the earlier stage of the projects due to lack of systematic documentation and reporting on the chosen projects. More materials, in terms of quantity and information content, are available from the later stage of the projects as the projects became more structured in terms of regular monitoring and evaluation of the project.

Manual techniques were used for organizing secondary data to identify patterns (Hsieh and Shannon, 2005) that could answer the research questions posed in the study. Secondary data complimented by primary data have been used extensively in the empirical chapters.

4.4 The Data Analysis Strategy

I followed a five-stage approach of data analysis (Marshall and Rossman, 2006; Creswell, 2007; Daly, 2007): i) organizing the data, ii) immersion in the data, iii) coding the data, iv) generating categories and themes, v) making linkages in the data and offering interpretations. In practice, the data analysis represented an iterative process of moving back and forth between the different stages (Langley, 1999; Silverman, 2001; Gerson and Horowitz, 2002), leading to further generation of data and subsequent analysis until I was satisfied that the data analysis reached the "theoretical sufficiency" (Marshall and Rossman, 2006, p.220). Such an approach of analysis also embraced constant comparison of data within and between the cases, and allowed theorizing the phenomenon grounded in such data. Following the analytical framework presented in chapter three, the primary and secondary data were analysed against three basic units of analysis consistent with the three research questions: enabling conditions and agency behind CICBO, institutional work for enactment of CICBO as a mode and consequences. Here, I outline my approach to each stage of analysis.

- ***Organizing the data***

This step started with placing the raw data in a particular structure in my computer. For each case, I created separate folders with a sub-folder named as "raw data" holding the primary data (transcribed interviews and FGDs, field notes) and secondary data (electronic or paper documents). As I placed documents in the appropriate folders, I performed minor editing necessary to make them retrievable independently (e.g., assigning a type, date or title) as well as cleaned up what seemed overwhelming, unmanageable or repetitive. I started to build a log file in Microsoft Excel to identify what each document represents. For primary data, each entry contains the type (interview, FGD, field note) and keywords reflecting the discussion as well as date when, the places where, and the

persons/groups with whom they were gathered. For secondary data, each entry contains type (e.g., official report, newspaper article, journal paper, book), keywords reflecting the content, date of collection/entry and source (e.g., book name, URL for online data). A sample log file is presented in Appendix 7.

- ***Immersion in the data***

The next step was to read through all the data to obtain a "general sense" of the information (Creswell, 2007, p.186). I started to separate the information related to different units of analysis and put them in separate documents. For example, I identified key historical events leading up to the commencement of the respective CCI projects by reading through the raw data (especially the secondary data), consulted more secondary data if required, and amassed the relevant information (e.g., particular sections of the documents or segments of interview transcripts) in chronological order as they occurred. I also separated the information related to the description of the work performed by different actors during the projects and associated challenges perceived by the participants, as well as the overall outcomes of the projects. As I read through more and more data, the lack of continuity in the data became more visible. This led to more data generation following the discussions with C3, O3 and other participants. Eventually, an organizing narrative for each case started to emerge.

- ***Coding the data***

Coding is essentially a process of labelling segments of data. I started with *open coding* where I reviewed the textual data line-by-line and assigned the codes (labels) to those data segments that seemed to be potentially meaningful and important. Considering that a literature review had been completed for both CCI and institutional work, I came up with the series of questions that guided the coding process (Charmaz, 2003). For example, while coding through the data related to drivers and motives, I asked questions such as "What were the overall socio-economic conditions of the local community? How did the company generally get involved with the local community? Was there any historical event that had effect on community engagement and how? What were the contributions of other social actors (government, civil society) in community development? Was there any significant event that happened prior to the project?" Similarly, to identify the process of CICBO emergence, I sought answers for questions like

"What were the actors (company, community or others) doing? How did the context shape those actions? What did these actions take for granted? Was the action deliberately executed or did it emerge as the process progressed?" Particular attention was given to preserving respondents' meanings through *invivo codes,* which are the "special terms" used by the respondents (Charmaz, 2006). For example, respondents from the company used the term "facilitators" to describe the group of paid or unpaid individuals within the community who helped the company to mobilize target community members into forming CBOs. As my analysis deepened through the process of coding transcripts and secondary materials, similarities in the descriptions of events and activities became evident. I traversed around the initial codes and corresponding data segments back and forth to assemble these common indicators into unified *concepts* and recoded the data when required. Throughout this initial coding process, I identified previously recognized concepts in the literature but kept an open mind to capture issues that were given importance in respondents' views or secondary documents. Using the combination of existing and emerging concepts encouraged a close fit between emergent theory and data.

- ***Generating categories and themes***

Concepts created in the open coding process were brought together at a higher level of abstraction to generate a small number of categories or themes. As the broader themes in the data became apparent during the open coding process, I started to apply techniques such as *clustering* (Marshall and Rossman, 2006) and *axial coding* (Fielding and Lee, 1998) to assemble similar as well as "dissimilar but allied" concepts (LaRossa, 2005, p.842-843) into categories that seemed internally consistent but distinct from one another. Some of these categories were inspired from the literature review. For instance, in line with prior empirical studies of institutional work (e.g., Tracey et al., 2011; Slager et al., 2012), I worked iteratively between the concepts from data and the literature on institutional work/entrepreneurship (e.g., Lawrence and Suddaby, 2006; Leca et al., 2008, 2009). I also constantly compared the concepts between the cases. At the end, various activities undertaken by key actors were clustered into eight *categories* for each case. Continuing with the process, three similar *themes* were induced for both cases that captured a homogenous cluster of activities in relation to institutional work. Tables 5.2 and 6.2 summarize this process in showing how the

second order themes were built out of the coded activities that constituted the first order categories. Deriving categories for enabling conditions was more imaginative as there were too many different concepts and not enough understanding of how all of them would fit together. My first attempt of categorization followed the clustering method and left me with three "categorical umbrellas" (Marshall and Rossman, 2006, p.235) – broader institutional level conditions, locality specific conditions, and organization-level conditions – each with a number of different categories. This was consistent with the typology of enabling conditions proposed in the literature (Battilana and D'Aunno, 2009) as well as the CCI driver/motive literature, but did not offer the meaningful coherence in building new insights into the reasons behind emergence of CICBO. I started to search for a core "axis" upon which alternative categories could be built for enabling conditions. Going forward with data revisits and recoding, I observed the "temporal orientation" of the associated concepts, based on which three categories were generated for each of the cases. The categorization for consequences was implicit and reflects the concepts introduced in the analytical framework. The concepts built during the coding process were then clustered into the predetermined categories. Examples of data coding and respective generation of categories and themes are presented in Appendix 8.

- ***Making linkages in the data and offering interpretations***

As categories and themes were developed under different units of analysis, I started to bring meaning and coherence to them through developing linkages and present them into a story line that I hoped would be engaging to read (Marshall and Rossman, 2006). This was done in two steps. For each case, I combined the findings of my analysis into an overarching narrative that selectively highlighted "key elements and salient features" and offered explanation of relationships, processes and experiences" (Daly, 2007, p.236) but at the same time was sufficiently descriptive for readers to "live their way into an experience that has been described and interpreted" (Denzin, 2004, p.456). This narrative included discussion that mentioned a chronology of events (to describe the context), the detailed discussion of various themes and categories (completed with sub-categories, multiple perspectives from different actors, illustrative quotations and excerpts, and tables), and discussion with interconnecting categories/themes. I drew on a wider set of institutional literature to interpret the role of context, the

activities of various actors involved, and the outcome in each case to develop a more "theorized storyline" (Golden-Biddle and Locke, 2007, p.7). The two empirical chapters five and six are presented this way. The final step involved making further interpretation of the data by analysing the narratives across both cases and narrowing my focus on similarities and differences between them (presented in chapter seven). Considering my subject of investigation was a novel CCI mode, I drew on the CCI literature around three themes (antecedents, process, and consequences) as well as the literature on community development to see how my interpretations might conform to existing research or diverge from them. My objective was to highlight the findings that appeared significant in light of current conversation and create potentially interesting and compelling insights for theory and practice.

4.5 Reliability, Validity and Transferability of the Research

The purpose of inductive qualitative research is to generate thick description of a social phenomenon that is credible and grounded in data. In this section, various criteria for assessment of the reliability, validity and transferability of the research are discussed. A summary of the procedures used to ensure these criteria are listed in Table 4.3.

Reliability refers to "the extent to which findings can be replicated, or reproduced, by another enquirer" (Denzin and Lincoln, 1994, p.20). Methodological trustworthiness lies at the heart of reliability and has to do with the transparency and quality control of the data generation and analysis techniques, so that the study could be repeated by another researcher with similar results (Yin, 2009). Reliability of this research was achieved in a number of ways:

- Good data management is essential in achieving reliable results in a research study, especially when multiple data sources and data types are used. Digital recording of interviews and their verbatim transcription was used to ensure the quality of the research process. I also used local interpreters in the FGDs who translated the discussions there and then. This ensured that I did not miss out on the few discussions that were in the local language. Although I did not use any specialized data analysis software (e.g., Nvivo), I organized

the transcripts, secondary data, and fractured data during the coding process in specific directory structure that allows the possibility to easily navigate and link between the different data sets. I also maintained a logbook in the form of several Excel files that contained various versions of coding lists as they developed.

- Explicit description of research procedures increased the trustworthiness of the data generation process. This was ensured by keeping a journal of the research procedures (e.g., interview dates, persons interviewed, location, time) during the field visit as precisely as possible, later arranging them in Excel files with additional information (e.g., topics covered in the interview, special note) during the data organizing phase.
- Use of multiple data generation techniques for studying the same subject in order to obtain 'convergence of evidence' (Yin, 2009).
- Development and use of a protocol for the data generation process to ensure that respondents from the same category were asked similar questions in both cases. This allowed for capturing similarities as well as differences during the analysis of the cases. The protocol also ensured that similar questions were asked across different categories of respondents on common topics to allow for comparisons within and across respondent groups' responses.

Validity concerns the 'truth' value of the interpretations made by the researcher concerning the social phenomenon under study (Miles and Huberman, 1997). Validity reflects the extent to which the researcher has gained full access to the knowledge and meaning of the respondents (Partington, 2002). I ensured validity in this research in a number of ways:

- Multiple respondent groups and three different techniques for data generation facilitated in corroborating and identifying facts that seemed significant to each case. I used triangulation not only as a tool to amass supporting evidence but also to include different perspectives and experiences. I also sought 'negative' evidence by encouraging respondents, especially the community and CBO members, to mention their experiences regarding the difficulties or challenges encountered in the process.

- I relied on in-depth interviews and FGDs to generate a rich account of respondents' experiences (Denzin, 2004).
- I discussed preliminary findings with two specific respondents, namely C3 and O3, through verbal and electronic communication, and sharing of draft manuscripts for comments and feedback. This was to ensure the findings made sense to those involved in the research setting (Miles and Huberman, 1997). These individuals were my main points of contact for this research, who also had direct knowledge on the CCI projects under investigation. They were best-placed to quickly identify any factual inconsistencies or misrepresentations. I also wanted to honour their participation as they had given me hours of time during the field visit and afterwards. Their feedback assured me that I had provided a factual account of the phenomenon.

Table 4.3: Procedures Undertaken to Ensure Reliability, Validity and Transferability.

Criteria	Procedures undertaken
Reliability	• Digital recording of interviews and verbatim transcription • Use of local interpreters during interviews and FGDs • Use of multiple data generation techniques • Development and use of a protocol for data generation process • Organizing data in specific structure for ease of access • Maintaining logs
Validity	• Use of multiple sources of evidence • Explicit identification of research participants • In-depth interviews • Feedback to interviewees
Transferability	• Thick descriptions • Multiple cases • Developing a theoretical model of the subject of investigation

Source: Author's own

Transferability deals with the larger importance of the conclusions of the study. It reflects "the degree to which findings can be generalized to other settings similar to the one in which the study occurred" (Denzin and Lincoln, 1994, p.100). This research is an example of intrinsic case study whose findings can be transferable

to similar cases in developing countries where extractive sector companies face demands to contribute in the socio-economic development of the low or unskilled local communities. I aimed to build "thick description" of the cases that "gives the context of an experience, states the intentions and meanings that organized the experience, and reveals the experience as a process" (Denzin, 2004, p.455). My first emphasis was on understanding the two cases, in particular to get to grips with some of the complexity of the two cases and articulate them in ways that might offer insights to others. Although I did not seek statistical generalization, exploring multiple cases and observing greater similarities between them in the process contributed to a certain degree of generalization. Last but not least, a theoretical process model for CICBO was put forward that can be taken forward by future researchers who might seek generalization of the antecedents, processes and consequences identified in CICBO or any other CCI mode.

4.6 Research Ethics

Research ethics considers issues such as confidentiality, consent, trust which must be followed and ensured by the researcher while conducting research (Ryen, 2004). The issue of confidentiality was maintained as stipulated by the Nottingham University Business School Confidentiality Agreement. It did not require the signing of a confidentiality agreement or any formal agreement with the participating companies. Upon requesting research access, both the companies were supplied with an information sheet containing a brief description of the study as well as the contact details of the researcher, the academic research supervisors and the academic institution. Both the companies willingly provided access and shared the project-related information for research purposes. All the respondents were informed about the research objectives and purpose of the sessions before conducting the interview/FGD sessions. Only after obtaining permission were the interview conversations with the respondents electronically recorded. All the respondents extended their full cooperation during these sessions. I also asked about their preferences for anonymity and using the interview quotes in the final thesis that could be traced back to them. However, nobody showed any reservation or concern about disclosure of their identity. I sensed that these projects were a matter of pride for both companies rather than a concern of confidentiality or anonymity. Both the companies looked at this

research as an important avenue to disseminate their success stories among the national and international audience.

4.7 Research Limitations

Three key limitations associating the research process are discussed in this section. First, the historical nature of the research implies that I had to take decisions on the time periods that the case study would cover and assigning the representative data from different time periods into different units of analysis. Although social change is often a continuous process, applying the institutional work lens in the research (see Chapter Three) required a judgement call to separate the timeline for analysing antecedents, process and consequences for each case. I decided that the study should only consider the contextual factors prior to the official start time of the respective projects to analyse the CCI drivers and motives. Both case projects were ongoing during the time of the field visit.

Although the projects were in a relatively stable stage from the operational perspective, it was obvious during the field visit that both companies were continuously incorporating new features into the respective projects while scaling up in new locations at the same time. Both projects kicked off with a pilot phase of three years. During the time of my field visit, these projects were operating in the extended phases subject to termination in 2013. I decided that the study would only cover the period until the time of my field visit to describe the process as well as the consequences of the respective cases. It meant I also needed to rethink the application of institutional work lens for analysing the "consequences" as the institutional work for CICBO was not yet "finished". As described in empirical chapters, I decided to evaluate the outcome of both projects in terms of the extent to which the companies were able to accomplish the specific intentions behind designing the projects. I used terms such as "relative accomplishment" (see sub-section 5.4.1) or "partial accomplishment" (see sub-section 6.4.1) to describe such consequences of institutional work.

The second and third limitations are related to practical problems associated with data generation. Due to logistical reasons, the fieldwork was limited to six weeks. Within the given time period, I could only interview a limited number of

participants. I believe that in-depth interviews, telephone interviews and email communications helped to overcome the limitations. During the primary data generation process I may have misinterpreted items of significance due to lack of discernment. I mainly relied on selected respondents (e.g. C3, O3, interpreters) to guide me in those circumstances. In the case of DDP, I was not permitted to visit the project villages in Barmer. I interviewed members from three different dairy CBOs and other participants over the telephone with the help of interpreters on the other side (see Table 4.2). However, I was not able to visualize the physical reaction of the interviewees to my questions and therefore relied on the response of interpreters.

The historical analysis of changes in the process required detailed data generation. My desire was to dig deeper into documentation and archival data of the selected projects. But the availability of official documents regarding CCI activities proved futile as CCI had been widely considered as peripheral to extractive sector companies (Hamann, 2008; Muthuri et al., 2009) and few records had been kept of such activities. This was especially problematic in the case of Project Rupantar, where OIL was operational in Upper Assam for over a hundred years. The book by S.N. Visvanath (2010) entitled "Summons to Greatness" was used as the main text as it is a retrospective account of oil and gas companies in Assam since the early exploration period of the 1880s. This was helpful in understanding the contextual and historical nature of the corporate social actions undertaken by OIL and their connection with the case study (presented in chapter five, section 5.1). In general, I tried to overcome this limitation by relying on books, reports and articles published by external sources as well as retrospective interview stories of respondents' experiences.

4.8 Conclusion

This chapter discussed the specific research methodology adopted in this study. Considering the ontological (constructivism) and epistemological (interpretivism) consideration taken in the study, a qualitative research approach was deemed appropriate to answer the exploratory research questions. A multiple case study method was chosen for in-depth investigation of the research subject. A grounded theory approach premised on inductive reasoning was adopted for guiding the

data generation and analysis process. Multiple data generation techniques (e.g., semi-structured interviews, FGDs, document and archival analysis) were employed to get rich description of the two cases selected in the study. The rigour of the data analysis process has also been discussed. This chapter also discussed how the quality of the research was ensured and the ethical issues were addressed. Finally, the chapter highlights the key limitations of the research in relation to accessibility, time and data management.

The next two chapters present the empirical findings of the two case studies applying the analytical framework developed in chapter three and the methodology outlined in this chapter.

CHAPTER FIVE
Project Rupantar of Oil India Limited

5.0 Introduction

This chapter examines and analyzes the CICBO mode of Oil India Limited (OIL). This community engagement mode is observed in the company's operational area in Upper Assam under the banner of 'Project Rupantar'. The project aims at creating self-employment avenues for youth and women by organizing them into self-help groups (SHGs) and supporting them to engage in livelihood activities. A case study was conducted to investigate the emergence and consequences of the project and analysed through the framework presented in chapter three. This chapter presents the findings that contribute to our understanding of antecedents of change in CCI, the processes through which CICBO emerges as a CCI mode, and the consequences of such a mode.

The chapter is divided into four major sections. Section 5.1 provides a chronological account of OIL's community engagement practices in Upper Assam prior to Project Rupantar. The section describes the CCI trends of the company with regard to its changing business face as well as the relevant development of the institutional environment within which it operates. Building on this narrative, section 5.2 provides an analysis of enabling conditions that imparted cumulative effects on the company towards the need for change in its community engagement practice leading to the project. Section 5.3 discusses the processes through which the project emerged. As the focus is on institutional work, the section examines various actions undertaken by the company alone or in collaboration or cooperation with other social actors, and any unintended adaptations and mutations that accompanied it. Two distinct but interrelated processes are identified that reflect conceptualization and operationalization of the mode respectively. Section 5.4 examines the consequences of the project in terms of its accomplishment as institutional work, the benefits it has brought to the embedded institutional workers, and its effect on various actors in the local institutional environment. The final section summarizes the chapter.

5.1 Historical Account of OIL's Community Engagement in Assam

With a legacy that goes back to the discovery of the Digboi oil field in 1889, OIL has come far to its present status as a fully national upstream E&P company crossing many milestones (see case introduction in chapter four, sub-section 4.2.2). This section presents the historical roots, nature and extent of CCI practices by OIL in Upper Assam. The narrative covers the period from 1889, when the company's earliest predecessor, Assam Oil Company (AOC), was formed, until the commencement of Project Rupantar in the early 2000s. Table 5.1 presents a summary of the significant events that are associated with the business as well as the social face of the company during this century-long presence.

AOC was formed to look after the oil interests of Assam Railways and Trading Co. Ltd (AR&T) in Assam. Colonial era Assam was marked by the presence of complex social problems such as poverty, unemployment and frequent political upheavals (Visvanath, 2010). However, early exploration sites were far away from the locality, hence there was little scope for company interactions with the community. Community engagement was mainly limited to employing unskilled labourers for site and access road construction (Barua, 1994). With growing operational activities, AOC gradually engaged in philanthropy and industrial paternalism that were the contemporary dominant CCI practices in other parts of colonial India (Sood and Arora, 2006; see chapter two, section 2.6). For example, one of the founders of AR&T, Dr. John Berry-White, established a medical school at Dibrughar in 1900 (Visvanath, 2010). The company also started to recruit increased numbers of locals in the skilled category. However, class distinction between unskilled labourers and senior officials incited occasional labour unrest (Barua, 1994), which generally shaped the nature of industrial paternalism to meet the demands of the labour class. On the political front, frequent geographic divisions occurred between 1905 and 1921 that increased the misery of the poor community and led to the rise of numerous politically motivated separatist groups in Assam. Land has become an emotional issue for the community since then (Visvanath, 2010), and continues to be a pivotal issue in the corporate-community relationship. Burmah Oil Company (BOC) started to take control of AOC operations in Assam from the early 1920s, although this brought little change in the CCI front which continued to be dictated by frequent labour unrest.

India became independent in 1947, which brought broader regulatory changes in the E&P sector. The first industrial policy was introduced in 1948 which bestowed complete control of the sector on the foreign companies already operating in the country. Amidst continual exploration in the region, AOC/BOC continued industrial paternalism such as providing free education, housing, medical and recreational facilities to employees, concessional food supplies, and donations for religious functions (Barua, 1994). Rapid exploration culminated in the discovery of the Nahorkatiya field in 1953 and the Moran field in 1956. However, the subsequent development of these fields resulted in increased corporate-community tensions around land issues. Weak regulatory institutional arrangements concerning land acquisition were deemed as undermining the interests of the marginalized actors and necessitated cautious dealings with the landowners.

> *"The acquisition of land was in most instances a sensitive and emotional wrenching experience. In overcoming the difficulty, patient negotiations with landowners, village elders and the local civil officials conducted well in advance, paid off making it unnecessary in most cases to resort to the lengthy and unpopular process of compulsory acquisition. This was an important aspect of the early development programme, for the goodwill of a population drawing its livelihood from the land was an essential pre-requisite to the launching of the large-scale works that were to follow."* (Visvanath, 2010, p.85)

A new industrial policy was introduced in 1956 that relinquished control and ownership of the foreign companies and obligated AOC/BOC to accept shared ownership with the Government of India (GoI). Oil India Private Limited (OIL) was formed as a result which remained a joint venture company for two decades. The CCI of OIL in the early years were guided by the socialist agenda of the government, grounded in the 'Nehruvian vision'[5] of growth. with equity, social justice and a self-reliant democratic state (Sundar, 2000; Khan and Debroy, 2002). During this period, OIL focused on achieving dual objectives set by the new industrial policy: first, post-independence nation building through job creation and overall development of the area; and second, fulfilling the escalating domestic energy demands. Driven by this dual agenda, OIL embarked on huge

[5] As the first Prime Minister of Independent India, Jawaharlal Nehru pursued a policy of rapid industrialisation and national development, largely equated with economic growth and surplus.

infrastructural development in the locality (e.g., construction of roads, bridges, schools, health centres), and continued its industrial paternalistic activities for employees along with meeting other needs of community life. Although, successive geopolitical problems disrupted the business efficiency, the company gradually recovered from it and even expanded its operations beyond North-East India for the first time in the late 70s.

OIL became a wholly owned national company in 1981 which overlapped with the Assam Movement, the biggest socio-political movement in the region against the historical injustice of government to the longstanding demands for local development. Although the company had established its presence in the locality, the movement proved to be a crucial juncture that shaped OIL's CCI vision for the coming decades and set the context for the CCI interventions that followed. Through a deliberative effort by the government and company during the movement period, OIL's role in Upper Assam was redefined as the single most important agent of local development. The aftermath of the movement saw the company gradually shifting from philanthropic towards more transitional community engagement where the company started to incorporate community expectations and preferences in its CCI agenda through active community consultation. The findings of a Social Baseline Survey conducted in 1983 steered the Social Welfare Programme (SWP) in 1984 and later on the Areas Development Scheme (ADS) in 1996. SWP prioritized environmental protection, education, health and socio-economic development of the community. ADS, on the other hand, focused on supporting various socio-cultural activities as well as infrastructure development. The survey also highlighted lack of employment opportunities in the region and its longer-term implication on the company. Subsequently, the company increased regular local hiring to satisfy the demands of the growing educated youth and also made special employment provision for the land contributing families. However, realizing the limitation of local recruitment policy in meeting employment demand of the mass rural population, self-employment generation was framed as the key CCI issue.

> *"…. OIL cannot employ all the people of the community. Thus self-employment is the next best opportunity for the community. We need to provide them the platform. I may never be able to employ all but can*

provide opportunities so they can earn." (Residential Executive Director, Assam)

In 1984, OIL established a Handicraft Training and Production Centre (HTPC) in Duliajan that provided skill development training such as handicraft, weaving, embroidery and tailoring to women. The Agriculture Development Programme (ADP) was initiated in 1991 to provide in-kind assistance and technical guidance to farmers in nearby villages of OIL's operational areas. These CCI projects focused on promoting self-employment-based traditional livelihood activities in the community:

"The growing unemployment problem in this area, along with the Assam revolution, resulted in lots of unrest in the area and gave birth to revolutionary groups. Lack of employment was one issue related to community dissatisfaction. There was a shortage of jobs and most people were dependent on agriculture. OIL could not absorb much of the unskilled labour. So we started with the agricultural development project as this was the core [livelihood] concept. It should be taken at the commercial level. We moved from agriculture to handicraft (traditional weaving); there is at least one loom in the household but they don't know how to commercialise." (FGD-O1)

Three specific CCI trends were evident from this narrative. *First,* philanthropy and industrial paternalism was observed in the colonial and early post-Independence era. Although encountering challenging socio-economic conditions, CCI activities remained peripheral, lacked innovation, and resembled contemporary practices in India (Sood and Arora, 2006). There was no government imposition on the company for ensuring wider community development; as a result CCI was mainly used as a tool to restore the fledgling legitimacy crisis arising from labour unrest. The *second* trend emerged from the late 1950s when OIL gradually started to transform as a state-owned company. The early trend continued but new CCI practices were adopted in line with the government agenda, particularly in the areas of physical infrastructure development and social welfare provision. One important issue that surfaced in both these periods was associated with weak regulatory arrangements regarding land acquisition. Exploration and the associated temporary and permanent land acquisition was part and parcel of the E&P business. After the pre-Independence period, the land acquisition process focused on providing financial compensation to the landowners. The law did not

dictate appropriate rehabilitation and resettlement for the land contributors who could lose their only livelihood. The weakness of the formal land acquisition system continued to be a major source of corporate–community tension.

Table 5.1 Antecedents of Project Rupantar.

Antecedents	Period	Pre-independence (1989 - 1946)	Post –independence (1947 onwards)		
			Pre-OIL Period (1947- 80)	*Assam Movement Period (1980s)*	*Post economic liberalization Period (1990s onwards)*
Company Context	*Business context*	• Formation of AOC in 1889	• Formation of OIL in 1959 and became a joint venture (JV) of government and AOC in 1961	• OIL transformed as a wholly government company	• Increased market competition
	CCI Context	• Philanthropy and industrial paternalism	• As a JVC, CCI focus remained on job creation and industrial paternalism (e.g. employee welfare, infrastructure development)	• Incorporating local expectations and preferences for CCI through community consultation • CCI focus on socio-economic development (e.g., health, education, and environmental protection), creating local employment through alternative livelihood (e.g., HTPC) • Limited employment opportunity for locals within the company	• Existing CCI practice falling short of meeting community expectations and preferences
Local Context	*Community Context in Upper Assam*	• Poverty, unemployment and political unrest	• Insufficient government welfare arrangements • Rising community expectations for social welfare arrangements	• Community dissatisfaction over Government policy had repercussion on OIL as nationalized company • OIL recognized as the most important local development agent in absence of appropriate government welfare	• Increased divergence between corporate-community expectations and preferences • Frequent operational disruption by various segments of community (e.g., recruitment incident by youth in 2000)
Broader Institutional Arrangements	*E&P Industry context*		• Nationalization of oil and gas sector companies • Tacit government expectations and mandate for local development from nationalized companies		• Expanding opportunities for private and foreign investment with market deregulation
	Regulatory environment in India		• Land acquisition law not securing rehabilitation and resettlement for land contributors		

Source: Author's Own

Finally, full nationalization, coupled with the Assam movement, drew significant change in the company's community engagement approach. Fully bearing the brunt of community grievances over perceived government injustice, the company started to incorporate community expectations and preferences in its CCI agenda, and slowly adopted the 'role of government' in the locality. The company made a large investment in the socio-economic development of the community such as infrastructural development, health, education, and environmental protection as well as self-employment-based alternative livelihoods.

Over the years, the CCI practices of OIL massively increased community dependence on the company for social entitlements. However, the deteriorating socio-economic conditions and lack of welfare arrangements from government meant that the company was unable to satisfy widespread development needs on its own. The face of community dependence soon turned into sustained community pressure, which led to frequent operational disruption. The company also started to face increased market competition as a result of the economic liberalization policy initiated by the government in the 1990s. With new market entrants in the E&P sector due to such regulatory change in the broader institutional environment, improving functional and financial efficiency – became imperative to business survival. The situation got worse in 2000 when the company's production was severely hampered by the violent stance taken by the unemployed youth demanding more employment opportunities within the company. Faced with continuous loss of functional efficiency in an increasingly competitive market, OIL realized the limitations of existing CCI practices and the need for a more holistic approach towards corporate community relationships. Project Rupantar was conceptualized subsequently as a response to such a challenging context.

5.2 Antecedents of Change in Corporate Community Involvement

By analysing the historical events as discussed in the previous section, three contextual factors are identified as enabling conditions that shaped the agency of OIL to initiate a change in existing community engagement practice (see sub-section 3.3.2 for detail on enabling conditions and agency). These enabling conditions are found to be temporally oriented, reflecting the *past* behaviour of

the company (CCI orientation conforming to rearranged social position), the *present* problem in the field (functional inefficiency due to incompatible institutional arrangements), and change in the regulatory environment that affects *future* business interests.

5.2.1 CCI Orientation Conforming to Rearranged Social Position

The case analysis demonstrates that OIL's CCI orientation in the recent past played a facilitating role to iteratively introduce new CCI modes that would align with its dynamic social position in Upper Assam. OIL's social position refers to its formal position as well as socially constructed and legitimated identity within the field, which has an impact on its perception of other social actors as well as others' perception about it (Dorado, 2005). With the changing face of business as well as socio-political dynamics, OIL's social position in Upper Assam had changed over the years from a voluntary provider of social entitlements to an agent of development through its social initiatives (Goddard, 2005; Visser, 2008), which impacted the way the company brought changes in its existing community engagement practices (Dorado, 2005; Battilana, 2006 and 2007; Greenwood and Suddaby, 2006).

OIL's social position was redefined in the 1980s due to the dual effects of full nationalization of the company and a socio-political jolt in the region against the "Central Government" (as termed by the interviewees). OIL's formal position as a government company made it a target for the local community to voice their grievances against the government. In January 1980, Assamese students stoned a senior OIL employee to death in Duliajan. On the same day, at least seven youths were reported to have been killed and more than 100 men and women seriously injured as a result of shots fired by the armed forces while they were picketing in front of the OIL industrial area at Duliajan (The Assam Tribune, January 19, 1980 cited in Kimura, 2004). Total crude oil sales in 1980 slumped to Rs. 240 million as compared to Rs. 848 million in the previous year.

Amidst the severe social tensions and functional paralysis in the operational areas, OIL mounted a vigorous campaign with the help of government to clarify perceptions about its roles and responsibilities in Assam's socio-economic

development (Visvanath, 2010). This not only allowed OIL's operation to return to normalcy, but also helped OIL to understand the reality in the field. In the absence of adequate government support to the community, the long-standing presence of OIL in Upper Assam as the most resourceful organization, along with its new status as a government company, elevated OIL's position in the region as the single-most important agent of community development. This new found social position significantly influenced OIL's preferences for community engagement activities in the following decades. As reflected by O3:

> *"It is always challenging to operate in a region best known as a cauldron of ethnic strife, with countless groups of separatists, subversive outfits and a history of political unrest. However, the early eighties were most challenging in OIL's history since it got caught up in the Assam Agitation Movement. This was the biggest socio-political unrest in the region that shaped OIL's community engagement visions for decades to come."*

While continuing the paternalistic welfare activities, OIL gradually adopted a transitional community engagement approach that emphasized exploring and incorporating community expectations and preferences in the CCI agenda. Key CCI projects such as SWP, HTPC, ADP, ADS were influenced from findings of the baseline survey of 1983. These projects focused on diverse socio-economic development issues ranging from healthcare, education, environment and infrastructure to local employment. Considering the lack of livelihood opportunities in the region and the growing unemployment issue, projects such as HTPC and ADP promoted potent avenues for self-employment based on traditional livelihood activities (e.g., handicraft, agriculture). Despite being criticized for not creating appropriate forward and backward linkages, these projects had limited success in ensuring a livelihood for specific segments of the community. But these CCI initiatives could not solve the problem of the mass of youth and the educated class, who were convinced that the agro-based sector could never provide a stable source of income. In early 2000, Assam had more than a third of its population living below the poverty line, and OIL faced continued pressures from the community to create more employment opportunities within the company. Advancing on the path of transitional community engagement that followed from the rearranged social position since the 1980s, most interviewees perceived Project Rupantar as the natural progression in response to mounting field-level pressure for employment.

5.2.2 Functional Inefficiency due to Incompatible Institutional Arrangements

Organizations are often exposed to multiple and contradictory institutional prescriptions for actions (Meyer and Rowan, 1977; Scott and Meyer, 1991), yet tend to incorporate those in order to gain/retain legitimacy and functional stability. My analysis reveals that OIL was operating at the intersection of such an incompatible institutional environment characterised by: weakness in the land acquisition system that could not ensure appropriate rehabilitation; government's tacit mandate to OIL for local development; insufficient government welfare activities for the community; and the taken-for-granted norm that OIL would be responsible for community development. OIL inherited most of these "fragments of institutional detritus" (Zietsma and McKnight, 2009, p.153) due to its long operational presence in the region, which continued to affect its relationship with the local community.

As discussed in section 5.1, the weakness of regulatory institutions regarding land acquisition had been a major source of community dissatisfaction. Even if higher purchase prices were paid for the land, the marginalized community perceived the process as historical exploitation of the powerful with the support of government. In return for such exploitation, social welfare and provision for employment within the company (or alternative livelihood opportunities) for members of land-contributing families became a norm in the local context. The policy had changed over time due to lack of job creation within the company. But the need for new resources, and in turn satisfying the land contributors, remained a priority.

> *"We have a robust land acquisition policy. When we acquired land, we used to provide a job to one of the family members of the land contributing family. Over time, this practice has changed. However, they still have privileges over other candidates (whenever there are new job openings), once they fulfil other criteria such as age, education etc. We give preference in the examination for land-affected families. They directly come for the interviews. We only recruit from our operational areas for unskilled labour. We have quotas area wise, and if those quotas are not filled these remain vacant or re-advertised." (O3)*

Low income, mounting unemployment and poverty have always been the key concerns for Assam since the colonial era and continued to perpetuate after Independence. Post-independence per capita income in Assam was 4.1% higher than the average for the country which dropped to 27% by 1980-81 (Assam Human Development Report, 2003). The focus of OIL as a government company was not only on meeting domestic energy demands but also satisfying the mandate of employment creation and overall development in its operational area on behalf of the government. The recurrent natural disasters and frequent socio-political unrest made the community more vulnerable and triggered a more aggressive approach to their claims. With government welfare activities virtually absent, OIL regularly faced community pressure that had often shaped its preferences for community engagement activities. As discussed before, OIL played the role of government to satisfy community needs by providing basic services, infrastructure and community development in the locality. Over the years, this had generated a sense of dependency within the community on OIL for obtaining their social entitlements.

Since Independence, the company's community engagement strategy was mainly based on the principle of finding the right balance between conforming to these incompatible institutional arrangements and the related social expectations (Seo and Creed, 2002), often at the expense of functional efficiency (Powell, 1991). However, CCI practices that were adopted to mask the effects of institutional incompatibilities and uphold social legitimacy increasingly proved to be insufficient for protecting business efficiency. With the widening gap between community expectations and company response, successive generations of discontented youth emerged who showed their frustration by disrupting OIL operations. Despite the gradual increase in expenditure in transitional CCI projects (see chapter two, sub-section 2.3.1.3 for detail on transitional community engagement) like SWP, ADS, HTPC and ADP, the company's major business activities had continuously been interrupted. It was also observed that the productivity of the company had not increased over the years despite a manifold increase in manpower from local hiring. However, the pressure for employment, particularly in the unskilled category, continued to rise from the mass unemployed youth. The 'blanket ban' on fresh recruitment imposed in late 90s by the Ministry of Petroleum (cited in Rediff Business Report on August 27, 2001) in

a gloomy national economic climate further deepened this crisis. The demands turned into more social unrest in 2000, when OIL advertised for a limited number of unskilled positions and the community resorted to violence with a widespread blockade around oil fields alleging irregularities in appointments.

> *"Thousands of local youths are on their way to the OIL headquarters to take part in the agitation and we shall see to it that crude oil production comes to a halt… We are prepared to shed blood if required but at no cost shall we allow OIL to do whatever they feel like." (Excerpt from a youth leader cited in Rediff Business Report, August 27, 2001)*

The unrest subsequently subsided, but the company perceived that the provision of employment had become a major reason for the growing conflict with the local community, hindering the primary business activities. In the face of continual social license to operate crisis, the limitations of "isolated interventions" and the need for a "holistic approach" became obvious (Rupantar, 2011, p.11) to improve both legitimacy and functional efficiency that was increasingly deteriorating due to the perpetuation of negative consequences from incompatible institutional arrangements.

5.2.3 Change in the Regulatory Environment

The case analysis shows that the necessity for rethinking about CCI was also spurred on by contemporary change in the broader regulatory environment that the company perceived as a threat to its future business interest. The GoI initiated economic liberalization in the country in the early 90s to recover the floundering economy through changes in policies relating to industrial licensing and foreign investment. Although the process was formally initiated in 1991, its roots go back to 1980 for the E&P sector. By the mid-90s, the domestic private sector companies were allowed entry into the round-the-year bidding for exploration block, speculative survey block and development of discovered fields. The New Exploration Licensing Policy (NELP) was introduced in 1997 which created a level playing field for domestic and foreign companies to compete on equal terms for the award of exploration acreage. This had put state-owned companies such as OIL under intense pressure as their control on exploration rights was significantly curbed under the new policy.

In the increasingly competitive market atmosphere, the company intended to bring change in the organizational context to attenuate the negative consequences of change in external institutions through improved business performance. This agrees with the competition motive behind CCI as discussed in sub-section 2.2.2.2, where increased market competition provides reasons for companies to develop innovative CCI practice (Miliarua and Ionescu, 2006) that would ensure financial competitiveness (Bansal and Roth, 2000; Bhattacharya and Sen, 2003). Designing a context-appropriate CCI mode became an important issue in the local context, as frequent conflict with the community continued to hamper the functional efficiency of the company. The short-term strategy to conflict resolution was primarily based on various welfare-oriented philanthropic activities (e.g., building more roads and bridges, setting up educational institutions and health centres, donations to socio-cultural organizations, providing drinking water facilities). As described in sub-section 2.3.1.1, such an approach was criticized for 'doling out' considerable financial resource without bringing any permanent solution to the rising community expectations.

> *"By continuing to dole out such large amounts of cash we are buying peace on a short-term basis. But, in the long run, the aspirations and expectations from Oil India have only increased and will continue to rise. If this continues, we may soon be on dangerous ground." (Group General Manager and Resident Chief Executive, OIL cited in Rediff Business Report, January 22, 2001)*

> *"In the near future, when the pressure of competition increases, we may not be able to spare such huge amounts of cash. That's when the problem could begin." (Deputy General Manager, OIL cited in Rediff Business Report, January 22, 2001).*

With no respite in community expectations, the company recognized the importance of a change in CCI strategy that could bring a long-term harmonious relationship with the community while maintaining a balance between productivity and CCI contribution.

To summarize, OIL's intention to bring change in its CCI arena was influenced by the cumulative effect of several enabling conditions that were oriented towards the past, present and future. The contemporary functional inefficiency due to the recurring social license to operate crisis, worsened by the broader regulatory

change affecting the future business interests, constrained the company to pursue an alternative community engagement mode complementary to existing practices.

The change was also influenced by the CCI practices, i.e., a mix of philanthropic and transitional approach, already adopted by the company to respond to pressing community needs. The case analysis further reveals that these conditions triggered three dimensions of company agency as highlighted by Battilana and D'Aunno (2009): practical evaluation (orientation towards the present) projectivity (orientation towards the future), and iteration (orientation towards the past). The practical-evaluative agency was visible in the company's awareness of the legitimacy crisis in the field and its willingness to regain legitimacy and restore functional efficiency. The projective agency is visible in the company's desire to secure competitive advantage and business interests through long-term solution to the legitimacy crisis. The iterative agency is reflected in the company's habitual tendency to maintain legitimacy through the introduction of new CCI practices. While the iterative agency played a facilitating role as the company built on the knowledge and experience of past community engagement practices, the projective and practical-evaluative dimensions of agency dominated the change process towards a more complex CCI mode aiming towards sustainable benefit for both the company and the community. The next section discusses the institutional work through which the change was enacted in the form of Project Rupantar.

5.3 Institutional Work in the Emergence of Project Rupantar

This section discusses the key processes through which Project Rupantar emerged as an organization-level community engagement practice. The project aimed at generating self-employment avenues for youth and women by engaging them into SHG-oriented livelihood activities. The data analysis identifies a series of activities which were undertaken at two distinct levels to bring the change in CCI practice: i) at conceptual level, the project was conceived as an effective solution for the unemployment problem of the target community; ii) at operational level, the project enacted SHG-oriented livelihood practice in the field while being temporarily embedded within organizational routine. From the institutional work perspective, the conceptual dimension of change presents initial development activities when a new solution was formulated for a well-known social issue, and

an institutional template was designed to realize the solution. The conceptual dimension guided the operational dimension of change consisting of two parallel but interconnected processes: one that actively promoted a proto-institution (SHG-oriented livelihood activities) in the field, and the other that infused the normative foundation of the proto-institution sponsoring process within the company. Each of these processes represented a cluster of activities associated with particular outcomes and conducted by a diverse range of institutional workers individually or collectively. The three processes mentioned above did not occur in a linear way but mostly iterative and often in a nested manner. Particularly, the operational processes involved unintended consequences that resulted in repeated enhancement of the institutional template. Table 5.2 summarizes the three processes occurring at two distinct levels, highlighting the categories and themes from which I derived these processes. The table presents the first order categories that were built from the coded activities and unintended consequences (see section 4.4 for detail on data coding and category/theme generation process in this thesis). The second order themes that emerged from the first order categories differentiate the forms of institutional work that various actors performed.

5.3.1 Conceptualizing Project Rupantar: Initial Development

OIL engaged in three key activities through which Project Rupantar was conceptualized. First, the company reframed a social problem, i.e. unemployment of youth, in a particular way that highlighted the failings of current internal and external institutional arrangements. Next, SHG-oriented livelihood activity was formulated and justified as an effective solution for the unemployment problem of the target group, which was transposed from a successful practice in a different locality with contextual similarities. Finally, an operational template for the project was designed through necessary recontextualization of the original practice. Altogether, these three activities constituted an ***initial development*** process where the necessity for a particular institutional change around the social problem was linked to contemporary institutional "failings", a potential "solution" was sketched, and a concrete recipe for action was developed to realize the solution (Tolbert and Zucker, 1996).

5.3.1.1 Reframing of Social Issue

Unemployment had been a well-recognized social problem in Assam. In the face of frequent operational disruption, low production and growing insecurity in a competitive market, the company *reframed* the unemployment among youth as central to the loss of its functional efficiency and legitimacy, and attributed the inability in resolving the social issue to the failings in internal and external institutional arrangements (Suddaby and Greenwood, 2005). Reframing here refers to a diagnostic process through which the company identified and expressed a novel understanding of a known social problem by refocusing attention on alternative aspects of the issue (Tracey et al., 2011).

FGD-O1 reveals that the company engaged in successive informal dialogues with the existing social network and allies (e.g., journalists, academics and researchers from Dibrugarh University, youth organizations, social workers as well as local politicians) to assess the efficiency of current CCI practices and explore the initiatives of government and NPOs around the local employment issue. Accumulating the views gathered from these meetings and the incident reports from the field offices during various times of social unrest, the company summarized its own perspectives on the unemployment problem.

> *"Naturally pressure on the OIL from unemployed youth for direct as well as indirect employment became a major concern and challenge for the company but the general lack of requisite for getting employment in the technical sector make them useful mainly for the agro-based industries. … … [The young generation] were gradually convinced that the agro-based sector could never provide potent avenues for sustainable self-employment."* (Rupantar, 2011, p.12)

> *"The young generation was more reliant on OIL in the absence of other industry in the region. OIL was already operating with more employees than required as a result of increased recruitment over the years. Employment within the company would just be short-term symptom management rather than long-term cure."* (O1)

> *"Government and civil society were largely inactive in promoting employment in Upper Assam. Local government often shared the perception that OIL would play the main role in the socio-economic development of the community. On the other hand, Assam is one of the*

most politically unstable states in India. As a result, NGOs mainly focused on reducing the tension between government and separatist groups." (O3)

Therefore, OIL reframed the growing unemployment and lack of alternative economic activities *among the youth* as the core social problem in its operational areas in Upper Assam. It also recognized that the existing institutional mechanisms, such as government and NGO interventions, as well as contemporary CCI practices had not been capable of solving the problem but rather were deepening the crisis by increasing the community dependence on the company for their welfare and livelihood security. This diagnosis of the problem provided the necessary agency for the company to develop a CCI mode as part of the solution to the "new" problem (Tracey et al., 2011, p.70).

5.3.1.2 Formulation of the CCI Mode: Transposition of a Foreign Schema

The initial development process also involved actively seeking a solution to the *specified* problem that was *justified* to be superior in comparison to prevailing arrangements (Tolbert and Zucker, 1996). In reality, the same dialogical process with social network and allies that was employed for problem framing served as the platform for finding an effective solution to the unemployment problem of youth (FGD-O1). The PR team of OIL learnt about a government sponsored self-employment project in Lower Assam run by the State Institute of Rural Development (SIRD), Assam. SIRD, an autonomous organization formed by GoI in 1999, had been working in close coordination with the State and Central government in various community development projects in the North and Lower Assam districts since 2000. Swarnjayanti Gram Swarojgar Yojana (SGSY) was one such project that targeted self-employment of women and youth in rural Assam. Following the cluster approach[6] to SHG-oriented economic activities, SIRD provided support from the 'top' to organize the target beneficiary into SHGs for undertaking collective livelihood activities, and built their technical and enterprising capabilities. The scheme aimed to develop financial, physical, human and social capital in the community that would allow them to pursue independent livelihood ventures in future individually or with current/new groups.

[6] Selection of a few livelihood activities but attending to all aspects of these activities so that the backward and forward linkages can be established effectively within a cluster of activities.

The SGSY programme resembles an issue-based proto-institution with a defined rule system at the field level (see sub-section 3.3.3 for the definition of proto-institution). The rule system concerns the creation of formal identity in the form of SHGs by a group of individuals and conducting economic activity in and around this identity. The sponsor of the proto-institution, in this case government with a field-level alliance with SIRD, mobilizes the potential adopters at the grassroots level, and provides material and technical support to these groups in association with a group of supporters for a fixed time period. The idea is to educate the adopters within this stipulated period such that their future behaviour will still be guided by the rule system when the supports are withdrawn. The success of early-stage adopters are expected to attract the wider community and inspire a self-mobilization process within the community through which the proto-institution would become a full institution with sufficient diffusion among the adopters (Lawrence et al., 2002).

The case reveals that the company transposed this existing institutional schema as an innovative solution to the social problem in its own field (Sewell, 1992; Battilana, 2004; Boxenbaum, 2004), and justified the adoption by highlighting it as a 'win-win' solution to the shared problem in congruence with business and societal interests (Brown et al., 2009). In 2002, the PR team arranged an exposure visit to the activity clusters in Lower Assam to assess the ground realities and justifying the relevance of the proto-institution in the context of Upper Assam. The visit enabled the company officials to experience the successful implementation of development concepts such as 'self-help based development' and 'micro-credit' to generate livelihood opportunities for the rural poor. A concept note was prepared, where the field level learning was transferred (Battilana, 2004) to propose a CCI mode that would sponsor SHG-oriented economic activities among youth following the SIRD model. Despite the obvious interest of the young generation in formal employment, it was argued that the lack of education and technical skills made them more suitable for the primary agro-based sector. It was also recognized that with appropriate financial, material and cognitive support, SHG-oriented livelihood activities could be made popular as a new avenue for self-employment. Thereby, sponsoring this proto-institution was perceived as a superior solution to solve the unemployment problem among the youth. It was envisaged that this would in turn reduce employment pressure on the company,

improve the corporate-community relationships and increase business performance in the long-term.

5.3.1.3 Building the Operational Template

The final part of the initial development process was to develop an operational template for sponsoring the proto-institution of SHG-oriented livelihood activities among the target community. This involves: i) developing an initial set of features for the proto-institution including a set of structures and practices for guiding the behaviour of SHGs; and ii) defining the roles of the sponsor and its supporters in promotion of the proto-institution. This initial template became the basis of the new CCI mode, which was enhanced over time with feedback from the institutional environment (Zietsma and McKnight, 2009).

As the company intended to implement in its local field a CCI mode that was transposed from an existing institutional schema in a different field, it was necessary to translate the original practice with respect to the local institutional context (Lippi, 2000; Campbell, 2004), particularly to ensure its alignment with community expectations as well as company objectives. However, the company recognized its own lack of knowledge and resource to translate the idea into actionable plans, which necessitated *convening* with SIRD – the implementer of the original proto-institution in Lower Assam. Convening here refers to the creation of a collaborative arrangement with third party experts in order to solve a particular problem (Dorado, 2005). Evidence suggests that this collaborative arrangement was driven by linked interest and resource complementarity between the two organizations (Austin and Seitanidi, 2012a). OIL had the financial resources but lacked the expert knowledge, skills and network required to design and operationalize such a complex CCI mode. SIRD had massive success in promoting the "SHG movement" in Lower Assam, was familiar with the local culture and socio-economic conditions, and possessed a strong network with government, financial institutions and NGOs all over India (O3). For SIRD, collaboration with OIL would allow it to utilize corporate resources to promote its own objectives in Upper Assam.

The two organizations engaged in an intensive consultation and negotiation process, and agreed on three key activities to promote and sustain the proto-institution in the field: i) mobilizing the community to encourage it into self-help-oriented livelihood activities; ii) organizing and educating SHGs; and iii) building a support system around the SHGs. It was also required to create appropriate structures and mechanisms within the company to support and monitor these activities. In the process, a new organizational practice would be established at the company level – the CCI mode under study. Being the initiator and key resource contributor of the project, the company acted as the *sponsor* of the proto-institution. The local community within the operational area of OIL was considered as the target *adopter* of the proto-institution. SIRD became the *implementing partner* and conducted most of the field level activities on behalf of the company. A group of *supporters* was also identified to assist in the promotion and eventual maintenance of the proto-institution.

- **Developing the features of the proto-institution**

The case reveals that OIL, SIRD and an elite group of supporters collectively decided on the preliminary features of the proto-institution through recontextualization of the original model to fit the local context (Lippi, 2000; Campbell, 2004). The intentional deviation was evident in terms of not sponsoring widespread diffusion of the proto-institution unlike what SIRD was doing in other parts of India. The company imposed its preferences by prioritizing the villages where corporate-community relations were already poor, and promoting only a fixed number of SHGs in individual villages. Although "resource constraint" was mentioned as a major reason for limiting the scope of interaction (O2), it was also argued that the learning of previous experiences when "the community fell into the dependency trap far too easily" shaped such company intention (O2). It was envisaged that the success of the early adopters would influence an automatic surge of adoptions from the rest of the community.

In the negotiation process, SIRD influenced inclusion of certain proto-institutional features that were not initially preferred by the company. For instance, OIL targeted only youth as the potential adopters for SHG-based livelihood schemes. SIRD justified inclusion of women in the project scope, as it would secure economic development at family level, inspire male members to engage in similar

activities, and therefore enhance the acceptability of the proto-institution in the society (O3). An elite group of supporters from the local community was also consulted to identify what features or rules would be more suitable and appealing to the adopters (Hargadon and Douglas, 2001). However the process was challenging:

> "*It was very difficult to sell the idea of a promising but very complex community development project like Project Rupantar to the community. It was challenging for the community to see our proposition. We consulted with community leaders and social activists who assisted us in other community development projects. They were circumspect about the success of the model and more concerned about the credit component of the project. At that time, it appeared as a 'wishful thinking' to provide bank loans to the poor communities for sustainable livelihood development."* (FGD-O1)

The feedback from these supporters helped further translation of the proto-institution. For instance, OIL decided to conduct an experimental phase for three years with cash and kind support to the SHGs. Formal institutional credit, a critical component of the SIRD model, was intentionally discarded for this period.

A separate rule system with incentive structures and coercive mechanisms was designed to reinforce the desired performance-oriented behaviour of the SHG members. The rule system focused on two key elements: i) formation of SHG as a collective identity to promote a shared meaning system among the members; and ii) management of SHG following the guidelines on group and resource management by working in and around this identity. The group management rules concerned member inclusion criteria, leadership policy, management capacity of the leaders, group meetings, conflict resolution, record keeping, monitoring, etc. The resource management rules included saving mechanisms, fund management, mobilization and utilization of resources for income generation, etc. Overall these features were aimed at building the capacity of SHG for planning, decision-making, resource management and monitoring of their income generating activities. These rules are explicitly articulated in a handbook entitled 'Management of Self-Help Groups'.

- **Developing an action plan**

The second part of the operational template concerns defining the scope of SHG promotion, assigning roles to the company and SIRD, and identifying key allies and their roles. A Memorandum of Understanding (MoU) was signed in September 2003 between OIL and SIRD. The guiding provision of the MoU was to organize 1000 youth and women SHGs in two districts over the following three years. This period was considered as the Action Research (AR) phase. Livestock (e.g., ducks, goats, pigs) and handlooms were selected as the main livelihood activities to be promoted during the AR phase. It was decided that the extension or termination of the project as well as the inclusion/modification of the proto-institutional features would depend on the progress in this period.

As the sponsor, OIL took responsibility for providing financial and material resources. As the implementing partner, SIRD agreed to: i) mobilize the target community to form livelihood-based SHGs; ii) educate, support and monitor them to guide their behaviour in and around the new collective identity; and iii) mobilize the supporting actors throughout the process who would contribute valuable resources in this process. Two groups of supporters were identified: one providing assistance in the promotion of proto-institution; the other forming a network of forward and backward linkages around the economic activities of the SHG to assist the maintenance of the proto-institution.

The target adopters were not directly consulted in the initial development process, rather the influential and enlightened representatives of the community were included in the discussion. Four reasons are identified for adopting such an approach. First, the company did not intend to "over-complicate the design process" by collecting diverse opinions from the wider community (O3). Second, engaging the elite group of the community from the beginning allowed the company to earn early legitimacy for the project. Third, the company showed confidence in SIRD and considered their knowledge and experience of working in a similar local context in Lower Assam would compensate for the lack of community consultation. Finally, it was envisaged that the response from the target adopters in the early AR phase would alter the initial operational template, which would help further recontextualize the proto-institution based on practical evidence.

5.3.2 Operationalizing Project Rupantar in the Field: Co-creation of a Proto-institution

The initially developed operational template came into being in the field through three distinct activities: i) mobilizing allies; ii) promotion-adoption of SHG-oriented livelihood activities; and iii) establishing maintenance mechanisms. These activities together resembled collaborative co-creation of an issue-based proto-institution through the combined efforts of sponsor, implementing partner, adopters and supporters. Throughout the process, a group of supporting actors were mobilized who played an important role as institutional workers in promoting the proto-institution, providing an environment for stabilizing the proto-institution or even revising the proto-institutional features. To promote the proto-institution among key supporters and potential adopters, the sponsor employed discursive strategy focusing on three key logics: i) existing institutional arrangements failed to address the social problem in question; ii) the proposed proto-institution had the potential to bring immediate benefits to adopters as well as supporters and; iii) the reproduction of the proto-institution to the entire institutional context would address the social problem in the long-run. The sponsor and implementing partner subsequently educated and supported the adopters so that they could perform required micro-activities complying with the rule system. The proto-institution was gradually acknowledged and consumed in the field through these reciprocal sets of promotion-adoption actions. The sponsor and implementing partner also actively constructed a mechanism based on market logic, incentives and coercive structure to reinforce the commitment of the adopters and maintenance of the proto-institution.

5.3.2.1 Mobilizing Allies

Throughout the project duration, OIL and SIRD mobilized various social actors to acquire critical resources and arrange services needed to promote SHG-oriented livelihoods and ensure their survival. These supporters assisted in various capacities to promote the proto-institution, to provide an environment for the maintenance of the proto-institution, and even to develop or revise the features of the proto-institution. The company mostly banked on its existing social capital (Fligstein, 1997) as well as the network connections of the implementing partner

to mobilize key constituents such as highly embedded actors (Lawrence et al., 2002), professionals and experts (Hwang and Powell, 2005).

The first group of supporters, who have formal authority and legitimacy in the field, was mobilized in order to capitalize on their authority in promoting "acknowledgment and consumption" of the sponsor's discourse by potential adopters (Leca et al., 2008, p.16). In India, local government bodies such as Gram Panchayat (commonly known as Panchayat Raj Institution, in short PRI) are considered as the formal representatives of the village-level community who are bestowed with the authority to conduct government-led development projects in the village. It was critical for the success of Project Rupantar to affiliate with such legitimate local actors in each target village to approach the villagers with the concept of SHG-oriented livelihood schemes. Affiliation in this context refers to the creation of loose alliances with legitimizing actors to borrow their support and acceptance (Dorado, 2005; Battilana et al., 2009; David et al., 2013) in promoting the idea of the proto-institution among target adopters. As the local community had no experience of such CCI project that required their active participation, they were unable to directly assess the value of the proposed institutional venture, and eventually relied on more easily observed signals such as status and legitimacy of the PRI (Bitektine, 2011).

OIL and SIRD employed discursive strategies to convince PRI that the proposed proto-institution would act for the 'common good' (Fligstein, 1997) and align with its mandated responsibility of local development. They highlighted success stories of SIRD-led projects in Lower Assam and argued that a similar project would bring short- and long-term benefits to the community. They also educated PRI members about the goal and mechanism of the project so that they could transfer the knowledge to the villagers. PRI was mainly engaged to mobilize the target community around the proto-institution (detailed in next sub-section). They were also influential in counteracting negative rumours and publicising a positive image about the project in the community.

The second group of supporters was identified as *facilitators,* who were the community members with revered positions in the society. OIL used its current social position in Upper Assam to identify these individuals or groups, to whom it

could champion its proposed direction of change and orchestrate collective actions for the project (Maguire et al., 2004). The facilitator group included local leaders, members from PRI, social activists with previous experience of organizing the community around social issues, members of social clubs or youth organizations. These enlightened local individuals had greater understanding about the local culture and could relate well with the pressing needs of the community. The community also identified them as a "source of trust and confidence" during interviews. The interviewees repeatedly mentioned one example:

> *"One of the facilitators, Mr. M, was key to propagate the SHG movement. He single handedly sensitized communities residing in over 50 villages in and around Tingkong circle; mobilized positive public opinion on various issues like forming SHGs, inspired the women, young and old to join the project and engage in various economic activities. Mr. M was able to influence such a diverse group of people cutting across the barriers of race, creed and religion as he has led by example."* (FGD-O1)

The facilitators played diverse roles in Project Rupantar, from organizing the community into SHGs to handholding them, and even overseeing their progress. The third group of supporters consists of the expert organizations such as government departments, NPOs and research institutes. These supporters provided necessary technical support, supplementary services and training for capacity development of the SHGs. In most cases, SIRD's previous affiliation with government-led projects was influential in securing support from these actors.

OIL provided financial support to the SHGs during the AR phase. However, the maintenance of the proto-institution without the CCI support would require continuous flow of finance through local banks. OIL-SIRD joined a district level network of the relevant social actors (e.g., local government, civil society, political leaders, youth organizations, financial institutions) where these actors regularly discussed various development schemes and the possible areas of collective or individual contribution (O-CO1). Local banks were informed about the project through this network, and they agreed to provide credit facilities to the SHGs. The existing collaboration of SIRD with nationalized and regional rural banks in other parts of India was also identified as a catalyst for the local branches of those banks to extend their support.

Table 5.2 Institutional work in Project Rupantar: Data Structure - Categories and Themes.

Aggregated Theme	Second Order Themes	First Order Categories (Conceptual Level)	
Processes	**Institutional Work**	**Core Activities (AR Phase)**	**Unintended Consequences**
Initial Development A process of conceptualizing current institutional failings behind the problem, linking to potential solutions, and developing an institutional template to realize the solution (Tolbert and Zucker, 1996)	*Reframing Social Problem:* Highlighting alternative aspect of a known problem (Tracey et al., 2011) and justifying its prevalence due to failings of existing institutional mechanism (Suddaby and Greenwood, 2005).	***Conceptualizing Project Rupantar*** A. Multi-stakeholder dialogue (e.g. meetings) B. Unemployment of youth framed as the core social problem - Unemployment a well-recognized social problem in Upper Assam - Government and NGOs not addressing the root cause of unemployment - Limited employment opportunities within the company - Youth not attracted to existing CCI projects around livelihood (e.g. HTPC)	
	Formulating CCI Mode: Solution formulation through transposing schema from a foreign field and justifying its superiority (e.g. Sewell, 1992; Battilana, 2004; Boxenbaum, 2004)	C. Multi-stakeholder dialogue (e.g. meetings) D. Identification of self-help groups oriented livelihood project promoted by SIRD in Lower Assam E. SHG-oriented livelihood framed as an alternative avenue for self-employment - SIRD's project demonstrating success in Lower Assam - Un/low skilled youth is appropriate for agro-based sector - Youth's self-employment would reduce dependence on the company for employment in future	
	Building Operational Template: Developing a concrete plan of action by translating the transposed schema to fit the local context (Djelic, 1998; Lippi, 2000; Campbell, 2004)	F. Collaboration with SIRD - OIL lacking expertise for designing and implementing self-help based CCI intervention - SIRD successfully implemented SHG based employment projects in India G. Recontextualization of SIRD model to formulate the project (e.g. governance, action plan, SHG guidelines) - OIL-SIRD collaboration would instigate fixed number of agro-based livelihood SHGs in selected villages where social tension prevailed - Youth and women are the target group - Direct assistance (i.e. cash and kind) to SHGs during AR, followed by scaling up and introducing formal credit support in extended phases - Relevant societal actors would be mobilized to provide a conducive environment for sustaining SHG-oriented livelihood practice	

Table 5.2 Institutional work in Project Rupantar: Data Structure – Categories and Themes (contd.)

Aggregated Theme	Second Order Themes	First Order Categories (Operational Level)	
Processes	**Institutional Work**	**Core Activities (AR Phase)**	**Unintended Consequences**
Co-Creation of Proto-institution A collaborative process through which a proto-institution is enacted in the field and becomes a candidate for widespread diffusion (Zietsma and McKnight, 2009)	*Mobilizing Allies:* Developing alliances and cooperation to acquire critical resources for mounting field level actions (Leca et al., 2008)	H. Discursive actions emphasizing SHG-based livelihood a win-win solution for both allies and community I. PRI and village leaders mobilized for formal authority J. Third party organizations mobilized for SHG capacity building K. Enlightened community members mobilized for facilitating community mobilization process	
	Promotion-Adoption: Positive reciprocal actions by sponsor and adopter through which elements of proto-institution are acknowledged and consumed in the field.	L. OIL-SIRD mobilizing and educating community to form SHGs (e.g. meetings, street plays); Community forming groups and electing governing body later acknowledged as SHGs by the project - Focus on constructing a separate identity by the community M. Performance based SHG progression from group formation through group stabilization to Direct Assistance/Credit schemes - Focus on developing 'bonding' social capital (e.g. group management) - OIL-SIRD educating, supporting and policing SHGs; SHGs engage in livelihood activity, and continuously manage group, resource, network and credit following SHG guidelines - Focus on developing economic capital with physical, bridging social and human capital	**AR to EP** M1. 5-10% SHGs discontinued; N1. Groups meandering SHG guidelines to maximize benefits. N2→G. Increased OIL-SIRD support after negotiation **AR:** N3→F. Restructuration of SIRD project team due to poor performance; N4→G. One livelihood scheme discontinued. **EP:** N5→G. Schemes offered to mixed age groups; N6→G. Increased direct assistance threshold; N7. Facilitators supporting and policing SHGs **EP2:** N8→G. Introducing new schemes for educated youth with different guidelines
	Establishing maintenance mechanisms: Constructing incentive structure, coercive mechanism and network connection that facilitate persistence of the proto-institution (Zietsma and McKnight, 2009)	O. Enforcing mandatory compliance to SHG guidelines to qualify for project assistance P. Introducing incentive structure (e.g. transfer from direct assistance to credit facilities) to reinforce commitments from SHGs Q. Establishing forward and backward linkages to ensure sustainability of livelihood activities - Applied cluster-based approach for selecting livelihood schemes rooted in local resources, skills and demands - Establishing marketing outlet by SIRD - Establishing in-house infrastructure for input supply - SHGs linked to third party expert organizations for technical assistance	**EP:** R→K1. Creation of a dedicated facilitator group

Operationalizing Rupantar in the field

Table 5.2 Institutional work in Project Rupantar: Data Structure – Categories and Themes (contd.)

Aggregated Theme	**Second Order Themes**	**First Order Categories (Operational Level)**	
Processes	**Institutional Work**	**Core Activities (AR Phase)**	**Unintended Consequences**
Conditional Embedding A process of temporarily infusing normative foundations of proto-institution sponsoring into the organizational behaviour and day to day routines (Lawrence and Suddaby, 2006)	*Enabling work:* Creation of structure and mechanism to facilitate promotion of proto-institution in the field.	***Operationalizing Rupantar within company*** S. Restructuring of OIL's CCI governance T. Establishing infrastructure (e.g. project office) for project co-ordination U. Dedicated budget allocation for project Rupantar	**EP:** U1. Increased budget allocation
	Policing: Ensuring embedded actors' actions are in compliance with the institutional change template	V. Two-tier monitoring to ensure feedback incorporation and addressing unintended events in a timely manner - SIRD monitoring SHGs and OIL monitoring SIRD W. Periodic evaluation by third party expert organizations	**EP:** V1. Facilitators monitoring SIRD and SHGs

[AR: Action Research Phase (2003-2006); EP: Extension phase (2006-2013); EP1: Extension phase one (2006-2008); EP2: Extension phase two: (2008- 2013)]

[Action-level unintended consequence → associated with specific action]

Source: Author's own.

5.3.2.2 Promotion-Adoption of SHG-Oriented Livelihood Activities

This is the core field level activity surrounding the community that entailed instigating SHG-based livelihood activities in the field. The company and SIRD, along with other actors, mobilized and educated the target community to form SHGs and provided all the necessary support (e.g., capacity building, supervision, forward and backward linkages, monitoring) in a phased manner so that they could sustain collective livelihood activities. In response, community formed SHGs and managed the livelihood activities adhering to the project guidelines. These two parallel sets of activities are referred to as *promotion* and *adoption*, which continued regularly throughout the project duration. From the proto-institution point of view, the promotional activities included mobilizing target adopters to construct an identity, educating them about the rule system to be followed, providing them with physical assets and technical resources to conduct livelihood activities, and monitoring their progress. In contrast, adoption work undertaken by potential adopters entailed constructing the identity, and then working in and around the newly created identity in compliance with the proto-institutional rule system. As revealed, the rule system and features of the promoted proto-institution were altered over time with feedback from the institutional environment, which resulted in greater acceptance and legitimacy of the proto-institution among the existing adopters and paved the way for diffusion in the wider society. The following discussion describes the general instance of promotion-adoption work undertaken in a single geographic location (village), which was in reality replicated in numerous villages.

- **SHG formation**

The first part of the promotional work was mobilizing the target adopters, which involved educating the community about the concept of self-help and encouraging them to construct SHGs.

Community mobilizing was conducted in two stages. A project team consisting of OIL and SIRD officials organized an initial meeting in the village with the support of PRI and facilitators to educate the villagers about key features of the proto-institution. By engaging PRI and facilitators in the process, the proposed proto-institution earned normative legitimacy with the target adopters. The project

team employed discursive strategies to convince the potential adopters (Leca et al., 2008).

> *"We have a team who goes prepared to talk about the project, schemes and benefits of the project. These meetings serve as the common platforms to answer all the queries related to Project Rupantar. During the public meetings, representatives from Oil and SIRD provided examples of success happening in other parts of Assam (Lower and North Assam), discussed detail of the SHG formation process (e.g., how to form a group, pool savings, open of bank account). Awareness of various components of the project such as distribution of cash and kind resources under various schemes and access to finance with subsidy etc. was vital not only for attracting target groups but also for the sustainability of the project".* (O3)

The project team and supporters also engaged in door-to-door campaigning. These public meetings and interpersonal communication provided opportunities for dialogue, mutual learning and initial trust building, and helped to reduce ambiguity about the new concept among adopters (Etzion and Ferraro, 2010). At this point, villagers residing in 'neighbouring areas' or a 'known circle' usually engaged in informal dialogue to explore the interests of each other as well as assessing the commitment towards collective actions:

> *"We started talking to our relatives, friends since savings and credits were two important components of the programme. It was risky to involve people whom we do not know."* (O-FGD-PP1)

Besides verbal discourse, the sponsor also adopted innovative visual materials such as street plays in two hundred villages over a two-year period to infuse the knowledge of a complex proto-institution among target adopters.

> *"Project Rupantar was the first of its kind in Upper Assam. For the community, it was not only 'too complex' a project to conceptualize but also 'too good a proposition to be true' for community development. We had to design an effective but innovative awareness campaign to gain the community's trust and confidence in the project. In addition, we also wanted to present the complex modalities of the project in an understandable way. We thought of street play as this is a powerful way to propagate public awareness on a specific issue and deliver complex social messages through the art of theatrical storytelling."* (O3)

The mobilizing activities were expected to spur the initial response from prospective adopters. Embedded in a complex local field characterised by poverty and unemployment, SHG members mentioned increased income, access to resources and technical support, shared responsibility and self-reliance as a few key factors that influenced their agency to get engaged with Project Rupantar. According to the operational template, only a fixed number of SHGs were organized in each village, which resulted in the exclusion of a segment of the community despite their intentions. Some were excluded for more obvious reasons such as not meeting the selection criteria (e.g., mandatory savings) imposed by the rule system. Another segment of the community had divergent interests and preferred not to engage in SHG-oriented activities. For instance, some villagers considered livestock rearing or hand weaving as downgrading and preferred employment in the formal sector.

Considering the 'elite control' problem when local powerful actors are affiliated in CCI (Muthuri et al., 2009), it was left to the adopters to decide on group members and leaders (e.g., President and Secretary/Vice President). This was intentionally designed to capitalize on existing community cohesion, trust and interpersonal relationships, and to instil confidence among group members. The final part of group formation from the adopters' perspective was the selection of leaders. Usually one or two persons engaged in early mobilizing activities became the natural choice for group leaders. In other cases, group leaders were chosen for the relative "subject position" of individuals (e.g., having better education or bank experience, willing to commit time and perform the required responsibility, or simply who came from a good family) (Foucault, 1972; Bourdieu, 1990). Once the members and leaders were selected, an informal dialogue took place between the group and SIRD to ensure that all members were aware of the rule system. The SHG was then formally approved in the presence of local authoritative actors (e.g., PRI), which provided its social recognition as a legitimated identity.

- **SHG management**

The second part of the promotional work involved mentoring the SHGs, transferring financial or physical capital, extending technical support to build human capital, and monitoring the progress of capital building activities. Accordingly, the SHG was expected to conduct regular activities adhering to the

rule system regarding group, resource and network management. This was done in a phased manner to gradually build various capital within the group. In general, SHGs continued to be supervised for up to two years, after which the project would officially withdraw its support.

The *first stage* activities focused on educating, mentoring and monitoring the newly-formed SHG around group management activities. This phase lasted for about six months. The group was trained on several aspects of group management such as group meetings, account maintenance, leadership, group savings management, conflict resolution, collective decision making, performance monitoring etc. SIRD officials also regularly visited the group to monitor the key activities and provided guidance as necessary. Supervision was gradually reduced over time to make the group confident in conducting their activities independently. This preliminary stage paved the foundation for subsequent activities based on improved human capital and strengthened *bonding* social capital.

An SHG would qualify for the *second stage* once it demonstrated efficient group management. This stage mainly focused on educating and supporting the group on developing its enterprising and livelihood skills in parallel with resource and network management. First, the group was educated on economic activity selection based on members' skills, resource management, distribution of workload among members, marketing etc. After the group chose an economic activity from a range of livestock or handicraft schemes, further training was arranged for improving livelihood-specific technical skills. Then, the group was provided with cash and kind support to embark on the economic activity and supervised on a regular basis by SIRD officials.

Entrepreneurial decision-making on resource management and workload distribution was an important aspect of this stage, which was observed to vary among groups. For example, members of duckery schemes usually divided and reared an equal number of ducks among themselves. But there were instances where different members looked after different aspects of SHG operations.

> *"X agrees to install the handloom in his household as she has free space. Then we discuss and agree together how the handloom will be used by the members by rotation".* (O-FGD-PP2)

> *"I provide shed to keep the pigs. Rest of the group members arrange feed as well as look after them regularly by rotation."* (O-PP4)

It was also observed that members with particular skills (e.g., good negotiation skills) were often delegated with specific areas of responsibilities (e.g., marketing).

SHGs also had to implement the mandatory leadership rotation (usually once a year) policy for the first time. Shared leadership through rotation was emphasized to promote equal opportunities as opposed to autocratic leadership so that individual members would reproduce the proto-institution alone or with new groups in future (O-FGD-CO2).

New leader selection was found to be an informal process based on consultation and mutual consent of the members:

> *"We consulted among ourselves and decided mutually who will be the President and Secretary. Every year we select a new President and Secretary. All of us now know how to manage a group."* (O-FGD-PP1)

However, in a few instances, the groups mentioned that the rule system could not be implemented due to the status quo, which compromised the development of the second line of leadership. There were also examples where the leader(s) did not perform as expected. SIRD had to intervene to resolve the internal conflicts.

Linking the SHG with the corresponding market was another important aspect of promotional work to ensure long-term sustainability for the SHG-based livelihood activities and strengthening the *bridging* social capital base for the adopters. It was observed that SHGs working on livestock schemes successfully tapped into the readymade local market as the demand-supply gap had always been huge in Assam. The market for handloom products was wider. Besides the local market, SIRD facilitated weavers to frequently participate in trade fairs, expos and other exhibitions both regionally and nationally to reach the wider market. Increasingly, SHGs started to make a significant effort to expand the market network.

Based on the success of the AR phase, the *third stage* began aimed at scaling-up the livelihood activities in selected localities. Additional incentives were introduced for the existing as well as new adopters to facilitate reproduction and persistence of the proto-institution in the field. The sponsor offered a mix of subsidy and bank credit to extend the scope and scale of economic activities. New livelihood schemes were introduced, new segments of adopters were targeted and the rule systems were refined accordingly. As a result, new supporters (e.g., banks) became more integrated with the process, the networks among supporters and adopters expanded considerably, and the acceptance of the proto-institution increased among adopters.

Each group was already introduced to the formal banking system while opening group savings accounts. The mandatory savings of the group acted as the collateral for loans provided by the banks. A bank manager asserted:

> *"We directly monitor the savings performance of SHGs and savings work as the collateral for future bank loans. We have a rigorous process of assessing the performance of SHGs. Only when we are satisfied with the performance of the SHG do we approve the loan."*

Successful SHGs from the second stage, generating profit or demonstrating potential for profitability, were offered subsidized credit facilities. However, some SHGs chose to continue their economic activities without credit support. Some also invested their own funds. In contrast, a good number of SHGs opted to expand and/or diversity their enterprising activities utilizing credit. A common example was members engaging in poultry, goat rearing and paddy cultivation simultaneously. Diversification turned out to be immensely rewarding for the groups. Credit was mostly used for procuring quality inputs, building infrastructure and buying machinery. Managing relationships with banks concerned efficient utilization of the fund and timely repayment. In the interviews and FGDs, members repeatedly emphasized their priority of loan repayment. Credit repayment history was also very good (O-BM-1). In fact, SHGs were repaying loan before the stipulated time (Rupantar, p.19).

- **Unintended consequences**

As discussed in sub-section 3.3.4, institutional work is often riddled with unintended consequences and requires continuous addressing those consequences to achieve intended outcome. The promotion-adoption activities were not free from unintended consequences. Around 5-10% of SHGs on average failed to pursue group activities such as pooling and managing group savings regularly, timely loan payment and so on (O-CO2). Intra-group conflict was also identified as a key reason for discontinuing SHGs. The group members also mentioned unforeseen adverse effects of the rule system and how bending that rule system maximized their benefits. For instance, when rotation of leadership led to replacing leaders with proven abilities with the ones lacking in those abilities, it hindered the group performance. Few groups divulged that to avoid such a situation they officially rotated the leadership position to comply with the rules but kept the responsibility with the previous leaders.

Over the years, the proto-institution gradually deviated from the initial template based on the incremental learning about the achievements and challenges in the ongoing promotion-adoption activities. The policing work, discussed in detail in sub-section 5.3.3.2, ensured capturing those unintended consequences in time. The continuous refinement of the proto-institution was necessary to ensure widespread acceptance among existing adopters and attracting new adopters. For instance, a poultry scheme was discontinued after receiving negative feedback from the community. Throughout the project duration, SHGs negotiated with the company for the provision of an increased level of technical as well as cash/kind support, which was reflected subsequently at a later stage of the project. Although the project originally targeted youth and women, it also caught interest from every sphere of the community. As a result, OIL started to offer self-employment schemes to mixed age groups. OIL also introduced new livelihood schemes on non-agricultural activities (e.g., stationary shops, beauty salons) for educated youth, and targeted existing small-scale entrepreneurs to significantly expand their business. The other notable examples of unintended consequences from promotional activities include the restructuring of the SIRD project team after observing their poor performance in the early AR phase, and assigning increased responsibilities to the facilitators for educating, supporting and monitoring the SHGs.

5.3.2.3 Establishing Maintenance Mechanisms

The final set of activities focused on constructing the incentive structure and coercive mechanism as well as developing network connections for the adopters that facilitate persistence of the proto-institution in the field (Zietsma and McKnight, 2009). OIL and SIRD expended considerable efforts in establishing a self-sustaining system for the SHGs so that they could continue economic activities independently when the project support was withdrawn/discontinued. Overall, the project focused on two key objectives to ensure that SHG-oriented livelihood practice persisted in the community: i) instilling self-regulation among SHGs by imposing governance and group management guidelines; and ii) creating a network of forward and backward linkages around the SHGs to sustain their economic activity. Few of these mechanisms were part of the initial template, however new mechanisms were also incrementally incorporated as the project progressed. Such maintenance mechanisms and associated changes ensured that the proto-institution 'stuck' among early adopters and stabilized the proto-institution for wider acceptance (Zietsma and McKnight, 2009).

The rule system for the SHGs enforced mandatory compliance to shared leadership, collective decision making, shared management and control, accountability and regular monitoring in order to qualify for continuous project assistance. The project intentionally encouraged a culture of "peer pressure" within SHGs to ensure each member followed their responsibilities (O3). Such compliance was expected to create greater cohesion and solidarity among the group members, thereby increasing the probability of the individual groups continuing their collective livelihood activities without external actors' intervention.

Throughout the project duration, the sponsor continued to link the proto-institution with existing logics in the field and built normative networks among adopters and supporters. For example, the cluster-based approach was taken for the selection of livelihood schemes based on local resources, skills and demands for the produce. Most SHGs concentrated on the development of end products (e.g., handloom products, pig, fish). However, a small number of SHGs were encouraged to engage in forward and backward linkage activities such as

producing quality raw materials (e.g., sericulture, piglets, fingerlings) and marketing activities. This created a network within the community based on market logic that ensured the sustainability of the proto-institution. As most of the SHGs were livestock product oriented, government department and private services were linked to provide information on animal health and veterinary facilities. In addition, SIRD established a local marketing outlet, AASTHA, where SHGs could supply their products apart from selling in the local market. SIRD also facilitated SHGs to frequently participate in trade fairs, expos and exhibitions both locally and regionally to expand their network. By developing these links between the micro-economies within and outside the community, useful knowledge was obtained on the opportunities for new livelihood activities or threats on particular activity. Such 'bridging' social capital also sparked development of coordinated livelihood support at the later stage.

Over time, the sponsor also established or changed incentive structures that reinforced desired behaviour of the adopters. This was particularly evident in the extended phase when incremental changes were incorporated in proto-institutional features based on the learning from the AR phase. For example, a subsidised credit facility was introduced for the SHGs to scale up their economic activities. Small business schemes were introduced for the educated part of the community who were still not convinced to pursue an agro-based livelihood. However, such incentives usually came with an additional coercive mechanism. SHGs had to comply with rules imposed by the financial institutions along with SHG guidelines. Regular monitoring and auditing of SHG performance by banks served as common regulative maintenance mechanisms during the later stage of the project.

Creation of a dedicated facilitator group appeared as an unintended consequence in the company' continuing effort to ensure that the proto-institution persisted. As the project expanded, it became increasingly challenging for the limited number of members in the project team to maintain regular interaction with the SHGs in remote villages. At that point, OIL started to build a facilitator group who would work in expanded project areas with extended roles from mobilizing to holistic promotional activities. These facilitators became the carriers of knowledge and helped the community to kick-start, scale-up or diversify the self-help-based activities. The company also provided financial incentives for the facilitator

groups. As a result, more and more educated youth became interested in being facilitators, leading to fast growth of SHG-oriented livelihood activities in Upper Assam.

5.3.3 Operationalizing Project Rupantar within the Company: Conditional Embedding

The previous section discussed the field level activities through which the project promoted SHG-oriented livelihoods among the target community. However, sponsoring such a proto-institution by an organization outside its organizational boundary required additional institutional work at the organization-level to infuse the normative foundation of the sponsoring process into the organizational routines (Lawrence and Suddaby, 2006). Two such works are identified in the case context, namely *enabling work* and *policing*. Enabling work referred to the creation of a rule system or structure within the company that would facilitate, supplement and support the regular field-level promotional activities. Policing, on the other hand, referred to activities that ensured the compliance of embedded actors' behaviour with the rule system and set action plan. However, since the company intended to sponsor the proto-institution for a limited period of time, these rule systems, structures or monitoring mechanisms were temporarily established within the organization to ensure that the field-level activities required for sponsoring the proto-institution became part of the routine organizational behaviour. The company expected to achieve a particular objective – the SHG oriented livelihood activities would become a social norm and the community would maintain the practice without company's support - within this time-frame and the practice would discontinue later on. In other words, the company embedded the CCI mode of sponsoring the proto-institution within the organization and intended to keep it embedded unless a condition was perceived to be satisfied – hence the term 'conditional embedding'.

5.3.3.1 Enabling Work

Conducting regular field-level promotional activities in various geographical locations demanded the company to maintain constant co-ordination with multiple constituencies and effective management of resources. *Enabling work* in

this context refers to the creation of a structure and mechanism within the organization to facilitate promotion of the proto-institution in the field. The company officials identified the project as "very complex and resource-intensive" (FGD-O1), and highlighted the necessity for establishing a conducive environment inside the company. This was done through restructuration of CCI governance and ensuring allocation of organizational resources for the project.

The evidence suggests that, in support of Project Rupantar, the company significantly altered the internal CCI governance structure that was hitherto considered as the additional responsibility of the PR department. A cross-functional team was initially formed comprising of representatives from 'bargaining' units and other relevant departments such as finance and human resources (FGD-O1). For the first time, OIL had a dedicated team for framing CCI priorities, formulating and operationalizing context-appropriate CCI solutions. This team became responsible for conducting routine promotional activities for the project in target villages. A separate governance structure called the 'Project Rupantar Committee' was formed soon to oversee all the activities related to the project.

> *"… Managing a complex CCI intervention like Project Rupantar is always challenging. Especially when the project expanded, it demanded a dedicated team to co-ordinate and supervise the internal and external activities in a timely manner. An internal committee was formed to oversee the progress of Project Rupantar."* (O-CG1-O3)

The committee consisted of a Chairman (Residential Chief Executive), Vice-Chairman (Head of PR team), Secretary (PR Manager), Joint secretary (relevant department member) and general members, who worked as the interface between internal as well as external stakeholders. This committee was responsible for micro-managing the project activities such as maintaining regular communication with the SIRD team, mobilizing internal resources for the project and channelling them to the community through SIRD, monitoring the progress of the project and taking corrective actions. The team also encouraged local employees to play the role of facilitator by promoting the project in their respective villages or 'areas of influence', further embedding the CCI project within the organization.

Restructuration and redistribution of roles within CCI governance was supported with allocation of financial and non-financial resources for the project. Following the operational template, OIL provided cash and kind resources during the AR phase. In the subsequent phase when the credit component was introduced, OIL provided the subsidy amount of 50% to the SHGs. It also invested in physical resources for the project. A project office was established in Duliajan in 2004 with land contribution and financial support from OIL. Known as the 'Extension Centre', this office served as the hub for project co-ordination. A 'Growth Centre' was also set up for producing quality raw material for agro-based activities. The company also bore the wages of facilitators at the later stage. All these expenses meant the financial investment for the project increased continuously and increasingly. A relatively small annual budget of Rs. 2M on CCI activities in the early 80s climbed to Rs. 89M for Project Rupantar alone between 2002 and 2013 (OIL Annual Report, 2013).

5.3.3.2 Policing

Policing here refers to the activities to ensure that embedded actors' actions are in compliance with the template of institutional change. OIL employed several formal and informal policing mechanisms to observe the progress and prospects of Project Rupantar, and to capture the experiences and feedback of the community, SIRD as well as other social actors. As shown in sub-section 5.3.2.2, effective policing ensured company's awareness of the intended and unintended consequences of field level activities, which led to the immediate undertaking of modified/new actions and refinement of institutional template over time.

In general, OIL implemented a two-tiered policing structure for the project. The first tier of policing was done by SIRD where a dedicated team regularly visited the villages to monitor the SHG activities and generated a weekly report on the performance, notable issues, complaints and recommendations. The Rupantar Committee of OIL carried out the second-tier of policing. The Secretary of the committee undertook day-to-day communication with SIRD and facilitators in the field as well as reporting project updates to the internal stakeholders. The facilitators regularly provided 'the inside story' about the project on the ground and acted as the 'real critics' of SIRD (O3). The company also set up an internal

audit team mainly consisting of PR department employees. This team periodically visited the villages to observe the operational progress and to know about the performance of SIRD. Such company level policing helped to identify the poor performance of SIRD during the early AR phase and subsequent restructuration of the SIRD project team:

> *"Oil constantly monitors SIRD. When we visit the project villages, we talk to the villagers. If you have any issues with SIRD, they tell us. We also monitor SIRD through the facilitators. ... … A department like ours always has the imposition on achieving project targets. Previously, Project Rupantar was implemented by SIRD under the supervision of Mr. R, a government officer of the Assam Civil Service. He was not performing and meeting the targets as per our expectation. Although, OIL has no direct control over who is employed by SIRD, we indirectly conveyed the message. SIRD valued the collaboration and our concerns. Mr. T was transferred to this project. He is one of the dedicated field staff of Project Rupantar. We are very happy with his performance." (O3)*

The project performance was also regularly evaluated through third party expert organizations at different intervals. One such evaluation in 2004 placed the project as the 'current favourite' among the community and recommended to give it 'top priority' in the continuation of the project. This positive review helped OIL management to allocate further resources for the project. The central body of SIRD also scrutinized the project as part of its independent evaluation of SIRD Assam.

Regular policing helped to identify the unintended and unexpected developments of the project, which led to continuous refinement of the operational template. For example, one of the livelihood schemes focused on introducing high yielding egg and meat breeds like GiriRaja by crossing the native breeds with exotic birds. However, the community complained that these birds were more prone to diseases. The scheme was discontinued subsequently. Another common complaint from the SHGs during the early AR phase was inadequate cash and kind support, which was addressed in due course by including the provision of an increased level of support. However, probably the most important consequence of policing was evident in gradual transformation of the core proto-institutional features. The success of SHGs during the AR phase encouraged OIL to incorporate a formal

credit component in 2006. A new scheme was introduced in 2008 based on forming Joint Liability Groups (JLGs) of educated youth. Considering the group size, formation criteria, mandatory credit component, age limit, and livelihood activities, this scheme introduced a significantly different rule system than the SHG-based schemes promoted thus far.

5.4 Consequences of Project Rupantar

The previous section explores the institutional work in the emergence of Project Rupantar where various social actors engaged to create a proto-institution in the field within an umbrella CCI practice. In light of the institutional work- and institution-level consequences postulated in section 3.4, this section discusses the consequences of the project as the effect of such institutional work, i.e., whether the proto-institution was successfully created, whether it achieved the intended benefits, and although not intentional, whether it had any positive or negative impact on the broader institutional environment. The findings reveal two distinct consequences. *First*, project accomplishments in terms of successful enactment of the proto-institution according to the institutional template. Embracing the proto-institution brought the desired benefits to the community, which in turn improved the corporate community relationships and helped the company realize its intended business goals (sub-section 5.4.1). *Second*, the impact of such engagement on the company and other local organizations shaping the future pattern of CCI (sub-section 5.4.2).

5.4.1 Relative Accomplishments

Following the work of Pawlak (2011) described in sub-section 3.3.4, when a proto-institution follows the intended path of institutionalization in line with the original intention of the sponsor and eventually emerges as an institution, it is considered as the *accomplishment* of the institutional work. However, as mentioned in chapter four (section 4.7), such a conclusion cannot be made directly for institutional work in progress, as was the case with Project Rupantar in my analysis. In examining such ongoing institutional work without the opportunity to evaluate the consequences retrospectively, *relative accomplishments* can be measured in terms of the degree of institutionalization of the proto-institution

based on the data available from the beginning of the project until the field visit. This issue was discussed in chapter four (see section 4.5) as one of the limitations of the study.

As discussed earlier, OIL created a temporary CCI practice that intended sponsoring a proto-institution of SHG-oriented livelihood practice in the community. The intention was to incrementally promote the proto-institution among a fragment of the target community in different geographical locations, and create a mechanism that would allow the project-supported adopters to maintain the proto-institution later and at the same time encourage new adopters to adopt the proto-institution without company support. In other words, the company intended to spur the proto-institution in the field but left the responsibility of its institutionalization to the community.

During the time of the field visit, the second extension phase (EP2) of the project was operational. The findings reveal that OIL was able to withdraw support from the SHGs that it sponsored during the early phases of the project (AR and first extension phase – EP1). In most of the cases, these SHGs continued their livelihood activities, after the project was terminated from the village, with the support of the maintenance mechanism established by the project. For instance, SHGs actively engaged with the facilitators and banks with regard to group management and credit access for the new ventures. Based on the success of these earlier phases, OIL was encouraged to expand the scope of the project in new geographical locations as planned. The project scaling-up occurred as part of the institutional template rather than from the inability to achieve the objective within the estimated time. The successful development of income generating activities by the project-supported SHGs created a positive 'demonstration effect' among the rest of the target community, resulting in further diffusion of the practice where the project was operational.

> *"Community mobilization in the new villages has become significantly easier during the later phases of the project. Spontaneous mobilization of CBOs to venture on independent economic activity has also become a common phenomenon. With a trained group of facilitators present in the project villages, the required knowledge for SHG formation and management was more accessible and widespread. As a result, individuals having SHG*

formation and management experience are now forming new SHGs with members". (O3)

In sum, the demonstration effect of the early adopters, enhanced human and social capital, a positive attitude by supporter organizations and access to information, have all cumulatively contributed to the widespread acceptance of SHG-oriented livelihood activities in the community. Therefore, although the company continued to sponsor the proto-institution in new localities, the successful maintenance and diffusion of the proto-institution in the project localities shows the "relative accomplishment" according to the institutional template.

The relatively successful enactment of the proto-institution also brought benefits to the embedded CCI actors that were intended to be achieved through CCI practice. Through Project Rupantar, OIL intended to regain social legitimacy (Idemudia, 2007b; Muthuri et al., 2009), improve functional efficiency (e.g., Orlitzky et al., 2003; Campbell, 2007; Raghubir et al., 2008) and enhance competitive advantage (Hess et al., 2002) by improving the relationship with the community and overcoming the limitations of earlier CCI interventions. It was envisaged that the project would enhance various community capital that would enable them to drive their own development and reduce community dependence on the company in the long run, therefore to address the perceived key source of the legitimacy problem and allow the company to achieve business goals. By applying the typology of capital discussed in chapter three (sub-section 3.4), rest of the section discusses the project benefits to various embedded as well as non-embedded actors in the process.

5.4.1.1 Benefits to the Company

Evidence suggests that the project increased income of the previously unemployed segment of the community but more importantly it also improved other important community capital (discussed next). The project enabled the company to improve its *social capital*. Although the 'operational costs' of the project increased manifold due to the resource-intensive nature of the intervention, the company perceived that the 'transformed' community are less dependent on the company for employment as well as for other social entitlements. In the process, the corporate-company trust relationship has been

rejuvenated and the company has re-established its reputation in the community as the "people's company":

> *"There has been a visible decline in demands for direct employment from unemployed youths in and around OIL's operational areas. OIL's 'Public Goodwill Reservoir' has been replenished by the sizeable number of people who have benefited from the SHG movement."* (Rupantar, 2011, p.39)

The improvement of social capital in the local community is exemplified by OIL's receipt of a special community award, 'Rupkar Bota', in 2010 by the community of Dibrugarh in appreciation of the project.

The improved social capital has also contributed to improving the *financial capital* of the company. Document analysis revealed that oil exploration and production significantly increased between 2002 and 2010. OIL was also adjudged as one of the five best major PSUs and one of the three best energy sector PSUs in the country (CRISIL-India Today Survey, 2005). Although this achievement cannot be solely attributed to the project, the argument can be further supported by the increased bridging social capital. Increased interactions since the project commencement helped to improve the trust relationship between the company and the community, and reduced incidences of spontaneous blockades (O2).

The project also enhanced the company's bonding *social capital* and *political capital*. Important stakeholders, such as government, civil society organizations and media, have also appreciated OIL's CCI initiative for employment generation, which enhanced OIL's brand image both nationally and internationally. In 2011, OIL was declared as 'Company of the Year' amongst the Navaratna category PSUs by the Indian Chamber of Commerce and Department of Public Enterprise, GoI. The CCI activities of OIL exemplified by Project Rupantar have received recognition from national as well as international organizations (The Energy and Resources Institute – CSR award, 2005; American Chambers of Commerce in India – Most Innovative CSR Runners-up award, 2005; Golden Peacock Award, 2010 and 2012). Media have also acknowledged the project and have lauded the efforts of OIL. With increased political and social capital, the company secured more exploration and production blocks in the contemporary competitive business environment.

The project also improved *human capital* within the organization. Working alongside SIRD helped the company to build its understanding of contemporary community development strategies in the voluntary sector. The company officials, particularly those in the PR department mentioned that they have gained the skills and expertise to design community engagement project that might require "out of the box" thinking to address long-standing social problems in Upper Assam.

5.4.1.2 Benefits to the Community

Acknowledging the multifaceted nature of complex development problems such as poverty and unemployment, community development projects in a predominantly poor society should seek to build physical capital, increase economic capital, strengthen human capital and multiply social capital in the community. The benefits to the community are discussed in light of the observed/perceived changes in this capital achieved through Project Rupnatar and any unwanted developments that were observed in the process.

The project has made considerable strides in strengthening *economic capital* of the target community. The financial success of SHGs induced the culture of income generation through collective self-employment in the project villages. Up to 2014, the project formed 1150 SHGs impacting on the lives of more than 130,000 youth/women (OIL Annual Report, 2014). The interviewed SHG members perceived that the profits generated through economic activities have helped them to improve their social life and ensure better nutrition, health care and education for their children. Some women members conceded that the extra income allowed them to "spend on themselves" which they could not afford before. Encouragingly, most SHGs mentioned saving for future investment. Average monthly income for SHGs was recorded highest in the two districts under Project Rupantar compared to the nine other districts in Assam under the SGSY programme (Talukdar et al., 2007).

Besides SHG members, a segment of the non-participating community has also benefited from the project. The groups, which had successfully diversified in multiple economic activities, employed casual workers and daily wage earners to take care of their heavy workload. SHG members also claimed:

Table 5.3: Consequences of Project Rupantar: Data Structure – Categories and Themes

Themes	**First Order Categories**		
Relative Accomplishment	• Independent economic activities by project supported SHGs after support was withdrawn • Formation of new SHGs without project support • SHG members engaging in multiple livelihood activities		
Benefits to actors	**Company**	**Community**	**Other Actors**
Economic Capital	• Increased functional efficiency (e.g. increase in oil production) • Competitive advantage (e.g. brand image)	SHG Members: • Regular income (e.g. profit, increased production, diversified livelihood activities) • Increased group assets Non-project participants: • Increased access to facilities (e.g. quality raw materials or livestock, access to market) and services available through SHGs • Increased income as casual labourers, hiring local weaver • Surge in economic activities in the area (e.g. land leasing) Facilitators: Regular income from Rupantar as well as SHG-based projects run by SIRD	SIRD: • Access to company resources • Utilized these recourses to promote own project and social agenda • Success of Rupantar attracted more funds from government Financial institutions: • Increased demands for credit for SHG-based livelihood activities
Social Capital	• Improved corporate-community trust relationships • Increased reputation among external stakeholders	SHG Members: • Improved bonding social capital - Increased group cohesion (e.g. group management, resource management) - Cluster based network among SHGs -Enhanced bridging social capital (e.g. banks, facilitators, PRI)	SIRD: • Increased reputation among external stakeholders (e.g. local and central government)
Human Capital	• Increased skills and capacity to implement SHG based CCI activities	SHG Members: • Managerial and entrepreneurial skills development of the groups • Enhanced livelihood skills (e.g. animal husbandry) Facilitators: Capacity building on SHG formation and management	SIRD: • Increased skills and capacity to implement SHG-based CCI activities
Political Capital	• Increased reputation as a government company	• Increased community participation in local governance	Government/SIRD: Affiliation with Rupantar facilitated to fulfil mandated responsibility of community development
Institutional Effect	• Promotion of SHG-based dairy practices in Upper Assam • ONGC, a public E&P company engaging in the promotion of SHG based livelihood practice since 2007		

Source: Author's Own

> *"Local demands for quality handloom products are high. Our hands are full almost all the time. With bulk orders, at times, we fail to meet the deadline as our weavers are also full-time housewives who are often burdened with routine household chores. For bulk orders we often hire part-time weavers or outsource orders to the neighbouring weavers."* (O-FGD-PP3)

The second benefit is enhanced *human capital*. The promoted livelihood schemes were carefully selected to build on indigenous skills of the Assamese community. The project also arranged specialized training on modern approaches to agriculture, animal husbandry, handlooms and handicrafts. SHG members received various training on managerial and entrepreneurial skills. The potential of community for self-employment and the productivity continued to improve through the transfer of technical and managerial knowledge. The project's benefits were further visible in increasing examples of SHGs diversifying into multiple economic activities. Most of the firm mechanization-based SHGs now have expanded their business portfolio by adding animal husbandry (e.g., poultry and piggery). A number of handloom SHGs diversified into poultry and agriculture. Members have started to use mass media (e.g., TV or radio programmes) or travelling to nearby cities on their own initiative to learn and acquire new marketable skills. Such is the extent of self-belief that some SHG members also started separate enterprising activities in parallel.

The community has also benefited from the multiplied *social capital* generated through engaging in group-based activity. The collective action required for SHG-oriented economic activity has created an environment of mutual trust and understanding among the community members. It was claimed during the interviews that the "*SHG movement has enhanced a sense of ownership, solidarity and collective action that continues to grow*" (O-FGD-PP1). For example, during the field visit, I came to know about two handicraft-based SHGs who decided to work jointly and share a common weaving unit. Such examples indicate increased cohesion and *bonding* social capital at the community level. The bonding social capital has also been enhanced by the 'end-to-end' approach that focused on building a cluster-based market structure for the SHGs. Over time, SHGs have not only maintained the market network within the clusters, but also explored new markets by themselves in the nearby locality and cities. The enhancement of

bridging social capital was also evident in the improved relationship with local formal institutions such as PRI and banks.

The project also improved *physical capital* of the SHGs under specific schemes through kind assistance or credit support. For example, SHGs based on farm mechanization procure power tillers through the project support. However, these SHGs get additional earnings by renting the equipment to independent farmers outside the project. The per capita productivity of the farmland has also increased manifold after introducing farm mechanization inputs, multiple cropping and scientific approach to agriculture. SHGs based on animal husbandry often build sheds in members' property or leased land. As SHGs need lands for various economic schemes, there have been increasing demands on the land lease market, further enhancing the economic activity within the area.

SHG members were trained and encouraged by the project officials to establish a democratic structure by actively participating in the decision making and collectively sharing risk and responsibilities. This process of promoting collective action has shown the potential to develop the *political capital* of the community. SHGs mentioned instances when multiple groups came together and made their voice heard in the form of written or oral complains about various local problems (e.g., water, health, education) to the concerned local government institution (O-FGD-PP1). The groups have also been increasingly participating in the overall community development.

> *"We formed the group not only for money. We try to develop our locality and village. We think of the poor in the area and try to help them in whatever small way we can. We have set up a fund to give money to poor meritorious students."* (O-FGD-PP2)

Another group which has been significantly benefited from the project in terms of increased human and financial capital are the *facilitators*. The facilitators are trained in SHG formation and management. With an extended role, the position of facilitators also changed from voluntary to paid work. SIRD has also been utilizing these facilitators to mobilize SHGs under the various government schemes. As observed, more and more educated individuals are getting involved with the promotion of self-help based livelihood in the capacity of facilitators. This has become an alternative means of livelihood for this segment of the community.

5.4.1.3 Benefits to Other Actors

Besides the company and the community, the project has also benefited other societal actors who engaged in various capacities (discussed in sub-section 5.3.2.1). SIRD and other supporters embedded in the process claimed direct and indirect benefits along with enhancement of various capital in the process that reinforced their commitment to the process.

Collaboration with OIL for the project enhanced the financial, social as well as political capital of SIRD. A company representative argued that employment-focused government projects were absent in Upper Assam until this project. The infrastructural support provided by OIL for the project had since been utilized by SIRD to concurrently promote similar projects in Upper Assam (e.g., SGSY and CMJJ).

> *"The entire cost of implementing the SGSY scheme from awareness to group mobilization, from SIRD team to infrastructure is provided by Oil India. SIRD's eleventh extension centre for SGSY in Dibrugarh was supported by us under Project Rupantar."* (O3)

Thus SIRD, and by extension government, benefited from the project in supporting their statutory responsibilities and obligations to the local community and enhancing political capital in a conflict-prone area like Assam. The same is true for PRI who represents the government in the local community. Documentary evidence also reveals that the performance of government schemes implemented by SIRD in Lower Assam has not been as satisfactory as in Upper Assam (Talukdar et al., 2007). The success of the project enhanced the reputation of SIRD Assam, which subsequently attracted more funds to conduct government schemes (O-CO1).

The project also benefited the local and regional banks. Although there were instances of loan default, the overall loan repayment record from the project-supported SHGs are very high (O-BM2). This has encouraged banks to extend repeated credit facilities and introduce new products over time.

5.4.2 Institutional Effects

It was interesting to explore the effect of the project on further influencing the behaviour of various actors within the locality. The relative success of the project encouraged OIL as well as another local E&P company to embark on similar projects to further address livelihood issues in the locality, albeit for different target groups or with a different livelihood model.

In 2013, OIL started feasibility analysis for a project named 'Kamdhenu' for promoting collective dairy practices in Upper Assam.

> *"We are planning to launch a very important project and we have named it Kamdhenu... It is a long-term project for developing milk production in upper Assam by setting up centres in Dibrugarh in line with the Amul movement in Gujarat. …. … … This will help in generation of employment, and healthcare and it will provide employment throughout the value chain of this project."* (Chairman and Managing Director of OIL *cited in* The Assam Tribune, July 02, 2013).

Oil and Natural Gas Corporation (ONGC), a state owned E&P company, has been operating in the nearby district of Sivasagar since the 1960s. Historically, ONGC Assam focused on education, health care, infrastructure development, disaster management and various sponsorship schemes (Das, 2011). A significant change in its CCI direction was observed in 2007 when it started to promote SHGs (*Yuva Samridhi*) in collaboration with local government. This was followed by several livelihood projects such as *Project Utkars*h (training women in tailoring skills while establishing forward and backward linkages) and *Hathkargha Prashikshan* (advanced handloom trainings to women tribal handloom artisans). The timeline and similarity of the projects was highlighted by the PR Manager of OIL that indicates the isomorphic behaviour of ONGC.

5.5 Conclusion

This chapter has presented empirical analysis of the case study conducted on Project Rupantar of Oil India Limited, which contributes to the understanding of antecedents, processes and consequences of the CICBO mode as a company-level institution.

The analysis reveals three interrelated and temporally-oriented enabling conditions, namely company's CCI orientation in relation to its social position (oriented towards the past), functional inefficiency resulting from incompatible institutional arrangement (oriented towards the present), and regulatory changes posing business threat (oriented towards the future). The prime enabler for change is identified as the loss of functional efficiency, which resulted from company's embeddedness within an incompatible institutional environment that allowed the gap between community expectations and corporate social actions to persistently widen. Such institutional arrangements undermine the social legitimacy of an organization (Seo and Creed, 2002). The case analysis demonstrates that even though CCI can be targeted at achieving legitimacy in such an environment, failing to sustainably resolve the community issues makes the legitimacy crisis recur and eventually conflict with the functional efficiency (i.e., production and profit) of the organization. The functional inefficiency was further exposed by inevitable change in the external regulatory environment that undermined the privileged position of the company in the market. Therefore, the present functional inefficiency and anticipation of threat to future business interests constrained the company to pursue an alternative community engagement mode complementary to existing practices. The change was also facilitated by the company's habitual approach to conduct CCI i.e., a mix of philanthropic and transitional practices, to respond to pressing community needs. Organizational actions are often the reflection of their social position, which has an effect on how the organization pursues new practices or maintains existing ones (e.g., Leblebici et al., 1991; Haveman and Rao, 1997; Rao et al., 2000; Garud et al., 2002). My findings highlight that rearrangement of social positions in a dynamic institutional environment influences organizations to introduce new practices to be aligned with their new found status. OIL's habitual approach of iteratively introducing context-appropriate CCI practices to conform to growing community expectations manifests its position in the locality as an important community development agent. Altogether, these enabling conditions created an environment that enabled company agency to pursue an alternative community engagement mode complementary to existing practices. The threefold strategic objective was evident: restoring functional efficiency (with regard to current functional inefficiency), gaining competitive advantage (with regard to future market competition), and maintaining legitimacy in the long-run.

A series of institutional work followed, led by the company but conducted in collaboration with various social actors including the local community, through which the CICBO mode gradually emerged in the form of Project Rupantar. At the conceptual level, the company first engaged in an initial development process that involved, firstly, reframing unemployment among the youth as the social issue contributing to the key enabling condition, i.e., functional inefficiency; secondly, transposition of a successful institutional schema from an external field (CBO-oriented livelihood activity) as the solution to the social issue and justifying its superiority over existing available practices; thirdly, recontextualizing the original schema into an initial operational template for CICBO, particularly designed to achieve the intended strategic objectives. The initial development process reflects a process of consultation, consensus and negotiation among relevant CCI actors, including an elite group of supporters from the local community to gain early legitimacy for the intended institutional change. The core of the CICBO mode is defined as promoting a proto-institution (CBO-oriented livelihood activities) among a segment of the target community, but leaving the responsibility of maintenance and eventual diffusion of the proto-institution to the community. The initial template became the basis of the new CCI mode and provided the prescriptions for subsequent actions at operational level to be undertaken in the field and within the company.

Two parallel and interconnected processes followed at operational level, reflecting the interdependencies in multiple institutional works – a recent focus of institutional studies (Lawrence et al., 2013). The first process represents co-creation of the proto-institution (CBO-oriented livelihood practice) in the field through the collective effort of company (as sponsor), community (as adopters), an external expert organization (as implementing partner) as well as other resourceful local actors (as supporters). Mobilizing powerful and resourceful local supporters (e.g., local government body, leaders, enlightened individuals) was an important step to garner normative legitimacy of the proposed proto-institution. The company, in collaboration with the implementing partner and these supporters, continuously organized and facilitated CBOs to engage in collective capital building activities. Building on existing skills and resources in the community, new resources were invested in a way that would multiply financial, social, physical and human capital in and around the CBOs. As the company

continued to promote the proto-institution in the wider field (different villages), more and more adopters joined the process and the proto-institution was gradually acknowledged and consumed in the field. Not only was a culture of self-regulation imposed on CBOs and closely monitored, but also appropriate adopter-adopter and adopter-supporter networks were constructed to ensure self-sustenance of the CBOs in the long run without sponsor support. The process makes particularly explicit the diverse roles of the local community, ranging from initial adopters of the proto-institution to supporters in promotional and maintenance activities to the eventual upholder of the proto-institution, and shows that this traditionally 'less resourceful' actor can also be an important institutional worker (Marti and Mair, 2009).

The second process was aimed at creating an organizational practice that would ensure support towards and policing of the proto-institution creation process as in the field. However, such arrangements were deliberately made temporary to limit company responsibility in promoting the proto-institution for a fixed time only. The importance of such provisional arrangements is emphasized in recent institutional studies as a mechanism to fight against complex social problems like poverty (Marti and Mair, 2009). Policing is identified as key institutional work within the second process for capturing the unintended or unexpected development in a timely manner and initiating necessary responsive actions. Over time, the template was repeatedly enhanced and a more stable template gradually emerged through incorporation of the learnings (Zietsma and McKnight, 2009).

The analysis of consequences shows successful enactment and maintenance of the proto-institution among the early adopters and encouraging signs of diffusion in the wider community. Such outcomes are found positively linked with attaining the original intentions of the company. Building a sustainable community capital building process improved the relationship between the company and community, showed signs of reduced community dependence on the company, and allowed the company to achieve its strategic objectives of legitimacy, functional efficiency and competitive advantage. The success of CICBO also influenced subsequent CCI behaviour of OIL and another company in the locality contributing to the widespread diffusion of CBO-oriented development practices in the field.

CHAPTER SIX
Dairy Development Project of Cairn India Limited

6.0 Introduction

This chapter examines and analyses the CICBO mode of Cairn India Limited (CIL). This CCI mode is observed in the company's operational area in Barmer, Rajasthan under the banner of 'Dairy Development Project' (DDP). The project primarily aims to tackle the loss of livelihood problem in the locality arising from temporary or permanent land acquisition by the company. The project promotes dairy as the alternative source of livelihood for the land contributor families by organizing them into self-help group (SHG) oriented dairy practice. The emergence of DDP and its consequences were analysed through the framework presented in chapter three. This chapter presents the findings that contribute to our understanding of antecedents of change in CCI, the processes through which CICBO emerges as a CCI mode, and the consequences of such a mode.

The chapter is organized as follows. Section 6.1 first provides a brief narrative of the community engagement practices of CIL and its predecessor company in Barmer prior to DDP. The narrative is useful to understand the context in which the company initiated the project. Building on this narrative, section 6.2 provides an analysis of the key contextual factors that influenced the company to bring change in its community engagement practice. Section 6.3 discusses the institutional work of various actors through which the project emerged as a new CCI mode. Two distinct but interrelated processes are identified that reflect conceptualization and operationalization of the mode respectively. Section 6.4 examines the consequences of the project in terms of its accomplishment as institutional work, the benefits it has brought to the embedded actors, and its effect on actors behaviour in the local institutional environment. This section reveals a crucial unintended consequence where the project support to the SHGs was continued and extended beyond the initially intended time period. The chapter concludes with the summary of the findings.

6.1 Community Engagement of CIL in Rajasthan

This section presents the nature and extent of CCI practices by CIL in Rajasthan. The narrative covers the period from 2002, when Cairn Energy Plc. acquired ownership of the Rajasthan exploration block, until the commencement of the DDP in early 2007. Within this period, the company extended its business activities in the area from exploration to field development (see case introduction in chapter four, sub-section 4.2.2). This resulted in gradual increase in interactions with the local community and formulation of various CCI practices. Table 6.1 presents a summary of the key business events and concurrent changes in the social face of the company in Rajasthan.

During the exploration phase between 2002 and 2004, the company mainly engaged in paternalistic community engagement practices but also showed evidence of transitional engagement. Besides sourcing labour and vehicles from the local community, the company undertook several short-term community engagement activities to minimize the harmful impact of the exploration activities on the local community. These activities included raising awareness on seismic survey safety requirements, environmental protection measures and sound waste management, and were guided by the Health, Safety and Environment (HSE) policy of the parent company.

> *"We recognize the potential impact of our business on the societies and the environment in which we operate. As our activities and operating environments expand and become more complex, the key challenge is to maintain effective management processes and controls, and a work force that has the necessary expertise and support to complete the work programmes safely and with minimal community and environmental impacts*." (Cairn Energy CR Report, 2003, p.3)

In 2002, Cairn Energy developed its CSR policy, then became an FTSE4Good company and benchmarked its CSR performance through participating in the Business in the Community Corporate Responsibility Index. The company was committed to match its growth plans in overseas markets with satisfying the stakeholder expectations in the respective operational areas.

> *"Our CSR policy commits us to maintaining high standards in our business activities. In light of the evolving CSR agenda in the UK and*

> *increasing stakeholder expectations, the key challenge going forward is to ensure that our CSR policies and practices meet our business needs while also addressing appropriate stakeholder requirements."* (Cairn Energy CR Report, 2003, p.6)

Rajasthan was identified as an important area of future growth for Cairn Energy, therefore the company commissioned a Social Needs Assessment in 2002 to identify appropriate CCI interventions based on local expectations and preferences. This led to collaboration with a local NGO, the Society for Uplift in Rural Economy (SURE), to engage with villagers for identification of local priorities. Such community consultation triggered CCI contributions towards community health and fodder support for livestock in 2003.

Two unexpected situations surfaced during the exploration period. *First*, the temporary land acquisition process caused dissatisfaction among the land contributors. The exploration activities directly impacted different spheres of the local community who lost agricultural land, residences, trees and other assets in the process. The community was intimidated by the sudden resource sharing (Social baseline survey, 2004). On the other hand, the weakness of appropriate rehabilitation guidelines regarding the financial compensation scheme and procedure became a further source of dissatisfaction among land contributors. Subsequently, the 'landowners' emerged as a key stakeholder group for the company in Rajasthan. *Second,* there was a mismatch between community expectation and reality regarding creation of new employment opportunities in the locality around exploration activities. In the pre-NELP era PSC, under which the company started the exploration in Rajasthan block as a foreign company, was not definitive on creating the provision of welfare or local sub-contracting, employment and training for the local community (see Appendix 5). On the other hand, the locals were predominantly illiterate and lacked the required technical skills to be employed in company operations.

As a result, the company contribution to local employment was limited to hiring unskilled labour and vehicles through local contractors. However, the company's preference to follow its own HSE and labour standard resulted in declining opportunities for local contractors.

Table 6.1 Antecedents of Dairy Development Project.

Antecedents	Period	Pre-Mangala Discovery 2002-2004	Post-Mangala Discovery 2004-2006
Company Context	*Institutional and business Context*	• Entered Barmer basin in 2002 • Contracting policy limiting scope for awarding contracts to locals as they do not meet health, safety and environmental (HSE) standards of the company	• Discovery of commercially significant Mangala oil field in 2004 • Affiliation with IFC as investor for Mangala plant development • Formation of Cairn India Limited (CIL) as a subsidiary in 2006
	CCI Context	• Philanthropy and industrial paternalism guided by parent company HSE standard and CSR guidelines • Proactive consultation with community through Social Needs Assessment to identify local expectations and preferences	• Community consultation through Social Baseline and Impact Assessment Survey • Incorporation of IFC performance standards in CSR guidelines • Adoption of rights aware approach aligned with UDHR and subsequent CCI projects on community right issues • Formation of CCI advisory committee as a part of decoupling process from the parent
Local Context	*Community Context in Barmer*	• Poverty and general lack of livelihood activities in the area • Lack of industrial activities meant community did not have experience of resource sharing • Sudden resource sharing intimidating the community • Community dissatisfaction around land lease and limited income opportunities around the company operations	
Broader Institutional Arrangements	*E&P Industry context*	• Production sharing contract not enforcing employment for un-/low skilled locals and local development for foreign companies	
	Regulations in India	• Land acquisition law not securing rehabilitation and resettlement for land contributors	

Source: Author's own

The discovery of the Mangala field in 2004 founded the base for the company's long presence in the area. In order to protect the business interests, the company recognized the need for community engagement that would avoid potential legitimacy crisis in the field arising out of the divergence between community expectations and company actions. A Social Baseline and Impact Assessment Survey (commonly referred as "Social Baseline Survey" by the interviewees) was conducted in 2004 to collect detailed information regarding the key socio-economic challenges in the area. In line with the principle of the Universal Declaration of Human Rights (UDHR) that the company started to follow from 2003 (Cairn Energy CR Report, 2004), the survey was a manifestation of the 'rights aware approach' in identifying and assessing rights issues associated with Rajasthan plant development and defining actions to be taken by the company to address them.

The UDHR principles were subsequently amended in the company's Group CSR Policy in 2005 (Cairn Energy CR Report, 2005). The findings of the survey influenced the company to gradually incline to transitional community engagement along with short-term philanthropic activities, particularly in and around Barmer where the prized asset Mangala oilfield is situated. Between 2004 and 2006, the company started several CCI projects on local critical issues such as water management, health, education, environment, animal husbandry and infrastructure development. Under the bracket of 'Cairn Social (Management) Strategy', the survey also recommended active participation of community members in the prioritization and implementation of local development programmes, engaging with local NPOs and civil society, and eliciting cooperation from the local authority bodies in the process. Subsequently, the company initiated a coordination committee at the district level (DCC) to regularly liaise with district administration officials as well as the general public and community leaders, to plan and implement long-term socio-economic development measures.

In 2005, the International Finance Corporation (IFC) was affiliated as the investor for the Mangala plant development. This affiliation further influenced the community engagement practices of the company, particularly focusing on rehabilitation and resettlement of the segment of the community affected by company operations. The DDP was conceptualized subsequently in 2006 to create

alternative livelihood provisions for the landowner who contributed their land for the business.

6.2 Antecedents of Change in Corporate Community Involvement

Through a detailed analysis of the events and developments presented in section 6.1, three key factors are identified as enabling conditions that led to the Dairy Development Project (see sub-section 3.3.2 for detail on enabling conditions). These enabling conditions are found to be temporally oriented, reflecting the *past* behaviour of the company (proactive community engagement), *present* problems in the field (incompatible institutional arrangements undermining legitimacy), and opportunities to realize *future* business interest.

6.2.1 Proactive Community Engagement

The documentary analysis reveals that CIL's community engagement practices in India had been driven by the core principle of 'proactive stakeholder engagement' (CIL CSR Policy, 2008, 2015). Proactive engagement with the local community allowed the company to understand their concerns, be responsive to their needs, and design context-appropriate projects such as DDP that would complement and support the developmental priorities. Such a proactive nature of community engagement was guided by the parent company guidelines but also influenced by its affiliation with appropriate investors and the contemporary CCI environment in India.

As discussed in chapter two (sub-section 2.2.1.3), the degree of institutionalization of community involvement function within the company is identified as a key driver for new CCI activity, which demonstrates a company's attitude and commitment towards community issues. Since the inception of Cairn's independent exploration activity in Rajasthan, its engagement with the local community reflected the proactive approach as outlined in the parent company guidelines. The early exploration phase community engagement activities were guided by the HSE policy and focused on minimizing the harmful impact of exploration activities on the locality. At the same time, the company gradually engaged in philanthropic activities on various socio-economic issues based on

community preference as identified through consultation with the community. This was in line with the CSR policy of parent company which recognized that the aggressive growth plans in India should be complemented with the proactive development of local context-specific CCI activities to match the expectations of a predominantly poor community. The company was gradually adopting the principles of UDHR within its "sphere of influence and activities" (Cairn Energy CR Report, 2004, p.8), focusing on the 'rights aware approach' for effectively managing social risk by proactively managing expectations of key stakeholders, particularly the community (Cairn Energy CR Report, 2005). This was reflected in the contemporary CCI trend in Barmer between 2004 and 2006. It further inclined towards transitional CCI (see sub-section 2.3.1.3 for detail on transitional community engagement) and developed projects based on community priorities around key rights issues identified through a social baseline study.

Complying with investor guidelines for community engagement also reflects the company's proactive approach towards CCI. While the investor compliance might look like regulatory conformance, the choice of the particular investor was guided by the company's intention for sound management of community issues. IFC was selected as the investor for Rajasthan block development, as IFC had experience of working with E&P companies in developing countries and had previously set the best standards for community engagement.

> *"Cairn has been developing and adopting best international and industry standards. The same was reflected while choosing our investors. We wanted a partner who can bring global benchmarks to Cairn at that time. Throughout the business operation, Cairn had the intent to develop the best practices following global standards. We wanted to learn from the best …. We learnt a lot from IFC in terms of how to implement effective community engagement and handle environmental and social issues in the operational areas. We realized the importance of the IFC performance standards in line with our core business activities. We did not shy away but we learnt from them."* (C2)

Affiliation with IFC substantively shaped Cairn's community engagement in Barmer following their guidelines[7] (Cairn Energy CR Report, 2007). For example, according to IFC Performance Standard 5, if land acquisition for a project causes

[7] Cairn's Guiding Principles were revised in June 2006 to conduct all activities in accordance with IFC guidelines.

loss of income or livelihood through physical displacement or other means, the company should provide not only financial compensation but also additional targeted assistance (e.g., credit facilities, training, or job opportunities) to improve or at least restore their livelihoods and standards of living. Subsequently, creation or restoration of livelihood opportunities for the families who contributed land or whose livelihood was affected by company operation became a CCI priority.

Cairn's community engagement activities in Barmer were also influenced by the contemporary CCI trend in India. By mid-2000, a significant increase was observed in the variety and extent of CCI practices among the private sector companies in India (Sood and Arora, 2006) with the positive financial impact of the economic liberalization process (Sundar, 2000) (see chapter two, section 2.6 for detail). The overall CCI trend shifted towards mainstream development concerns and contributing to the socio-economic development of the poverty-stricken community. Cairn's strong inclination to uphold best industry standards (Cairn Energy CR Report, 2004) provided the impetus to engage in similar CCI activities in Barmer.

6.2.2 Incompatible Institutional Arrangement Undermining Legitimacy

The archival data and interviews reveal that broader regulatory institutions such as land acquisition law or contractual agreement with the government lacked decisive prescriptions for Cairn to ensure appropriate rehabilitation, local development and satisfying the interests of the marginalized actors (Seo and Creed, 2002; Marti and Mair, 2006). The company proactively intended to compensate for the lack of these field-level institutions by bringing changes in organization-level community engagement practices. Yet, the focus on functional efficiency relegated the community expectation management to a secondary objective, which created dissatisfaction in the poverty-stricken community. This situation reflects that conformity to existing institutional arrangements at different levels may conflict with each other and undermine taken-for-granted societal expectations. This could in turn provide the reason for an organization to lose legitimacy in the field. My findings suggest that Cairn, being embedded in

such an incompatible institutional environment, resorted to new CCI practices in order to tackle the legitimacy crisis.

The Indian legal system concerning land acquisition for commercial purposes is often perceived as weak, especially on the protection of economic and social rights of those losing land, and biased in favour of the government and companies wishing to acquire land (SCIAF Report, 2010). Therefore, compliance with legal requirements regarding land acquisition carried negative impacts on local communities. The archival data suggests that the community was not only intimidated by sudden resource sharing but also expressed concerns over various issues such as the transparency of the land acquisition process, compensation rate and procedure, and the possibility of getting the land back in its original state.

> *"The general opinion in the villages has been that the rent rates and rates of compensation for both land and crops, has been low. As land transactions are infrequent in the district, people feel that land revenue records, on the basis of which the rates were decided, show depressed rates and do not reflect the market rates."* (Social Baseline Survey, 2004, p.110).

Although the company took temporary damage-limitation measures, such as paying better rent than the government-suggested rate, it failed to address community grievance over the problems associated with land acquisition process. It was also observed that the majority of the families who contributed land during the exploration period could not improve their life significantly due to lack of alternative income-generating skills as well as poor money management practices.

Another source of conflict between corporate and community interest arose following the guidelines of the Production Sharing Contract (PSC). Being one of the first foreign companies to enter India's E&P sector, Cairn bagged the 'first mover advantage' with more flexible terms and conditions under the PSC, which was not definitive on creating the provision of welfare or local sub-contracting, employment and training for the local community. This contractual agreement failed to trickle down the benefits to the low-skilled locals in Barmer, and more specifically the families impacted by the business. As the contractual clauses do not exclusively specify how these benefits must be rendered to the communities or land contributors in the operational area, companies often prefer to hire

'national' skilled personnel instead of hiring from the unskilled 'local' populace. Cairn therefore restricted local employment to hiring labour and vehicles.

The final source of conflict can be attributed to the conformity with organization-level guidelines. Evidence shows that Cairn employed more than 50% of labour and vehicles from the local community during the exploration stage. However, local contractors often failed to meet the HSE guidelines set by the company. Therefore, although awarding contracts to locals was preferred, the company gradually started to outsource contracts to experienced contractors in nearby cities as the exploration progressed. As the contractors were free to choose their own workforce, locals started to lose their temporary jobs to the 'outsiders'. As a consequence, the local community started to make allegations against Cairn of preferential treatment to outsiders in awarding contracts and questioned the transparency of the process, such as "*we have not seen any advertisements or call for tenders*" (cited by C3).

Therefore, adhering to broader weak regulations that lacked specificity about the rights of the local community as well as internal policy safeguarding functional efficiency conflicted with the interest of the marginalized local community. The conflict became the source of social tension between company and community in the exploration phase. With increased business activities in the region (as discussed next), the company became conscious of this incompatible institutional arrangement that could not adequately serve community needs, and intended to adopt CCI practices targeted at eliminating the potential legitimacy crisis in the field.

6.2.3 Change in Economic Opportunity

While institutional theory literature traditionally recognizes a broader set of functional and social drivers behind institutional change, inclusion of the economic factors in the discussion can provide comprehensive understanding of institutional change (Pacheco et al., 2010). This is especially helpful to understand a cross-functional organizational practice like CCI, which is often devised as a strategy to improve financial performance of the company (see detail on profit motive behind CCI in sub-section 2.2.2.2). The case analysis confirms that the

perceived economic opportunity in the field also influenced the change in CCI direction pursued by the company.

The discovery of the Mangala field formed the core of Cairn's future business growth in India. The imminent development in Rajasthan block was the first time the dealt with local expectations on such a large scale as their other assets, at that point of time, were mainly offshore (Enterprise Centre Evaluation Report, 2012). Significant changes were observed in the CCI context in light of this new economic opportunity. *First,* the Social Baseline Survey (2004) explored key socio-economic issues and local preferences, and assessed project impact on local stakeholders. The findings of the survey steered strategies to ensure participation from the community, civil society organizations and the local authority in the prioritization and implementation of local development projects. *Second,* the business entity in India gradually decoupled from the parent company culminating in the formation of CIL as a separate company in 2006. The decoupling process had an influence on the governance of CCI between the subsidiary and the parent. A Group CSR Committee was established followed by a CSR Advisory Group in India to coordinate CSR developments in Indian operations. *Finally*, there was the adoption of a 'rights aware approach' and affiliation with IFC to identify the matters of potential contention, taking a strategic approach towards avoiding future conflicts, and managing community expectations of economic development. In sum, the upsurge in business interest was complemented by bringing in various changes in the CCI context to maintain 'license to operate' and business reputation through sound management of community expectation (Cairn Energy CR Report, 2004, 2006).

The three enabling conditions discussed above cumulatively influenced Cairn's agency to introduce alternative community engagement modes complementary to existing practices (see chapter three, sub-section 3.3.2 for the relationship between enabling condition and agency). Faced with social tension in the field resulting from incompatible institutional arrangements, the company perceived that the tension would turn into a widespread legitimacy crisis in future that could hinder its business prospects in the region. Rather than reacting to the threat when it happened, the company was driven by its culture of proactive community engagement and pursued alternative community engagement. The case analysis

further reveals that these conditions triggered three dimensions of company agency: practical evaluation (orientation towards the present) projectivity (orientation towards the future), and iteration (orientation towards the past) (Battilana and D'Aunno, 2009). The iterative agency is reflected in the company's habitual tendency to proactively formulate context-appropriate CCI practices in order to ensure legitimacy and competitive advantage. The practical-evaluative agency was visible in the company's awareness of the incompatible institutional environment in the field, its willingness to identify the contentious issues arising out of such an environment and to resolve those issues in order to maintain legitimacy. The projective agency is visible in the company's desire for securing business interests. In the contextual reality of Barmer with limited government and civil society interventions for community development, it was envisioned that continuous business growth should go hand-in-hand with value creation for the local community. In anticipation of a long operational presence in the area and resultant increased community interactions in various rights issues (e.g., land, water, social benefits), the company opted for community engagement practices that would ensure long-term legitimacy in the field.

6.3 Institutional Work in the Emergence of Dairy Development Project

This section discusses the key processes through which DDP emerged as an organization-level community engagement practice. The project primarily aimed at generating alternative livelihood avenues for the land contributor families by engaging them in SHG-oriented dairy practice. The data analysis identifies a series of activities which were undertaken at two distinct levels to bring the change in CCI practice: i) at conceptual level, DDP was devised as a solution to the loss of livelihood problem of the community affected by company operations; ii) at operational level, DDP enacted SHG-oriented dairy practice in the locality while being temporarily embedded within organizational routine. From the institutional work perspective, the conceptual dimension of change presents initial development activities when a solution was formulated for an important rights issue, and an institutional template was developed to realize the solution. The conceptual dimension led to an operational dimension of change consisting of two parallel but interconnected processes: one that actively promoted a proto-

institution (SHG-oriented dairy activities) in the field, and the other that infused the normative foundation of the proto-institution sponsoring process within the company. Each of these processes represented a cluster of activities associated with particular outcomes and conducted by a diverse range of institutional workers individually or collectively. The operational processes involved unintended consequences that resulted in repeated enhancement of the institutional template. Table 6.2 summarizes the three processes occurring at two distinct levels, highlighting the categories and themes from which these processes were derived.

6.3.1 Conceptualizing Dairy Development Project: Initial Development

Cairn engaged in three key activities through which DDP was conceptualized as the new CCI mode. First, the company framed loss of livelihood of the land contributors as the key social problem in a way that highlighted the incompatibilities in the institutional arrangements. Then, SHG-oriented dairy activity was formulated and justified as an effective solution to the problem, which combined elements of two separate practices from different fields. Finally, an operational template was designed for the project through necessary recontextualization of the formulated solution to fit the local context. These three activities constituted an ***initial development*** process where the necessity of a new institution was linked to the problems in the current institutional environment, a potential solution was suggested and a recipe for action was developed to realize the solution (Tolbert and Zucker, 1996).

6.3.1.1 Framing of the Social Problem

As discussed in section 6.2, the social tension around temporary land lease during the exploration period indicated the possibility of future legitimacy crisis in the field, if the problems of the land contributors were not to be resolved and their expectations were not satisfied. Particularly in light of the future business growth that would require more land acquisition, the company framed loss of livelihood for the existing and potential land contributors as a key social problem. The company attached the problem to the failings of current internal and external

institutional practices, and justified the need for a new mode of community engagement that can address the problem (Suddaby and Greenwood, 2005).

The documentary evidence suggests that Cairn engaged in a social diagnosis process, i.e., the Social Baseline Survey of 2004, to identify the existing and potential socio-economic issues in light of the changing business scenario after the Mangala discovery. An expert third party organization was commissioned to conduct the survey in forty villages in and around the drilling sites. To ensure fair reflection of the key issues and profile of the villages affected by future developments, the sample villages were selected by applying specific criteria such as distance from the drilling site, size of the village, socio-cultural characteristics, etc. Among other social problems, the survey findings reiterated the problems of the temporary land acquisition process and identified two-fold future implications on corporate-community relationships in light of the changing business scenario.

First, mass land would be required on a permanent basis for the construction of well sites, processing facilities, pipelines and roads. This would result in widespread loss of livelihood and temporary as well as long-term reduction in income and overall decline in living standard.

> *"… Whether it is dependence on agriculture from land being acquired, or from shops being impacted, there will be an impact on livelihoods of people. For agriculturists, it would mean a permanent loss of income from that piece of land, as well as potential income from trees etc. Livelihoods of sharecroppers and agricultural labourers would also be impacted. Even if shop owners and other commercial ventures are provided alternatives, they could incur a temporary loss of income during the transition period. In some cases, the relocation site may never be as profitable as their previous location, hence the livelihood loss could be long term."* (Social Baseline Survey, 2004, p.109)

The tension that persisted around temporary land lease could only be exacerbated by the increasing conflict over resources.

Second, the adverse and immediate effects of loss of livelihood would become more visible once the recruitment of unskilled local labour for the construction phase eventually dies out. The general lack of alternative economic opportunities in the region compounded by the loss of livelihood from land acquisition pointed

towards a rising unemployment problem that would become a contentious rights issue in future relationships with the land contributors.

The survey also highlighted that the existing institutional practice of financial compensation would be inadequate to mitigate the adverse impact on local livelihood as the locals lacked alternative livelihood skills. The economic activities in the area were also very limited. In general, the survey predicted that the pressure for creation of alternative employment opportunities in the locality would increase.

The failure of contemporary institutional practices around local livelihood generation also became evident in the process. The survey critically assessed two government schemes (*Sampoorna Gramin Rozgar Yojana* and *Swarnjayanti Gram Swarozgar Yojana*) that promoted livelihood activities for the rural community below the poverty line. The survey evaluated the strengths and limitations of the schemes, and identified the opportunities for the company to invest or partner with them. However, the local community including local government bodies was found to be mostly unaware of these livelihood schemes. The schemes were also criticized for poor management, corruption, political influences and interference, and lack of accountability. On the other hand, the survey acknowledged the limited success of self-help-based sustainable livelihood generation schemes promoted by local NGOs in Barmer district. However, these NGOs had scattered presence in different parts of the district with limited resources, expertise and outreach.

In sum, loss of livelihood due to land acquisition was identified as a critical social problem through a social issue diagnosis process. However, the problem came to the forefront of the company's community engagement agenda after the affiliation with IFC in 2005 and subsequent revision of the Corporate Responsibility Guiding Principles in 2006 in accordance with IFC guidelines. The problem was considered to be compounded by the general lack of economic opportunities in the region and weakness of existing institutional practices for livelihood generation. The company also recognized its own limitation in creating employment opportunities within the company, whereas financial compensation alone would not ensure a stable source of income for the largely unskilled rural populace. In light of these observations with a large business stake in the locality, the company decided to

explore solutions around provision of livelihood activities for the land contributors.

6.3.1.2 Formulation of the CCI Mode: Combining Multiple Institutional Schema

The next part of the initial development process involved actively seeking for alternative feasible livelihood activities that could be promoted through CCI. The search was guided by two key parameters: i) selection of a particular livelihood activity through identifying the preferences of the target community and evaluating the local resource and skill base; ii) formulation of an economically feasible model for the selected activity.

The company engaged in a dialogical process (e.g., several public consultations through DCC and village-level meetings) to identify the community preferences for livelihood activities (DDP Evaluation Report, 2012). The collected information was collated with the findings of the social baseline survey to reach the conclusion that dairy had the commercial potential to be promoted as an alternative livelihood. The selection was further justified by the success of large-scale dairy development in the neighbouring State of Gujarat. In general, the following factors contributed to this selection:

First, dairy farming had been an indigenous source of livelihood in Rajasthan after crop-based farming. Most of the rural households in Barmer were traditionally involved in animal husbandry as a secondary occupation. It was recognized that by building on the existing community skills and resource base, supporting dairy activity would have a greater positive economic effect on the community.

Second, the local community also expressed their interest in obtaining company support for dairy. Extreme climatic conditions not only affect agriculture, but also create scarcity of fodder, water and pasturelands (Rajasthan Human Development Report, 2002) and induce a high cattle mortality rate (Social Baseline Survey, 2004). The consultations with the community identified their awareness of the economic potential of milk production and the expectation of company intervention for the provision of animal health services and consistent fodder supply.

Table 6.2: Institutional work in Dairy Development Project: Data Structure – Categories and Themes.

Aggregated Theme	Second Order Themes	First Order Categories (Conceptual Level)	
Processes	**Institutional Work**	**Core Activities (Pilot Phase)**	**Unintended Consequences**
Initial Development A process of conceptualizing current institutional failings behind the problem, linking to potential solutions and developing an institutional template to realize the solution (Tolbert and Zucker, 1996)	*Framing the social problem:* Justifying prevalence of a problem due to failings of existing institutional mechanism (Suddaby and Greenwood, 2005)	***Conceptualizing DDP*** A. Indirect stakeholder consultation (e.g. baseline survey through experts) B. Direct community consultation (e.g. village meetings) C. Loss of livelihood among land contributors framed as prospective social problem - Land acquisition arrangements inadequate to serve interests of land contributors - Lack of alternative economic activities in the region - Limited government and NPO activities to promote alternative livelihood - Limited job opportunities for un/low skilled locals only during construction phase - Existing CCI projects not addressing local livelihood issues	
	Formulating CCI Mode: Solution formulation through combining context-appropriate features of multiple transposable schemas from local and foreign institutional practices (Boxenbaum, 2004) and justifying its superiority (Strang and Meyer, 1993)	D. Indirect stakeholder consultation (e.g. baseline survey) E. Multi-stakeholder dialogue (e.g., village meetings, DCC meetings) F. Selection of dairy as economically viable livelihood activity in the region G. Formulation of dairy development model combining collective dairy practice model (i.e., Amul model) and top-down support for SHG based livelihood practice - Disadvantages of isolated dairy can be minimized by promoting collective dairy - Dairy cooperative model demonstrating success in neighbouring state Gujarat - Government and NGOs supporting dairy development in the region - Locals are familiar with self-help based community development	
	Building operational template: Developing a flexible plan of action to fit the local context	H. Collaboration with SURE - Cairn lacking expertise of designing and implementing of DDP - SURE promoting various daily allied services and previous experiences of implementing SHG based self-employment projects in locality I. SURE conducting feasibility analysis of collective dairy in two selected villages J. Developing SHG guidelines and draft action plan - Land contributors are the key target group - Village specific action plan would be developed based on feasibility assessment - Cairn-SURE collaboration would organize one SHG in every target village with fixed number of members - Relevant actors would be mobilized to promote/provide an enabling environment - IFC would provide advisory and financial support for DDP	

Table 6.2: Institutional work in Dairy Development Project: Data Structure – Categories and Themes (cont.)

Aggregated Theme	Second Order Themes	First Order Categories (Operational Level)	
Processes	**Institutional Work**	**Core Activities (Pilot Phase)**	**Unintended Consequences**
Co-Creation of Proto-institution A collaborative process through which a proto-institution is enacted in the field and became candidate for widespread diffusion	*Mobilizing Allies:* Developing alliances and cooperation to acquire critical resources for mounting field level actions	***Operationalizing DDP in the field*** K. Discursive actions emphasizing SHG based dairy as a win-win solution for both allies and community L. PRI and village leaders mobilized for formal authority and resources M. Specialized organizations mobilized for capacity development of SHGs N. SARAS mobilized as bulk milk purchaser	
	Promotion-Adoption: Positive reciprocal actions by sponsor and adopter through which elements of proto-institution are acknowledged and consumed in the field.	O. Cairn-SURE evaluating community interest and preparing village-specific plans post feasibility study. P. Cairn-SURE mobilizing and educating minimum number of community members to commit for collective dairy practice, who would be recognized as SHGs; Formation of a governing structure for the SHGs - Focus on demonstrating economic benefits to existing and potential SHG members Q. Construction of MCCs as physical capital for the SHGs R. Cairn-SURE continuously educating, supporting and policing SHGs; SHGs engaging in daily operational activity, and regular group and network management following SHG guidelines - Focus on developing economic capital along with social and human capital	P1→J. Inclusion of lower caste community members and flexibility in membership criteria R1. Several SHGs discontinued due to low social and economic capital. R2. SHG members' dissatisfaction over project support. R3. Negotiation for additional physical capital (e.g., bulk milk cooler unit).
	Establishing maintenance mechanisms: Constructing incentive structure, coercive mechanism and network connection that facilitate persistence of the proto-institution (Zietsma and McKnight, 2009)	S. Installing self-regulation culture among members to follow SHG guidelines T. Maintaining financial sustainability of MCCs U. Establishing forward and backward linkages for sustainable dairy practice - SHGs linked to market network - SHGs linked to third party expert organizations for technical assistance - SHGs linked to financial institutions for credit and insurance facilities	U1. Expanded role of SURE (e.g. selling of milk) due to absence of market linkages **EP:** S1→J Introducing incentive structure (e.g. performance awards) to reinforce commitments from SHGs; T1→H. Capacity building of SURE (e.g. M&E, MCC business plan) U2→J. Introducing revolving fund to resolve delayed milk payment

Table 6.2: Institutional work in Dairy Development Project: Data Structure – Categories and Themes (cont.)

Aggregated Theme	**Second Order Themes**	**First Order Categories (Operational Level)**	
Processes	**Institutional Work**	**Core Activities (Pilot Phase)**	**Unintended Consequences**
Organizational Embedding A process of actively infusing normative foundations of the promoted proto-institution into the organizational behaviour and day to day routines (Lawrence and Suddaby, 2006)	*Enabling work:* Creation of structure and mechanism to facilitate promotion of proto-institution in the field.	***Operationalizing DDP within company*** V. Establishing three-tier internal governance structure for DDP W. Expanding CSR coordinator's role in Barmer for DDP X. Dedicated budget allocation	X1. Increased budget allocation
	Policing: Ensuring embedded actors' actions are in compliance with the institutional change template	Y. Three way monitoring to ensure feedback incorporation and addressing unintended events in a timely manner - SURE monitoring dairy SHG activities - DDP co-ordinator in Barmer monitoring SURE - Information flow from DDP coordinator to project governing body Z. Regular monitoring and evaluation by IFC AA. Periodic evaluation by third party expert organizations	<u>EP:</u> Y1. Developing DDP monitoring indicators. Y2. Establishing internal audit team.

Source: Author's own

Third, Cairn perceived that a dairy establishment with modern facilities would have high commercialization prospects within and outside the district.

> *"Milk and dairy products are a very important part of the daily diet in India. Because of the preferences for a vegetarian diet and the celebration of numerous religious festivals, the demand for milk is always high."* (C13)

Fourth, Government and several NPOs were running supplementary services to promote the livestock sector, such as cattle conservation, fodder supply and pastureland development. The company perceived that these resourceful actors could provide critical support to the promotion of dairy.

The selection process was further complemented by the formulation of a practical dairy development model that combined context-appropriate features of multiple transposable institutional schemas (Boxenbaum, 2004). The company borrowed the core concept of collective dairy practice from a renowned self-organized dairy cooperative model in a different locality (known as the Amul Model) and aligned it with the local practice of self-help-based small-scale economic activities. The Amul model presents a strong example of self-mobilized CBOs in pursuit of a common economic goal. The three-tier structure consists of dairy cooperatives at the village level affiliated to milk unions at the district level which in turn are federated into a milk federation at the State level. The success of the Amul model proved that collective dairy practices could create a safety net of assured income for the otherwise independent dairy farmers and increase negotiation capabilities with prospective vendors. Through the baseline survey and community consultations, the company identified limited market access as the main barrier for dairy commercialization in Barmer. As a result, the private vendors historically manipulated individual dairy farmers with low milk prices. Cairn recognized that the disadvantages of isolated dairy practice could be greatly minimized by promoting collective dairy practice around self-help groups and providing necessary CCI support to initiate the process.

However, achieving this goal would depend on mobilizing the community for collective actions. To the encouragement of Cairn, the concept of SHG was not completely new in Barmer. The baseline survey mentioned about the presence of

small-scale SHGs in the area and highlighted their limited success in pursuing collective livelihood. External actors such as government or NPOs instigated these SHGs and provided required support until they were able to conduct economic activities independently. The company combined the idea of collective dairy practice with the local practice of top-down facilitation of SHGs, and formulated DDP where the company would instigate dairy SHGs and provide necessary support to facilitate their growth and stability. It was projected that promoting such an economic model through CCI would provide an effective long-term alternative source of income for the land contributors, therefore satisfying both the objectives of the company and the expectations of the target community.

6.3.1.3 Building the Operational Template

The final part of the initial development process was to construct an operational template for the proposed community engagement mode. As the company combined features of two separate transposable schemas, it was necessary to develop a template to guide the sets of activities required for instigating and sustaining SHG-oriented dairy practice in the community, and describe the characteristics of the SHGs and mechanics of their operations.

Recognizing its own lack of knowledge, resource and social skills to engage with the community in a way that required high interaction, the company realized the need to convene an expert (Dorado, 2005), preferably a locally-based organization with the experience of organizing a community and promoting self-help based livelihood activities. Subsequently, the company entered into collaboration with SURE, a local NGO which had been promoting handicraft and microcredit-based female SHGs in Barmer. This collaborative arrangement was built on linked interest and resource complementarity between the two organizations (Austin and Seitanidi, 2012a). The specialized experience of SURE in organizing and capacity building of SHGs, involvement in dairy allied services such as animal husbandry and indigenous breed protection, geographical coverage, and experience to work with Cairn[8] influenced the company's decision to select SURE as the collaborator. For SURE, the collaboration allowed it to extend its own

[8]SURE was the implementing partner in Social Needs Assessment in 2002, fodder distribution in 2003, and water harvesting project in 2005.

objective of sustainable livelihood promotion in Barmer, improving existing animal-husbandry-related services, and developing new technical skills and facilities to accommodate local needs.

A detailed feasibility study (mentioned as an 'initial livestock survey' during the interviews) was conducted by SURE in two selected villages.

> *"The study was intended to develop a business case for dairy based on livestock condition and amount of surplus milk. It also confirmed community interest around self-help groups. We also identified key areas of interventions for dairy commercialization."* (C11)

The study report identified three key activities as integral for the promotion of the SHG-oriented dairy practice (C-CO): i) organizing land contributors into SHGs to pool surplus milk in a common place; ii) enhancing the quality and quantity of milk production by providing technical (e.g., veterinary service, breed improvement, fodder development) and financial assistance (e.g., loans, insurance); and iii) linking the SHGs to an assured and remunerative market.

From the institutional perspective, these activities would initiate a *proto-institution* (see sub-section 3.3.3 for the definition of proto-institution), i.e., SHG-oriented dairy practice, among land contributor families that had the potential to be diffused within the wider community. The company also recognized that considerable change in its CCI structure would be required to ensure appropriate support and monitoring of the field-level proto-institution sponsoring process. This would in turn create a new organizational practice at the company level. Overall, the new CCI mode would be realized through two concurrent sets of institutional works: one aimed at creating a proto-institution in the field; another aimed at establishing a new practice within the organization.

Being the initiator and key resource contributor, the company acted as the *sponsor* of the proto-institution. Land contributors in and around Barmer were considered as the target *adopter* of the proto-institution. SURE became the *implementing partner* and conducted most of the field level activities on behalf of the company. Moreover, a group of *supporters* was identified for assisting in the promotion and eventual maintenance of the proto-institution.

The findings of the feasibility study guided the development of the operational template for the DDP, which was finalized by December 2006. The template included: i) an initial set of features for the proto-institution including a set of structures and practices for guiding the behaviour of the adopters; ii) the roles of sponsor and other relevant actors in the field through which the proto-institution would be promoted to the target adopter.

- **Developing the features of the proto-institution**

Proto-institutional sponsors often engage with supporters and potential adopters to develop initial proto-institutional features, which increases the acceptance of the proto-institution in the field (Zietsma and McKnight, 2009). The feasibility study provided this platform by capturing the responses of dairy farmers and PRI members. Their feedback was utilized to develop the key features for the proto-institution and a rule system for the target adopters. Direct consultations with the villagers identified some well-known success factors of dairy (e.g., market linkage, fodder supply, veterinary service) but also highlighted some relatively unknown obstacles of dairy development in the region. For instance, caste difference was identified as a barrier to seamless integration of all villagers in a single SHG. The study also highlighted the distinctiveness and diversity attached to each village, and emphasized designing a separate action plan and flexible SHG structure based on the specific needs and challenges of individual villages. Eventually, an initial livestock survey became part of the generic template that would determine the feasibility of dairy SHG in each village as well as developing village-specific action plans.

A rule system was designed to guide the desired behaviour of the SHG members. The initial proto-institution features and rule system for the adopters were kept flexible, and were expected to evolve as a more stable and structured template based on incorporating the response from SHGs over time. The rules are broadly associated with roles and responsibilities of the members and governing body (referred to as the Working Committee (WC) during interviews) in relation to day-to-day operational issues as well as group management. The key responsibility of the members was set as daily supply of milk exclusively to the group in a common collection point known as the Milk Collection Centre (MCC). The day-to-day

operations of the WC included regular milk collection and testing, managing and maintaining the MCC, milk sales to vendors, payment collection and distribution, etc. The general group management rules concerned WC selection and rotation policy, ensuring regular meetings and democratic decision making, conflict resolution strategies, mechanisms of record keeping, accounting and monitoring, and managing external networks and relationships.

- **Developing an action plan**

The second part of the operational template concerns defining the scope of dairy promotion, assigning roles to various actors, and identifying key allies and their roles. The template defined the scope of the project such as achievable target, duration, geographical coverage, and exit strategy. An agreement was signed between Cairn and SURE to implement a three-year pilot project in selected villages directly affected by company operations. The pilot phase targeted organizing dairy SHGs in 20 villages spanning the Northern and Southern clusters of Cairn's operational area in Barmer. Each SHG would be formed of around thirty households from a village, thereby targeting around 600 rural families. The decision on the continuation of the pilot phase or extension to other areas was left on evaluating the overall benefits and response of the participating community.

Cairn, being the institutional sponsor, committed financial and material resources. Cairn's interest remained to mobilize a specific segment of the community as adopters, i.e., the land contributors. IFC, being the investor of Rajasthan oilfield development, acted as an important supporter and committed 30% of the finance (CIL Administrative Agreement with IFC, 2007). The other key roles of the IFC included facilitation in the selection and recruitment of consultants and experts as well as undertaking regular monitoring and evaluation for the overall project. As the implementing partner, the role of SURE was set to mobilize, educate, support and monitor potential adopters. SURE was also responsible for mobilizing the relevant supporting actors in the field. It was envisaged that one group of supporters, such as PRI, would assist in the initial promotional activities, whereas another group would provide a network of forward and backward linkages around the dairy SHGs and were considered critical to the maintenance of the proto-institution.

6.3.2 Operationalizing Dairy Development Project in the Field: Co-creation of a Proto-institution

Following the initial template, DDP was operationalized in the selected villages through three sets of activities: i) mobilizing allies; ii) promotion-adoption of SHG-oriented dairy activity; and iii) establishing maintenance mechanisms. As mentioned earlier, these field-level activities resembled creation of a proto-institution in the field through the collaborative effort of sponsor, adopters, implementing partner and supporters. The sponsor and implementing partner channelled their efforts in mobilizing supporters who contributed during promotional activities as well as maintaining the proto-institution in the field. The promotional activities entailed mobilizing, educating, supporting and policing the adopters around the proto-institution. In response, the target marginal actors adopted the proto-institution by performing required micro-activities in compliance with the rule system defined in the template. Through the reciprocal promotion-adoption actions by sponsor and adopters, the proto-institution gradually became acknowledged and consumed in the field. A maintenance mechanism was also installed based on market logic and incentive structure to reinforce the commitment of the adopters. As observed, the initial operational template was enhanced over time through observation of unwanted developments in the field and incorporation of new or modified features to ensure acceptance of the proto-institution (Zietsma and McKnight, 2009).

6.3.2.1 Mobilizing Allies

Cairn and SURE mobilized various societal actors to acquire critical resources and services needed to promote dairy SHGs and ensure their maintenance. Some highly embedded actors were mobilized to borrow formal authority (Lawrence et al., 2002) at community level for approaching the community, whereas professionals and experts (Hwang and Powell, 2005) were mobilized to utilize their resources, services or technical knowledge in dairy-related capacity development activities. Together, these supporters provided a conducive environment for the promotion and maintenance of the proto-institution in the field.

Similar to the case of Project Rupantar (chapter five), PRI as well as influential community leaders were mobilized to confer early social legitimacy for the project at village level.

> *"PRI is one of the most important and resourceful local institutions who must be contacted before implementing any project. They look after the community development agenda at the grassroots level. They are the access point to reach the locals. Without informing PRI, we never expect to get cooperation of the locals. We need PRI's buy-in to start the project. They organize meetings, select and motivate the dairy farmers to join the project."* (C3)

The DCC, as described in section 6.1, served as the preliminary platform to inform PRIs and others about the project. The SURE project team also visited individual target villages to approach these actors. These actors were educated about the proto-institutional features, highlighting the benefits of the target adopters, and justifying their linked interest (e.g., mandatory responsibility of PRI to promote/support rural development). These actors were mainly engaged to mobilize the villagers around the proto-institution but they were also found to be contributing physical capital to the project in a few cases.

Various specialized organizations were also mobilized to provide technical support to the SHGs, complementing the services assured by the implementing partner. The veterinary department of the government was mobilized to provide free veterinary camps for regular animal health check-ups. The department of agriculture was mobilized to engage the community in mass-scale green fodder development. Krishi Vigyan Kendra (KVK), a district level agricultural research centre, was mobilized to provide the required technical support for cattle feed and fodder development to the SHGs.

The most important supporter was identified as Rajasthan Cooperative Dairy Federation Ltd[9] (locally known as SARAS), which acted as the assured market actor for the SHG products. The project intended to break disadvantages of unorganized dairy farming by ensuring a fair and secured market for bulk milk selling. For this purpose, SARAS was mobilized as the prospective bulk milk buyer.

[9]An apex society and registered under the Rajasthan Cooperative Society Act 1965 of Government of Rajasthan

Due to the unorganized dairy practices and geographical challenges, Barmer was not previously included in the operational areas of SARAS. As the project was supporting formation of SHGs and ensuring the support system for improved milk production, SARAS agreed to extend its 'milk route' into the DDP target villages. Apart from procuring, producing and marketing milk and dairy products, SARAS was also active in other dairy allied activities such as providing quality fodder and nutrients for livestock development and imparting training and guidance to the milk suppliers from milk production to fodder development.

6.3.2.2 Promotion-Adoption of SHG-oriented Dairy Activity

This is the core field level activity surrounding the community that entailed instigating SHG-based dairy activity in the target villages. The project team, consisting of SURE officials and the DDP coordinator of Cairn, engaged in a series of activities. This included mobilizing and educating villagers to form dairy SHGs, extending material, technical and functional support so that they could manage SHG and dairy allied activities, monitoring their progress regularly and finally incorporating corrective actions in a timely manner. In response, interested villagers adopted dairy as a collective livelihood activity abiding by the project guidelines and utilizing the project support. These two reciprocal sets of activities undertaken by the project team and target community reflect *promotion* and *adoption* of the proto-institution. The rule system and features of the promoted proto-institution were modified over time by incorporating the learning from the field in order to ensure greater acceptance among the existing and potential adopters. The following discussion describes the general instance of promotion-adoption activities undertaken in a single village, which was in reality replicated in 19 villages of Barmer by March 2014 (CIL EC Compliance Report, 2014).

- **Dairy SHG formation**

The first part of promotional work concerned mobilizing the target adopters in a phased manner aimed at educating them about the proto-institutional features and the rule system and encouraging them to construct an informal collective identity in the form of SHG. In association with the village-level supporters (e.g., PRI, local leaders), the target community was mobilized in four key stages:

evaluating community interest; preparing a village-specific action plan; mobilizing a minimum number of villagers to commit to dairy-based collective action; formation of a governing structure for the new identity.

The first stage of mobilizing involved organizing village meetings in association with PRI and community leaders and exploring preferences and expectations of villagers regarding collective dairy activity through verbal discourse. Through these meetings, the project team sensitized the target community about the objectives and requirements of the project, and the potential by highlighting the success stories (e.g., the Amul model) from similar ventures (C11).

The second stage of mobilizing work commenced in villages where negotiated expectations and preferences led to common intentionality between sponsor and potential adopters for promoting-adopting collective dairy activity. A baseline survey (termed the 'livestock survey' in the interviews) would be conducted first to identify the commercial potential of dairy in the village based on the condition of livestock and surplus milk production. This indicates further contextualization of the proto-institutional template according to particular village to be aligned with the preferences of both sponsor and adopters.

> *"We start with a livestock survey to explore the feasibility of forming dairy groups. We collect and analyse data related to the surplus amount of milk and its market value. We do a cost-benefit analysis of surplus milk. In the process, we also get to know the community. Community shares their concerns and challenges related to dairy. We get to identify the key challenges faced by the community in each village. We explain to them how DDP can help them to overcome those challenges and increase their earnings."* (C-CO)

The survey outcome shaped the key proto-institutional features such as size of working committee, market linkage strategies, minimum quantity of milk collection, training requirements etc.

The primary target of the third stage was to mobilize eight to twelve prospective dairy farmers (the number varied among villages) who committed to contribute at least 50 litres of milk per day collectively. This small group would be recognized as an SHG and formed the "nucleus" for subsequent expansion of the SHG in the

village (C3). The project team continuously engaged with the target community and employed discursive strategies (e.g., highlighting the business case of collective dairy) to influence potential adopters' agency towards group-based dairy activities. Acknowledging the economic prospect, relatively well-off farmers or influential PRI members often took initiatives to educate and influence interest of others within the 'known circle' and 'neighbouring areas' (C-PP1; C-PP2; C-PP3). In order to maximize the group cohesion and avoid future unintended consequences of non-cooperation among members or blaming the project team for 'forced inclusion' of unwanted members in the group, local elite supporters (e.g., PRIs, local leaders) and already committed adopters (well-off dairy farmers) were engaged to mobilize potential adopters (C6). Once the initial group of farmers was organized, milk collection and payments became a priority to emphasize the economic benefits to the existing group and demonstrate this to others. On behalf of the group, SURE carried out the activities associated with group and dairy management (e.g., milk collection and payment, transportation, selling). SURE also organized regular meetings to build group cohesion through increased interactions among the individuals. In order to ensure members' participation in these meetings, payments were distributed through them. New adopters would also be officially recognized as SHG members in these meetings.

The *final stage* of mobilizing work involved constructing a legitimated identity and transferring the knowledge about working in and around the newly created identity. Once the milk collection became regular and satisfactory, SURE focused on forming a working committee (WC) to govern the group activities and dairy operational activities on a regular basis. The committee usually consisted of a Chairman, Secretary and Treasurer along with five members, s/elected through informal consultation among members. As observed, the resourceful and committed individuals willing to take the additional responsibility on a voluntary basis were s/elected in the WC. On an average, the WC was formed within three months of initial SHG formation, at which point SURE gradually started to delegate responsibilities to the committee.

- **Dairy SHG management**

The second part of the promotional work involved further educating, supporting and policing the adopters so that they could work in and around the newly created identity complying with the rule system. This coincided with the development of necessary physical infrastructure, provision of technical assistance, and linking the SHG with the market. The focus on gradually developing various capital of the adopters ensured that the early adopters stuck with the proto-institution and new ones were attracted.

The first responsibility of the newly formed WC was to establish a MCC for regular milk collection. This is the most important physical capital for a dairy SHG. In most cases, the sponsor, supporters and adopters collectively contributed to the construction of MCC. Such collective action at the early stage encouraged strengthening of the bonding social capital within the group.

> *"Once the WC is formed, establishing a milk collection centre (MCC) is an immediate priority where the members could pour their milk on a daily basis. Cairn provided the cost of construction and equipment such as a computerized milk-testing machine. … … Immense support came from many community members as they also donated their valuable land for setting up milk collection centres. PRIs also donated land for MCCs in some villages. Locals also extended their contribution in the form of labour (often referred to as 'shramdan' in the local language) while constructing the MCCs. The local community and PRIs were further engaged in supervising the construction work of the MCCs."* (C3)

SURE would continue to educate and monitor the SHGs on various aspects of group management. The WC was trained on necessary functional skills for managing and operating day-to-day dairy-related operations in the MCC. For example, the secretary was given training on milk testing, collection and storage procedures, sales, payment distribution, etc. The committee was also expected to build cohesion among the group members by providing leadership from the top, arranging regular meetings, ensuring collective decision making, mobilizing new members, resolving conflicts, etc. Moreover, formal training and exposure visits were arranged for both the WC and ordinary members on leadership skills and group management. The project team also frequented the group meetings and

provided necessary guidance on various issues. As explained by a company representative:

> *"We always encourage the WC and members to take the lead. From the very beginning, we try to give them the feeling that it is their organization. We encourage them to take decisions. SURE does the handholding from time to time and takes a back seat when they take up responsibilities of managing MCCs. Supervision was gradually reduced over time to make the SHGs confident in conducting their activities independently."* (C6)

The other aspect of educating concerned improving technical knowledge of the SHG members. SURE utilized visual materials such as street plays and video screenings in villages to sensitize the existing and prospective members on dairy management, cattle care, and quality milk production. SURE also provided hands-on training on breed management and animal health care. Occasionally, experts from the veterinary department and KVK were invited for special training and workshop sessions on livestock management (SURE Annual Report, 2008). A series of important dairy allied services (e.g., artificial insemination, vaccination, check-ups and treatments) were also provided by SURE and the veterinary department to improve production and reduce the cattle mortality rate. Insurance and credit facilities were also provided to individual members according to their potential.

Linkage with a secured market network was another key promotional activity that would ensure the long-term sustainability of dairy-based livelihood activity. Although private vendors were preferred for their higher price, SARAS was deemed as the more stable bulk purchaser (DDP Evaluation Report, 2012). Most SHGs were linked with SARAS, however a few remote villages were still linked with the local market. The WC was responsible for managing the regular correspondence with SARAS. In highly isolated villages or widely dispersed settlements where SARAS was not willing to operate, SURE carried out milk collection, transportation and selling. This represents the situation when existing actors' roles were altered or extended to fill the absence of suitable allies in the field.

- **Unintended Consequences**

Similar to the case of Project Rupantar (chapter five), the promotion-adoption activities in DDP were not free from unintended consequences. A few instances indicated divergent corporate-community interests resulting in abandonment of promotional activities after initial meetings in the villages. For example, Northern cluster villages were predominantly cow belt and the locals were better off selling milk to local private vendors than SARAS (SURE Annual Report, 2007-08). These villages preferred not to join the project, as the proposed benefits did not justify their participation. In contrast, some villages proved unfeasible for the project due to low natural recourse endowment (e.g., scarce water facilities).

Member dissatisfaction was also recorded against various services and facilities of the project. For instance, a few SHGs complained about the milk testing machine.

> *"The milk content varies for every sample collected and shows different readings every time, as of a problematic machine. This has an effect on the amount paid per fat content recorded. …. The prices vary for the same amount of milk with the fat content in relevance to the private vendor, MCC and SURE dairy."* (DDP M&E Report, 2013, p.28)

There was also evidence of positive unintended consequences where SHG members identified new ideas for enhancing capital. In late 2007, increased milk production at an SHG signified the potential for milk collection in the evening as well, which required setting up milk cooling facilities overnight. In negotiation with the project team, the SHG eventually set up a bulk milk cooling unit (BMCU) with collective contribution from members and the sponsor. The BMCU helped to sell the evening milk to SARAS resulting in regular and increased cash flow for the community. The success of this SHG led to establishment of another BMCU in a different village (C6).

It was observed that the proto-institution gradually deviated from the initial template based on the incremental learning about the challenges in the ongoing promotion-adoption activities. The policing work, discussed in detail in sub-section 6.3.3.2, ensured capturing those challenges in time. For instance, as the initial rule system for the proto-institution dictated a single SHG in a village with a fixed number of members, a number of unwanted consequences became evident

while constructing the new collective identity. These unintended developments were negotiated over the project lifecycle and the membership criteria of the SHGs became less rigid. Despite the operational template advocated for the inclusion of all land contributors, not all of them became SHG members, either due to lack of interest in dairy or not meeting the criteria of surplus milk production. The project received overall positive response in the villages and in most cases the number of potential adopters exceeded the maximum limit set by the template. It was also experienced that the initial limit of 30 members in an SHG was too low to ensure financial viability of the MCC due to generally low milk production. The project team also considerably advocated to the elite locals for the inclusion of low caste villagers within the scope of the SHG. This segment of the community was earlier excluded due to long-standing discrimination towards them. Eventually, the proto-institutional elements were modified to include as many members as possible in the SHGs and from all segments of the community.

6.3.2.3 Establishing the Maintenance Mechanisms

The final set of activities focused on developing a self-sustaining system for the dairy SHGs in order to facilitate the persistence of the proto-institution among early adopters in the field and to stabilize the proto-institution for wider adoption with incremental changes (Zietsma and McKnight, 2009). Overall, Cairn and SURE focused on three key objectives to ensure that SHG-oriented dairy practice persisted within the target community: i) installing the culture of self-regulation among SHG members to follow the governance and management guidelines; ii) maintaining financial sustainability of the MCCs; and iii) creating a network of forward and backward linkages around the SHGs to ensure the sustenance of economic activity. While some mechanisms were established following the initial template, new mechanisms were introduced over time from the experience of unintended or unexpected events.

In general, the rule system concerning group management detailed the key actions to be conducted by the members to avail continuous support from the sponsor. Members were responsible for regular milk supply to the MCC, whereas the WC was responsible for managing group activities, ensuring financial sustainability of the MCC, monitoring performance of members as well as the MCC and taking

corrective actions when deemed necessary. The WC was responsible for arranging regular group meetings, which worked as the dialogical platform to share concerns, expectations, performance assessment and taking collective decisions. SURE was responsible for educating and supporting WC and members until they could perform their activities independently. By doing so, the project intended to gradually instil collective pursuit of livelihood as a social norm. Independent management of SHGs also concerned ensuring financial sustainability of the MCCs. In an ideal scenario, an MCC should bear its operational cost (e.g., rent, utility) from its primary source of income (i.e., sales commission from SARAS), and generate surplus capital to make amends for drought periods of less milk supply and invest in future entrepreneurial activities.

Throughout the process, the project continued to construct an enabling environment and enhance *bridging* social capital for dairy SHGs by linking them with an external network of various specialized organizations for the maintenance of dairy-based economic activities. This network of actors supported the SHGs by providing important material and technical assistance (e.g., government departments, insurance provider), or acting as the secured market for the produce (e.g., SARAS).

- **Unintended consequences**

As evidence suggests, new incentives and reward structures were introduced throughout the project duration to reinforce the commitment from the SHGS who were not following the rule system. Learning from the pilot phase revealed a number of instances that rendered ineffective the coercive mechanism put in place to reap the desire behaviour of the SHGs. One example includes SHG members selling milk to private vendors. This was identified as the single most important threat to the financial sustainability of the MCCs. As argued by SURE representative: *"Reduced quantity of milk earns less sales commission which does not fully recover the operating cost of the MCCs"* (C-CO). However, the field reality is complex and such instances of members' deviation from rule system was deeply rooted in the practical challenges that the project faced. A longer cycle of milk payments by SARAS was identified as a key reason of member dissatisfaction. It was revealed that private vendors had a shorter cycle (5-7 days) of payment

compared to the 40-45 days cycle of SARAS. Private vendors also often offered higher prices and did not pose any strict restriction on the quality of the milk. Such instances often aggravated members to *"speak negatively about the project and/or Cairn"* (C3) and motivated members to sell milk to private vendors. This contradicted the logic of promoting the proto-institution for minimizing the exploitation of private vendors. The higher price promise and shorter payment period often motivated SHG members to focus on short-term instrumental benefits rather than long-term benefits through selling to the MCC. During the pilot phase, three SHGs decided to discontinue as the members started to sell milk to private vendors and MCCs were not able to recover the operational cost. To tackle this problem, a revolving fund was provided to the SHGs for making timely payments to their members. Also, SARAS was encouraged to make advance payments in the festival period. In addition, new incentives were introduced to boost the motivation of members. For example, members supplying milk on a regular basis were linked with credit facilities, offered special sponsorship awards to support the education of their children and other facilities (e.g., dairy equipment on a cost sharing basis).

Apart from reduced milk supply, another observation from the pilot phase was the lack of group meetings, resulting in weakened governance structure. Lack of financial motivation was identified as a key problem behind this. During the extended phase, an additional reward system was introduced to ensure the commitment of the WCs by arranging additional economic activity within the scope of MCCs.

> *"The current engagement of secretaries is more social than economical. They would like to engage in such activities so that they can earn at the same time as they can do dairy centre activities. Thus they demanded development of alternative livelihood and associated skills. The project plans to focus on training of the secretaries on skill development, market linkages, and financial linkages for alternative livelihood so that they can earn and remain connected with the dairy development project. We also will explore the linkages with KVK for alternative livelihoods options. This includes vermi-compost, orchards and plantation activities, fodder development, seed bank etc."* (C3)

The field-level reality also dictated changes in the original proto-institutional template to eliminate the functional dependence of the SHGs on the project

support and supervision. Despite consistent support from the project, most SHGs were still highly dependent on SURE to manage the relationship with the external network (DDP Annual Report, 2012). With an aim to reduce this direct dependence on SURE, the project intended to establish a Dairy Federation consisting of selected WC members from different SHGs. Instead of directly providing support to individual SHGs, the project would provide financial, infrastructural and technical support to the federation. All the SHGs would be registered with the federation to avail of the fee-based services. In the long run, this additional governance structure would provide similar services to the individual SHGs that SURE had been providing so far.

> *"The Federation has been one of the most important linkages of ensuring sustainability of any community organization. SURE's experience of Thar Jagruk Manch, Dalit Manch etc. have shown that it is important to have a federation in order to strengthen all village level SHGs. ... Federating all the dairy societies will ensure a permanent structure to support the societies when the project support reduces."* (C3)

6.3.3 Operationalizing Dairy Development Project within the Company: Conditional Embedding

The field-level activities of sponsoring the proto-institution were complemented by developing internal structures and mechanisms to embed the sponsoring process within routine organizational behaviour. Two such works are identified in the case context, namely *enabling work* and *policing*, that would facilitate and monitor the regular field-level activities. Similar to the case of Project Rupantar, these structures or mechanisms were originally intended only to exist for a limited period of time and discontinue on the perception that SHGs gained the ability to continue their dairy practice without support from the project. In other words, a CCI mode of sponsoring the proto-institution was embedded within the organization to remain embedded unless a condition was perceived to be satisfied – hence the term 'conditional embedding'.

6.3.3.1 Enabling Work

Sponsoring the proto-institution in selected villages of the company's operational areas necessitated establishing an enabling environment within the organization

to coordinate with key actors in the field and ensure effective management of resources. *Enabling work* in this context refers to creation of structures and mechanisms within the organization to facilitate promotion of the proto-institution in the field. This was done through restructuration of CCI governance and allocating required resources for the project.

During the time of its conceptualization in 2006, DDP was the most complex and multidimensional CCI project to be conducted by the company in India, in terms of the extent of community interaction and resource commitment (C11). The timeline also overlapped with the decoupling process of Cairn India Limited from its parent company (see Table 6.1). Engaging in such a project, the new business identity (CIL) recognized the need for a dedicated internal governance structure to manage interactions with the implementing partner and supporters, coordinate field-level actions, and capture and address unintended consequences. A three-tier governance structure was established for the project at the company head-office in New Delhi. A steering committee was set up for governing and evaluating the policy and direction of the project. An executive committee was set up to take strategic decisions and planning of the project. Finally, a project management team was established to undertake the day-to-day operations and management of the project. In addition, the role of CSR coordinator was significantly extended to work as a liaison between SURE in Barmer and the project management team in head-office. Apart from establishing a dedicated governance structure, the company also allocated fixed financial support for the project. Document analysis reveals that the three-year pilot phase kicked off with a 70:30 cost sharing between Cairn and IFC where Cairn spent Rs. 11M up to 2010. During the three-year extension phase up to 2013, Cairn invested another Rs. 5M up to the end of 2012.

6.3.3.2 Policing

Policing refers to the activities to ensure that embedded actors' actions are in compliance with the operational template so that intended institutional change is achieved. The company employed several formal and informal policing mechanisms to observe the progress and prospects of the project, capture the

experiences and feedback of various actors, and undertake the responsive actions accordingly that resulted in gradual refinement of the institutional template.

The case analysis revealed the existence of a three-tier policing structure for the project. The first tier of policing was undertaken by SURE, who was responsible for regular monitoring of the dairy SHGs. SURE provided monthly, quarterly and annual progress reports as well as separate financial performance reports of the MCCs. A dedicated project team visited the community on a regular basis to monitor the activities of the dairy SHGs and generated these reports. The DDP coordinator in Barmer carried out the second tier of policing activities. The coordinator is responsible for monitoring the activities and performance of SURE in the field. The head office based project governing body carried out the final tier of policing. This team occasionally visited the villages and interacted with the SHG members to find out their achievements, complaints and suggestions. Being a major supporter of the project, IFC also regularly monitored the DDP during the pilot phase. The project performance had also been regularly evaluated by independent external specialized organizations.

Regular policing facilitated identification of deviations and unexpected consequences throughout the process, based on which broader institutional template was refined on a continuous basis. The most visible consequence of policing was the three-year extension of the project at the end of the pilot phase in 2010, and another two-year extension in 2013. The repeated extensions highlighted the deviation from the original template and the need for extended support to the SHGs, but also indicated the partial accomplishment of the project. The financial benefit of the SHG members was perceived as a success by the company and other actors which encouraged the company to repeatedly extend the project support to the SHGs.

The various corrective actions taken at SHG level such as offering additional incentives for members or provision of a revolving fund (mentioned in detail in sub-section 6.3.2) were the outcome of regular policing activities during the pilot phase. The DDP Evaluation Report (2012) of the pilot phase also identified SURE's lack of technical knowledge in making cost-effective business plan for the MCCs. Based on the finding, the extended phase action plan incorporated capacity

building for the project team of SURE. The findings also brought significant change in the policing mechanism for the extended phase. The project team of Cairn developed a set of indicators (e.g., average per day milk collection, total active CBO members supplying milk, total members with veterinary care or financial linkage or fodder assistance, etc.) for timely monitoring of the SHGs by SURE. An *internal audit team* was also set up which would periodically visit the villages to observe the field-level reality, evaluate the performance of SHGs using those same indicators, and provide necessary recommendation for mid-course correction.

6.4 Consequences of Dairy Development Project

The previous section explores the institutional work in the emergence of DDP. The findings demonstrate how an organization-level practice was conceptualized and operationalized for creating a proto-institution in the field through collaborative actions of various social actors. This section analyses the outcomes of such institutional work in three particular aspects (in line with the institutional work- and institution-level consequences described in section 3.4), i.e. whether the proto-institution was following the path as the company intended, whether it could attain the desired benefits for the involved actors, and whether it had any unintended impact (both positive or negative) on the broader institutional arrangement. The findings reveal three distinct outcomes: i) inability of the early adopters to maintain the proto-institution without sponsor support, yet the project was perceived as partially successful in terms of bringing most of the desired benefits for the community and realization of business goals; ii) such partial success led to continued company sponsorship of the proto-institution beyond the projected time, a state referred to as *extended institutional work*; and iii) shaping the future pattern of behaviour of the company and community.

6.4.1 Partial Accomplishments

Similar to the case of Project Rupantar, the accomplishments of the institutional work in DDP can only be evaluated on a relative scale since the project was still ongoing (see sub-section 5.4.1 for detail on relative accomplishments). The company aimed to promote the proto-institution of SHG-oriented dairy practice in the target community, and creating a mechanism that would allow the project-

supported adopters to maintain the proto-institution without company support. In other words, the company intended to spur the proto-institution in the field but left the responsibility of its maintenance to the adopters.

During the time of the field visit, the first extension phase (EP1) of the project was operational. The findings reveal that Cairn was unable to withdraw support from any of the SHGs that it sponsored from the pilot phase of the project and continued to support them in the extension phase. None of the dairy SHGs were able to manage the group activities on their own and make the MCCs self-sustaining. This suggests that the project could not sufficiently 'entrench' the proto-institution in the field within the estimated time. However, by engaging the community in SHG-oriented dairy activity, the project was able to enhance various capital of the community and in turn allowed the company to uphold the social license to operate. Therefore, although the community was unable to maintain the proto-institution on their own, the ability to bring significant benefits to the embedded actors, particularly the community and company, reflects the partial accomplishment of the project. By applying the capital framework discussed in chapter three (section 3.4), the rest of the section discusses the benefits accrued to various actors.

6.4.1.1 Benefits to the Company

The CCI literature recognizes community engagement as a potential source of business value creation through social value creation (Porter and Kramer, 2011). This was evident in the case. By engaging the community in SHG-oriented dairy activity, the project has contributed not only to building economic capital of the SHGs but also to creating a sense of worth among the members. In a challenging local context, the project has so far been successful to establish a workmanlike attitude in the community which has *"come a long way since DPP was initiated"* (C1). More importantly, the project has established a relationship of mutual trust between the company and community. As perceived by one company representative:

> "*DDP has significantly contributed to gaining the trust of locals by implementing a powerful project that focused on local resources and skills. The community appreciates such livelihood focused initiatives where they can financially benefit."* (C2)

In doing so, the project significantly contributed to mitigating the social tension between land contributors and company that was felt during the early exploration period.

DDP has also contributed to improving the company's functional efficiency in its operational areas in Barmer. The project primarily intended to ensure livelihood-based rehabilitation for those landowners affected by the company operations. As argued by C1, implementing a community-focused project surrounding the assets of the company has contributed to the smooth operational progress in Barmer.

The project has also enhanced CIL's reputation among other relevant stakeholders such as government and civil society organizations. The company was awarded with the CMO Asia Award for 'Best practices in Corporate Social Responsibility' in recognition of its sustained efforts towards empowering the local communities and providing sustainable solutions for complex development challenges across its operational areas. Cairn also won the 'Golden Peacock Award for Corporate Social Responsibility' in 2011 and 2012, which has in its own way enhanced the company's brand image nationally and internationally.

The project also contributed to improved human capital within the organization. The learning of the project was identified as insightful in managing existing CCI projects and designing future interventions. As stated by C2:

> *"The team is now in a better position to understand the local inspirations and capacity to implement self-help based projects. We have learnt a lot in the process. We have improved on various aspects. While collaborating with local organizations, we focus on their weakness and capacity build them accordingly. In a remote place like Barmer, we have limited options and we have to make that work. Working alongside local organizations, we have gathered local knowledge and now we think and act like a local."*

6.4.1.2 Benefits to the Community

The project primarily aimed to improve the economic capital of the community by enabling poor dairy farmers to pool their surplus milk and turn it into a marketable commodity. It was postulated that the increased income and improved social cohesion would encourage the wider community to subsequently engage in collective livelihood activities, which would mitigate the dependence on the company. Community benefits are discussed in light of the perceived changes in important community capital such as economic, physical, social, human capital achieved through the process and any unwanted developments that are associated with it.

Evidence suggests that DDP has increased the *economic capital* of the community. The annual milk production has increased from 0.2 million litres in 2007 to 0.8 million litres in 2011 (CIL Annual Report, 2009; DDP Annual Report, 2011). DDP has also been effective in increasing the price resilience for dairy members in the local market. The milk price has increased from Rs. 10-12/litre to Rs. 20-25/litre between 2007 and 2012 (DDP Evaluation Report, 2012). The dairy SHG members claimed that their income has increased through dairy activities and it also increased their affordability of basic necessities such as health and education. Others mentioned reinvesting a part of their income to expand dairy allied activities such as buying livestock and building sheds. Besides the dairy farmers, the project also created employment opportunities for the wider community. Some SHGs employed administrative staff (referred to as the office bearers) to undertake the daily mundane activities. Members also stated that they often employed casual labourers for livestock management as well as growing fodder (C-PP4; C-PP5).

Another benefit of the project is enhanced *human capital*. DDP focused on improving technical knowledge of the SHG members on dairy through frequent workshops and exposure visits. The dairy groups had been able to independently manage regular operational activities including milk testing, collection, milk payment and record keeping. Members also acknowledged that their knowledge regarding cattle health care, breed improvement, artificial insemination, fodder production and nutritious cattle feed had increased, which helped increase

productivity from individual households (DDP Evaluation Report, 2012). The project also made substantial efforts to educate the WC members so that they could perform key responsibilities. The secretaries and office bearers received special training on office management, recordkeeping and efficiently running day-to-day activities. However, the findings suggest that SURE lacked in capacity building the WC members on sustaining the MCC. Although the SHGs claimed that they gained better bargaining power over private vendors, they still showed reliance on SURE for maintaining external network relationships with SARAS, relevant government departments and financial institutions.

The project also facilitated to build both individual and collective *physical capital* of the target community. MCCs and BMCU are the key assets built and owned by the dairy SHGs. The project also offered dairy equipment (e.g., chaff cutters[10]) on a cost-sharing basis to the SHG members. The members were observed to take institutional credit or reinvesting part of the profit to purchase livestock, build sheds, or water facilities on their own. 32% of the community had sheds for their animals, 37% had chaff cutters at their houses, and around 83% had milk cans and vessels for dairy by 2011 (DDP Evaluation Report, 2012). The focused technical assistance (e.g., artificial insemination or vet services) has led to better management of livestock (DDP Annual Report, 2011). The DDP Evaluation Report (2012) also found direct correlation between households attending the veterinary services camps and reduced mortality rate of animals.

The project also strengthened *social capital* within the community. The increased bonding social capital was evident in examples where the community showed a sense of collective solidarity, and ownership while building or managing MCCs. The collective pursuit of self-help based economic freedom improved the trust relationship and bonding among dispersed households. The regular meetings helped in generating better coordination among the members to manage trivial issues. However, the most positive social change was reflected by giving market access to a marginal segment of the community who were often discriminated culturally. With persistent effort from the project team in explaining to villagers the economic benefit of collective dairy irrespective of the caste of the contributors, the caste difference had gradually reduced in the project villages.

[10]A machine for chopping hay and straw for use as fodder.

The DDP Evaluation Report (2012) mentioned it as 'structural and systemic change' in the lives of the villagers. Enhanced bridging social capital was also evident in external relationship management with SARAS, private vendors, PRI and banks. In most cases, the initial dairy SHGs lobbied PRI for contributing various resources (e.g., land and supervision for MCC construction). Some SHGs also explored new market opportunities (e.g., private vendors, local shops, hotels) to sell the milk. Moving beyond the services arranged by the project, some members took initiatives to avail services, such as artificial cattle insemination, by investing on their own. Members were also observed to communicate directly with the government or private veterinary services.

Although the SHGs were still dependent on project support in many aspects, the spontaneous mobilization of the target community towards collective dairy and related activities was an encouraging outcome of the project. The financial benefit enjoyed by the early members attracted the rest of the villagers to join the endeavour. As put by a project official, this resulted in gradual transformation of 'small-size dairy groups' into 'large-size dairy cooperatives' (C3).

6.4.1.3 Benefits to Other Actors

Apart from the company and the community, other actors who engaged and contributed in varied capacities also benefited from DDP. SURE, being the implementer, and supporters such as PRI, government departments and financial institutions gained direct and indirect benefits that reinforced their commitment to the process.

SURE had been benefited from improved human, social and economic capital that was redirected to furthering its rural development agenda in Barmer. Cairn organized various training and workshops for the project team of SURE on project monitoring, evaluation and reporting procedures, and developing business plans for the MCCs. The project also supported SURE to enhance its technical skills around various aspects of the livestock sector. More importantly, dairy development in Barmer has ensured an assured market for SURE with increasing demand for these technical services. Dairy SHGs became a potential client group

for such fee-based services, which contributed to the financial sustainability of the organization.

The various features of the project were aligned with the mandated responsibility of the local government counterparts such as PRI and different government departments. Affiliation with DDP facilitated these actors to realize their mandated responsibility in a difficult-to-operate locality and thereby enhanced political capital of these actors. PRI was accountable to actively support and channel resources for promotion of rural development projects whether implemented by government or any other actors. Similarly, the animal husbandry and agriculture departments of the government had directives to extend support and services (referred to as 'extension services' during interviews) as part of the livestock sector development in Rajasthan. By organizing communities in a dispersed geographical locality under the common umbrella of dairy SHGs, the project paved the way for these government counterparts to extend their services and maximize outreach in a cost-efficient way. DDP linked SHGs in a mass scale green fodder development scheme promoted by the agriculture department. Further, the project improved human capital within these supporter organizations. Various capacity building activities (e.g., training and workshops) were arranged for the animal husbandry department personnel to ensure quality and timely veterinary support for the SHGs.

Another government entity that significantly benefited from the project is SARAS. DDP had not only created a mechanism for increased milk production and selling but also established common milk collection points in remote villages of Barmer. This opened new business opportunity for SARAS as it was previously non-operational in the area because of the challenging topography. In 2010, SARAS collected almost 15% of its total milk from the dairy SHGs promoted by the project (DDP Evaluation Report, 2012). Realizing the economic benefits, SARAS had gradually extended its role in the project from buyer alone to the contributor of important resources (e.g., fodder, nutrients, construction cost, and equipment for a BMCU).

Table 6.3: Consequences of Dairy Development Project: Data Structure – Categories and Themes

Themes	**First Order Categories**		
Partial Accomplishment	• Inability of the SHGs to maintain external relationship and sustain the MCCS on their own without project support • Capital enhancement for relevant actors considered as success		
Benefits to actors	**Company**	**Community**	**Other Actors**
Economic Capital	• Smooth business operations in the region	SHGs: • Regular income for dairy SHG members and secretaries • Increased milk price and production • Increased collective (e.g. MCC, BMCU) and individual assets (e.g. equipment, animals, sheds) Non-project participants: • Increased access to facilities (e.g. raw materials, livestock, access to market) and services available through SHGs • Increased income as casual labourers, hiring local weaver • Surge in economic activities in the area (e.g. land leasing)	SURE: • Financial sustainability through - Access to company resources - Increased demands for fee-based dairy allied services SARAS: • Increased business opportunities Banks and insurance companies: • Increased demands for credit and insurance products
Social Capital	• Improved community relationships • Increased company reputation among external stakeholders (e.g. media, government)	SHG Members: • Improved bonding social capital • Collective actions (e.g. building common assets, managing operational activities • Reduced cultural discrimination towards lower caste • Enhanced bridging social capital (e.g. Bank, milk vendors)	SURE: • Increased reputation and trust in the community Local government: • Increased reputation and goodwill of PRI, animal husbandry and agriculture department in the community
Human Capital	• Enhanced skills and capacity to implement SHG-based CCI projects	SHG Members: • Managerial and functional skills development of WC members • Enhanced skills and capacities of SHG members around dairy allied activities • Increased negotiation skills with prospective vendors	SURE: • Improved technical skills related to project management (e.g. M&E, business plan) and dairy allied services (e.g. artificial insemination, fodder development) Local government departments (e.g. animal husbandry): • Arranged workshops and trainings for relevant departments to ensure quality services
Political Capital	• Increased company reputation		Government Department/PRI: • fulfil mandated responsibility of community development

Table 6.3: Consequences of Dairy Development Project: Data Structure – Categories and Themes (cont.)

Themes	First Order Categories
Extended Institutional Work	• No SHGs demonstrated the capability to continue dairy activity without project support • Project extended after pilot phase. - Dairy remains the most viable livelihood activity for the community - Abandonment of the project would recreate social tension • New/modified actions incorporated to ensure SHGs become self-sufficient
Institutional Effect	• Company: - Promotion of SHG based dairy development in other operational areas (e.g. Jalore) - Promotion of credit-based women SHG and collective agricultural practice • Community : - Self-mobilization of dairy members - Increased dairy allied local business (e.g. calf breeding, fodder production) • Other Local Actors: New actors (e.g. private milk vendors) showing commitment towards SHGs based livelihood promotion

Source: Author's own

Among others, local financial institutions also benefited from the project. With stable financial performances by the dairy SHGs, banks and insurance companies started to offer loans and insurance products for individual members.

6.4.2 Extended Institutional Work

As discussed in the previous section, the project was aimed at promoting the proto-institution of SHG-oriented dairy activity in the field and creating a maintenance mechanism around it within a fixed period of time so that the adopter SHGs would be able to maintain the proto-institution without project support afterwards. The company planned to withdraw project support after this duration on the evidence that the proto-institution had been successfully consumed within the community. However, in reality, none of the SHGs demonstrated capability to carry on group-based dairy without project support after that duration. In other words, the project was not able to enact the proto-institution in the field according to the original operational template. As discussed in sub-section 3.3.4, such an outcome of institutional work where the original intention is not fulfilled can be considered as a failure, in which case institutional work may be abandoned or the intentions may be compromised (Pawlak, 2011). The case shows an alternative path where the company continues the institutional work for a prolonged period until the intended objectives are achieved. I call this situation *extended institutional work,* which occurs along the path of the original course of actions and may include modified and/or new actions to address the unintended consequences that hindered achieving the intended objectives. In this context, the company continued to sponsor the proto-institution for a prolonged period to ensure that the adopters would eventually become self-sufficient to maintain the proto-institution without project support.

Extended institutional work is evident in the case of DDP as an unintended consequence. Despite the enhancement of various community capital through the process and early signs of proto-institution diffusion (e.g., new members joining spontaneously in the dairy SHGs, nearby villages approaching the company to initiate similar projects), the project could not equip the dairy SHGs with required capacity within the pilot phase to manage as well as sustain dairy activities on their own. The interviewees mentioned various reasons behind this. Low milk

production due to unfavourable topography of Barmer was identified as a key factor. The SHG members stated that during the dry season milk production reduces significantly (C-PP5). Further, the disperse settlement often motivates members to sell milk to private vendors rather than carrying it to the nearest MCC. The payment issue with SARAS also incited some members to revert back to private vendors. As a result, milk production did not reach the threshold where the milk sales commission alone could cover the operational cost of the respective MCCs. Such difficult terrain also posed challenges to create successful market linkages:

> *"SARAS or other private vendors could not agree to collect milk from some remote MCCs. In a few villages, the households are so scattered that establishing a MCC would not be helpful without arranging transportation. In both scenarios, SURE has been collecting and selling the milk to the nearest local market."* (C7)

Lack of appropriate supporters in remote places weakened the maintenance mechanisms and interrupted independent functioning of the SHGs. The project team also attributed the limitation to the general lack of education and entrepreneurial motivations of the villagers.

The project was extended after the pilot phase to address these challenges that hindered the desired outcomes. Each extension phase of DDP brought changes in the SHG guidelines, and new or modified action plans (e.g., incentives for members to supply regular milk, introducing fee-based services for members creating additional income sources for MCCs, capacity building of the SURE project team), but the core objective remained the same: to make the SHG-oriented dairy practice sustainable in the target villages. When asked about the reason for continuing DDP despite its inability to make the dairy SHGs self-sustaining, the project officials argued that the "partial accomplishments" of the project contributed towards better corporate-community relationships. The limited skills of the ordinary villagers and the geographical characteristics in Barmer implied that dairy remained the key livelihood activity for the community. Therefore, withdrawing support from DDP would hamper the economic progress and lead back to the social tensions of the pre-project period.

6.4.3 Institutional Effects

Despite partial accomplishment of the intended objectives, the institutional effect of the project was evident in the changing behaviour of various actors within the locality. In particular, the observation of economic capital development of SHG members slowly changed the perception of the wider community on collective dairy as a viable livelihood activity. As C3 reflected:

> "*Communities in the nearby villages and private milk vendors in Barmer have shown interest in further scaling up the project activities in new villages. DDP encouraged a segment of the community to engage in calf breeding and fodder production in the project villages."*

The proactive engagement of the community in dairy-allied activities complemented the institutional work of the project by strengthening the maintenance mechanism for the proto-institution. The company also extended the scope of the project to the neighbouring district of Jalore, which had been recognized as the extended operational area of Rajasthan block due to the location of pipelines between Barmer and Gujarat (CIL Corporate Brochure, 2014). The company also initiated a separate credit-based SHG project exclusively to support economic empowerment of women who could not join DDP (Striding Ahead, 2011). Further, the company also embarked on promoting collective agricultural practices in Barmer (CIL Corporate Brochure, 2014). Such examples not only emphasize the potential for diffusion of collective dairy in the region but also highlight increasing acceptance of the community-driven collective problem solving approach to local developmental problems.

6.5 Conclusion

This chapter has presented empirical analysis of the case study conducted on DDP of CIL, which contributes to the understanding of antecedents, process and consequences of the CICBO mode as a company-level institution.

The findings identify three interrelated and temporally-oriented enabling conditions, namely company's proactive community engagement (oriented towards the past), legitimacy gap resulting from incompatible institutional

arrangement (oriented towards the present) and anticipated business opportunity in the region (oriented towards the future). Similar to the case of OIL, the necessity for new CCI practice was driven by the experience of social legitimacy gap in the operational area. However, unlike OIL which operated in Upper Assam for more than a century, Cairn had its operational presence in Barmer for a short period and only started to realize the impact of incompatible institutional arrangements on the community expectation from the company.

The early gap between the expectation and return led to social tensions, particularly with the land contributors. Faced with this early sign of legitimacy gap in the locality, the company perceived greater divergence between community expectations and corporate actions leading to recurrent legitimacy crisis in the future that could hinder its business objectives in the region, especially in light of the anticipated economic prospect. Institutional studies often focus on the functional and social factors as enablers for institutional change, whereas this finding highlights economic factors as important enablers for profit-making organizations whose actions are predominantly guided by economic justification (Pacheco et al., 2010). While the importance of resolving anticipated legitimacy crisis amplifies with the addition of economic consideration, the ability to make such anticipation reflects a particular organizational characteristic that influenced the direction of change (Battilana and D'Aunno, 2009). The company inherited the culture of proactively engaging with relevant stakeholders, including the local community, from its parent company that allowed the company to envision the challenges in the field and adopt context-appropriate practices to tackle those challenges. Such proactive CCI orientation allows the company to maintain a harmonious relationship with the community and provides competitive advantage in an otherwise volatile economic atmosphere. Altogether, these conditions created an environment that enabled the company agency to pursue an alternative community engagement mode complementary to existing practices. The three-fold strategic objective was evident: maintaining long-term legitimacy (with regard to current legitimacy gap and anticipated recurring legitimacy problem), ensuring profit (with regard to future business prospects), and ensuring competitive advantage (in the habitual aspect).

A series of institutional work followed, conducted in collaboration among the company, local community and various social actors, through which the CICBO mode gradually emerged in the form of DDP. At conceptual level, the company first engaged in an initial development process that involved, *firstly*, framing loss of livelihood of the land contributors as the key social issue connected to current and future legitimacy crisis; *secondly*, transposing and combining two existing institutional schemas (collective dairy model and CBO-oriented livelihood activity) into one as a solution to the social issue and justifying its superiority over existing practices; *thirdly*, recontextualizing the proposed schema into an initial operational template for CICBO, particularly designed to achieve the intended strategic objectives. The initial development process reflects a process of consultation, consensus and negotiation for developing the solution where the target community was included. This further shows the company's proactive attitude to incorporating community preference in CCI design, which helped to gain early legitimacy for the intended institutional change. The core of the CICBO mode is defined as promoting a proto-institution (CBO-oriented dairy activities) among a segment of the target community, but leaving the responsibility of maintenance of the proto-institution to the community. The initial template became the basis of the new CCI mode and provided the prescriptions for subsequent actions at operational level to be undertaken in the field and within the company. However, the initial template was designed relatively flexibly considering the heterogeneous community characteristics from village to village.

The initial template guided two parallel and interconnected processes at operational level. The first process represents co-creation of the proto-institution (CBO-oriented livelihood practice) in the field through the collective effort of the company (as sponsor), community (as adopters), a local expert organization (as implementing partner) as well as other resourceful local actors (as supporters). Mobilizing powerful and resourceful local supporters (e.g., local government body, leaders) was an important step to garner normative legitimacy of the proposed proto-institution. The company, in collaboration with the implementing partner and these supporters, continuously organized and facilitated one CBO per village and engaged them in collective capital building activities. Considering the lack of existing social capital in the community, the company focused on enhancing financial, physical and human capital of the CBOs and expected to build social

capital in the process. The success of early adopters encouraged new adopters to join the process, which made the initially small CBOs grow large. In order to ensure the maintenance of the proto-institution without sponsor support, the template included guidelines for self-regulation on the CBOs that was closely monitored by the implementing partner. An appropriate adopter-supporter network was also constructed. The second process was aimed at creating an organizational practice that would ensure support towards and policing of the proto-institution creation process as in the field. However, such arrangements were deliberately made temporary to limit company responsibility in promoting the proto-institution for a fixed time only. Similar to the case of OIL, policing is identified as key institutional work for capturing unintended or unexpected development in a timely manner and initiating necessary responsive actions. Over time, the template was repeatedly enhanced and a more stable template gradually emerged through incorporation of the learning (Zietsma and McKnight, 2009).

The analysis of consequences shows mixed results. The community not only gained financial capital but also improved physical, human and social capital. In return, the company has benefited from the improved trust relationship with the community, and the sign of legitimacy crisis felt during early exploration period has been largely mitigated. However, the CBOs did not show the capability to continue the capital building process without company support. In other words, the project was unable to entrench the proto-institution among the target adopters although it showed early signs of diffusion. Various practical problems are identified that worked as bottlenecks to achieving the desired objective. Yet the company decided not to abandon the project or deviate from the original institutional design that often occurs in such circumstances (Pawlak, 2011). Rather it engaged in extended institutional work according to the initial design and took diverse responsive actions to address the limitations. Despite the limitations, the evidence of capital building through the proto-institution was visible which influenced other actors in the wider locality to engage in activities in and around CBO-oriented dairy practice.

CHAPTER SEVEN
Theorizing Corporate Instigation of Community-Based Organizations

7.0 Introduction

This thesis has emerged from the interest to explore a relatively new but underexplored mode of community engagement, where companies instigate various forms of community-based organizations in their operational areas as a mode to engage with local communities. The limitations of existing theoretical perspectives in understanding processual dimensions in the emergence of CCI modes is grounded in chapter three. Recognizing this limitation, the thesis has advocated conceptualizing CCI modes as organization-level institutions and presented an analytical framework for a systematic and holistic exploration of the emergence and consequences of CCI modes based on the overarching concept of *institutional work* (Lawrence and Suddaby, 2006; Lawrence et al., 2009, 2011). Chapters five and six reported the findings from the institutional analysis of two instances of CICBO in India, a summary of which is illustrated in Figure 7.1.

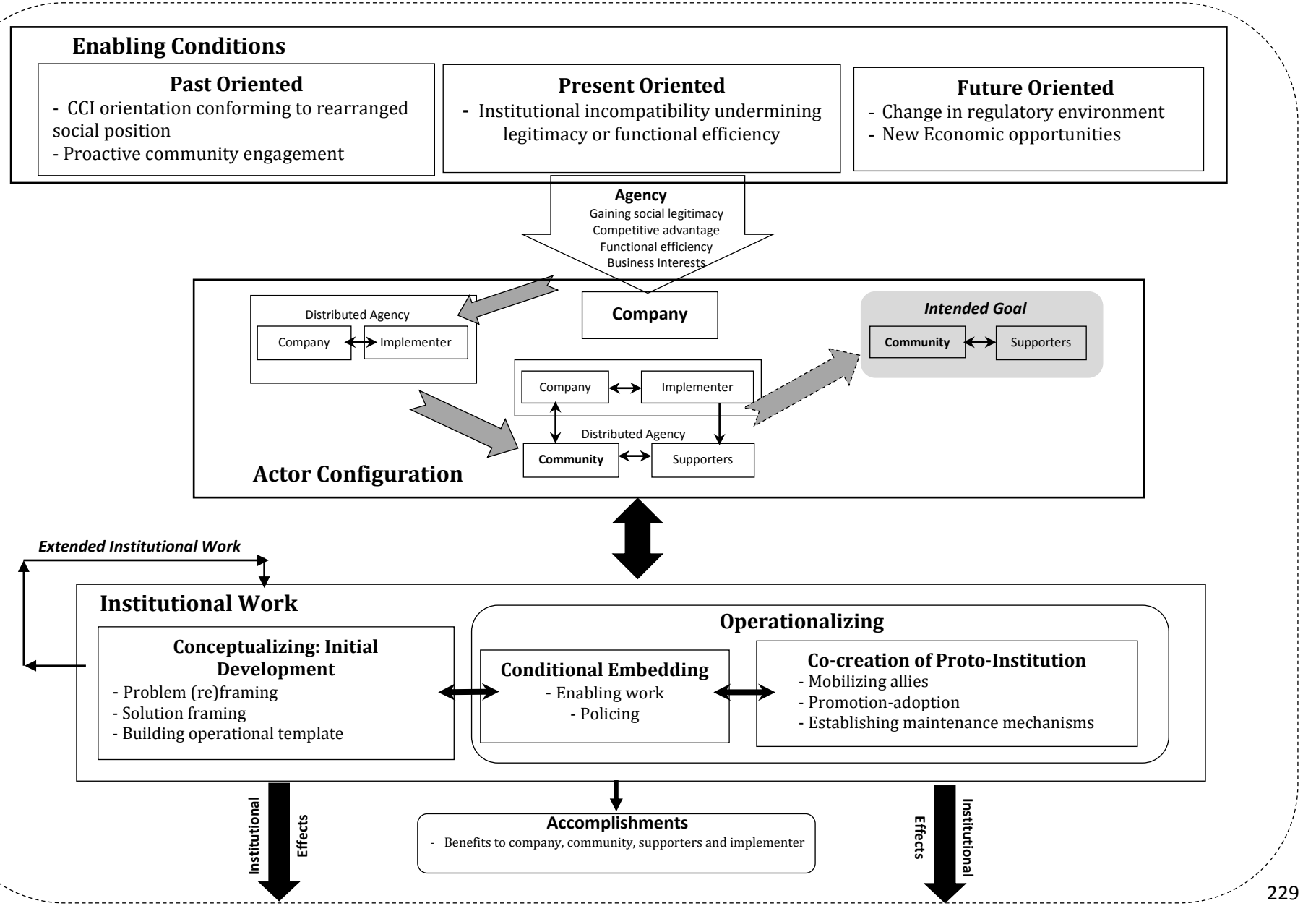
The case studies show that both companies actively shaped CIBCO as an organization-level practice complementary to the existing modes. It suggests these organizations' agency to make changes in established rules and norms that govern corporate-community interactions in their operational areas, thereby "altering some dimensions of the social structure" (Battilana and D'Aunno, 2009, p.46). The case studies also demonstrate the temporal orientation of organizations' agency in the change process (see sections 5.2. and 6.2) as evident in the contextual factors and/or organization-specific characteristics that lead to subsequent institutional work (the Agency block arrow in Figure 7.1). In both cases, companies' 'intention' to bring change in CCI institution was influenced by various enabling conditions that were oriented towards the past (CCI orientation of the company), present (incompatible institutional environment leading to legitimacy crisis and functional inefficiency), and future (business opportunity or threat) (the Enabling Conditions box in Figure 7.1). Some of these conditions had a constraining effect on

companies' behaviour to pursue alternative CCI modes, while other conditions facilitated the change process to occur. Under the influence of these multidimensional enabling conditions, the present (addressing current legitimacy crisis and functional inefficiency) and future (protecting legitimacy and business interest for the long term) dimensions of agency were manifested in the framing of CICBO, whereas the past-oriented agency (CCI as a means to gain legitimacy and competitive advantage) facilitated the change process to occur.

The analysis of the process through which CICBO emerged in the cases (discussed in sections 5.3 and 6.3) unfolds distinct conceptual and operational dimensions of institutional work. Such works not only included the deliberate actions taken by multiple actors, individually or in collaboration, but also incorporated the associated unintended consequences (the Institutional Work box in Figure 7.1). Guided by particular forms of agency, the conceptual work focused on identifying a potential mode that satisfied the agency and making the preliminary design that set the foundation for subsequent operational work. Operationalization of the CICBO mode revealed interdependent and parallel sets of institutional works: co-creation of an issue-focused proto-institution in the field, while conditionally embedding the mode within the company. For a fixed period of time, the companies brought the implementing partner, community and local supporters under a collaborative umbrella so that CBO-based livelihood activity could be established as a proto-institution in the local field within that period. A provisional arrangement was made at the company level in parallel to ensure the support and vigilance required for the field-level activities. The ongoing negotiations, field-level consensus, and learning continued to trigger diverse responsive actions and refinement of conceptual and operational dimension of activities until the proto-institution creation process became stabilized in the field.

The cases reveal the multifaceted outcomes of such practice (see sections 5.4 and 6.4). CICBO has the potential for creating shared value for both the company and community (Porter and Kramer, 2011). The gradual enhancement of community capital and sustaining the capital building process showed the potential of CICBO as a means to community empowerment. This in turn brought improved corporate-community relationships that allowed the companies to achieve objectives aligned with their agency to engage in such a mode in the first place.

Figure 7.1 Emergence and Consequences of the CICBO Mode.



Source: Author's own (based on the findings of chapter five and six)

However, a number of factors are identified that could thwart the operationalization of the CICBO mode (discussed in sub-section 6.4.2) and compel the company to extend the institutional work (the Extended Institutional Work loop in Figure 7.1), although the mode is inherently designed to be temporary. Yet, the findings show how the perceived benefits can encourage the company to embrace such unintended consequences. It is also revealed that the success and promise of the proto-institution guided behaviour of the wider social actors to embrace the proto-institution and further advanced the diffusion of the proto-institution in the target community. Evidence also suggests that the CICBO mode can influence further isomorphic CCI behaviour of the involved companies as well as other companies in the locality.

The findings of the case studies as summarized above are further evaluated in this chapter in light of the current CCI literature (chapter two, section 2.2-2.4) and the corporate-community engagement continuum adopted in this thesis (chapter two, section 2.3.1) as well as the community development literature (chapter two, section 2.5) to draw inferences about the research questions introduced in chapter one. The discussion is structured in three parts: drivers and motives of CICBO (section 7.1); processes through which CICBO emerges and its key characteristics (section 7.2); and consequences of CICBO (section 7.3). Table 7.1 summarizes the key findings.

7.1 Drivers and Motives of the CICBO Mode

This section sheds light on the first research question that concerns the antecedents to engage in the mode. Applying the concepts of enabling conditions and agency in institutional work (described in 3.3.2), the drivers and motives of CICBO practice is analysed in chapter five (section 5.2) and six (section 6.2). These concepts not only provide the basis for conceptually separating contextual factors from company motives to engage with community but also enhance the way drivers and motives are currently understood in CCI. Further drawing on the core relationship among enabling conditions, agency and institutional work, the case findings explain the relational aspect of drivers, motives and subsequent design of CCI mode.

Table 7.1: Key Findings - Antecedents, Emergence and Consequences of the CICBO Mode.

Drivers and motives of the CICBO mode
The CICBO mode emerges as: • The company encounters or anticipates recurrent legitimacy crisis in the locality in which it operates. • The company makes sense of future threat or opportunity and associates it with the successful management of social legitimacy. • The past CCI orientation of the company facilitates incremental adoption of community empowerment-focused community engagement mode.
• The emergence of the CICBO mode is dominated by present- and future-oriented strategic motives, where the company intends to secure future business interest by protecting social legitimacy in a way that inhibits the recurrence of legitimacy crisis.
Emergence of the CICBO mode
• The emergence of the CICBO mode presents distinct conceptual and operational dimensions of activities, which are iteratively refined based on continuous learning. • The conceptual dimension of CICBO emergence underpins three activities: diagnostic framing, prognostic framing and developing the template for operationalization. • The operational dimension of CICBO emergence underpins three activities at the community level: mobilizing supporters, promotion-adoption of CBO-oriented activities and establishing mechanisms to maintain the practice. • The community-level activities in the operational dimension of CICBO emergence are supported by establishing an enabling environment within the company and establishing policing mechanisms. • The CICBO mode promotes a separate practice at community level – a CBO-oriented approach toward social issues. • The community capital building process in the CICBO mode focuses on sustainability that allows the maintenance and diffusion of the CBO-oriented local practice without CCI support. • The CICBO mode adopts a hybrid governance structure where the instigated CBOs are the 'end' beneficiaries. • CICBO is a temporary CCI mode that is intended to continue for a fixed time-frame but aims to achieve long-term social and business objectives.
Consequences of the CICBO mode
• The CICBO mode contributes to the creation of sustainable values for both business and society. • The CICBO mode has the potential to empower the community. • A company may need to extend support in CICBO beyond the fixed time-frame when discontinuation is perceived to disrupt the limited shared values created through the process and resurface the legitimacy crisis. • The CICBO mode can influence the behaviour of embedded and non-embedded social actors to engage in similar and complementary practices.

Source: Author's own

As demonstrated in Table 7.2 and explained earlier in the chapter introduction, the various temporally-oriented enabling conditions explored in the cases are grouped together into three distinct drivers for CICBO: legitimacy gap in the community, projected business threat or opportunity, and CCI orientation.

These drivers are highly interconnected (Leca et al., 2008), representing a corporation's contemporary experience, perception of the future and behavioural pattern, which together create an environment where the CICBO mode appears to be the means to achieve the strategic goals of the company. The empirical findings suggest that the CICBO mode emerges from the primary concern of repeated encounter of legitimacy crisis in the local community or anticipation of its recurrence. Such crisis occurs due to the presence of incompatible institutional arrangements that sanction complex social issues such as unemployment and poverty to persist. Successful management of those issues becomes essential when change in external circumstances presents the company with imminent threat or opportunity in relation to its business. The cases also implicate that the habitual pattern of community engagement and the learning from it can also facilitate companies to gradually adopt more context appropriate CCI modes like CICBO. Overall, these temporally-oriented drivers are indicative of the dynamic institutional environment, within which companies operate and address the shifting concerns, expectations and preferences of a broad array of stakeholders including community.

Social legitimacy crisis is a well-recognized driver for CCI, particularly for the companies who have close interaction with the local community due to the nature of business, such as those in the extractive sector (Muthuri et al., 2009). Social legitimacy can be described as the generalized perception in the community that the company operations are worthy of support (Idemudia, 2007b). Companies often aim to earn legitimacy through conducting desirable, adequate and appropriate CCI activities, taking into account prevailing socio-cultural norms and expectations. Empirical studies have identified divergence between company and community interests (Idemudia, 2007b), a sense of injustice by the community (Sachs, 2010), and conflict over resources (Muthuri et al., 2012) as the key sources of legitimacy gap. Conceptualizing that companies are embedded within a dynamic and multi-layered field that influence their interaction with the local community

(see section 3.4), the cases provide a deeper understanding of such divergence or conflict. In the context of a developing country like India, my study identify inter-institutional incompatibilities as a key source of legitimacy crisis that continuously undermine the interests of the marginalized community and aggravate social tensions. Inter-institutional incompatibility here refers to a state of the institutional environment where community interest is in conflict with various external and internal institutional elements such as broader regulatory structures, welfare provision by the government and company-level policies.

Both the cases confirm that the regulatory environment of the oil and gas industry (e.g. land acquisition law, contractual agreement with government) benefits resourceful companies in the acquisition of natural resources (Moon, 2007) and often refutes community interest (Muthuri et al., 2009). In developing countries, lack of capacity and commitment of government to enforce compliance (Muthuri, 2011), as well as the lack of specificity in those regulations represent a weak regulatory environment that inhibits the benefits of company operation to reach the unskilled or low-skilled local populace. This is compounded by insufficient welfare activities by the government in the locality ridden with acute and multifaceted social problems like poverty, unemployment, illiteracy and poor infrastructure. As shown in sub-sections 5.2.2 and 6.2.2, such local context puts indirect pressure on companies to engage with communities to compensate for weak regulatory structure (Muthuri et al., 2009) and government inactivity. However, conformance to internal policies safeguarding functional efficiency (e.g., local contracting/hiring policy) as well as practical limitations (e.g., limited job openings for low-skilled locals) act as sources of divergence between community expectations and corporate social actions.

The case findings further enhance our understanding on the extent to which such incompatible institutional arrangements may impact the corporate-community relationship and influence corporate approach towards social issue management. As shown in sub-section 5.2.2, OIL's inability to satisfy community expectations within the incompatible institutional environment created a vicious cycle of legitimacy crisis. It was manifested in repeated corporate-community conflicts, eventually undermining the functional efficiency of the company.

Table 7.2: Drivers and Motives of the CICBO Mode.

CICBO Motives	CICBO Drivers	Temporal Orientation	Agency		Enabling Conditions	
			OIL	CIL	OIL	CIL
Profit; Social legitimacy; Competitive advantage	Social legitimacy crisis	***Present***	Restore functional efficiency through regaining social legitimacy	Maintain social legitimacy	Functional inefficiency due to incompatible institutional arrangements	Incompatible institutional arrangement undermining legitimacy
	Projected business threat or opportunity	***Future***	Securing competitive advantage through ensuring long-term social legitimacy	Securing business interest	Change in regulatory environment	Change in economic opportunity
	CCI orientation	***Past***	Maintain social legitimacy through compliance to community expectation	Securing competitive advantage; Ensuring social legitimacy	CCI orientation conforming to rearranged social position	Proactive community engagement

Source: Author's own (based on empirical findings of chapter five and six and further interpretations in this chapter)

Over the years, the company iteratively invested in various philanthropic and transactional practices in the attempt to break this cycle and find the right balance between conforming to the formal institutional structure while satisfying community expectations. As observed in sub-section 2.3.1, such short-term focused practices fell short of meeting community expectations in the long run (Kapelus, 2002; Banerjee, 2003; Fox, 2004; Newell, 2005; Rajak, 2006). The mismatch between growing community expectations and company responses reached the threshold when the company realized the ineffectiveness of contemporary CCI practices, i.e., how they increased community dependence on the company over the years, and pursued new optimal CCI solutions that would improve both legitimacy and functional efficiency. As opposed to this reactive approach, Cairn espoused a proactive approach to tackle rising community expectations (as detailed in section 6.2). Experiencing social tensions in the early years and being aware of the surrounding incompatible institutional arrangements, this company anticipated that such social tensions would only escalate with increased business activities in the region. The company proactively sought a context appropriate and sustainable CCI solution that would compensate for the institutional incompatibilities and avoid future occurrence of legitimacy crisis.

Finding 1: The CICBO mode emerges as the company encounters or anticipates recurrent legitimacy crises in the locality in which it operates.

As the cases suggest (see sub-sections 5.2.3 and 6.2.3), tackling legitimacy crisis becomes indispensable in light of additional developments in the external environment that the company recognizes as threats or opportunities in relation to its core business objectives. Such events further incentivise companies to uphold social legitimacy. The case of OIL shows that change in industry-level policy constrained the company to bring change in CCI practice to compensate for the loss of its previously privileged market position. The external business environment, comprising of the government, civil society organizations and market, has been identified as a major driving force for CCI (Moon and Muthuri, 2008). These actors often directly dictate the pattern of companies' responsible engagement with the community. My study adds another dimension to this, which reveals that broader regulatory change that does not directly concern community

relations can also guide corporate social action. The inevitable change in the regulatory environment and the resultant increased competition in the market forced OIL to evaluate the impact of frequent legitimacy crisis on its business performance with greater significance. Such evidence further supports the reactive CCI behaviour of OIL. On the other hand, the case of Cairn provides further evidence to the proactive attitude of the company where projected economic opportunity in the locality acted as the driver. What is significant here from the company's perspective is the alignment of business interest with the anticipation of recurring legitimacy crisis, which necessitated the company to understand the importance of sound management of community expectation around various rights issues. The case finding conforms to the observation of Sullivan and Warner (2004) that extractive sector companies gradually move from philanthropy towards more strategic CCI practices as they transition from the exploratory stage into the operational stage.

Finding 2: The CICBO mode emerges as the company makes sense of future threat or opportunity and associates it with the successful management of social legitimacy.

The case findings presented in sub-sections 5.2.1 and 6.2.1 also suggest that framing a complex community engagement mode such as CICBO can be facilitated by the habitual pattern of community engagement that aids iterative adoption of more strategic and community empowerment-focused CCI practices. This provides support for the observation of Austin (2000), who describes the changing modes of CCI occurring within an organization as a linear process. However, an incremental nature of progression is confirmed in my study where companies adopt new and more complex practices without necessarily discarding the traditional philanthropic or transactional practices. The habitual pattern of CCI is a reflection of the company's reactive or proactive approach towards social issue management. The historical analysis of OIL shows the reactive nature whose CCI practices were designed to comply with its dynamic social position that gradually put it as the single most important agent of community development in the locality. The social position is the socially constructed and legitimated identity of an organization that reflects what others in the society including community expect from it. As the case demonstrated, a company's social position can be reconfigured by socio-political jolt (e.g., the Assam Movement), change in

organizational identify (e.g., transformation to a Government company), and/or other institutional factors (e.g., limited social welfare by government, weak civil society). As community expectations from the company grew, the level and nature of CCI also changed to deal with the community priorities (Muthuri et al., 2009). On the contrary, the case of Cairn shows that a company can be proactive in their approach to addressing the community needs in a sustainable manner. Cairn's proactive nature was a reflection of its parent company's approach to stakeholder engagement, echoing the argument that multi-national corporations' social engagement practices in host countries are generally guided by the parent company (Jamali, 2011). Such a proactive attitude manifests in adopting the 'best practices' for stakeholder engagement and enables an organization to continuously engage in context-appropriate CCI practices.

Finding 3: The CICBO mode emerges as the past CCI orientation of the company facilitates incremental adoption of community empowerment-focused community engagement mode.

The CICBO mode depicts multiple strategic motives where community engagement is considered as a means to achieve dual objectives – realizing business goals by delivering social welfare (Porter and Kramer, 2011). The research findings reveal that the CICBO mode was simultaneously guided by the prominent CCI motives as discussed in chapter two (sub-section 2.2.2), such as profit, social legitimacy and competitive advantage motives. However, the extent to which companies were influenced by each of these constitutive motives varied between cases. As opposed to the current unidimensional understanding of CCI motives scaled on a continuum between moral to strategic (Madden et al., 2006), the findings of company agency in sections 5.2 and 6.2 highlight a multi-dimensional temporal view of CCI motives oriented towards the past (habit), the present (judgement) and the future (imagination) (Emirbayer and Mische, 1998). Both cases reflect past-oriented motives in companies' habitual response of adopting CCI to address pressing community needs in the predominantly poor locality surrounding their operational areas. The present-oriented motive is evident in companies' intention to secure or regain social legitimacy in light of the troubling circumstances. However, reflecting on the incompatibilities in institutional environment that cause legitimacy crisis to recur, both companies

intended obtaining legitimacy for the long term rather than looking at short-term solutions (e.g., philanthropic donations). Long-term legitimacy is connected with future-oriented motives to ensure operational stability and in turn secure competitive advantage.

The core relationship among enabling conditions, agency and institutional work as discussed in chapter three helps to explain the relational aspects of drivers, motives and subsequent design of the mode. The findings highlight how companies' relative inclination to different temporality directly influences the subsequent design of the CCI mode. The study identifies that single or multiple dimension(s) of temporal motives might dominate in a particular context (Battilana and D'Aunno, 2009), which have a profound effect on how subsequent actions and interactions are carried out and what the final CCI mode looks like. For example, continuing the habitual CCI practices would reflect the domination of past-oriented motive, while changing modes of CCI in response to changing circumstances would reflect the domination of present- or future-oriented motive. When the company is more inclined to present orientation, it would search for immediate and often-temporary solutions to social issues, which brings short-term benefit to the community and company but the issues remain unresolved. On the contrary, future orientation makes the company search for long-term solutions, if not permanent ones, to the community problem in order to bring sustainable benefit for the company that may in turn lessen the probability of recurring legitimacy crisis. The study shows that while habitual compliance to community demands more or less influences the design of CCI modes, the emergence of CICBO is particularly dominated by present- and future-oriented motives. The companies primarily aimed for solving contemporary legitimacy crisis in the locality, but a holistic solution was sought for addressing critical social issues in a sustainable manner that would in turn boost the economic benefit and competitive advantage for the company.

Finding 4: The emergence of the CICBO mode is dominated by present- and future-oriented strategic motives, where the company intends to secure future business interest by protecting social legitimacy in a way that inhibits the recurrence of legitimacy crisis.

7.2 Emergence of the CICBO Mode

Drawing on the case findings from sections 5.3 and 6.3, this section answers the second research question by describing the processes through which the mode emerged. The institutional work framework presented in chapter three (section 3.4) conceptualizes the process of emergence as the combination of purposive action and continuous incorporation of unintended consequences. This conceptualization is helpful to capture the complexity and challenges encountered by various actors in the enactment of CICBO. Such processual description of the emergence of a new mode is absent in the current CCI discourse.

The empirical analysis identified eight activities that reflect two distinct yet interconnected dimensions of the emergence: a *conceptual dimension* concerning the design of CICBO as the new CCI mode aligned with company motives and community demands, which guides the subsequent *operational dimension* pertaining to the implementation of the mode in the field and within the organization (see the box 'institutional work for CICBO' in Figure 7.1). Each of the activities constituting these two dimensions are intended to achieve particular outcomes (the top-down flow of activities in Figure 7.2), however they mostly occur in an iterative and nested structure where the design and respective implementation are recursively refined based on continuous learning (feedback loop and refinement in Figure 7.2). This suggests CICBO as an outcome of deliberate (planned) as well as responsive (unplanned) actions.

Finding 5. The emergence of the CICBO mode presents distinct conceptual and operational dimensions of activities, which are iteratively refined based on continuous learning.

7.2.1 Conceptual Dimension: Designing of the CICBO mode

Driven by the strategic motives, the conceptual dimension of emergence involves careful examination of the contextual factors and identifying an appropriate mode of community engagement that the company believes to deliver both social and business objectives. The study identifies three key activities through which CICBO is designed: diagnostic framing, prognostic framing, and operational template

development. As observed, companies assume a leading role in the initial design process, reflecting their concerns/intentions for successfully managing community relations in congruence with the business interests. This also entails incorporating community in the process not only to identify their preferences and expectations but also to garner early legitimacy for a potential solution. However, the nature and extent of community involvement can vary among instances, depending on the company's perception about practicality of including community in the planning and decision-making process. The findings show such interaction can be limited to community elites (Akatiga, 2010) as in Project Rupantar, but can also be extended to direct or indirect consultation with the target community as in DDP. Either way, the feedback incorporation process is integral to the continuous refinement of the design that ensures a certain degree of target community involvement in the final design of CICBO. Such two-way repeated corporate-community interactions places CICBO beyond the philanthropic and transactional form of engagement towards the more *transitional* nature of community engagement (see chapter two, sub-section 2.3.1.3 for the discussion on transitional CCI).

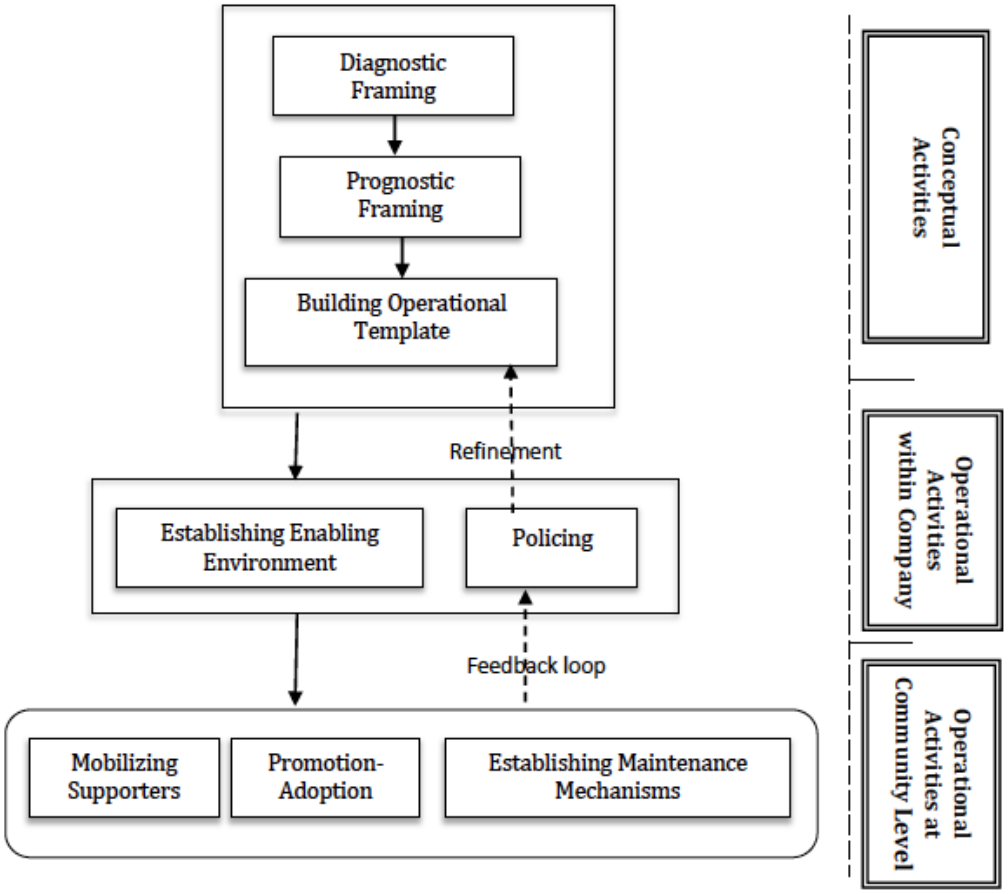
Finding 5a. The conceptual dimension of CICBO emergence underpins three activities: diagnostic framing, prognostic framing and developing the template for operationalization.

- **Diagnostic Framing**

Diagnostic framing is the process through which the company selects a social problem as the CCI issue. This process involves identifying and prioritizing a social problem, evaluating its underlying causes, and finally justifying the need to address it through CCI. This entails direct or indirect (e.g., through third-party expert organizations) consultation with the community as well as key stakeholders in the social network to understand community preferences and expectations. For extractive sector companies who have high interaction with the community due to resource dependence, the diagnosis process involves dialogue with the community and community priorities often dictate the CCI agenda (Muthuri et al., 2009). Yet, my findings indicate that a complex social problem such as unemployment and lack of livelihood opportunity in the locality is framed

as a CCI issue only when the company perceives that: i) the problem is strongly linked to the company's present and future-oriented strategic motives; but ii) external institutional practices (e.g., government and NPO interventions) as well as internal practices (e.g., recruitment policy, previous CCI modes) fail to address such problems. The former lays emphasis on the interconnection between antecedents and emergence of a new mode, while the latter enhances our understanding that a new CCI mode may arise out of the limitation of external and internal institutional arrangements, not just out of the shortcomings of preceding modes as argued by Seitanidi and Ryan (2007).

Figure 7.2: Activities in the Emergence of the CICBO Mode.



Source: Author's own (based on the findings of chapter five and six and further interpretations in this chapter)

In both empirical cases, provision of a local livelihood was recognized as the priority. However, specific segments of the community were targeted instead of the whole community. This reflects corporate preference to prioritize CCI for

community subgroups, who have different expectations and perceptions of the company (Idemudia, 2007b) as they are directly impacted by company activities (Freeman, 1984), and hold power, legitimacy and urgency (Mitchell et al., 1997) to reciprocally impact the company's business objectives (Freeman, 1984). Such a finding further confirms heterogeneity in a 'community of place' as recognized by Muthuri and colleagues (2012) as opposed to the popular theorisation of a geographical community as a homogenous stakeholder group (Dunham et al., 2006). Throughout its long operational presence in Upper Assam, OIL had been implementing CCI projects around the local livelihood issue with limited success. However, continual conflict with the youth specifically turned the company's focus to address their demands. This case reflects how companies emphasize alternative aspects of a prevalent social problem to shift their CCI focus. Cairn, on the other hand, focused on livelihood of land contributors to strengthen its social position in the locality only after its long-term business interest was confirmed. This case confirms the view of Warner and Sullivan (2004) that E&P companies generally focus on complex social problems only when their long-term business interest is grounded in the locality. In both cases, addressing the need of prioritized subgroups of the community was critical for gaining social license to operate, which further reflects the companies' intention to exploit CCI as a means to achieve long-term business objectives (Porter and Kramer, 2006).

- **Prognostic framing**

Prognostic framing involves formulation of a potential mode of community engagement, justifying its effectiveness to address the social problem in question as well as achieving the company's intended strategic objectives. As the findings show, prognostic framing can occur after the diagnostic framing process or the two processes can occur simultaneously. Two phases of prognosis are identified: a *learning phase* where the company learns about relevant external practices (e.g., contemporary or past; local or non-local; public, private or community sector) effective for addressing the social problem; and an *incorporation phase* when viable practices are evaluated, transposed, translated or combined to formulate a solution appropriate to the local context. In both cases, CICBO was inspired from the practices in the external field that generated positive results in the context similar to the cases. Such a tendency to design a CCI mode by mimicking or

building on proven successful models indicates companies' reluctance with experimentation in challenging local contexts where failure can further worsen relationships with the community.

The companies' strategic orientation regarding CCI as well as the strengths and weaknesses of the target community are considered while evaluating a potential solution. In both cases, companies sought for "sustainable" as opposed to "unsustainable" (as expressed during interviews) solutions to livelihood provision for the target community, and focused on utilizing the existing capital base of the community. Both companies formulated the CICBO mode to support self-employment avenues for the target community by engaging them into collective livelihood practice around traditional local livelihood activities. The mode imitates the self-help-based community-driven development projects in predominantly poor communities in the developing world (Hayward and Brizzi, 2007), as advocated by the international donor community and policy makers. The mode not only seeks to build the economic capital of the community, but also focuses on strengthening human capital and multiplying social capital simultaneously (Narayan, 2002; Mansuri and Rao, 2004). Therefore, the company goes beyond the philanthropy and transactional forms of community engagement and plays the role of so called 'development agent'.

Selection of a potential CCI mode on a complex social issue is usually finalized when perceiving it as a 'win-win' solution to the shared problem in congruence with business and societal interest (Brown et al., 2009). In both cases, CICBO was envisaged as holding the potential for reducing community dependence by inducing an entrepreneurial culture and ensuring a stable source of livelihood, which would in turn reduce social tension and contribute to the accomplishment of the company's financial goals.

- **Developing an operational template**

The final part of the design activities aims to develop an implementable action plan considered as the operational template. The focus remains on translating an 'imaginary' CCI concept into a 'concrete' action plan that is more context-appropriate and demand-driven, but at the same time satisfies the company's

objectives. When it comes to CCI, mimicking the best practices of other companies in the same industry or locality is common practice that upholds social legitimacy (Burke et al., 1986; CAF Report, 2006), but my finding shows another dimension of mimicking where companies attempt to transpose development sector practices to apply in their local context. The case evidence indicates convening with expert organizations as key to this recontextualization of the conceived solution. Convening here refers to a time-bound collaborative arrangement between company and expert organization (e.g., public or non-profit organizations), driven by linked interest and resource complementarity (Austin and Seitanidi, 2012). In both the empirical cases, the company convened with the organizations who were associated with the original practice that inspired the conceptualization of CICBO. This further emphasizes the company preference and intention to ensure successful delivery of the social objectives considering the complexity of the issue and the urgency to address it.

Community participation is also more visible at this stage. OIL consulted with an elite group of supporters from the community while Cairn conducted a formal feasibility study among the potential target community. Engaging community members in the design stage allowed the companies to decide on acceptable features of CICBO, to be aware of the potential unintended consequences during implementation, and most importantly to acquire the early cognitive legitimacy of the project.

The template details the set of practices (e.g., rule systems, governance) and features (e.g., target, time-frame, offered schemes) that act as the basis for implementing the CICBO mode. As observed, several factors can influence how flexible or rigid the initial template would be. OIL mimicked an established practice (Lawrence and Suddaby, 2006) that was very successful in similar socio-economic and cultural contexts. It also convened with the organization that developed it. As a result, the initial template for Project Rupantar was more defined. On the other hand, the template for DDP was more flexible due to its originality (i.e., combination of two practices that were yet to be tested) as well as the relative inexperience of the collaborator in implementing such practices. Irrespective of that, the initial template requires repeated enhancement to incorporate consensus, negotiation and unintended consequences in the process

(see sub-section 7.2.3). This reveals two-way, repeated interactions between the company and the community that contribute to the emergence of an increasingly stable demand-driven CCI mode.

7.2.2 Operational Dimension: Implementation of the CICBO mode

The operational dimension concerns implementation of the mode, which kicks off following the initial template and evolves subsequently with refinement of the template. Both empirical cases reveals a collaborative process through which the initially developed template comes into being. The practice of CBO-oriented livelihood is gradually enacted among the target communities in company operational areas through three distinct yet interdependent sets of activities: supporter mobilization, promotion of the practice to the target community who responds by adopting, and establishing mechanisms to ensure maintenance and diffusion of the practice. Despite the minor differences between the two case instances, the core activities reflect a *transformational* community engagement process (see chapter two, sub-section 2.3.1.4 for discussion on transformational CCI) aiming towards community empowerment through:

- assisting the community around CBO-oriented activities to create or expand their assets and capabilities (Narayan, 2005; IFAD, 2009).
- developing their capacity of self-management through promoting leadership and collective decision making (Amnon, 2005; Rasche and Esser, 2006) in resource management, implementation and monitoring of their own activities (Newman et al., 2002; Cliffe et al., 2003; Mansuri and Rao, 2004; Tanaka et al., 2006; Barasa and Jelagat, 2013).
- creating an enabling environment in the locality (Berger and Neuhaus, 1977; Yalegama et al., 2016), which facilitates the community to engage and persist with CBO-oriented activities.

Finding 5b. The operational dimension of CICBO emergence underpins three activities at the community level: mobilizing supporters, promotion-adoption of CBO-oriented activities and establishing mechanisms to maintain the practice.

A set of company-level structures and practices, although temporarily, are developed in parallel to enable these field-level activities and guide the behaviour of embedded actors. These structures and practices are usually created in expectation only to be discontinued after a certain period of time once a fixed number of CBOs are organized. In other words, the CICBO mode is temporarily embedded within the company while promoting the external CBO-oriented practice in the community, and is expected to terminate upon the perception of successful (or unsuccessful) instigation of the practice. Two activities are integral for such temporary embedding, namely establishing an enabling environment within the company and establishing a policing mechanism.

Finding 5c. The community-level activities in the operational dimension of CICBO emergence are supported by establishing an enabling environment within the company and establishing policing mechanisms.

- **Mobilizing supporters towards CICBO**

A critical step towards creating an enabling environment for CBOs is developing loose alliances with important social actors who can provide the critical resources in the enactment, maintenance and diffusion of community-level practice. In CICBO, where the company plans to withdraw support after a predetermined period of time, the supporters are considered valuable for advancing company ideas in the target community, and are expected to substitute the roles and responsibilities played by the company or collaborating partner in future. The existing social position of the company (Fligstein, 1997) and the network connections of the implementing partner (Austin and Seitanidi, 2012) are useful to mobilize supporters. In fact, the selection of implementing partners is particularly guided by their capacity to attract supporters for the CCI mode promoted by the company. As observed, discursive strategies, such as presenting stories of past successful events and relating to the local circumstances, linking the practice with the tacit responsibility of supporters, and highlighting the business and social case, are employed to mobilize supporters.

Supporters play three key roles in the CICBO mode. *First*, affiliation with highly embedded actors (Lawrence et al., 2002) (e.g., local leaders and PRI) provides the

company with formal authority (Dorado, 2005; Battilana et al., 2009; David et al., 2013) to promote CBO-oriented livelihood in the target community. The study communities had limited or no experience of engaging with the company that demanded their active participation. Being unable to directly assess the value of the new social arrangement, they eventually relied on more easily observed signals such as the status and legitimacy of the affiliates (Bitektine, 2011) to evaluate the legitimacy of CICBO. *Second*, some supporters can be actively involved in promotion of CBO-oriented collective livelihood activities. Resourceful and influential community members (e.g., village leaders, enlightened individuals, PRI) were observed to engage voluntarily to sensitize villagers about the benefits of the practice, and helped formation of CBOs. Third-party professionals and experts (e.g., government departments, NGOs) were affiliated (Hwang and Powell, 2005) to educate target adopters about successfully managing livelihood activities (e.g., livelihood skill development, veterinary services) as well as collective problem solving (e.g., entrepreneurial skill development). *Third*, another group of supporters are considered crucial for maintenance and diffusion of the community-level practice. When CBOs are organized around livelihood, as in this study, these supporters are usually market actors who form a network of forward and backward linkages around the CBOs. Banks and other formal financial institutions provide the necessary financial capital to the CBOs, whereas local market mechanisms ensure sustained supply of raw materials as well as consumption of CBO produce.

The same actors can be employed to play different and multiple supporting roles depending on the situation. For instance, PRI and village leaders provided early cognitive legitimacy to CICBO, but also directly engaged in promotional activities (e.g., organizing community, contributing physical assets). However, as suggested from the case studies, companies also need to be careful in engaging these influential actors to avoid the risks of the local 'elite capture' problem (Mansuri and Rao, 2004). New supporter groups within the community may also need to be created for the purpose of maintenance and diffusion of the practice. In Project Rupantar, the company created a dedicated facilitator group which was responsible for mobilizing, educating and supporting CBOs alongside SIRD. In the process, this group became the carrier of important knowledge and assisted the promotion of the practice to the wider community outside the project scope.

- **Promotion-adoption of CBO-oriented activities**

The focus of promotional activities is to assist the local community to expand various capital through group-based collective livelihood activities and develop their capacity of self-management. In the case context, the companies, with the help of collaborators and supporters, expended considerable efforts to promote collective livelihood practice in the target communities according to the operational template. These include mobilizing the target community to form groups, educating them about the rule system to guide their behaviour, providing required support (e.g. financial, material and technical) for collective action, and regularly monitoring and evaluating their progress. As the promotional activities are carried out in different geographical areas, more and more fragments of the community are expected to adopt the practice. Adoption here refers to a group of activities undertaken by the target community that includes construction of a new identity such as CBO, and then conducting collective activities in and around the CBO in compliance with the rule system imposed by the project. Through these reciprocal sets of activities between company (and collaborator) and community, along with the support from various societal and market actors at different stages, the CBO-oriented collective action can be gradually accepted as a norm in the field.

In general, the promotion-adoption cycle starts with motivating the community towards the new practice. Public meetings, interpersonal communication, visual discourse, often in presence of local influential supporters, are common modes of community mobilization. These activities are focused on building initial trust, reducing ambiguity about a concept that is novel to them (Etzion and Ferraro, 2010), and presenting the feasibility of the new practice. The mobilizing activities are expected to spur the response from early adopters who, driven by the proposed incentives, will go on to construct a new group identity adhering to the rule system. Existing 'bonding' social capital is often a key factor in member and leadership selection of the group (e.g., in the case of Project Rupantar), although the lack of it can be addressed by the extra efforts from supporters (e.g., PRI support for group formation in DDP). Creation of a formal leadership structure and rotating leadership are important aspects of group management, which allow members themselves to plan, develop strategic direction, implement and monitor group activities. Leaders are regarded as the 'managers' of the enterprise that is

CBO. Leadership generally requires some level of human capital, for example, ability to read, write and numerical knowledge and more importantly some kind of influence over the members. However, to avoid autocratic domination by the few, rotational leadership is encouraged to create equal opportunities for members to build shared leadership. It is considered as crucial to the sustainability of the CBOs.

CBO works as the platform for incremental capacity building of the target community. While the company provide resources and necessary support (e.g. knowledge, skills and technical support), CBOs are expected to conduct collective activities guided by a well-defined rule system. This is aimed at improving the immediate economic capital as well as building important human and social capital that would ensure reproduction of the practice, allowing the community to gradually exit the dependency cycle (Alsop et al., 2006; Eyben et al., 2008). The capital building process, though, can vary among cases. Project Rupantar initially focused on strengthening social capital (e.g., group meetings, collective decision making, conflict resolution, pooling group savings, self-monitoring) and building human capital (e.g., maintaining accounts, meaningful participation in group meetings) within the group. Once a group demonstrates these capabilities, further support is extended to build the economic capital (e.g., livelihood activity selection, cash-kind transfer, loan arrangement, technical skill around livelihood) and additional human and social capital (e.g., entrepreneurial and managerial skills, external network management, sales, marketing, action plan formulation and appraisal) to sustain the economic capital building process. DDP, on the other hand, focused on building economic capital from the outset recognizing low social capital (e.g., less interaction among group members) but high human capital (target adopters are already independently engaged in the promoted activity). The market logic therefore dictated focusing on improved collective productivity through member retention, group expansion, human capital development (e.g., awareness on animal health) and provision of supplementary services (e.g., veterinary services, fodder development, breed improvement). As observed in the successful dairy groups, improved social capital (e.g. reduced caste barriers) can come as a by-product of high economic capital, as opposed to Project Rupantar where improved social capital is considered as the foundation for economic capital development. Therefore, the cases demonstrated that all the different types

of capital can have a “spiralling up” or “spiralling down” effect on each other, and the “upward” direction contributes to the acceptance of CBO-oriented practice in the locality. On the contrary, the process of capital building around CBOs can fail when they are unable to generate enough of one of these types of capital (e.g., lack of trust among group members, low productivity, lack of motivation to continue) that deters the enhancement of other capital.

- **Establishing mechanisms to maintain CBO-oriented practice**

The success of the CICBO mode depends on the persistence of the practice among the target community. Persistence here refers to the situation where the practice is not only ‘stuck’ among the early adopters (Zietsma and McKnight, 2009) but also widely accepted by the rest of the community. The high level of support provided to the early adopters within the scope of the CCI project will gradually reduce and ultimately stop after a certain period of time. Therefore, a maintenance mechanism needs to be established in the locality to facilitate persistence of field-level practice when the support is withdrawn.

Two key maintenance mechanisms are observed in the CICBO mode. *First*, installing a self-regulation culture based on incentive or coercive structures ensures adopters’ adherence to the practice. This is where well-defined CBO guidelines come into play that enforce mandatory compliance to shared leadership, collective decision making, shared management and control, accountability and regular monitoring in order to qualify for assistance. Such a mechanism aims at enhancing cohesion among group members and sustaining these groups. *Second*, CBOs are linked with the appropriate group of supporters (e.g., market actors as well as technical service providers). The supporting network stabilizes the practice among early adopters and eventually allows the company to withdraw support. Apart from the ‘vertical’ networking among CBOs and external organizations, Project Rupantar also reveals the ‘horizontal’ networking among CBOs themselves as part of cluster-based market activity. Building on these network connections, existing adopters would continue to follow their collective activities and new adopters would join the process, gradually transforming the dispersed CBO-oriented activities into an established practice in the locality.

- **Establishing an enabling environment within the company**

Instigating a practice by an organization outside its organizational boundary requires additional activities at company level to ensure continuous support to the field-level activities. In CICBO, this is done through creation of appropriate structures and mechanisms within the organization. This entails restructuration of CCI governance arrangements, creation of new governance structures and redistribution of roles within the organizations, and allocation of dedicated organizational resources (e.g. budget) for the project. As the mode is inherently designed as temporary, these new structures and mechanisms are also created to exist for a short period only and dissolve thereafter. This provides a fresh insight into the understanding of the extent to which CCI is institutionalized within a company. At company level, dedicated departments or budgets for CSR/CCI activities are often considered as the indicators of institutionalization of the community involvement function (Burke et al., 1986; Altman, 1998). As the study shows, provisional structures can be created under the umbrella of dedicated governance structure in order to achieve particular objectives, e.g., operationalization of a temporary CCI mode. The resource allocation observed in comparison with other community engagement modes by the case companies also suggests CICBO as a particularly resource demanding mode, a typical characteristic of transformational community engagement.

- **Establishing policing mechanisms**

The CICBO mode involves active participation of a large number of social actors. This requires putting appropriate policing mechanisms in place to ensure compliance of the embedded actors' behaviour with the operational template, to observe the progress and prospects of the project, and to capture the experiences and feedback of embedded actors. In both cases, a multiple layered policing mechanism was established from CBOs through implementing partner to company, which provides a system of communication and accountability among actors to pull off collaborative activities (Muthuri et al., 2009). As observed, other formal mechanisms of monitoring and evaluation, such as periodic social audit by expert third-party organizations, allow a neutral and non-biased assessment of the impact of the project and verify the accuracy of the internal policing

mechanism (Das Gupta, 2014). As shown in sub-section 5.3.2.3, an additional layer of policing was established in Project Rupantar at the community level where facilitators monitor not only the CBOs but also the performance of the implementing partner. Such a 'community-based monitoring' approach is characteristic of CDD, fosters social learning, builds trust and credibility between community and companies, and increases the likelihood that monitoring findings will be acted upon and used to make responsive actions (Fernandez-Gimenez et al., 2008), and provides further impetus in building community capacity to direct their own development (World Bank, 2002).

Effective policing ensures that companies are abreast on the unintended consequences of field-level activities, leading to immediate undertaking of responsive actions. This leads to the discussion of the next section, focusing on the iterative refinement of the operational template over time based on continuous learning.

7.2.3 Iterative Refinement of the Operational Template

The findings reveal that CICBO emerges into a stable mode through iterative refinement of the operational template. The initial template outlines the fundamental elements of CBO-oriented activities and how those would be promoted in the target localities. According to the template, the target actors were brought together to engage in various 'planned' actions. These actions were intended to achieve particular outcomes but at the same time laden with unintended or unexpected developments throughout, which required continuous adaptation to attain those intended outcomes. It is the collection of those deliberate actions as well as the mitigation of unintended outcomes through which the mode gradually becomes stable. This reflects a process of repeated enhancement of the operational template based on the joint learning, consensus and negotiation among the embedded actors about field-level realities. Such joint learning in CICBO further reflects the *transformational* nature of community engagement as discussed in chapter three (sub-section 2.3.1.4).

During the course of CICBO implementation as evident in the empirical cases, various actions (or lack of actions) emerged in response to the undesired results

of activities according to the initial template, sudden change in institutional environment, divergent preferences of various actors, field-level suggestions or negotiations, or evaluation of the progress, prospects and problems of the ongoing project. Some actions were taken by the company alone or in association with other societal actors engaged in the process. As mentioned before, the policing mechanisms allowed learning about these unexpected and unintended consequences in a timely manner and initiation of responsive actions when recognized as appropriate. The original design of the mode was continuously improved to minimize divergence from the initially intended objectives.

Iterative refinement presents three distinct scenarios: *modifying existing actions*, *inserting new actions*, and *abandoning actions*. Actions are modified when they fail to produce desired results, which are seen as vital to the success of the mode. For example, the inclusion criteria in DDP were continuously modified to make it more inclusive and to make collective dairy practices financially sustainable. This was done through gradually including non-land contributors and minority caste dairy farmers within the scope of DDP. In Project Rupantar, the limited success in the AR phase led to increased cash and kind support to the groups to increase the scale of economic activities.

New actions are often included in the template to achieve the desired or improved results, or to supplement current actions in light of new developments. For instance, in light of rapid project expansions, OIL created the dedicated facilitator group to facilitate activities in remote villages and to complement the activities of the implementing partner. OIL also introduced new livelihood schemes in the EP2 phase to attract further adopters. In DDP, Cairn installed new bulk milk cooler units in two villages to support the increased milk production. Adverse consequences triggered by actors' inability to perform the desired action may also lead to new actions. For example, a complaint from the community regarding late payment by SARAS led to the introduction of a revolving fund for dairy groups. SURE's inability to develop a commercially viable business plan for CBOs was seen as a hindrance to the project success, which led to integrating regular capacity building of SURE. New areas of technical capacity building for SURE were included as the role of SURE extended over the project lifespan. It indicates that new actions can also be further modified over time.

Actions are often abandoned for various reasons such as divergent preferences between actors, failure to achieve the desired results, or sudden change in the institutional environment. OIL removed the poultry scheme from the template altogether, as the local breed of chicken was disease-prone and the community negotiated its exclusion. OIL also stopped providing support to groups who failed to achieve the desired performance. Abandoned actions can also follow new actions to ensure the intended objective is achieved. Cairn abandoned the plan to create an alternative income provision for secretaries by promoting franchises of dairy products. Instead, Cairn allocated additional funds to convert the voluntary position of the secretaries into a paid position.

It is also interesting to observe that a company may show indifference to unexpected outcomes and avoid any responsive actions even though the outcome is positive. Isolated incidences were observed in Project Rupantar where few groups deviated from the rule system and maximized their benefits (e.g. not following leadership rotation policy, multiple groups working together). However, such activities were neither encouraged nor prohibited and had no effect on the template.

7.2.4 Characteristics of the CICBO mode

The final design and operationalization of the CICBO mode reveals several unique features, which are discussed here.

Finding 6. The CICBO mode promotes a separate practice at community level– a CBO-oriented approach towards social issues.

Any CCI mode represents a company-level practice of contributing to local community development by channelling resources. Philanthropy or transactional modes focus on enhancing the economic, physical or natural capital of the community by delivering cash or kind contributions, but provide little scope for community engagement in the process. Transformational modes, on the other hand, aim at building the human, social or political capital within the community in parallel with the target economic, physical or natural capital connected to specific local issues. This is often done by integrating the poor and marginalized

community within existing practice (e.g., local governance – Muthuri et al., 2009) or structure (e.g., company value chain – Porter and Kramer, 2011) to ensure their participation in the processes that concern their development. What differentiates CICBO from other forms of transformational engagement is the role of community in this relationship., Rather than making the communities beneficiary or member of an external practice that increase their dependence on the company, CICBO offers an independent practice to the community so that they can take control of their own lives, can approach complex local issues that affect their lives and continue to do so in a sustainable manner without external support. This is achieved through organizing them into CBOs, enhancing their assets and capabilities (Narayan, 2005), and allowing them to access public services and markets to realize the socio-economic growth potential existing in their environment (Hayward and Brizzi, 2007). In doing so, companies act in favour of the community to strengthen their ability and right to define collective goals, to make decisions, and to learn from experience (Edwards and Hulme, 1992). This ultimately allows the target community to gain greater control over their lives in collectively approaching critical local issues.

Finding 7. The community capital building process in the CICBO mode focuses on sustainability that allows maintenance and diffusion of the CBO-oriented local practice without CCI support.

As discussed in chapter two (sub-section 2.3.1), philanthropy and transactional modes are often criticized for not being able to build community capital in a sustainable way (Tracey et al., 2005). Transformational CCI modes that integrate community within the core business functions of the company (Prahalad, 2005; Porter and Kramer, 2011) has the potential to build important community capital. But such an approach also continues to increase community dependence on the company, and the sustainability of community capital is directly linked with company operations. In CICBO, a company does not integrate the community within its business function, rather the capital building process is built on recognizing the abilities, capital and assets that already exist in the community (Chambers, 1997) and multiplying these capital building on one another (Emery and Flora, 2006). Company investment is important to trigger the capital building process. But the key to ensure sustainability of that capital is to gradually reduce

company support while maintaining the capital building process by developing alternative mechanisms. This can be achieved through: i) ensuring active community participation in the planning, design, implementation and monitoring of the capital building process., which allows CBOs to obtain capabilities for independent functioning without company support; and ii) building a supporting network of local actors who would join and stay in the process out of their own linked interest. This network provides the key services and resources imperative to sustaining the activities undertaken by these CBOs. Therefore, similar to the CDD approach where CBOs are utilized as a tool for bottom-up development, the instigated CBOs act as the platform for sustainable community capital building, initially nurtured by the CCI support, only to become independent later. More and more CBOs are expected to emerge as the effect of 'positive demonstration' by the existing CBOs (Balkin, 1989), resulting in widespread diffusion of CBO-oriented practice in the locality.

Finding 8. The CICBO mode adopts a hybrid governance structure where the instigated CBOs are the 'end' beneficiaries.

CICBO adopts a two-tier hybrid governance structure: a collaborative governance arrangement between the company and its implementing partner; and collective governance of the CBOs by their members. This resembles the suggested mixed mode of governance in community-driven development where top-down investment and infrastructural support ensures bottom-up capital development (Narayan, 2002; Edwards and Hulme, 1992) through instigation of 'empowering' community institutions such as CBOs (Hayward and Brizzi, 2007). Both top-down and bottom-up activities are guided by the rules defined in the operational template, particularly to ensure the continuation and maintenance of CBOs' capital building process. This is different than the the partnership mode of governance proposed by Tracey and colleagues (2005), where companies utilise existing local CBOs as a 'means' to deliver social objectives to the target community. Companies often build organizational capacity of these CBOs so that they can be utilized to provide better services to the community. In comparison, CBOs are considered as the 'end' beneficiaries in the CICBO mode. A subset of the target community is organized as CBOs and top-down investments are made for capital building of its members. Each CBO acts as an independent governance structure at the

community level around which its members exercise collective decision-making and share responsibilities to direct their own development.

Finding 9. CICBO is a temporary CCI mode that is intended to continue for a fixed time-frame but aims to achieve long-term social and business objectives.

The CICBO mode is aligned with the long-term social and business objectives to avoid recurrent social legitimacy problems by triggering a process that reduces community dependence on the company and empowers community in the long run. Achieving these dual objectives requires a well-conceived community capital building process supported by an appropriate enabling environment in the locality. Yet the mode is intentionally designed not to be fully institutionalized as an organizational practice and to be operational only for a certain fixed time-frame. As the empirical evidence suggests, CCI support is limited to a selected number of CBOs with the expectation that the rest of the community would automatically follow suit observing the success of existing groups, thereby leaving the responsibility of maintaining the CBO-oriented practice to the target community. The company intentionally precludes itself from continuous organization and support of the groups for an indefinite period of time, because it would defeat the reason for engaging in such a mode, i.e., to reduce community dependence on the company. In that sense, the mechanism resembles another transformational mode presented in Muthuri et al. (2009) where the objective was to ensure community participation in local governance practice so that the company can be relieved from overwhelming community expectation.

7.3 Consequences of the CICBO Mode

This section focuses on the third research question that concerns the consequences of the mode. Combining CCI, CDD and institutional work literature, a framework is developed to theorize the outcomes of the mode in section 3.4. Institutional work, anchored in institutional theory, lends the lens to capture success/failure of the newly created mode and whether it could further influences isomorphic behaviour. This framework alleviates current understanding of actor-centric outcomes of CCI that mainly outlines the CCI actors' benefits. It is a new

way of reporting CCI consequences and one of the conceptual contributions of this thesis (discussed further in chapter eight, sub-section 8.1.2.3).

As mentioned in chapter four (section 4.7), the institutional work of both the projects was still ongoing during the data generation process. This influenced the way in which consequences of CICBO are presented in chapters five and six. against three key parameters : i) the benefits accrued to embedded actors with regards to specific capital, ii) the relative success or failure in enacting the mode with regard to the original design irrespective of the accrued benefits, and iii) the impact on various local actors' behaviour that goes beyond the scope of the mode defined by the company.

The findings demonstrated the potential of the CICBO mode in enhancing multiple community capital and leading to community empowerment, which is expected to improve corporate-community relationships and realization of the company strategic motives that triggered such a mode. However, the findings also highlight that accruing most of the intended benefits does not necessarily mean the mode is successfully enacted as designed. The case of DDP shows "extended institutional work" (discussed in sub-section 6.3.1) when the company had to continue CCI support beyond the intended time period, despite the mode being inherently designed as temporary. This may occur, as the successful enactment of the mode is perceived to be critical for sustaining the accrued benefits. Finally, the findings unfold the influence of the CICBO mode on the behaviour of various embedded and non-embedded social actors, who observe or experience the benefits achieved through the process and become inspired to engage in similar or allied practices.

7.3.1 Intended Outcome: Shared Value Creation and Community Empowerment

As illustrated earlier, CICBO emerges as a solution to confront recurrent social legitimacy crisis in the companies' operational areas and to secure future business interests. Building on the existing capital base of the local community (e.g., indigenous livelihood skills), a CBO-oriented approach to social problem solving is framed to enhance that capital and where and as appropriate build new capital. This approach is envisaged to tackle the source of current and future legitimacy

gap in the locality, particularly in the context of the developing world where lack of economic, social, human or political capital for the community often perpetuates their dependence over resourceful corporations (Muthuri et al., 2012). By inducing a capital building process and creating a mechanism for sustaining that process, CICBO targets reducing community dependence on the company in the long run (Alsop et al., 2006; Eyben et al., 2008), which would in turn allow the company to endure its business objectives.

The findings demonstrate the effectiveness of CICBO in building new physical capital, increasing economic capital, strengthening human capital and multiplying bonding and bridging social capital in the community. Particularly in the empirical cases where livelihood-based CBOs were instigated, it was not only the CBO members who reaped benefits from the sustainable income earning approach. The overall economic activities in the locality increased with wider community involvement in supporting businesses, which induced a 'spiralling-up' effect on overall community capital (Emery and Flora, 2006). In both cases, this has resulted in improved corporate relationships with the community (e.g., increased trust and cooperation) and contributed to the company's primary objective of gaining functional efficiency and social legitimacy. Both projects received recognition from external stakeholders that enhanced their reputation at local, national and global level, further contributing to the business goals of the companies. Thus, such community engagement has been shown to create long-lasting 'shared value' (Porter and Kramer, 2011) for both the corporate and the community.

Finding 10: The CICBO mode contributes to the creation of sustainable values for both business and society.

CICBO is targeted at community empowerment so that communities can take control of their own development and continue to do so in a sustainable manner without CCI support. Empowerment, in the context of a predominantly poor community, refers to a process of enhancing various community capital as well as ensuring the maintenance of that capital through active community participation (World Bank, 2002) at both individual and collective levels (Partridge, 2008). As recognised in chapter two (sub-section 2.5.1), empowerment is a process of

assisting previously 'less empowered' or 'powerless' individuals or groups where someone can act in favour of others to make them empowered, i.e., to gain greater control than they presently have over local resources; to strengthen their ability and right to define collective goals; to make decisions; and to learn from experience (Edwards and Hulme, 1992). In CICBO, companies play the role of this external 'empowering' agent, and the instigated CBOs provide a platform for the community to advance towards empowerment through collective planning, implementation and monitoring of its capital building activities. The roles of the company or collaborating partner in organizing and supporting these groups are expected to diminish over time when they start to demonstrate independent functioning. Therefore, a marker of community empowerment through CICBO is whether these instigated groups become capable of conducting and maintaining their capital building process without company support. In an ideal situation, the 'positive' examples set by these groups would act as triggers for the rest of the community to engage in such activities resulting in widespread diffusion of the empowerment enhancing practice. Therefore, another marker of community empowerment through CICBO is whether the community shows signs of self-organizing to further their development agenda.

Against the two markers, Project Rupantar showed relative success in empowering the target community. In the selected villages where the AR phase of the project commenced, OIL has been able to successfully withdraw support from the instigated CBOs. Most groups are observed to carry out multiple livelihood activities with existing as well as new members and arrange financial and technical support from banks and facilitators directly. Most importantly, in Upper Assam, the positive demonstration effects (Bygrave and Minniti, 2000) of the instigated CBOs from the AR phase was evident in spontaneous mobilization of new community groups at later stages. Enhanced human and social capital built on indigenous capital of unity and hard work (Chambers, 1983; Emery and Flora, 2006), a supporting environment with a positive attitude from supporter organizations and a well-built network between CBOs and other market actors (Sandbrook and Halfani, 1993), and access to information and services (Hayward and Brizzi, 2007) - these are identified as key factors cumulatively contributing to the widespread acceptance and diffusion of CBO-oriented activities in the community. As discussed in chapter five (section 5.4), not only have these CBOs

enhanced their own capital, but they are also increasingly seen to participate in the overall development of the community.

Finding 11: The CICBO mode has the potential for community empowerment.

7.3.2 Unintended Outcome: Extended CCI Support

A CCI mode can bring benefits to the company and wider society, but it does not necessarily indicate successful operationalization of the mode as designed. The success is not solely dependent on the company's investment, but also depends on the historical, cultural and geographic frame of the respective community as well as other broader institutional factors that might affect the intended community capital building process. The accrued benefits can be fragile and legitimacy crisis may recur in such circumstances, therefore the successful operationalization of the mode is perceived to be critical for sustaining the accrued benefits. In other words, time-bound CCI practices such as CICBO may require to be extended beyond the predetermined duration in order to ensure that the core planned activities are implemented and benefits are long-lasting.

As observed in the case of DDP, the project extended its support to the individual villages beyond the initial project completion time, as the dairy groups could not demonstrate the ability to operate independently. Various contextual factors are identified such as animal mortality rate, low milk production during the dry season, lack of motivation of the members to supply milk, education and entrepreneurial skills, absence of suitable local allies, even collaborating partner's inability to develop the required capacity of the groups. Each extension phase brought changes in the design of the mode (e.g. CBO guidelines) and action plans (e.g. existing actions were modified, new actions were incorporated). When asked about the reason for extending the DDP timeline, the project officials argued that the "partial accomplishment" of the project (see chapter six, section 6.4.1) contributed towards better corporate-community relationships. Considering the limited skills of remote villagers and the harsh geographical topography in Barmer, dairy remained one of the prime livelihood activities for the community. It was the company's understanding that withdrawing support from DDP would

hamper the economic progress experienced by the community and would lead back to the legitimacy crisis of pre-DDP period.

Finding 12. A company may need to extend support in the CICBO mode beyond the fixed time-frame when discontinuation is perceived to disrupt the limited shared values created through the process and resurface the legitimacy crisis.

7.3.3 Institutional Impact

The findings reveal the influence of the CICBO mode on the behaviour of various embedded and non-embedded social actors that is not considered within the scope of project when designed. Such institutional effects of the CCI modes are generally not included in the discussion of particular modes, but rather identified retrospectively as the driver for isomorphic corporate social actions when the effects are positive (Maguire et al., 2007), or the driver for new practices when negative (Muthuri, 2008).

The embedded actors (e.g., company, community and supporting actors) have greater understanding of the process and benefits associated with it, which may guide their subsequent involvement in similar or allied practices. For instance, the relative or partial accomplishments of the empirical cases encouraged the companies to embark on similar CCI projects to further approach livelihood issues of the local community. The start-up and success of CBOs also create opportunities for the rest of the community who possess resource or skills that are complementary (Peredo and Chrisman, 2006). In Barmer, one segment of the community was driven by business opportunity to engage in alternative entrepreneurial activities complementary to the dairy practice.

The impact of CICBO on non-embedded actors is also evident in the study. Being situated in close geographic proximity, these actors (e.g., other organizations in the locality or community in neighbouring areas) observe the progress of this new practice and become inspired to engage in similar practices. For instance, by observing the success of Project Rupantar in terms of improved corporate-community relationships and business performance, another oil and gas company in the locality initiated several programmes on CBO-oriented livelihood activity

promotion for villagers. Such 'isomorphic behaviour' (Maguire et al., 2007) can be explained by the altered perceptions of the acceptability and desirability (Peredo and Chrisman, 2006) of CICBO that such endeavours can strengthen their position in the society.

Finding 13. The CICBO mode can influence the behaviour of embedded and non-embedded social actors to engage in similar and complementary practices.

7.4 Conclusion

This chapter has focused on answering the research questions in relation to the CICBO mode, an emerging community engagement practice in developing countries. The analysis has revealed unique features of CICBO that aligns it within the transformational form of community engagement. Transformational engagements are aimed at empowering the community so that they can take ownership of their own development. CICBO aims to do so by creating a community-level practice of the CBO-oriented approach towards social problem solving, focusing on gradually building important community capital in a way that enables the community to eventually maintain the practice without company support. The most significant finding is the apparent temporary nature of such a mode despite the high level of corporate-community interaction and resource commitment. Such temporary institutionalization is found to be essential to achieve the stated objective of community empowerment.

This chapter has also discussed the contingent circumstances under which the companies may seek to embark on such a practice. The study identifies recurring social legitimacy crisis arising from institutional incompatibility, future business threat or opportunity, and company's CCI orientation as the key the drivers for CICBO. In the context of developing countries, the existence of incompatible internal and external institutional arrangements that undermine community interests, along with the shortfall of traditional CCI practices, often result in a vicious cycle of recurring legitimacy crisis for the companies. In such an environment, companies' intention to secure long-term business interest in the region is dependent on successfully maintaining social legitimacy. CICBO can be an effective solution in that respect as it enables the community to take ownership of

its own problem and becomes less dependent on CCI support in the long run. The analysis also reveals the interrelationship between CCI drivers, company motives and subsequent framing of the mode. Companies are reflexive actors who reflect on their past, assess the present circumstances and project themselves into the future to embark on the process of framing a community engagement mode that best serves their expectations, preferences, and intentions (e.g., addressing legitimacy gaps, improving business performance, securing competitive advantage).

The chapter has also contributed to our understanding of the process through which CICBO emerges as a CCI mode. The initial design involves social issue diagnosis and potential solution framing, followed by the development of an initial operational template, which defines subsequent activities for implementing the solution. The core implementation activities include organizing the local community into CBOs, investing in these CBOs to create and enhance their assets and capabilities, and establishing a supporting environment that allows the CBOs to realize the socio-economic growth potential and sustain the practice. These field-level activities are supported by allocating dedicated resource and establishing appropriate governance and policing structure. The process highlights iterative phases of design and implementation, where a stable template gradually emerges through repeated incorporation of ongoing learning from the field-level activities. The mode requires a high level of commitment and investment in an area (i.e., community organizing and capacity building) that is generally not within the core competencies of corporations, which necessitates collaboration with expert voluntary sector organizations for both design and implementation. The process depicts a high level of interactions between company and community. It also reveals diverse roles of the local community, from initial adopters of CBO-oriented activities to the eventual upholder of the practice as well as supporters in promotional activities and the maintenance mechanism.

Finally, this chapter has contributed to our understanding about the multifaceted outcomes of the CICBO mode. The findings reveal the aptitude of CICBO in creating shared values for the company and community, and its potential to empower the community. However, the findings also point out potential hindrances in achieving the community empowerment goal, in which case the company may need to

extend their CCI support for longer than anticipated. More importantly, the success of CICBO can inspire various social actors, including other companies and the wider community, to engage in similar and complementary practices.

This leads us to the final chapter that summarizes the key contributions of this research, not only to the area of CCI but also to the embryonic concept of institutional work. It also discusses the practical implications of the learning obtained from this thesis for practitioners working in the developing countries as well as in the extractive sector companies.

CHAPTER EIGHT
Contributions and Implications

8.0 Introduction

This thesis theorizes an embryonic CCI practice in a developing country context where companies organize community-based organizations in their operational areas with the intention to make the local community capable of solving complex developmental problems. I named this *Corporate Instigation of Community-Based Organizations*. The research context was set in chapter one by highlighting a twofold gap in the extant CCI literature: i) lack of recognition for this emerging but under-researched corporate-community relation in current CCI discourse; and ii) over-reliance on product-oriented description of successful instances of various CCI modes and lack of process-oriented description of how such CCI modes emerge in dynamic institutional contexts. This thesis has simultaneously contributed to these knowledge gaps by exploring the antecedents, emergence and consequence of two instances of CICBO in India.

This chapter highlights the significance of research findings reported in the empirical chapters (five and six) and subsequent discussion (chapter seven) with regards to CCI and CDD literature. The processual description of a novel phenomenon such as CICBO responds to the call to understand the contexts in which innovative CCI practices are conceptualized, take shape and are put into practice (Muthuri et al., 2012). In addition, the analytical framework developed in chapter three to analyse the emergence and consequences of the CICBO mode advances an alternative theoretical perspective on CCI grounded in the umbrella concept of institutional work. As such, this chapter situates its contributions to various constructs of CCI as well as within the institutional work literature. It also discusses the potential implications of this research for practitioners, policy makers as well as the communities. This chapter ends with a discussion of the research limitations and highlights areas for future research.

8.1 Contributions to Corporate Community Involvement Literature

This study signifies a number of theoretical and conceptual contributions to the current CCI literature. Chapter two critically reviewed contemporary CCI literature and the research topic, which makes several important contributions. *First*, I proposed a '*Continuum of Community Engagement*' in section 2.3 after reviewing the existing models proposed by various scholars (e.g., Austin, 2000; Selsky and Parker, 2005; Nwankwo et al., 2007; Muthuri et al., 2009; Bowen et al., 2010). I outlined the key characteristics of four forms of community engagement – namely 'philanthropic', 'transactional', 'transitional' and 'transformational' – focusing on specific parameters such as motives behind the community engagement, the extent of community interactions and outcomes. The concept of the continuum allows the freedom not to strictly place a CCI mode in a particular category as a mode can inherit characteristics of more than one form of community engagement. *Second*, I made a connection between CCI and CBOs in section 2.5. I proposed a set of characteristics of CBOs to distinguish them from other grassroots level organizations working within or for the community. By describing the existing forms of corporate engagement with CBOs, I also recognized the potential of corporate participation in community-driven development, a scenario that has been advocated by the policy makers and donor community (World Bank, 2006). *Third*, I applied the CCI continuum to categorize the examples of Corporate-CBO engagements. As they revealed, companies extend cash or in kind contributions directly to CBOs that show one-off philanthropic engagement. Corporate-CBO engagement can also resemble hybrid characteristics. For instance, partnership with CBOs to deliver a CCI project that is intertwined with core business activities shows the characteristics of transitional community engagement where companies align core business activities with a CCI agenda. However, companies also utilize these CBOs on an ad hoc basis to channel philanthropic resources to the wider community. Such a characteristic resembles more of a transaction. Companies are also observed to focus on long-term business benefits through community empowerment by engaging with or instigating CBOs. The key characteristic that differentiates between transitional and transformational engagement is outlined as community empowerment which requires developing important community capital. *Finally,* I identified that CCI

practices focusing on sustainable community development or community empowerment has so far been the subject of enquiry in development literature with little attention from CCI scholars. I, therefore, advocated the integration of development concepts within the discourse of CCI. Applying the development lens to CCI can improve our understanding of recent trend of transformational community engagement practices in developing countries, and can enrich both theory and practice of CCI.

Recognizing the limitations of existing theoretical perspectives on CCI, I advocated the adoption of an institutional work perspective in chapter three and proposed an analytical framework for a systematic and holistic exploration of CCI modes. This framework was applied to generate and analyse the data obtained from the two case studies of the CICBO mode in India. A number of contributions also directly stem from the empirical analysis presented in chapters five and six, and further evaluation in chapter seven. Overall, this study primarily contributes to the conversation of CCI modes by developing a theoretical model of the antecedents, process and consequences in the emergence of CICBO and proposing the characteristics of the mode (see chapter seven, Table 7.1). The research also contributes to the current discussion of theoretical perspectives on CCI by proposing an alternative perspective based on the concept of institutional work rooted in institutional theory. The literature review, framework development and the subsequent examination of CICBO open up a whole spectrum of issues that also significantly contributes to the current understanding of various constructs associated with the discussion of CCI (discussed in sub-section 8.1.2) as well as that of institutional work (discussed in section 8.2)..

8.1.1 Theorizing 'Corporate Instigation of Community-Based Organizations'

As mentioned in chapter one (section 1.1), resourceful companies are acknowledged as the key agents of development through their social initiatives in the challenging socio-economic context of developing countries (Visser, 2008; Muthuri et al., 2009, 2012). Sustainable community development being the central concern, CCI is increasingly seen to incorporate mechanisms for enabling poor and marginalized communities to be the drivers of their own development rather than

being dependent on corporate support. Such an approach is recognised as *transformational* in this thesis (see chapter two, section 2.3.1.4), which resembles the mainstream community driven development approach of empowering community through their increased participation in the process that affects their development. This is where CBOs are seen as important tools that provide community members with the structure to participate in decision-making, to exercise shared responsibility and leadership, and to take ownership of their own developmental problems (Dongier et al., 2003; Mansuri and Rao, 2004; Yalegama et al., 2016). By investigating the CCI practice of instigating CBOs, not only this thesis enriches our understanding of this underexplored CCI mode but also provides practical significance for the corporations, policy makers and communities in developing countries who have interest in transformational CCI toward community empowerment. In doing so, the empirically grounded narrative on the antecedents, process and consequences of CICBO also responds to the growing call for scholarly work in management research that speak both to theory and to practice (Birkinshaw et al., 2014).

First, CICBO arises out of an incompatible institutional environment where the rising gap between corporate social action and community leads to recurring legitimacy crisis or even functional inefficiency for the company. This is a common experience for companies operating in developing countries where the limitations of traditional CCI practices are amplified by an incompatible institutional environment that continually undermines community interests, resulting in a vicious cycle of recurring legitimacy crisis. Add to this a sudden occurrence of threat or opportunity for the business, and the ground is prepared for the emergence of the CICBO mode where the company already possesses relevant experience or at least a proactive culture to engage in context-appropriate CCI modes. Collectively, these conditions encourage the company to reflect on the past, assess the present situation and project itself into the future (see chapter seven, Table 7.2). Although companies in developing countries face huge community expectations for the provision of social welfare and livelihood, they do not always see such demands as falling within their domain of responsibility and may not initiate programmes to meet those expectations (Muthuri, 2008). As observed, the CICBO mode requires a high level of financial and human resource investment for organizing the local community and building their capital. This is

an area that does not belong to the core competencies of corporations, particularly those in the extractive sector (Frynas, 2005). My study suggests that companies embark on such practice only when they perceive complying with community demands would serve their current and future interest - safeguarding long-term social legitimacy and thereby securing profit and competitive advantage in the long-run.

Second, through CICBO, the company promotes an external practice enveloped within an internal practice through three distinct but interrelated processes of design, implementation and feedback incorporation (see chapter seven, Figure 7.2). Several aspects of the design process stands out in the empirical cases, although in varying degrees: community consultation in social problem identification and solution seeking, company's awareness of concurrent practices in the field of community development and willingness to develop a CCI mode building on these practices, collaboration with expert organizations based on linked interest, clear statement of CCI actors' roles and responsibilities to ensure accountability and measuring performance. The implementation process provided a glimpse of how communities are persuaded into CBO-oriented activity and how gradually existing community capital is multiplied and new capital is developed with appropriate support and supervision from the company. It also shows the ways various types of social actors, including the rest of the community, are mobilized under one umbrella to perform specific roles that are integral to the success of CBOs and persistence of the local practice associated with CBOs. The mixed mode of governance mechanism is apparent where top-down CCI support contributes to the bottom-up development at community level. The sheer volume and diversity of activities involved in CICBO requires necessary restructuration and resource commitment at the company level. A multi-tier policing structure spanning from the company through collaboration to the community is also required to capture the progress, prospects and problems in the field. It is the continuous incorporation of joint learning among CCI actors through which CICBO evolves.

Third, the outcomes of the CICBO mode are multifaceted. It particularly targets community empowerment by ensuring a sustainable capital building process for CBOs supported by the company. But more importantly the instigated CBOs

positively influence the rest of the community and induce an institutional effect that transforms the broader community from mere beneficiary of CCI to the driver of their own development by engaging in both CBO-oriented as well as complementary initiatives. The empowered community becomes less of a burden and more of the source of competitive advantage to the company. The success of CICBO may create the perceptions of desirability of a CBO-oriented approach to social issues among other companies as well as public and third-sector organizations. However, a number of factors may be detrimental to the progress: low level of existing social and human capital, local culture concerning collective action, low literacy rate, lack of enthusiasm, absence of appropriate supporters, availability of collaborating partners in the remote locations, low level of expertise of the collaborating partner. All of these may contribute to the non-realization of CICBO goals within the expected time-frame and demand extended company commitment to the process.

In light of the CCI continuum and CDD literature presented in chapter two, the CICBO mode resembles transformational community engagement aiming at community empowerment. Community empowerment is unattainable without the active engagement of the community in the process concerning their development (Bowen et al., 2010; Barasa and Jelagat, 2013). This is usually achieved through corporate partnership with existing CBOs (Tracey et al., 2005) or incorporating the community within existing institutional mechanisms (Muthuri et al., 2009; Porter and Kramer, 2011). The CICBO mode depicts an alternative and distinct form of transformational engagement. *First,* it promotes a community-level practice of being organized into CBOs and working collectively towards solving the local development issues that affect them individually. What differentiates this mode from other transformational CCI modes is that community here becomes the owner of an independent practice, rather than remaining the beneficiary or member of an external practice. *Second,* it targets community empowerment such that the community takes the ownership of their own problem and shows less dependence on the company. Community empowerment is a relatively new concern in CCI literature and often synonymised with community capital building with continuous company support. On the contrary, the focus of CICBO is the sustainability of the capital building process without company support. CBO provides an empowerment-enhancing platform (Hayward and Brizzi, 2007), as it

requires as well as ensures active community participation in the planning, implementation and monitoring of its own development through various capital building activities. *Third,* unlike the partnership mode of CCI governance where CBOs are seen as means to reach wider community (Tracey et al., 2005), CICBO considers CBOs as the end beneficiaries. The hybrid governance arrangement observed in CICBO is characterised by collaboration at the top (between corporate and public or third sector organization) for delivering resource support to the community; collective governance within CBOs to manage bottom-up development at community level. This is a new direction within the conversation of governance in CCI that resembles the mixed mode of governance adopted for community driven development. *Fourth,* CICBO is a temporary CCI mode by design that aims to achieve long-term social and business objective by providing high-level of commitment and investment for a fixed period of time. As the primary social objective is community empowerment, the company intentionally precludes itself from continuous organization and support of the CBOs for an indefinite period of time, and rather concentrates its effort on a small number of CBOs so that their success can positively influence perceptions of the feasibility and social desirability of CBO among others (Bygrave and Minniti, 2000). This is in direct contrast with the traditional conception where community wellbeing is often associated with ensuring sustainable company support to the community.

8.1.2 Institutional Work Perspective on Corporate Community Involvement

The dominant theoretical perspectives on CCI provide product- or project-oriented description of CCI modes, focusing on characterizing CCI modes based on the successful instances of implementation and ignoring the pathway to such success rooted in the concerted work of various actors. As argued in chapter three (section 3.1), the instrumental, normative or strategic perspective on CCI can largely explain the economic or moral aspects of social engagement from the company perspective, but they do not explain the relationship between CCI and the dynamic institutional terrain in which the companies operate (Campbell, 2007). An institutional perspective to CCI is suggested in this thesis as it allows to systematically analyse the influence of macro factors such as global, national, cultural, industry or local context on companies' community engagement

behaviour (Campbell, 2007; Matten and Moon, 2008; Brammer et al., 2012). However, an institutional account of CCI based on the neo-institutional stance presents an over-socialized view of community engagement, where companies are depicted as passive agents who respond to institutional pressures by conforming to various isomorphic CCI activities. Emergence of new CCI modes, therefore, remains a grey area in current institutional analysis of CCI.

This thesis suggests that a focus on institutional work provides the way to address this issue, which could highlight a process-oriented explanation of the CCI mode. It could describe the deliberate as well as the responsive actions of various societal actors in a situated context through which a CCI mode may finally emerge. In chapter three, I made a conceptual link between CCI and institutions. In highlighting this relationship, I encourage researchers to recognize the individual CCI mode as an organization-level *institution* that is 'purposefully created or maintained' by a company (Lawrence and Suddaby, 2006), as opposed to considering it as an *action* of actors with limited agency who are restrained by institutional factors (Tempel and Walgenbach, 2007). Such conceptualization of the 'CCI mode as institution' paves the way for cross-fertilization of these two streams of literature by explaining the creation, maintenance and disruption of CCI modes as institutional work. This new perspective allows not only *identification of the distinctive traits* of a CCI mode but also *explanation of the origins of those traits*. By focusing on the actions, it also allows the identification of the level of participation of various societal actors, especially that of community. Although this study applies an institutional work lens to the emergence of a CCI mode, it can be equally useful for explaining how a particular CCI mode is maintained in the company culture or deactivated altogether.

In order to advocate institutional work perspective on CCI, I also developed an analytical framework in chapter three (section 3.4), combining various components within the encompassing concept of institutional work. Adopting the core relationship between enabling conditions and agency in institutional work (Battilana and D'Aunno, 2009), CCI drivers are conceptualized as enabling conditions that represent various contextual factors in a dynamic and multi-layered field influencing corporate interaction with the local community. Agency is described as individual actors' preferences, intentions and expectations, which

arises under the influence of those conditions. From the company perspective, the concept of agency broadly manifests their motives to engage in subsequent interactions and actions that define a CCI mode. Overall, this framework allows the investigation of the lifecycle of any emerging CCI mode from 'origin to end' – linking antecedents (drivers and motives), works in emergence (design and implementation) and multilevel consequences at the action-level (incorporation of feedback in the process), the institutional work-level (whether the mode is enacted as planned or deviated, and the benefits accrued to the CCI actors) and the institution-level (whether the mode guiding behaviour of others). This framework will be valuable for future researchers to embark on empirical examination of the creation as well as maintenance of CCI modes and identify uncharted institutional dynamics to enrich the broader conversation of CCI.

Table 8.1: Key Contributions to Institutional Work Perspective on CCI.

Theme	Source	Key contributions
Analytical framework	*Literature review*	• Conceptualization of CCI modes as company-level institutions • Holistic framework for analysing antecedents, process and consequences of change in CCI modes
Antecedents of CCI	*Analytical framework*	• Conceptual separation between drivers and motives employing the concepts of enabling conditions and agency
	Empirical findings	• Temporal dimension of drivers and motives • Recurring legitimacy crisis as CCI driver • Cohabitation of contradictory institutional arrangements as the underlying cause for recurrence
Process of change in CCI	*Empirical findings*	• Interrelation between driver, motive and design of CCI mode • Conceptual and operational dimension of change • Emergent nature of the change process with iterative incorporation of unintended consequences • Varying degree of institutionalization of CCI modes within organization
Consequences of CCI	*Analytical framework*	• Multilevel approach to examine consequences • A separate capital framework for evaluating benefits to CCI actors

Source: Author's own

8.1.2.1 Antecedents of Corporate Community Involvement

The current discussions of CCI drivers and motives stem from the understanding that companies are embedded in a broad set of institutional arrangements that affect their behaviour to engage in social activities (Chapple and Moon, 2005; Muthuri et al., 2009). This study reiterates the embeddedness of companies in multiple nested layers of the institutional environment that are dynamic, and shows how such dynamism continuously gives rise to new pressures as well as opportunities for CCI. The findings suggest that a company can be under the influence of multiple institutional factors at any given time, which are not necessarily mutually exclusive but rather interrelated (Hemingway, 2002; Leca et al., 2008), may dynamically build-up over time and influence the company to a varied extent. Some of these factors have a constraining effect on companies' behaviour to pursue alternative CCI modes, while others facilitate the change process to occur. Together, these drivers constitute an environment that shapes company motives to frame new CCI practice complementary to the existing one. In line with Brammer and colleagues (2012), I argue a historical analysis that focuses on the cumulative effects of nested contextual realities and provides a way for the researcher to explain the variation in CCI practices across countries, industries or localities as well as the evolution of company-specific CCI practice.

Drawing on the concepts of enabling conditions and agency in institutional work, one of the most significant contributions of the study is the temporal orientation of CCI drivers and motives. This provides further ammunition to the conversation of explaining variations in CCI practices. As much as demonstrating the significance of past events and the present institutional environment in influencing a company's community engagement behaviour (e.g. Campbell, 2007; Matten and Moon, 2008; Brammer et al., 2012), my study also shows that companies make sense of future opportunity or threat from concurrent contextual development and how such perception drives toward new ways of managing local crisis. In doing so, the study also reflects on the temporal orientation of CCI motives and shows how inclination to different temporality can result in the adoption of different CCI modes even within the influence of the same set of drivers. The study suggests the existence of a causal relationship between temporally-oriented interdependent CCI drivers and temporally-oriented

motives. Repeatedly resorting to habitual CCI practice to renew social legitimacy manifests past-oriented motives. Present-oriented motives are demonstrated when companies encounter emerging local issues or recurrence of a known social problem, and search for new or alternative CCI modes to resolve the problem immediately and often-temporarily. The present orientation brings short-term benefits to the community and company but the social problem remains unanswered. On the contrary, future orientation makes the company search for permanent or at least long-term solutions to the community problem in order to minimize the risk of recurrence and bring sustainable benefit for the company. I argue that a CCI mode can be the manifestation of multiple temporal motives. But the domination of one dimension over another depends on how companies assign importance to different temporal drivers, which has a profound effect on how subsequent actions are carried out and what the final CCI mode looks like.

The study also enhances our understanding of legitimacy crisis as the key CCI driver (Muthuri et al., 2009). Postulating the existence of enabling conditions within multi-layered, interrelated and dynamic institutional field allows to advance an alternative explanation of the source of legitimacy crisis at community level, when those contextual factors in multiple institutional layers conflict with each other. The local community is increasingly considered as an important legitimating actor for businesses in the locality (Muthuri et al., 2012). Various factors are cited as sources of legitimacy gap such as divergence between company and community interests (Idemudia, 2007b), a sense of injustice in the community (Sachs, 2010), or conflict over resources (Muthuri et al., 2012). My findings identify two aspects of legitimacy gap that relate to the recurrence of the problem: i) the presence of incompatible institutional arrangements where community interest is continuously undermined by institutional components such as broader regulatory structures, organization-level policies, or welfare provision by the government (sub-sections 5.2.2 and 6.2.2); and ii) investing in short-term focused CCI modes that satisfy immediate community demands but do not address the root causes of social problems (Kapelus, 2002; Banerjee, 2003; Fox, 2004; Newell, 2005; Rajak, 2006). The study shows how companies are almost forced to iteratively introduce new CCI practices to find the right balance between conforming to incompatible institutional structures and satisfying rising community expectations. The study makes a case for companies to explore

beneath the surface to identify the reasons why legitimacy gap keeps on returning, and design a sustainable development focused CCI mode that addresses those reasons and overcomes the weaknesses in the existing institutional environment.

8.1.2.2 Process of Change in Corporate Community Involvement

Despite the recognition of diversity and evolution of CCI practices in the literature (Moon and Muthuri, 2008; Muthuri and Gilbert, 2011; Brammer et al., 2012), it rarely talks about the processes through which new CCI practices emerge or particular practice gets diffused at the national or global level. Traditionally, CCI researchers are more interested in the successful instances of particular practices and concentrate on analysing the context, content and outcome of those practices. Muthuri and colleagues (2009), on the other hand, provide a processual description of how an MNC brought changes in their CCI governance to accommodate shifting community expectations. Anchored in institutional work, this thesis advances the understanding that the process through which a new CCI mode emerges consists of actors' purposive actions and interactions as well as unintended consequences and their mitigation. Such conceptualization is useful to identify key activities and challenges encountered in the process.

Apart from identifying the specific activities in the emergence path of CICBO, the study in general provides valuable insights into the process of change, particularly highlighting the connection between company motives and activities that follow and how the change is institutionalized. The study strongly suggests that a CCI mode emerges through conceptual and operational dimensions of work reflecting the design and implementation process. The conceptual works are guided by company motives, which signify the link between CCI antecedents and subsequent implementation. The conceptual work involves careful examination of the contextual factors and identifying an appropriate mode of engagement that the company believes can meet its own objectives. The empirical findings demonstrate that although the conceptual and operational activities reflect two separate processes, in practice they are intertwined and occur in a highly iterative manner. The initial conceptual works guide the subsequent operational works but the study also demonstrates how the field-level negotiations and learning during the operationalization may force to go back to further conceptual works, and this

process may continue back and forth until a stable mode appears. The conceptual dimension also reflects companies' inclination towards deciding on the key deliberate actions where possible but some responsive actions are expected to occur throughout the operational dimension based on the feedback of actors and the environment. Such response may include new actions, modification of existing actions or even discarding some actions if necessary. In the context of developing countries where companies are observed to implement innovative practices to address complex developmental problems of the local community, exploring the conceptual works would provide valuable insight into the critical understanding of the emergence of such innovations.

CCI literature increasingly recognizes the institutionalization of CCI within organizational culture (Moon and Muthuri, 2008), whether in the form of drafting of social policies and budgets or setting up dedicated departments for managing community affairs (Burke et al., 1986; Altman, 1998). An important insight that emerges from this study is the degree of institutionalization of a particular mode within the company. Companies often engage in well-structured routine philanthropic activities with ad hoc or minimal involvement with the community (Porter and Kramer, 2002). At the other extreme, companies also devise CCI modes aligned with core business objectives and integrated with business functions where the premise is set for continuous involvement with the community (Porter and Kramer, 2011). Regardless of the extent of community participation in such CCI practices, both cases reflect full institutionalization of such modes. On the other hand, companies also engage in temporary CCI modes from particular strategic interest, fully aware that community benefits from such modes are short-lived. In contrast, this research demonstrates an alternative form of CCI mode that is temporarily embedded within the company but can still be aligned with core business objectives and contributes to sustainable community development. This refutes the common conception that CCI targeting sustainable community development demands long-term corporate commitment to the cause through strong alignment with core business objectives. It is much messier in practice than the academic theories allow. In fact, the study strongly suggests that continuous community support increases community dependence (Muthuri et al., 2009), and therefore I theorize that a CCI mode promoting community

empowerment should ideally be a temporary one to the extent that lets the community drive their own development.

8.1.2.3 Consequences of Corporate Community Involvement

As discussed earlier in chapter two (sub-section 2.4), the extant CCI literature is skewed towards describing the benefits (or lack of them) to CCI actors as the outcome. The bulk of these studies extensively report the resources spent on voluntary CCI practices (Porter and Kramer, 2007) and focus on how it affects the financial performance of the company (Margolis and Walsh, 2003). Considering community at the receiving end of CCI, there are concerns for focusing more on the evaluation of whether and to what extent those CCI initiatives impact community development (Raghubir et al., 2008; Muthuri et al., 2009). Acknowledging the importance of conducting more empirical studies to assess such consequences (Muthuri et al., 2012), I draw upon institutional work to bring fresh insights on how CCI consequences are tied to multiple levels: action, institutional work and institution level consequences. I argue that rather than scrutinizing the success of CCI modes on ideal parameters (i.e., what has been achieved and what more could be done by a resourceful company), the outcome of CCI should be evaluated against the intended objectives that are set by the company and other actors, including community, when a particular CCI mode is designed. For instance, philanthropic and transactional CCI modes are often criticized for being too company-centric and deterrents to sustainable community development (Banerjee, 2003; Newell, 2005; Rajak, 2006), and companies are advised to do more than just charitable activities as demanded by the context (Leisinger, 2007; Mele and Paladino, 2008). However, I recognise that companies may consciously frame such short-term solutions, prioritizing their expectations and preferences over community priorities. As a result, the mode can still be regarded as highly successful from the company perspective, but may not be a win-win solution for both the corporate and the community. This example suggests that there lies significant ambiguity in evaluating the outcomes of CCI and makes a case for evaluating CCI outcomes against the intended objectives.

However, I also identify that in addition to the intended outcomes, a CCI mode can be accompanied with unexpected or ambiguous outcomes. A mode can be

implemented successfully but it may not bring the benefits originally intended. The opposite can be true as well, as observed in the case of DDP (see sub-section 6.4.2). The company was unable to enact CBO-oriented livelihood practice in the local community within a stipulated time period; nevertheless the embedded actors including the company and community received significant benefits from the project. The case also demonstrates how such partial accomplishments from a CCI mode may drive a company to continue with the mode. Such example captures the unpredictability and cyclical nature of institutional work in implementing CCI mode, highlighting how institutional work being purposive may not be completely successful to achieve the motives against which the mode was set off, yet the partial success may be deemed satisfactory enough to continue with the mode.

At a broader level, institutional work perspective also allows for discussing the implications on the wider social system within the conversation of consequence of CCI modes. Rather than reporting them as consequences, studies often highlight such outcomes, when intended, as the antecedents of isomorphic CCI behaviour for other companies (Marquis et al., 2007), or link unintended negative outcomes as the reason for legitimacy crisis and as antecedents for new CCI (see Muthuri et al., 2009). My study suggests that incorporating such institution-level consequences within the discussion of a particular mode provides a complete picture of the mode in question.

8.2 Contributions to Institutional Work Literature

The study of institutional work has emerged as a wide-ranging scholarly discussion since the concept was coined by Lawrence and Suddaby in 2006. The theorization of various constituent components within this overarching concept have taken a bottom-up approach (Zilber, 2013), moving from "outli(ning) the terrain of an emerging object of institutional inquiry" (Lawrence and Suddaby, 2006, p.220) to a "more nuanced and detailed description of the concept" (Lawrence et al., 2009, p.2–3). It depicts institutional actors (individual or organizations) as reflexive, goal-oriented and capable, who display agency by engaging in the "purposive actions" (Lawrence and Suddaby, 2006, p.215) that is institutional work. How such agency arises despite the stabilising influence of the encompassing institutional environment and its relationship to subsequent

institutional work have been the focus of a stream of research (e.g., Battilana and D'Aunno, 2009; Zundel et al., 2012; Smets and Jarzabkowski, 2013). This stream contributes to the understanding of *what constitutes institutional work* by analytically exploring the relationship between environment, agency and institutional work (Lawrence et al., 2013, p.1026).

Table 8.2: Key Contributions to Institutional Work Literature.

Theme	Source	Key contributions
What constitutes institutional work	*Analytical framework*	• New interpretation of agency • Role of distributed agency in institutional work
	Empirical findings	• Temporal orientation of enabling conditions and its relationship with agency • Enhanced understanding of new and existing enabling conditions
How institutional work occurs	*Empirical findings*	• Interdependencies in institutional work • Conditional institution as a form of provisional institution (Marti and Mair, 2009) • Role of community as institutional worker
Consequences in institutional work	*Analytical framework*	• Multilevel approach for understanding consequences
	Empirical findings	• Proposing the typology of action-level consequences • Extending the typology of institutional work level consequences (Pawlak, 2011) • Enhancing understanding of institution-level consequences

Source: Author's own

Actors' actions are at the centre of institutional dynamics (Battilana et al., 2009). A major stream of research has been examining *how institutional work occur*s, focusing on the varieties of work in the creation, maintenance and disruption of institutions based on empirical explorations (see Lawrence et al., 2013 for an overview). However, the inclusion of purposiveness in the definition of institutional work encourage researchers not only to examine those intended actions that are successful but also the unintended adaptations and mutations that occur during the process (Lawrence et al., 2009, 2011). This issue of consequences in institutional work has been explored by only a handful of researchers (e.g., Pawlak, 2011; Slager et al., 2012) and remains an under-research area. By developing an analytical framework for examining the lifecycle of an emerging

institution and the empirical findings that stemmed from the cases, this thesis makes important contributions to these three streams of institutional work literature. The key contributions are listed in Table 8.2.

8.2.1 What Constitutes Institutional Work

The relationship between institutional environment, agency and institutional work has been explored in this stream of research. Actors' agency is central for the eventual institutional work to occur. Agency describes an actor's capacity to reflect on its institutional embeddedness, relate to its own self, and develop conscious intentionality to engage in institutional work (Lawrence et al., 2011). The conceptual link between agency and institutional work has been explored in several studies (Battilana and D'Aunno, 2009; Smets and Jarzabkowski, 2013), drawing on a relational, multi-dimensional view of agency oriented towards the past (in its habitual aspect), the present (in its practical evaluation aspect) and the future (in its imaginative aspect) (Emirbayer and Mische, 1998). Building on the previous works in institutional entrepreneurship literature (Strang and Sine, 2002; Leca et al., 2008), Battilana and D'Aunno (2009) went a step further and incorporated the concept of *enabling conditions* to explain the source of agency in institutional work. Taking into consideration the embeddedness of actors in nested layers of field, they provided a multi-level account of conditions that enable actors to engage in institutional work despite institutional pressure towards stasis.

Drawing on Muthuri and colleagues' (2009) conceptual framework of 'corporate-actor interactive governance' that was built on various theories of social action and interaction, this thesis provides a new interpretation of agency within the premise of institutional work. As defined in chapter three (sub-section 3.3.2), an actor's agency is considered as the amalgamation of its preferences, intentions and expectations under the influence of enabling conditions in the field. Recognizing the opportunist nature of institutional entrepreneurs (DiMaggio and Powell, 1988), this definition captures the individual actor's ability and rationale for acting towards a specific form of institution. This definition of agency also provides the basis for a potential theoretical explanation of how individual actors with different interests might combine to work on a common project – a

significant interest in the recent literature that considers institutional work as a distributed phenomenon (Lawrence et al., 2011). The role of 'distributed agency' in institutional work has been explored in terms of the coordinated and uncoordinated interactions among individuals, organizations and even technology or artefacts that lead to the path of institutional change or stability (Zietsma and McKnight, 2009; Zietsma and Lawrence, 2010; Slager et al., 2012; Raviola and Norback, 2013). While acknowledging the role of non-human agencies (e.g., technology, objects, sociomaterial artefacts) in certain institutional change process, the thesis suggests that actors interact based on their differences and similarities in preferences, intentions and expectations – as they exercise their power, authority and influence – and develop collective intentionality or we-intention (Tuomela and Miller, 1988) to engage in meaningful collective actions driven by some common goal. Such interpretation of distributed agency is also useful to recognize the dynamic actor configuration within the scope of any institutional work and explains how change-driven actions conceived by one core actor (institutional entrepreneur) can act as enablers for the others.

My study agrees with the multi-dimensional understanding of agency (Battilana and D'Aunno, 2009; Smets and Jarzabkowski, 2013) and shows that a single institutional project can be influenced by all three temporal dimensions of agency (see Finding 4 in section 7.1). However, my study also clearly demonstrates the domination of present- and future-oriented agency in the emergence of a novel practice. This confirms the view of Battilana and D'Aunno (2009) that a particular instance of institutional work can be dominated by a particular dimension(s) of agency. The historical data, which shows adoption of different practices by the same actors in different time periods, also confirms that agency is not a constant but rather a dynamic attribute - depends on the context in which the actor is embedded and may evolve through time (Battilana and D'Aunno, 2009). The cases also provide evidence of enabling conditions being multi-dimensional and temporally-oriented towards past, present and future. These temporally-oriented enabling conditions, not linearly but in combination, contribute to different forms of agency and thus lead to particular types of institutional change. Being aware of the institutional environment, the self-conscious and intelligent actors attach 'meaning' to these temporally-oriented conditions and assign different level of importance to each that reflect their preferences, intentions and expectations for

the subsequent institutional work. Such a finding promotes understanding of how different forms of agency predominate under different conditions (Battilana and D'Aunno, 2009).

The empirical findings further enrich the current account of enabling conditions in three aspects: *firstly*, highlighting the rearrangement in actors' social position as an enabler for change; *secondly*, explaining the chain effects of incompatible institutional arrangement; and *finally*, advocating inclusion of economic factors in the conversation.

Institutional *s*tudies have highlighted the enabling role of an organization's social position in institutional change (Leblebici et al., 1991; Haveman and Rao, 1997; Rao et al., 2000; Garud et al., 2002; Levy and Egan, 2003; Battilana, 2006). An actor's social position can have impact on the ways it initiates change that diverge from the existing institutions. While social position is considered as static in such conversation, my study acknowledges the dynamic nature of field where actors compete over resources, stakes, and access (Bourdieu, 1990). This study provides empirical confirmation that an organization's social position can be continuously rearranged while operating in such a dynamic field structure (see sub-section 5.2.1). The historical analysis of OIL's community engagement shows that an organization seeks for an institutional change in such a scenario as demanded by its new position in the society. Therefore, rearrangement of social position, irrespective of the source, can be a key enabler for institutional change.

Another important enabling condition described in the literature is incompatible institutional arrangements where multiple institutional components contradict the logic of each other (Seo and Creed, 2002). Organizations often operate within a societal context consisting of multiple interpenetrating levels, in which case conformity to institutions within a particular level may cause conflict with the institutional prescriptions at different levels (Meyer and Rowan, 1977; Scott and Meyer, 1991). This study provides further insights into this discussion by providing an empirical demonstration of the chain effect of such institutional arrangement leading to institutional change through the experience of recurrent legitimacy crisis and functional inefficiency. As shown in the case of CCI in developing countries, weak national or industry-level rules and regulations, strict

organization-level policy and unbounded societal expectations can be in conflict with each other. My study identifies such inter-institutional incompatibility as the key reason for recurrent legitimacy crisis – a situation where organizations tend to incorporate those incompatible structural elements, practices and procedures in order to avoid legitimacy crisis, but legitimacy crisis almost always reappears since the contradictory elements remain unanswered. The core premise of institutional theory is violated in such circumstances, as conformity to certain institutional arrangements by the company could in fact create legitimacy crisis in the field. My empirical findings demonstrate that organizations, increasingly affected by the functional inefficiency caused from frequent legitimacy crisis, are likely to undermine the perceived inevitability of contradictory institutional arrangements and act as potential change agents in the society.

While institutional theory literature traditionally focuses on the functional and social factors to influence institutional change, recognizing the role of economic factors toward the design of new institutional arrangements has been gaining momentum drawing on institutional economic theory (Pacheco et al., 2010). Based on the finding presented in sub-section 6.2.3, this thesis advocates for inclusion of economic factors in the discussion of enabling conditions in institutional work. Especially with the profit-making organizations being at the centre of organizational studies, one cannot ignore that they are "calculative agents" who alter institutions when it is economically desirable to do so (Pacheco et al., 2010). The study provides strong empirical evidence that such organizations' agency can be influenced by the recognition of current or future economic interests that they intend to secure by bringing change in their practices.

8.2.2 How Institutional Work Occurs

Surprisingly, a large number of studies have focused on the institutional work associated with the maintenance and disruption of institutions, whereas research on creating institutions has continued to focus primarily on institutional entrepreneurship using the concept of institutional work only peripherally (Lawrence et al., 2011). Few recent studies have explored the creation of institutions from a work perspective (Perkmann and Spicer, 2008; Jagd, 2011;

Slager et al., 2012). This research sits within this exclusive group of studies exploring the creation of an institution from a work perspective. In doing so, this study provides three important contributions by: *firstly*, explaining interdependencies of multiple creation works within the same framework; *secondly*, proposing the concept of conditional institution to highlight a particular form of such interdependency; and *finally*, highlighting the role of marginal actors in institutional work.

A recent focus in institutional work has been in exploring the interdependencies between three main types of work: institutional creation, maintenance and disruption. Studies have drawn on institutional work as an 'orienting concept' to develop more integrative models of institutional dynamics where multiple institutional works are analysed within the same framework (Zietsma and Lawrence, 2010). The work to create a new institution, for example, may also simultaneously require work to maintain or disrupt others (Jarzabkowski, et al., 2009; Zietsma and McKnight, 2009; Marti and Mair, 2009). My study highlights a dual institutional creation work where creation of a field-level proto-institution occurs under the umbrella of an organization-level practice that also needs to be created in parallel. My study suggests the importance of further exploration of interdependency to explore how one (or multiple) institutional work can stimulate or provide support for another institutional work.

The observation of interdependent institutional works also leads to the concept of conditional institution – an extension to the concept of provisional institution introduced by Marti and Mair (2009). Provisional institutions are created to serve a particular purpose for a limited period of time, after which it is intended to be deactivated either by the entrepreneur itself or automatically through the process of institutional change (Marti and Mair, 2009). The term 'provisional' captures the instrumental view of such institutions shared by actors who work in a relatively experimental manner and enact such a temporary institutions as part of a broader objective, e.g., alleviating poverty (Lawrence et al., 2009). My study reveals CICBO as one such organization-level institution as the company conditionally creates a set of practices and rules at the company level to accomplish particular objectives in the field and intends to discontinue after a certain period of time once it considers to have accomplished the objective. However, deactivation of such an

institution is dependent on the accomplishments of another institutional work (e.g., the creation of a proto-institution), hence the term *conditional institution* to reflect the conditional existence of such an institution. This also reflects a new type of institutional work – 'conditional embedding' – creation of temporary structures and practices to ensure that the institutional work required for the 'target institution' is preserved and reproduced into routine organizational behaviour for the intended time period. The focus on conditionality suggests that such an institution may remain activated beyond its intended lifespan (as observed in DDP) but also opens the possibility that it can transform into a 'full' institution depending on the context and consequences. Marti and Mair (2009) suggested the importance of exploring various forms of provisional institutions that are "more delicate than the existing literature on institutional change would suggest" (Lawrence et al., 2009, p.19). My study responds to their call by elaborating on the contexts that necessitate organizations to create provisional institutions, the outcome of such intentionally created provisional institutions, and whether such institutions can take on a life of their own.

Another significant theme in recent research has been the exploration of actors who engage in institutional work. Most of these studies emphasize the role of powerful and organized actors, such as professionals (Currie, et al., 2012), organizational leaders (Kraatz, 2009; Roja, 2010) financial institutions (Riaz et al., 2011) and service firms (Empson et al., 2013; Singh and Jayanti, 2013), in recognising the opportunity or threat in the institutional environment and subsequent engagement in the institutional work to transform the conditions under which they live and work. In doing so, these studies tend to overlook the work of actors who are traditionally considered as "powerless, disenfranchised, and under-resourced, who seemingly have no choice other than compliance" (Marti and Mair, 2009, p.101). My research shows profit-seeking companies as powerful actors in initiating institutional change in the field where they operate, and highlights the supporting role of other powerful actors (e.g. NPOs, government, local leaders, financial institutions) in the institutional change process. However, a marginal actor in the form of the local community is identified as the key institutional worker, without whom such institutional change cannot be achieved. The study demonstrates the 'collaborative' work of powerful and powerless actors to achieve the shared objectives. The empirical findings identify

the work of community in diverse capacities spanning from *supporters* to *proto-institution adopter* and the eventual *institutional entrepreneur* who contributes to the diffusion of the proto-institution in the field. Thereby, the study demonstrates the power of the collectives in doing institutional work (Dorado, 2013) and shows how group dynamics might be what keeps the marginal individuals engaged in institutional work.

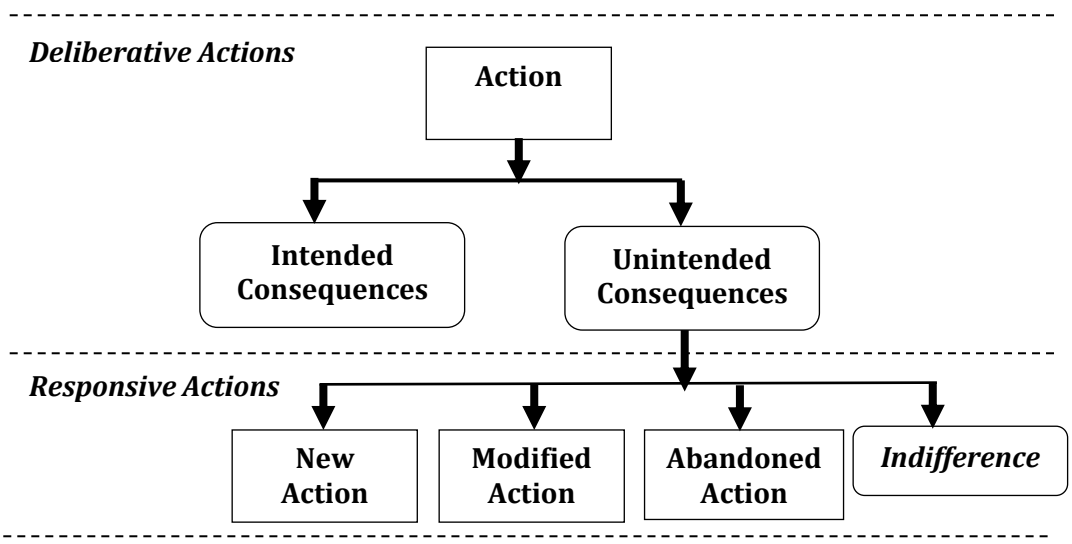
8.2.3 Consequences in Institutional Work

The final set of contributions relates to the consequences of institutional work – a core construct that has received less attention from institutional researchers (Pawlak, 2011). Lawrence and colleagues (2009) identified that most institutional studies account for the institutionally-oriented actions that emerge as successful with respect to the 'accomplishment' of intended institutional effects and neglect the admissions of 'unintended consequences'. They suggested that one should focus on "a set of activities" and not on "a set of accomplishments" (p.10), consider the unintended adaptations and mutations through which such accomplishments are finally achieved, and highlight other institutional consequences (e.g., failure in creating the institution, creating a different institution that was not originally intended, unanticipated effects on other institutions). Despite the suggestions of the creator of the notion, only few studies (e.g., Marti and Mair, 2009; Slager et al., 2012) mentioned the unintended consequences in their empirical instances of institutional work.

Recognizing the lack of a coherent theoretical framework for analysing consequences, and unintended consequences in particular, within the premise of institutional work, this thesis proposes a multi-level analytical framework to evaluate the consequences that may be associated with an institutional change. The framework makes distinction among consequences at *action*, *institutional work* and *institution* levels.n-level consequences represent intended outcomes of the purposive actions as well as the adaptations and mutations that tackle any unintended outcomes of those purposive actions (Lawrence et al., 2011). Institutional work-level consequences represent the cumulative end result of those purposive actions (and action-level unintended consequences) aimed at creating, maintaining or disrupting the target institution, observable in the

accomplishments, failures or compromises. Finally, referring back to the neo-institutional stance, institution-level consequences represent the impact of the institutional work on the wider social system that goes beyond the original intention.

Figure 8.1: Typology of Action-Level Consequences.



Source: Author's own

The empirical findings that stemmed from the application of this framework provide three important contributions. *First,* the study derives a typology for the adaptations and mutations that occur in response to the unintended outcomes within the course of institutional work. The empirical findings reiterate the emergent nature of institutional work, which is often iterative and the outcomes are rarely unilateral (Lawrence et al., 2009). The unintended or unexpected outcomes of purposive actions require responsive actions in order to uphold the key values and interests of the dominant constituencies (see Figure 8.1). The findings reveal iterative phases of purposive and responsive actions through which institutional actors progress toward accomplishing their intended objectives. My findings corroborate with the study of Slager and colleagues (2012) that showed how organizations continuously capture the effects of their institutional work and keep modifying the elements in their created institution to ensure compliance of the target adopters. They also showed how new actions are required to be incorporated in the process that respond to the unanticipated consequence of the initial activities and aid in the legitimation of the new institution. Along with the insertion of new actions or modification of existing

ones, my study also reveal two distinct situations where institutional workers abandon some actions or ignore the unintended outcome and decide not to take any responsive action. Based on the empirical evidence, I suggest that the incorporation of unintended consequences (whether positive or negative) of actions in institutional work may present four distinct scenarios: *modification*, *insertion*, *abandonment* and *indifference* (see Figure 8.1).

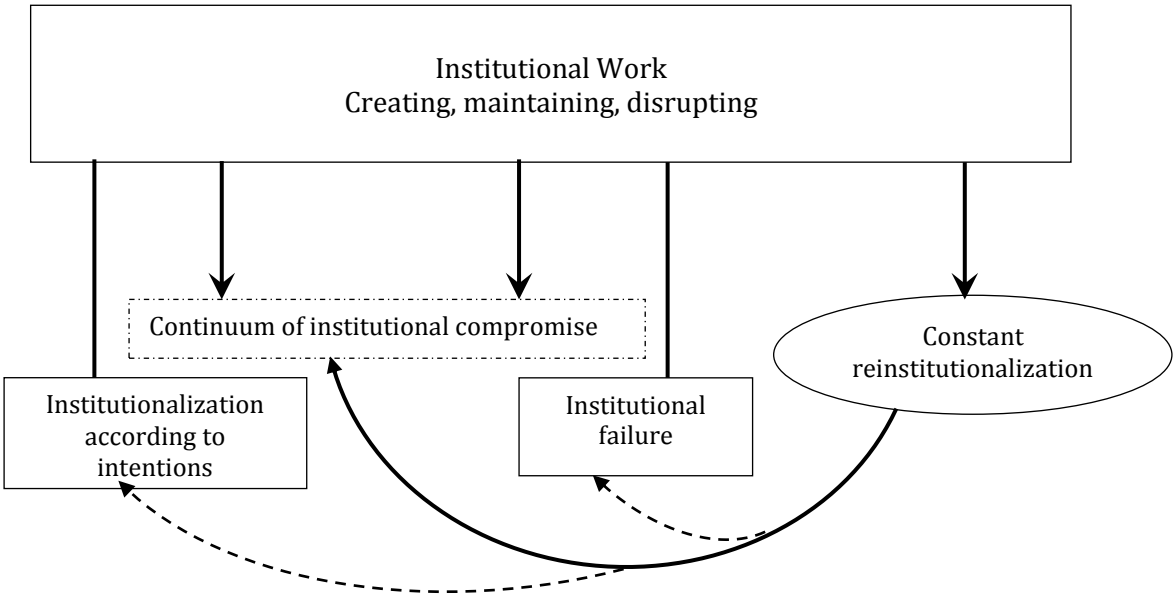
- Modification. Actions are modified when they fail to produce desired results or achieve partial outcomes. Modification often occurs as the intended outcome is seen as vital to the success of overall institutional work. Actions can be incrementally modified as a result of negotiation and to achieve new goals.
- Insertion. New actions are often included to achieve the desired/improved results, or supplement current actions in light of new developments. Adverse consequences triggered by actors' inability to perform the desired action may also lead to new actions. New actions can also be further modified over time.
- Abandonment. Actions are often abandoned due to a combination of reasons such as divergent preferences between institutional workers, proven ineffectiveness in achieving the desired results, or sudden change in institutional environment. Abandoned actions often follow new actions to ensure the objective is achieved somehow.
- Indifference. Sometimes, institutional workers may ignore the unintended outcome and decide to take no responsive actions in the process. This may occur when an unplanned deviation from the action plan results in unexpected positive outcome, but does not offer any concrete proof of persistent success.

I do not consider this typology of responsive actions to be exhaustive; rather, it provides a foundation for future researchers to identify new responsive actions in institutional work.

Second, my study provides evidence to extend the typology of institutional work-level consequences proposed by Pawlak (2011). The typology comprises four distinct outcomes: *accomplishment*, *institutional failure*, *institutional compromises* and *constant reinstitutionalization* (see Figure 8.2). Accomplishment of institutional work is defined as institutionalization according to intentions (the

box in the left), whereas institutional failure is the mirror reflection of accomplishment that is "total abandonment of what was intended" (p.361).

Figure 8.2: Unintended Consequences of Institutional work.



Source: Adapted from Pawlak (2011) and modified based on the empirical findings.

The continuum of institutional compromise is limited by the accomplishments on one side, and by the institutional failures on the other side, and depicts "the relatively institutionalized practice or rule of technology initiated by institutional work, which during the course of social process took a form which was unintended by the actor performing institutional work" (p.363). The circle on the right depicts constant reinstitutionalization – a situation when the institutional setting fails to reach a stable state after the institutional work has been triggered. The curved solid arrow connecting the state of constant reinstitutionalization with institutional compromises symbolizes the fact that the vicious circle of reinstitutionalization is usually broken through compromise and the institutional setting eventually becomes relatively stabilized.

My study suggests another possibility (shown in curved dashed arrows): constant reinstitutionalization does not have to end up with compromising the institutional outcome; rather, institutional workers' tenacity or willingness can eventually lead to accomplishments according to the intentions, or the works may end up in total

abandonment. The case of DDP shows that deviation from the key values and interests of the dominant actors is not an inevitable condition; rather institutional actors can keep working towards achieving the goals. The case also shows that the positive signs (partial accomplishments discussed in sub-section 6.3.1) of early intuitional work are vital for such a possibility to exist.

Finally, the study brings new insights into the understanding of institution-level consequences. Within the recursive relationships between institutions and actions (see Lawrence et al., 2009, p.7), such consequences are usually observed as the effect of institutions on the actions of social actors. However, according to the conception of institutional work, one cannot conceptualize institutional change as a closed process as institutions are always dynamic (Pawlak, 2011). Therefore it is not possible to identify the exact moment when an institution is created and its effect on actors' behaviour can be evaluated. Indeed, the empirical findings from this research show that an institutional work in progress can also impact the behaviour of various social actors (both embedded and non-embedded) even though the final intended institutional arrangement is yet to reach.

8.3 Implications for Practice and Policy

The study has a number of potential insights for practitioners and policy makers alike. I have presented two cases of an important business-society relationship that indicates a unique way of companies' dealing with challenging social issues through promotion of community empowerment. It goes beyond incorporating community with existing local governance mechanisms (Muthuri et al., 2009) or core business functions (Porter and Kramer, 2011). The cases show how companies can contribute to community empowerment, by supporting them to develop an independent practice around a particular social issue, and by building and sustaining community capacity to further drive their own development. As summarized in section 7.3.3, the participant companies and NPOs had greater understanding of the process and benefits associated with it, which guided their subsequent involvement in similar practices. On the other hand, observing the success of the projects led other companies in the locality to engage in similar practice of empowering the locals. Recognition of such successful community engagement practice had implication on the broader CSR landscape across India

as examples of CICBO growing whereas government playing proactive role to encourage such practice. The Companies Act, 2013 is one of the key milestones that encourage Indian companies to uptake projects focusing on sustainable community development. Whilst companies such as Tata, Jindal Steel & Power Limited, Karnataka Power Transmission Corporation Limited, TVS Motor Company already engaged with SHGs in their CSR activities before 2013 (Mangayarkarasi and Chandrika, 2014), post enforcement of the Act have seen many other companies (e.g., Aditya Birla Group, Indian Tobacco Company, Forbes Marshall, Adhunik Group) organizing SHGs particularly targeting women empowerment (Narayanan and Babu, 2014). Having presented the practical implication of CICBO practice in case locations and in wider India, I present next what the cases and my findings might suggest to the practitioners and policy makers in the context of developing countries, who seek effective solutions to address complex social problems in sustainable ways.

First, to design an effective CCI mode that allows the achievement of long-term business objectives, companies must carefully assess the critical factors in the institutional environment impacting corporate-community relationships. This study emphasizes that changes in the regulatory environment (e.g., industry specific regulations) that do not directly impact community relations but threaten privileged business positions can act as CCI drivers. By bringing change in CCI institutions, companies may intend to offset the adverse effects of external institutional change. More importantly, the multidimensional temporal orientation of CCI drivers implies that companies also need to explore the past and evaluate the present to recognize the achievements and failures, and project themselves into the future in order to conceptualize context-appropriate CCI modes. Being embedded within dynamic, multi-layered and complex webs of institutional arrangements, companies operating in developing countries are often exposed to contradictory institutional elements. Such environment, is not conducive to harmonious corporate-community relationships and companies are affected by recurring legitimacy crisis and functional inefficiency. Although philanthropy is a widely adopted practice in that part of the world (Saiia et al., 2003), companies must recognize that such peripheral community engagement can be proven sufficient in the immediate term but can worsen relations with community in the long run by perpetuating their dependence on the company

(Muthuri et al., 2009). This thesis argue that the same is true for other applauded CCI modes built on the value chain model (Porter and Kramer, 2011) or the partnership model (Tracey et al., 2005) as they fail to reduce community reliance on the company resources. The two case studies give a clear indication for practitioners that achieving long-term business objectives is associated with addressing the sources of recurrent legitimacy crisis in sustainable ways.

Second, community development practices targeting community empowerment must ensure increased community participation in their own development but also require consideration of the characteristics of the community to define the scope and support for participation. In this regard, development practitioners widely advocate engaging the community at every stage of the development project from planning and design to implementation and monitoring (Mansuri and Rao, 2004). This is to ensure greater understanding of local needs and preferences as well as enhancing community capacities in a way that ensures their ownership of the project in the long run (Dongier et al., 2003). While financial and physical capital building often takes priority in community development projects, the study emphasizes building social capital and human capital in parallel to ensure sustainability of the capital building process.

The study also suggests that practitioners need to evaluate existing capacities of the community to decide on the extent of involvement, level of support and resource investment in the project. The empirical findings demonstrate that while community involvement during the implementation and monitoring stages is vital for such an approach to succeed, engaging the community at the planning stage is tricky. Practitioners should be aware of the cultural characteristics of the local community and carefully incorporate them in the problem and solution framing process. Engaging in dialogue with the grassroots target community is in general useful to frame a context-appropriate and demand driven CCI solution (Muthuri et al., 2009). However, in the context of the developing world, local factors such as illiteracy, gender discrimination, caste difference and religious prejudice can result in gathering diverse, contradictory and impractical opinions from the wider community. Despite the potential risk of "elite capture" (Mansuri and Rao, 2004), this often prompts practitioners to limit the design stage consultations with enlightened elite groups from the community. Having said that, one cannot ignore

that the indigenous characteristics (e.g. traditional skills, work culture, local resource base) of the community are also vital for the success of community development projects. Therefore, practitioners should reflect on working around the detrimental cultural and social issues, focus on the strengths and ensure the necessary support to gradually increase community participation towards empowerment.

Third, unlike short-term philanthropic and transactional CCI modes with minimal community interaction, community empowerment-focused modes like CICBO are highly interactive in nature, cannot be relied on a fixed template of success and demand constant refinement based on the contextual development. Considering sustainable community development as a core agenda but not a core competency of businesses, companies often tend to mimic successful projects implemented by development agencies in their operational areas or similar socio-economic context. However, they must be aware that a successful development practice in a different socio-economic and cultural context may not be transformed seamlessly into a CCI practice and generate similar success. Therefore, a key activity during the initial development stage would be to recontextualize a proven solution. Even within the same institutional context, a corporate approach towards sustainable community development may vary significantly from that of a voluntary sector organization in terms of its resource commitment and degree of community involvement. Companies should demonstrate a flexible attitude throughout to incorporate sudden changes in the institutional environment, divergent preferences of various embedded actors, field-level suggestions or negotiations through constant evaluation of the project.

Fourth, this study reinforces the importance of social partnership in solving complex development problems (Selsky and Parker, 2005). Muthuri et al. (2009) demonstrate an example where social partnership takes the form of a collaborative network governance structure comprising of corporation, local government, NPOs and community in the administration of social entitlements to the community. My study provides another practical example of how diverse actors from the private, public and voluntary sectors collaborate and form varied ranges of loose alliances to work on solutions of complex social problems such as poverty and unemployment. While some actors play pivotal roles in each

empirical case, these are collective efforts at the end where each party is committed and keeps a clear focus on making a substantial difference to the lives of the community.

Finally, the study shows how corporations can play an active role in community driven development – a participatory approach advocated by development agencies and policy makers in recent years. Despite calls for more private sector participation in CDD through the CCI agenda, corporate roles remain limited to providing philanthropic contributions in CDD initiatives run by development agencies and NPOs (World Bank, 2006). The cases show how companies can directly play the role of external development agent by organizing CBOs, investing in them and guiding them in decision-making, implementation, resource management and monitoring of their activities so that they acquire the capacity to multiply important capital and become sufficiently 'empowered' to eventually drive their own development agenda. The consequences observed in this study also demonstrate the obvious appeal to the private sector of such a CBO-oriented approach to social problem solving. Companies can adopt such CCI modes building on the CDD approach of top-down support and bottom-up development as a strategy to balance the social as well as business agenda. Creation of an environment that encourages community empowerment is integral for such an approach to succeed. Government can play pivotal roles in that regard by creating and enforcing appropriate policies that encourage other social actors to work for and with the community and complement company efforts. I hope these cases are accessible to a wider audience in development sector in terms of content and as a framework, which can emphasize the success of these cases and advance suggestions on how best to induce active private sector participation into CDD programmes.

8.4 Implications for the Community

I believe the findings of this study have implications for local communities across developing countries that are surrounded by complex developmental problem. I have presented two cases where poor communities adopted self-help approach of problem solving (e.g., SHG-oriented livelihood practice) with the support of companies operational in their locality. As summarized in section 7.3, the

approach was successful in enhancing economic, physical, human and social capital for the community segment that engaged in such practice. More encouragingly, rest of the community had since been inspired to join similar or allied practices that complemented the success of these projects. Self-organizing around common social problems is a natural coping mechanism for disadvantaged communities (Malena, 1995). Yet, the presence of 'resourceful' corporations in the vicinity often proliferate the sense of relative deprivation in poor communities, which results in perpetuating community dependence on the companies' philanthropic support for providing basic socio-economic development infrastructures. This 'culture of dependency and buck-passing' within the local communities is identified as a result of lack of in-built sustainability mechanisms in CCI projects as well as poor community participation in such projects (Idemudia and Ite, 2006, p.196). At a minimum, the two cases studied here should be an encouragement for the communities to go beyond philanthropy and seek corporate guidance and support in adopting the self-help based approach toward social problem solving and advancing towards empowerment.

Active community participation in the design, implementation and monitoring of the development projects is imperative for sustainable community development and empowerment. My findings confirm that increased participation can enable the poor and marginalized communities to develop the required capacity to build and sustain their own enterprise and, thereby drive their own development agenda. The study highlights the importance of CBOs such as self-help groups to ensure such active participation. It is a platform for exchange of experiences and ideas, develop leadership, organizational skill, and management of various activities of a business from acquiring finance to identifying raw material, market and suitable diversification. Many studies have indeed confirmed the relevance of SHG as powerful instrument of social, political and economic empowerment of its members (e.g., Aruna and Jyothirmayi, 2011; Singh, 2013; Deininger and Lui, 2013). Besides, members can also work to improve services for rest of the community (Sundaram, 2012).

While corporate can play important role in promoting and supporting grassroots community organizations to build their capacity, the success of such an approach ultimately depends on the members and how effectively they can manage the

relationship among themselves as well as with other actors in the social and market dynamics. In accordance with many of the previous research findings (e.g., Datta 2007; Adhikari and Goldey 2010), this study reconfirms that CBOs are not a magic-bullet for promoting pro-poor and pro-democratic changes at the local level. Instead, the functioning of CBOs is associated with a number of tensions over certain issues, like inclusion of disadvantaged or lower caste people, participatory group decision making, power sharing among the members, ensuring equity in group resource sharing, sustainability and so on (Sundaram, 2012). Although the rule system is imposed to upheld equality and democracy within the group, it might not get implemented due to the prevalent status quo. If such issues prevail and hinder the process, the enlightened community members (e.g., village leaders or social workers) can play an active role to resolve them.

As the findings point out, communities should also be aware of the communication with corporate or partner NPOs and the challenges they might pose. The historic structural and institutional factors in developing countries often make community participation in the decision-making process of CCI extremely difficult. As a result, it is not unlikely that even genuine CCI initiatives revolving round communities' needs and expectations are still perceived as public relations stunts by members of the local communities (Idemudia and Ite, 2006). While it entails a conscious business effort to demonstrate to the communities that the company is doing all within its power to meet their expectations, communities need to move away from scepticism and maximise the benefit of CCI projects by engaging in constructive two-way communication mode. As far as CICBO is concerned, the roles of communities range from influencing the design of CICBO (see sub-section 7.2.1), as well as its implementation (see sub-section 7.2.2) and monitoring and evaluation (see sub-section 7.2.3). Again, the role of enlightened community members is crucial in helping the company to design the most appropriate solution considering community culture (e.g., lack of human capabilities, skills, literacy) or local context (e.g. low natural resource endowment, disperse topography). NPOs, who often act as the interface between the company and community, might lack the technical expertise required to provide appropriate support, especially when the goal is community empowerment (as seen in the case of Dairy Development Project). Communities need to be aware of the desirable outcomes of the CCI project, so that they can identify such unintended event when

it happens, propagate the information through the feedback mechanism, and therefore participate meaningfully to the successful delivery of the project.

8.5 Limitations and Implications for Future Research

This study has developed an analytical framework for holistic examination of antecedents, process and multifaceted consequences of corporate-community relationship. The framework considers that various external and internal factors constrain or facilitate corporate motives for engaging with community in a particular way; that CCI actors' actions and interactions occur and evolve within this situated context through which the new CCI modes emerge; and that a CCI mode can accomplish what is primarily intended by the company but it can also have both immediate and long-term effects on the field that fall outside the scope of the CCI project. The study has applied the framework to explore the phenomenon of CICBO and provided a theoretical model of drivers and motives, process and consequences of such an emerging CCI mode. This study may provide different insights if any of the framework components are examined and interpreted in isolation. As revealed in the literature review of CCI in chapter two, the majority of the studies focus on linking CCI with firm's social performance or focus on particular constructs such as CCI motives, mode of governance, and so on. What distinguishes this study from others is the holistic exploration of a CCI mode that explains the conceptual connections between these constructs. The findings of each case are situated within very specific contexts that may or may not be applicable to other such cases. I hope the interesting and important insights gained from focusing on two particular examples of CICBO in such detail will provide a theoretical basis for future researchers to explore similar community engagement practices in the locations of their interest.

My choice of institutional work lens has potential limitations. While an institutional lens is helpful to explore the company's interaction with its environment guiding corporate social actions, it can overlook other important influences on CCI practices. This study could have deployed an additional theoretical lens under the umbrella lens of institutional work that might have, for example, focused on power dynamics or resource dependencies and revealed more important insights on the emergence of new CCI modes. Further, my study

has focused on organization-level thinking and behaving towards a social problem. But it has excluded individual human-level analysis altogether, which is often considered important for those researching managerial perspectives on CCI. Such analysis incorporating the managerial perspective on CCI may provide a more dense description of micro-processes that take place within the organization. Such research would be useful to develop understanding of internal interactions and negotiations, and especially for leaders within the organization who design and implement such a CCI mode. Future CCI researchers can look at these issues while designing the framework of their research.

There are some methodological limitations with this study, which I have discussed in detail in chapter four. The data generation process is limited by, for example, resource and time constraints to conduct the field visits, restriction to access the project site and lack of systematic documentation of the projects. I attempted to offset these shortcomings by integrating a variety of perspectives and utilizing multiple sources of data generation. Another limitation is related to the study of projects that are 'mid-flow', where the project outcomes are uncertain and incomplete. Engaging in studies to analyse the projects that are not yet 'complete' or 'over' has the potential pitfall of providing a limited view on accomplishments or failures of the institutional work. Future research can bank on the retrospective accounts of these cases to re-evaluate the consequences. On the other hand, my research relies heavily on the 'lived experience' of the participants and the challenges they faced in real time, and therefore captures the efforts and intentions of social actors in a way that might not be possible from examining only archives in the retrospective studies.

The choice of qualitative approach, and specifically the case study method, has inherent limitations. The findings of each case are situated within very specific contexts that may or may not be applicable to other CCI modes or even the CICBO mode in different institutional settings. Other methods, for example, a quantitative study of the CICBO mode implemented in multiple settings, may have highlighted different dynamics and identified other salient factors and important institutional works. Future research can focus on the experiences of other companies operational in different industries or countries facing diverse socio-cultural contexts. Accounting for diverse contexts would throw up interesting insights

which are valuable for further theory building as well as for practice. For example, moving away from my findings where companies embark on CICBO from multiple strategic motives, it will be interesting to explore whether companies engage in such empowerment-focused and complex CCI practices from pure altruistic reasons or compliance requirement alone. Likewise, researchers can also focus on the alternative mode of governance (e.g., in-house structure or outsourcing) to implement such practices as opposed to collaboration with expert organizations. This may open another related avenue for research, the degree of institutionalization of the CICBO mode within the company. Another interesting research area would be to investigate how empowerment-inducing practices interact with other existing modes within the company. My findings suggest that new CCI modes are influenced by those in the past and therefore can act as drivers for future modes to emerge (Muthuri et al., 2009; Seitanidi and Ryan, 2007). It is also observed that previous CCI modes continue to exist as new modes are created. However, a mode like CICBO, which focuses on reducing community dependence, ideally counteracts the need for other CCI modes in the long run and should have potential implications on the existence of other CCI modes. In a related note, the thesis also advocates a powerful avenue for CCI research - that is incorporating the concepts from community development literature to strengthen our understanding of hitherto neglected issues of sustainability and community empowerment in CCI discourse.

This study has presented a valuable theoretical lens to advance the process-oriented perspective on CCI. Although the study has described the processes particularly associated with the emergence of CCI modes, the analytical framework is similarly applicable for studying maintenance, diffusion or disruption of CCI practices. In the end, I hope this study encourages other researchers to explore and explain changes in an organization's community engagement practices, be it an innovation or disruption of an existing one - in terms of the events and activities that precede the changes, the actions of various social actors, not just the company, and interactions among them that are required to make those changes happen, and to consider the generative effects of those changes.

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Appendices

Appendix 1: Materials Consulted in the Case Studies

Appendix 1.1 Project Rupantar

Oil India Limited:	
Corporate Social Responsibility Policy	Undated
Sustainability Development Policy	Undated
Annual Report	2003-04 to 2013-14
Global Compact Report	2010
Corporate Social Responsibility – The OIL Way (booklet)	Undated
RUPANTAR - Exploring possibilities (coffee-table book)	2011
Looking Beyond Business (booklet)	Undated
SYNERGY - The Excellent Platform (annual magazine)	Vol.7, 2012
OIL News (periodic bulletin)	Vol.35, No.8, 2006 Vol.39, No.2, 2011 Vol.39, No.6, 2012
SIRD:	
Annual Report	2006-7
Performance Report	2007-8, 2011-12
Self-Help Group Guidelines	2011
Guidelines for Corporate Social Responsibility for Central Public Sector Enterprises	2010, 2013
Assam Human Development Report	2003
Rediff Business Report	22 January, 2001 27 August, 2001

Appendix 1.2 Materials Consulted in Dairy Development Project

Cairn Energy PLC:	
Corporate Social Responsibility Policy	2002
Heath, Safety and Environment Policy	2002
Corporate Responsibility Report	2003 to 2007
Social Baseline Study Report around oil fields in districts of Barmer and Jalore in Rajasthan	September, 2004
Summary of Proposed Investment (Phase I)	September, 2006
Cairn India Limited:	
Environmental and Social Review Summary (Phase II)	March, 2008
Corporate Responsibility Management System	January, 2008
Corporate Social Responsibility Policy	2008, 2015
Annual Report	2009-10, 2010-11, 2011-12
Sustainability Report	2013-14
Corporate Brochure	2014
Rajasthan CSR Projects: M&E Report	31 December, 2012
Bhagyam and Aishwariya Field Development Report- External Compliance Monitoring Group	2010
Striding Ahead (CSR magazine)	2011, January, 2012; June,
Furthering Corporate Social Responsibility Through: Core Business – The Cairn Way (booklet)	2012 Undated
Administrative Agreement with IFC	
Environmental Clearance Compliance Report	April, 2007 2014
DDP:	
Progress Report	2011
Annual Report	2011
Evaluation Report- Kaarak Enterprise Development Services	2012
M&E Report	2013
Extension Proposal	Undated
SURE:	
Annual Report	2007-08, 2008-09
Individual Cattle Loan Case Study- DDP	Undated
MKD Case Study- DDP	Undated
IFC:	
Performance Standards on Environmental and Social Sustainability	2006, 2012
Enterprise Centre Evaluation Report: End Term review (Cairn-IFC Linkage Programme)	2012
Model Production Sharing Contract – Ministry of Petroleum and Natural Gas, Government of India	2007
National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business	July, 2011
Rajasthan Human Development Report	2002

Appendix 2: Interviews and Focus Group Discussions Guides

Appendix 2.1: Interview/FGD Guides for the Companies

(General Information about the participant and organization)

1. How does your organisation define community?
2. Why does your organisation engage with the community?
3. How does your organisation select and prioritize CCI projects? Please tell me about the key CCI activities in your organization, particularly in Barmer/Upper Assam.
4. Why did your organization initiate Project Rupantar/DDP?
5. Why do you need to collaborate with non-profit organizations?
6. What are the key responsibilities of the collaborating organization?
7. Do you face any challenges while dealing with the collaborating organization?
8. How was the project designed and implemented?
9. Who are the other key actors/stakeholders of this project?
10. What are their roles and responsibilities in the project?
11. Why do these actors participated in the project?
12. What are the key challenges to deal with these stakeholders?
13. How do they benefit?
14. How does your organisation monitor and measure the progress and outcomes of the project?
15. What are the key challenges or learning of the project?
16. How does your organisation overcome these challenges/limitations?
17. What are the benefits of this project?
18. What are the future plans of the project?
19. Have you done similar projects in the past? In other geographic locations?
20. Are you planning to do similar projects in the future? If yes, Why?

Appendix 2.2: Interview Guides for the Collaborating Organization

(General Information about your organisation, e.g. key milestones, projects)

1. How did you/your organization come to know about the project?
2. Why did you collaborate with the project?
3. Do you have experiences of similar projects? Please tell me about experience?
4. What are the key responsibilities of your organization with regards to the project?
5. What types/forms of assistance or resources is given to the target community through this project?
6. What are the key challenges faced during various stages of the project?
7. How these challenges were mitigated?
8. What are the key benefits of such collaboration for your organisation?
9. Who are the other actors/stakeholders associated with the project?
10. What are their roles and responsibilities?
11. Who is the most difficult stakeholder to manage and why?
12. What are the key benefits for SHGs? And the wider community?
13. How does your organisation monitor and measure the progress of the project?

14. What are the key challenges faced by these SHGs? Please share your experience.
15. How does your organisation or the project respond to these challenges?
16. What are the future plans of the project?
17. Are you implementing similar projects in the locality?

Appendix 2.3: Interview/FGD Guides for the Community

(General information about the group, e.g. size, age of the group, governance)

1. When did you come to know about the project?
2. How did you come to know about the project?
3. Why did you join the project?
4. How did you form the group?
5. What types of assistance and resources are provided by the project?
6. What are the key activities of your group?
7. What are the key challenges faced by you during various stages?
8. How did you overcome those challenges?
9. Who are the other actors associated with the project?
10. Do you establish and/or maintain relationship with other organizations (e.g. market actors, service providers)?
11. How do you feel about the benefits of the project?
12. What are your future plans?

Appendix 2.4: Interview Guides for Other Actors

(General information about the individual/organization)

1. Why did you/your organization engage with the project?
2. What are the key activities you/your organization undertake?
3. Do you face any challenge while undertaking those activities?
4. How do you/your organization overcome those challenges?
5. How do you/your organization benefit from the project?
6. How does other stakeholders benefit from the project?
7. Are you/your organization engaged in similar projects with other companies or organizations?

Appendix 3: Interviews and Focus Group Discussion (FGD) Conducted in the Case Study of Project Rupantar

[Oil India Limited – O; Project participants - PP; PRI Members – PM; Non-Participating Community – NPC; Collaborating Organization - CO; Bank Managers – BM; Facilitators – FA; Service Providers – SP]

Appendix 3.1: Interview and FGD Schedule of the Company

Code	Participants (Designation)	Number	Date
O1	Chief Resident Executive	1	August 23, 2012
O2	Head of CSR	1	
O3	CSR Manager	1	August 20-24, 2012 January 08, 2013
FGD-O1	PR Department, Project Rupantar team and other concerned departments	8	August 21, 2012

Appendix 3.2: Interview and FGD Schedule of the Community (Project Participants)

Code	Name of the SHGs	Type	Number	Date
O-PP1	Astha	Eco Hatchery	1	August 24, 2012
O-PP2	Joyoti	Nursery & Compost	1	
O-PP3	Seuch Prokolpo	Agriculture	2	
O-PP4	Kapili	Piggery and Fishery	1	
O-PP5	BR JLG	Small business	2	
O-FGD-PP1	Deepjyoti, Asha, Lika-Lina and Prerona	Handicraft	10	August 20, 2012
O-FGD-PP2	Pubali and Srishti	Handicraft	8	
O-FGD-PP3	Mili Jhuli	Handicraft	5	

Appendix 3.2: Interview Schedule of the Community (Non-Project Participants)

Code	Participants	Number	Date
O-NPC	Community	8	August 22-24, 2012

Appendix 3.5: Interview Schedule of the Collaborating Organization

Code	Participants	Organization	Date
O-CO1	Project Manager (Rupantar)	SIRD, Assam	August 24, 2012 January 10, 2013
O-CO2	Assistant Project Manager (Rupantar)		August 24, 2012

Appendix 3.6: Interview Schedule of Other Actors

Code	Participants	Number	Date
O-PM	PRI Members	2	August 22, 2012
O-BM	Banks Managers	2	
O-FA	Facilitators	2	August 24, 2012
O-SP	Service Providers	2	

Appendix 4: Interviews Conducted in the Case Study of Dairy Development Project

[Cairn India Limited – C; Project Participants – PP; Collaborating Organization – CO; PRI Members – PM; Bank Managers – BM; Service Providers – SP]

Appendix 4.1: Category One: Company

Code	Participant (Designation)	Department	Date
C1	Head, Corporate Affairs & Communication	CSR and Corporate Communication Department	August 06, 2012
C2	General Manager		August 03, 2012
C3	CSR Manager		August 07, 2012
C4	Assistant Manager – CSR		August 03, 2012
C5	Senior Manager – CSR		August 03, 2012
C6	Management Trainee – CSR		August 02, 2012
C7	CSR Consultant		
C8	CSR Consultant		August 08, 2012
C9	CSR Consultant, Barmer		August 03, 2012
C10	Department Head	Pipeline and Land Acquisition	August 06, 2012
C11	General Manager	Environment & Sustainability Department	August 06, 2012
C12	Deputy General Manager	Governance	August 06, 2012
C13	Senior Manager	Business Transformation Group	August 03, 2012

Appendix 4.2: Category Two: Community (Project Participants)

Code	Participant	Number	Date
C-PP[1-7]	SHG Members	7	August 7-8, 2012 February 5-7, 2013

Appendix 4.3 Category Three: Collaborating Organization

Code	Participant	Designation	Date
C-CO	DDP Project Manager	CEO, SURE	August 07, 2012

Appendix 4.4: Category Four: Other Actors

Code	Participants	Number	Date
C-PM	PRI Members	2	August 02, 2012
C-BM	Bank Managers	1	
C-SP	Service Providers	2	August 24, 2012 February 04, 2013

Appendix 5: **A Model Production Sharing Contract** (Key Excerpts)

ARTICLE 22

EMPLOYMENT, TRAINING AND TRANSFER OF TECHNOLOGY

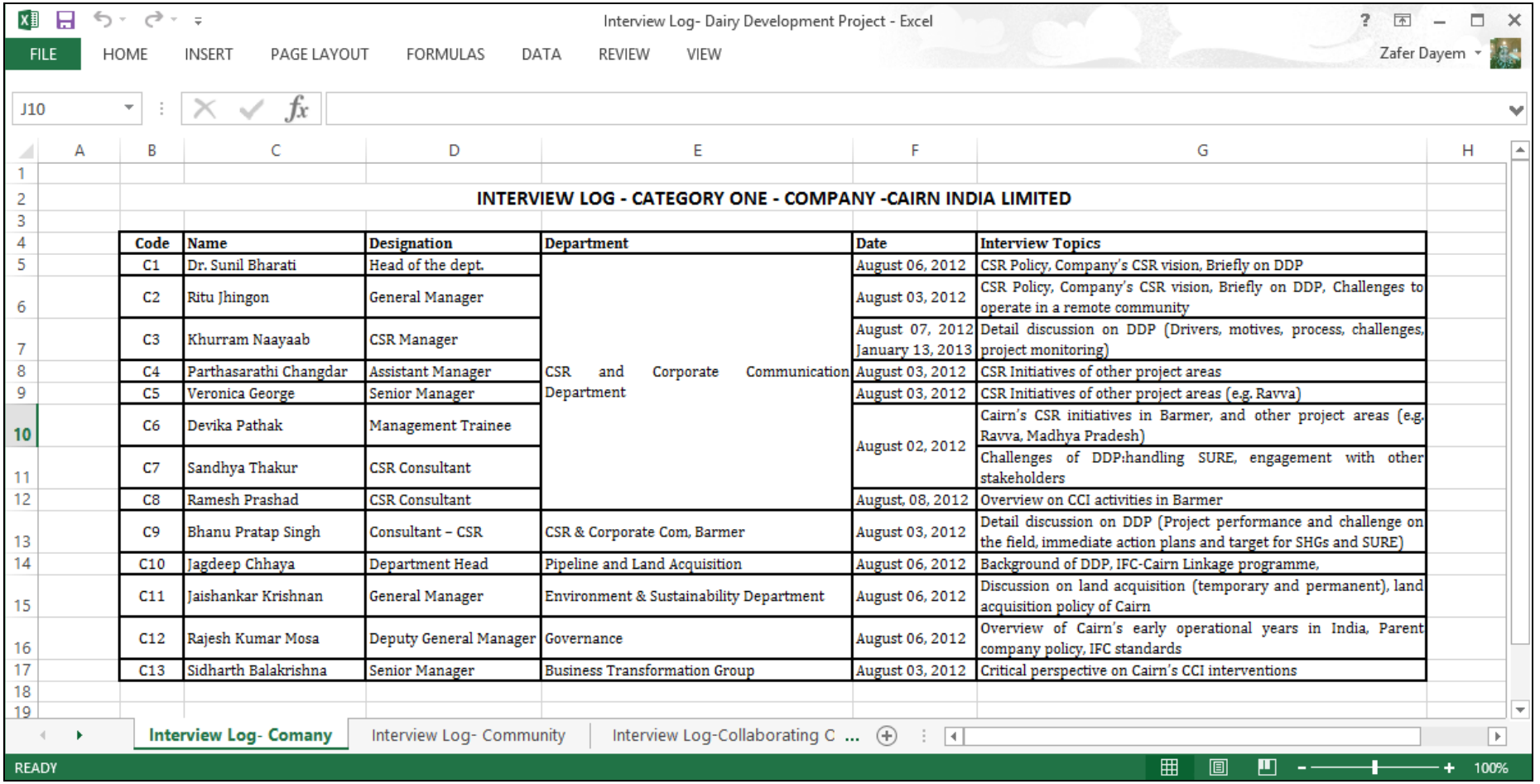
22.1 Without prejudice to the right of the Contractor to select and employ such number of personnel as, in the opinion of the Contractor, are required for carrying out Petroleum Operations in a safe, cost effective and efficient manner, the Contractor shall, to the maximum extent possible, employ, and require the Operator and Subcontractors to employ, citizens of India having appropriate qualifications and experience, taking into account experience required in the level and nature of the Petroleum Operations.

22.2 The Operator shall offer a mutually agreed number of Indian nationals the opportunity for on-the-job training and practical experience in Petroleum Operations during the Exploration Period. Not later than six (6) months after approval of the Development Plan, the Operator shall, in consultation with the Government, establish and implement training programmes for staff positions in each phase and level of Petroleum Operations including skilled, technical, executive and management positions, with a view to ensuring employment of nationals of India and gradual and progressive reduction of foreign personnel.

22.3 At the request of the Government, the Foreign Companies shall separately endeavour to negotiate, in good faith, technical assistance agreements with the Government or a company nominated by Government for this purpose setting forth the terms by which each Foreign Company constituting the Contractor may render technical assistance and make available commercially proven technical information of a proprietary nature for use in India by the Government or the company nominated by Government. The issues to be addressed in negotiating such technical assistance agreements shall include, but not be limited to, licensing issues, royalty conditions, confidentiality restrictions, liabilities, costs and method of payment.

Source: http://www.eisourcebook.org/cms/Indian%20Production%20Sharing%20Contract.pdf

Appendix 6: A Sample Interview Log - Cairn India Limited (prepared on Excel spreadsheet)



Interview Log- Dairy Development Project - Excel

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW Zafer Dayem

J10

INTERVIEW LOG - CATEGORY ONE - COMPANY -CAIRN INDIA LIMITED

Code	Name	Designation	Department	Date	Interview Topics
C1	Dr. Sunil Bharati	Head of the dept.	CSR and Corporate Communication Department	August 06, 2012	CSR Policy, Company's CSR vision, Briefly on DDP
C2	Ritu Jhingon	General Manager		August 03, 2012	CSR Policy, Company's CSR vision, Briefly on DDP, Challenges to operate in a remote community
C3	Khurram Naayaab	CSR Manager		August 07, 2012 January 13, 2013	Detail discussion on DDP (Drivers, motives, process, challenges, project monitoring)
C4	Parthasarathi Changdar	Assistant Manager		August 03, 2012	CSR Initiatives of other project areas
C5	Veronica George	Senior Manager		August 03, 2012	CSR Initiatives of other project areas (e.g. Ravva)
C6	Devika Pathak	Management Trainee		August 02, 2012	Cairn's CSR initiatives in Barmer, and other project areas (e.g. Ravva, Madhya Pradesh)
C7	Sandhya Thakur	CSR Consultant			Challenges of DDP:handling SURE, engagement with other stakeholders
C8	Ramesh Prashad	CSR Consultant		August, 08, 2012	Overview on CCI activities in Barmer
C9	Bhanu Pratap Singh	Consultant – CSR	CSR & Corporate Com, Barmer	August 03, 2012	Detail discussion on DDP (Project performance and challenge on the field, immediate action plans and target for SHGs and SURE)
C10	Jagdeep Chhaya	Department Head	Pipeline and Land Acquisition	August 06, 2012	Background of DDP, IFC-Cairn Linkage programme,
C11	Jaishankar Krishnan	General Manager	Environment & Sustainability Department	August 06, 2012	Discussion on land acquisition (temporary and permanent), land acquisition policy of Cairn
C12	Rajesh Kumar Mosa	Deputy General Manager	Governance	August 06, 2012	Overview of Cairn's early operational years in India, Parent company policy, IFC standards
C13	Sidharth Balakrishna	Senior Manager	Business Transformation Group	August 03, 2012	Critical perspective on Cairn's CCI interventions

Interview Log- Comany | Interview Log- Community | Interview Log-Collaborating C ...

READY 100%

Appendix 7: An Example of Data Analysis - Enabling Conditions of Dairy Development Project

Representative Data (Quotes/Evidences)	Code	Category	Theme
"*The year 2002 marked an important milestone for Cairn UK in terms of developing the CSR policy, becoming an FTSE4Good company and benchmarking the CSR performance through participating in the Business in the Community Corporate Responsibility Index (CRI). Cairn made attempts to maintain international CSR standards in the Indian subcontinent but also recognized importance of local context-specific CCI activities to match the aggressive growth plans in India and huge community expectation.*" *"Cairn Energy PLC was registered in London Stock Exchange. Since inception, the company followed high international standards that guided its social responsibility towards key stakeholders. … Even form health and safety aspects, HSE guidelines use to command our CSR umbrella whether dealing with employee welfare or land acquisition. It is driven by the international standards. As a new company, Cairn was ready to undertake whatever is necessary to gain the social license to operate." (C12)* *"We recognise the potential impact of our business on the societies and the environment in which we operate. As our activities and operating environments expand and become more complex, the key challenge is to maintain effective management processes and controls, and a work force that has the necessary expertise and support to complete the work programmes safely and with minimal community and environmental impacts." (Cairn's Annual Report, 2002)* *"Our CSR policy commits us to maintaining high standards in our business activities. In light of the evolving CSR agenda in the UK and increasing stakeholder expectations, the key challenge going forward is to ensure that our CSR policies and practices meet our business needs while also addressing appropriate stakeholder requirements." (Cairn's Annual Report, 2002)* *"Cairn's early community engagement in Barmer concerned sourcing local labours and vehicles for the exploration work alongside running awareness programs on seismic survey safety requirements, environmental protection measures and sound waste management. Cairn also conducted a social needs assessment in collaboration with SURE to identify community's preferences and expectations from the company." (C3)*	○ Parent company – increasing focus on CSR ○ Parent company - CSR policy development in 2002 ○ Parent company - benchmarking of CSR performance ○ Parent company - Indian subsidiary – stakeholder driven CSR practice – proactive engagement ○ Parent company – tendency to adopt best practice – for business as well as CSR ○ Indian subsidiary – CSR guided by parent company HSE policy ○ Indian subsidiary – minimize environmental impact on community ○ Indian subsidiary – aggressive business plan ○ Indian subsidiary – focus on gaining social legitimacy ○ Indian subsidiary – Recognition for local context-specific CCI activities ○ Indian subsidiary – Social Needs Assessment, 2002 ○ Indian subsidiary – recognition of community expectation ○ Indian subsidiary – philanthropy and industrial paternalism ○ Parent company – Indian subsidiary - adoption of UDHR principles and rights aware approach - managing social risk	Community engagement behaviour inherited from parent company: proactive identification and addressing of community needs as a means to gain social legitimacy and business interest	"Proactive Community Engagement" facilitating development of context-appropriate CCI modes

Appendix 7: An Example of Data Analysis - Enabling Conditions of Dairy Development Project (Cont.)

Representative Data (Quotes/Evidences)	Code	Category	Theme
"Being an oil and gas company we are not the experts in CSR. In the business, we go with the best practices and we follow the same rules for CCI projects. We adopt the same thought process to make decisions of the CSR. Not branding but the case of believing that the best will guide the way." (C3) *"Cairn is committed to developing an organisational culture which implements a policy of support for internationally recognised human rights and seeks to ensure non-complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights (UDHR) and seek to apply its principles within 'our sphere of influence' and activities. We apply a 'rights aware approach' in identifying any human rights at issue in our activities, assessing where the issue occurs within the spheres of influence of our business, and defining action to be taken by the business to address them." (Cairn Business Principles, p.7)* *"Community has own needs and expectations which must be reflected in the CSR policy. But Community expectations vary depending on how long we are operational in the areas. For instance, the community in Barmer, where Cairn is operating for last 15 years, is significantly different from the areas where we are at the exploration stage. Cairn believes in proactive stakeholder engagement and the same reflects in our CSR policy."* *"Probably industry standards influenced us to some extent, however, the CSR regulations in India are voluntary for foreign or private companies." (C4)* *CCI regulatory environment still at the nascent stage in India. There is no strict regulation or policy that imposes sustainable CCI practices or works in favour of community's interest. (C5)* *"The first voluntary CSR guideline for private sector companies are drafted in 2009 and revised in 2010. However, overall the CCI trend is shifting towards engaging in mainstream development concerns." (C3)* *"Cairn PLC did not venture into remote places like Cairn India. IFC standards were far more influential in developing part of the world and guided Cairn to develop a context appropriate CSR policy based on local demands. Before IFC, there was not too much concept of social compliance. These standards helped us to develop ours. However, the new CSR policy was customised to meet the local needs. PLC learnt a lot." (C3)* *"In terms of rehabilitation of locals, IFC requirements and their standards were more demanding that law of the land (land acquisition act). We took IFC's recommendations on board and implemented those standards in our operational areas."(C4)*	○ Indian subsidiary - affiliation with IFC as investor of Rajasthan Block ○ Selection of IFC – previous experience of working for community in developing countries ○ Indian subsidiary - compliance to IFC Performance Standards ○ IFC standard – more demanding than existing regulatory environment ○ IFC standard – rehabilitation of land contributors - sustainability ○ Parent company – Indian subsidiary – IFC standard incorporated in group CSR policy	Proactive compliance to IFC guidelines: focus on addressing critical local community issues	"Proactive Community Engagement" facilitating development of context-appropriate CCI modes
	○ India – CSR – foreign and private companies – voluntary ○ India – CSR – no regulatory pressure for community development ○ India – CSR – local companies increasingly engaging in mainstream development concerns	Contemporary CSR/CCI trend in India: voluntary but community development focused	