

CSR Stakeholder Dialogue in Web 2.0: a Case Study

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Objective of the Study

The objective of this thesis is to examine CSR stakeholder dialogue in Web 2.0 and identify essential factors for mutually beneficial stakeholder dialogue processes. Through a thorough investigation on the phenomenon, the study aims to evaluate stakeholder dialogue as a component of corporate social responsibility (CSR) and examine, whether conflict-based stakeholder dialogue enhances organizational learning. Furthermore, Web 2.0 technologies as instruments for CSR stakeholder dialogue are contrasted with the conventional dialogue channels. Specifically, the goal of this research is to understand both manager and stakeholder expectations and experiences on CSR stakeholder dialogue, as well as how Web 2.0 technologies are used to facilitate discourse between stakeholders and managers.

Theory and Methodology

The former literature did not provide an individual framework through which the phenomenon could have been explored. Hence, the central concepts of this study were adopted from a variety of sources. However, the theory is mainly defined by Deetz's (2007) work, which implies that conflict discloses diverse views, which enhances creativity and learning, and thereby, fulfills diverse goals.

Four themes relevant to Web 2.0 based CSR stakeholder dialogue were identified – managerial approach, conflict management, organizational learning and Web 2.0. The themes were refined into four thesis statements, which were tested through the empirical case study of this research. The case study focused on dialogue between Talvivaara Mining Plc. and its stakeholders, specifically in Paikanpäällä.fi blog. The case study consisted of eight interviews, three with Talvivaara's managers and five with Talvivaara's stakeholders.

Findings and Conclusion

The findings of this study mostly conform the previous findings on the subject, but also introduce new additions to the existing literature. Particularly, the findings indicate that managers lack sufficient skills, models and resources for using managerial tools for mutually beneficial stakeholder dialogue. Furthermore, it is suggested that conflict can only lead to mutually fulfilling outcomes, if managers and stakeholders are committed to proactive, open and learning-oriented dialogue. It is also argued, that active and multi-way CSR stakeholder dialogue has the potential of providing means for organizational learning. Finally, it is indicated that Web 2.0 technologies are an essential part of extensive and learning-oriented CSR stakeholder dialogue.

Keywords corporate social responsibility, stakeholder dialogue, Web 2.0, CSR 2.0, multi-way dialogue, conflict management, organizational learning, interaction, stakeholder theory, Talvivaara

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Työn nimiYhteiskuntavastuullinen sidosryhmädialogi vuorovaikutteisessa verkossa: tapaustutkimus.

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Tutkimuksen tavoitteet

Tämän tutkimuksen tavoite on tarkastella yhteiskuntavastuullista sidosryhmädialogia vuorovaikutteisessa verkossa (Web 2.0) ja tunnistaa ne elementit, jotka ovat oleellisia molemminpuolisesti hyödyllisessä sidosryhmädialogissa. Tutkielmassa pyritään arvioimaan sidosryhmädialogia osana yritysten yhteiskuntavastuuta sekä selvittämään, edistävätkö sidosryhmädialogiin liittyvät konfliktit organisaation oppimista. Lopputyössä vertaillaan myös Web 2.0-teknologiaa suhteessa perinteisiin sidosryhmädialogin kanaviin. Tutkimuskysymysten kautta pyritään ymmärtämään sekä johtajien että sidosryhmien odotuksia ja kokemuksia suhteessa yhteiskuntavastuulliseen sidosryhmädialogiin, sekä käsittämään Web 2.0 työkalujen käyttö osana dialogia.

Teoria ja tutkimusmenetelmät

Aiemmasta aihetta käsittelevästä kirjallisuudesta ei löytynyt yksittäistä viitekehystä kattamaan ilmiötä. Näin ollen, keskeiset konseptit tätä tutkielmaa varten valikoitiin eri lähteistä. Teorian määritteli pääasiassa Deetzin (2007) työ, joka osoittaa, että konflikti avaa useita näkökulmia ja siten edistää luovuutta ja oppimista – ja tätä kautta täyttää useita tavoitteita.

Yhteiskuntavastuullisen verkkodialogin kannalta tärkeimmät teemat määritettiin seuraaviksi: johdon lähestymistapa, konfliktijohtaminen, organisaation oppiminen ja Web 2.0. Teemat jalostettiin neljäksi väittämäksi, jotka testattiin empiirisen tapaustutkimuksen kautta. Tapaustutkimus keskittyi Talvivaaran Kaivososakeyhtiö Oyj:n ja tämän sidosryhmien väliseen dialogiin erityisesti Paikanpäällä.fi blogissa. Tapaustutkimus käsitti kahdeksan haastattelua, kolme Talvivaaran johtajien ja viisi Talvivaaran sidosryhmien kanssa.

Tutkimuksen tulokset ja johtopäätökset

Tutkimuksen tulokset enimmäkseen myötäilevät aiempia aihealueen löydöksiä, mutta esittävät myös uusia näkökulmia kirjallisuuteen. Tulokset ilmaisevat, että yleisesti johtamistaidot, -mallit ja resurssit eivät ole riittäviä työkalujen hyödyntämiseen molemminpuolisesti tyydyttävään sidosryhmädialogiin. Lisäksi tulokset vihjaavat että konflikti voi tuottaa molemminpuolisesti suotuisia tuloksia ainoastaan, jos johtajat ja sidosryhmät ovat sitoutuneita ennakoivaan, avoimeen ja oppimiseen tähtäävään dialogiin. Johtopäätökset osoittavat myös, että aktiivinen ja monisuuntainen yhteiskuntavastuudialogi voi tarjota alustan organisaation oppimiselle. Lopuksi myös todetaan, että Web 2.0 teknologiat ovat oleellinen osa laajamittaista, oppimissuuntautunutta ja yhteiskuntavastuullista sidosryhmädialogia.

Avainsanat yritysten yhteiskuntavastuu, sidosryhmädialogi, Web 2.0, monisuuntainen dialogi, konfliktijohtaminen, organisaation oppiminen, vuorovaikutus, sidosryhmäteoria, Talvivaara

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1. INTRODUCTION

1.1. Background of the Study

Corporate Social Responsibility (CSR) has set its foot on the international business agenda in the past two decades. The rise of social, environmental and economic concerns are globally calling for new ways of conducting organizational operations (Elkington 1997). Not only are lawmakers and regulators pushing companies towards addressing diverse environmental and social concerns in their activities: other groups, such as local communities, customers and investors are also expecting for business to deliver sustainable outcomes (Donaldson & Preston 1995, Elkington, 1997, O’Riordan & Fairbrass 2008).

As recognition of this diversity within the business sphere, the terms stakeholder, stakeholder management, stakeholder model and stakeholder theory have gained central significance as managerial concepts and academic subjects over the past three decades (Donaldson & Preson 1995). According to O’Riordan and Fairbrass (2008), an important part in addressing the requirements of corporate social responsibility (CSR) is the ability of companies to effectively engage with stakeholder groups.

The significance of stakeholders in relation to business management is justified in a very broad sense in academic literature. Donaldson and Preston (1995) argue that stakeholders are of managerial interest for business because of their intrinsic value – not merely because of their ability to further business interests. However, recently many academics (e.g. Deetz 2007, Elkington 1997, Fieseler et al. 2009, Waddock & McIntosh 2011) have indicated that it is exactly the business interests that have encouraged company managers to invest in stakeholder management. According to them, companies can gain effective results by conducting stakeholder dialogue, which can be used as a source for integrated CSR. Deetz (2007) and Elkington (1997) claim that stakeholder dialogue can increase operational efficiency, stakeholder commitment, employee morale, creativity, product and service customization, innovation, and hence, create competitive advantage.

O’Riordan and Fairbrass (2008) denote that especially industries which face criticism, scandals and active stakeholder attention regularly should place high

managerial importance upon stakeholder communication. They argue that business managers should deliberately consider which tools and practices to choose as means for effective CSR and, as an essential part of socially responsible behavior, how to manage stakeholder interests. In CSR engagement, companies are increasingly expected to collaborate directly with their stakeholders. One form of the engagement is stakeholder dialogue, through which companies can discuss and debate their responsibility behavior in economic, social and environmental terms. (O’Riordan & Fairbrass 2008)

Several Corporate Governance models, initiatives and tools have been developed as means for conducting stakeholder dialogue. However, e.g. Deetz (2007), Donaldson and Preston (1995) and O’Riordan and Fairbrass (2008) claim that conventional models for stakeholder dialogue are ineffective in addressing stakeholder values extensively. Consequently, there is an inevitable need for new, more effective and engaging stakeholder dialogue models (e.g. Deetz 2007, O’Riordan & Fairbrass 2008). According to Deetz (2007), communication settings where conflict is accepted encourage the most creative and mutually fulfilling outcomes. In such process, managers should take a role in coordinating diverse values, ensuring that hierarchies are low as well as encourage open and transparent decision-making. (Deetz 2007)

Recently, along with the emergence of interactive web technologies referred to as Web 2.0, companies have started to increasingly exploit web-based tools for stakeholder dialogue (Jones et al. 2009). Examples of interactive web technologies include social media, blogging, podcasting, RSS, webinars, wikis, microblogging and tagging. (Baue & Murningham 2011)

According to Visser (2011) interactive web technologies can provide a good basis for carrying out stakeholder dialogue. However, little research has been conducted on how companies and stakeholders perceive online communication platforms as facilitators of stakeholder dialogue. Moreover, although many studies (e.g. Fieseler et. al 2009; Waddock & Mcintosh 2011) address the potential of Web 2.0 as a facilitator for stakeholder dialogue, they lack perspective on how effective online communication platforms actually are as CSR tools.

Not only is the research on online dialogue taking its first steps, but also current stakeholder dialogue models are inadequate in offering practical guidelines for CSR

strategists (O’Riordan & Fairbrass 2008). This research aims to fill some of the gaps in previous research by examining the stakeholder dialogue process through a case study of a Finnish mining company, Talvivaara Mining Company Plc. Specifically, the study focuses on dialogue in Talvivaara’s blog *Paikanpäällä.fi*, which is dedicated for local communities in the region of Kainuu, Finland.

1.2. Research Objectives and Research Questions

The objective of this thesis is to examine CSR stakeholder dialogue in Web 2.0 and identify essential factors for mutually successful stakeholder dialogue processes. Through a thorough investigation on the phenomenon, the study aims to evaluate stakeholder dialogue as a component of CSR and examine, whether conflicts enhance organizational learning as an outcome of stakeholder dialogue. Furthermore, Web 2.0 technologies as instruments for CSR stakeholder dialogue are contrasted with conventional dialogue channels. Specifically, the goal of this research is to understand both manager and stakeholder expectations and experiences on CSR stakeholder dialogue, as well as how Web 2.0 technologies are used to facilitate discourse between stakeholders and managers.

The study focuses centrally in conflict-based dialogue: according to Deetz (2007), conflicts enhance effective stakeholder dialogue. This research aims to investigate whether Web 2.0 can provide a basis for mutually beneficial stakeholder dialogue.

In the current thesis, the terms “effective” and “successful” in relation to stakeholder dialogue refer to processes, where stakeholder dialogue yields outcomes that are mutually beneficial for both companies and their stakeholders.

The study outlines previous findings of stakeholder dialogue models and aims to identify characteristics of mutually beneficial stakeholder dialogue processes. The theory used for the research is largely based on the works of Deetz (2007), Elkington (1997) and O’Riordan and Fairbrass (2008). In the empirical part of the research, the case company Talvivaara’s and its stakeholders’ expectations towards Web 2.0-based stakeholder dialogue are examined through interviews. Based on analysis and gained results, the thesis is concluded with a summary of main findings on the research

questions.

The study aims to answer two research questions:

- 1) What reasons, expectations and experiences do companies and stakeholders have when participating in stakeholder dialogue?
- 2) How is Web 2.0 used for stakeholder dialogue?

1.3. Outline of the Thesis

After this section's research outline, an overview on the relevant academic research on the subject matter is written out in Literature Review (chapter 2). The chapter is ended by introducing four thesis statements, which are retrieved from the previous research and will be used as basis for the empirical study.

In order to create grounds for the empirical study, the case company Talvivaara Mining Company plc. and the case blog Paikanpäällä.fi will then be introduced. The chapter (3) evaluates the circumstances within which the company operates in relation to CSR stakeholder dialogue practices.

The methodology selected for the empirical part of this study is introduced and justified in chapter 4. The chapter is ended with the evaluation of trustworthiness of the current thesis.

Chapter 5, Findings and Discussion, introduces the main findings retrieved from the case study data. The findings are discussed parallel with previous research findings that were outlined in the literature review. The chapter is divided into four sections, under which the four key themes will be debated. At the end of each section, the thesis statements will be reviewed and potentially revised.

Finally, the thesis is ended with chapter 6, Conclusions. The chapter begins by summarizing the main findings of the research, then moves on to theoretical and managerial implications of the study and lastly, evaluates limitations of the research and gives suggestions for future research.

2. LITERATURE REVIEW

2.1. Corporate Social Responsibility

Certain recent occasions are drastically shaping how our tomorrow is going to look like. The rise of the economic crisis as well as the accelerating global problems such as climate change, pollution, poverty and population growth are hitting the world with a magnitude never experienced before (Waddock & McIntosh 2011). Besides the scale of these problems, the awareness on the issues is also expanding – and the corporate boards are starting to wake up to understand what this means for business. (Elkington 1997)

As a response to the contemporary issues, the idea of sustainable development has been developing over the past few decades. In 1984, the concept set its foot on the international political agenda as The World Commission on Environment and development published the book *Our Common Future*, perhaps better known as the “Brundtland Report”. The report defined sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” (World Commission on Environment and Development 1987, Elkington 1997)

Since the introduction of the concept, sustainability has become an emerging paradigm not only for lawmakers and regulators, but also business. Elkington (1997) argues that business people will increasingly be pressured to adopt the sustainability principle in their agendas. He claims that over the coming decades, the role of nation state will decrease and people globally will live in market economies. This means that the significance of business as ‘an agent of change’ will grow. The pressure comes from the recognition that companies need stable markets, but also from the fact that business has the resources needed to reach the sustainability transition. Other say, companies have the technology, management skills and finance to implement the strategies, which are needed to turn the vision of sustainable future into reality. (Elkington 1997)

In order for companies to perform according to the sustainability agenda, organizations need to challenge the traditional governance models with new

approaches. The broadly recognized concept of “triple bottom line” was first introduced by Elkington (1997). According to Elkington (1997, p. 397), “sustainable development involves the simultaneous pursuit of economic prosperity, environmental quality, and social equity. Companies aiming for sustainability need to perform not against a single, financial bottom line but against the triple bottom line.”

Echoing these ideas, the concept of “corporate social responsibility” (CSR), also known as “corporate responsibility” has been evolving. There are various definitions of CSR, the most cited being by the European Commission (2006): “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

The definition of the European Commission (2006) points out that companies engaging to CSR should address concerns beyond the economic paradigm in their business operations. However, it does not clearly denote the extent to which economic, social and environmental considerations should be penetrated to business. In 2011, the European Commission renewed its definition on CSR into “the responsibility of enterprises for their impacts on society”. As an elaboration to this definition, the European Commission contends that “to fully meet their social responsibility, enterprises should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders”.

The shift in the definition implies that CSR is developing from a broad concept into a more detailed, integrated, stakeholder and process oriented model. Also Deetz (2007) argues that CSR has increased its significance internationally. He claims that organizational failures have led to negative effects on society, environment and economy highlighting the demand for systemic change in management processes. In the following section, the evolution of CSR will be examined through discussing the development of corporate governance models.

2.1.1. Corporate Governance

In order to understand how business activities are linked to triple bottom line performance, it is necessary to understand the importance of corporate governance in the picture. Elkington (1997) suggests that effective corporate governance strategies cultivate companies' human capital but also consider the limitations of individuals in decision-making. He argues, that "the better the system of governance, the greater the chance that we can build towards genuinely sustainable capitalism. The purpose of governance systems is to help companies draw on the constructive vitality of their people, while containing the effects of their inevitable weaknesses. Even the most talented business people cannot sustain the highest quality of decision making forever." (Elkington 1997, p. 285)

Elkington (1997) claims that the existing corporate governance models are increasingly inadequate in responding to the complex needs of the contemporary world. According to him, companies need firm yet flexible models and tools to cope in the complex and unpredictable operating environment. In such conditions, environmental scanning and stakeholder dialogue are increasingly important tools for corporations to master. (Elkington 1997, O'Riordan & Fairbrass 2008)

Also Deetz (2007) points out some of the weaknesses of traditional corporate governance models. He claims that conventional corporate governance structures fail to address values of the society extensively. Furthermore, he argues that decision making in organizations is inevitably value interested rather than just economically sound, but values of those affected by organizational decisions are only partly represented. Society may be significantly affected by organizational decisions, but the decisions are made by a limited group of company stakeholders while the majority's values are omitted. (Deetz 2007)

Deetz (2007) suggests that the failure to address diverse values not only creates systematic and moral distortions in the society but also undermines company performance. When the centrality of quarterly report increases, short-term strategies are favored and hence, the health of companies decreases. This results in long-term consequences to the business and society. Outcomes range from company-specific issues of lack of employee commitment, managerial inefficiency, reputation crisis and R&D rigidity to wider social consequences: neglected labor rights, unfair competition,

bribery, environmental disasters and growing income disparity, and the list goes on. (Deetz 2007)

Governance models have been developed as a response to these problems. Traditional governance models rely heavily on governmental regulation, consumer choices and managerial stewardship to address stakeholder groups' concerns, but these have proven to be inefficient forms of diverse value inclusion (Deetz 2007). According to the United Nations Development Program (UNDP) (1997), 21st century corporate governance models should be participatory with diverse stakeholder perceptions coming to play in corporate decision-making. Figure 1 outlines the features of good governance by UNDP.

Figure 1: Characteristics of Good Governance (UNDP 1997, p. 19)

- Box 1 Characteristics of Good Governance**
- Participatory
 - Sustainable
 - Legitimate and acceptable to the people
 - Transparent
 - Promotes equity and equality
 - Able to develop the resources and methods of governance
 - Promotes gender balance
 - Tolerates and accepts diverse perspectives
 - Able to mobilise resources for social purposes
 - Strengthens indigenous mechanisms
 - Operates by rule of law
 - Efficient and effective in the use of resources
 - Engenders and commands respect and trust
 - Accountable
 - Able to define and take ownership of national solutions
 - Enabling and facilitative
 - Regulatory rather than controlling
 - Able to deal with temporal issues
 - Service-oriented

As demonstrated in Table 1, according to UNDP (1997), good governance should be based on not just the rule of law but also highly stakeholder-specific factors, such as participation, accountability and diversity. Consequently, in order to meet the requirements of good governance, companies are looking for new alternatives from

stakeholder collaboration (Deetz 2007, Elkington 1997, Fieseler et al. 2009, Waddock & McIntosh 2011).

2.2. Stakeholder Theory

As discussed earlier in this study, companies of all types are pressured to take action in order to respond to the problems of the 21st century (Elkington 1997, O’Riordan & Fairbrass 2008). Several initiatives, governance models and programs that constitute the concept of corporate social responsibility have been developed as means for companies to take higher responsibility. However, some academics argue that CSR as we know it has failed to fight the global issues (e.g. Visser 2011). The failures call for the creation of new, more effective and efficient ways to solve the issues of society, environment and economy.

Elkington (1997) suggests that in order to reach the triple bottom line performance, new forms of collaboration between the business and society are needed. Stakeholders have a central role in pushing companies towards the sustainability transition. Elkington (1997, p. 397) defines stakeholders as “anyone who affects or is affected by a company’s operations.” and continues: “The key new perception is that companies need to expand the range of interests considered in any new development from customers, shareholders, management, and employees to such people as suppliers, local communities and pressure groups.”

Elkington’s (1997) definition identifies some of the groups that can be referred to as “stakeholders”. Nevertheless, the definition remains quite vague, as it does not convey the extent to which company operations should affect groups in order for them to be recognized as stakeholders. Similarly to Elkington (1997), many other scholars use the concepts stakeholder, stakeholder management, stakeholder theory and stakeholder model in a very broad sense. Donaldson and Preston (1995) argue that the stakeholder concept has blurred over time, which can be seen in e.g. diverse and contradictory stakeholder definitions. According to them, the stakeholder theory is discussed in management literature from three different aspects: descriptive/empirical, instrumental, and normative. The aspects are interlinked but

also quite distinct, whereby the aspects have different implications for management. (Donaldson & Preston 1995)

To facilitate their thesis of the stakeholder theory, Donaldson and Preston (1995) demonstrate how the conventional input-output model differs from the stakeholder model. Figure 2 and Figure 3 contrast these two models of corporations. In the input-output model, investors, suppliers and employees contribute to a firm, which transforms these inputs into outputs: customer benefits. In the stakeholder model, all groups with legitimate interest to a company participate in as well as benefit from a firm's operations. According to stakeholder analysts, everyone who contributes to a company does so in order to receive benefits: and this idea distinctively separates the two models from one another. (Donaldson & Preston 1995)

The two models are presented below.

Figure 2: Contrasting Models of the Corporation: Input-Output Model (Donaldson, Preston 1995, p. 68)

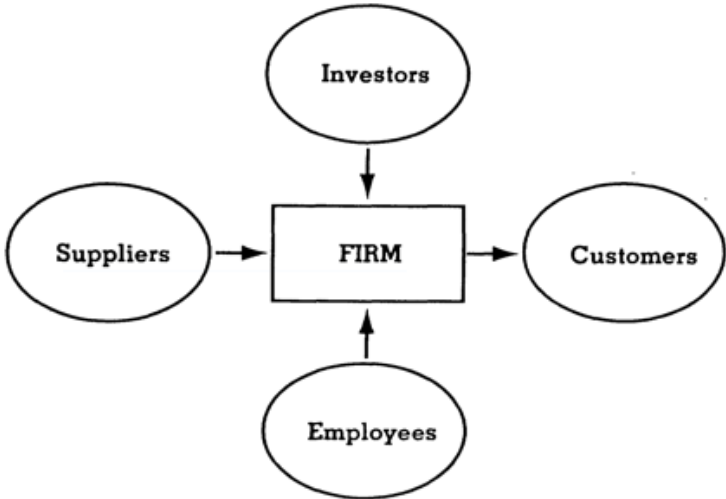
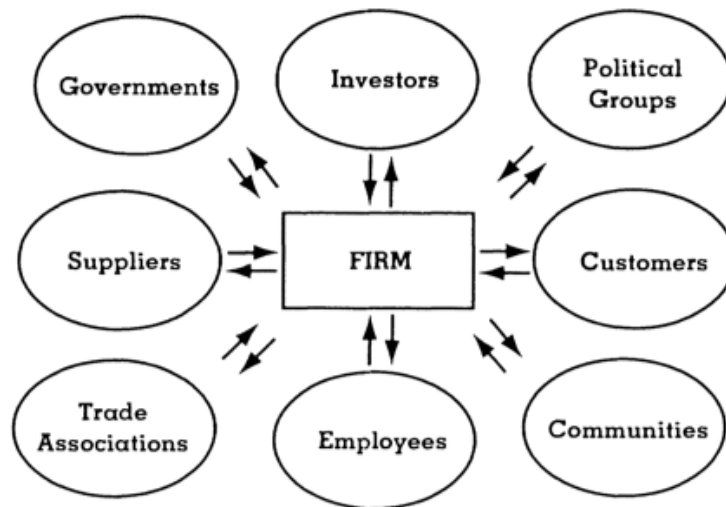


Figure 3: Contrasting Models of the Corporation: The Stakeholder Model (Donaldson, Preston 1995, p. 69)



The stakeholder model by Donaldson and Preston (1995) represents how contributions and benefits flow between a firm and its stakeholders. The model also shares similarities with the concepts of CSR 2.0 and Web 2.0, which are based on the ideas of transparency, collective intelligence, shared benefits, participation and stakeholder dialogue (Visser 2011). CSR 2.0 and Web 2.0 will be further discussed in section 2.3.1.

According to Donaldson and Preston (1995), there are three aspects to stakeholder theory: descriptive, instrumental and normative. They claim that although the descriptive and instrumental aspects are significant to stakeholder theory, the stakeholder theory is fundamentally normative. That is, stakeholders are of intrinsic value, which implies that stakeholder groups merit managerial interest from companies for their own sake (Donaldson & Preston 1995).

Although stakeholders can be justified as having intrinsic value, many academics imply that stakeholders have lately gained growing significance in company agendas because of their instrumental value (e.g. Deetz 2007, Elkington 1997, Fieseler et al. 2009, Waddock & McIntosh 2011). According to them, it is not only the outside world that is pressuring companies towards gearing their activities into closer collaboration with the society. Elkington (1997) argues that companies are starting to realize that in

order to cope through the contemporary challenges, bringing the outside world in is a source for success in the market. He demonstrates that there are various reasons for business to get on board with extensive stakeholder collaboration: with the help of partnerships, companies can enjoy increased efficiency in performing traditional tasks, build employee morale and gain competitive advantage from new ideas stakeholder collaboration brings about (Elkington 1997). Figure 2 illustrates the drivers of “strange alliances” from a company viewpoint and a stakeholder perspective by NGOs.

Figure 4: Drivers of “Strange Alliances” (Elkington 1997, p. 172)

Company perspective	NGO perspective
◆ markets are pushing us this way	◆ markets are interesting
◆ NGOs are credible with public on, for example, issues, priorities	◆ disenchanted with government as provider of solutions
◆ need for external challenge	◆ need for more resources, such as funding and technical and management expertise
◆ cross-fertilization of thinking	◆ business is credible with, for example, government
◆ greater efficiency in resource allocation	◆ cross-fertilization of thinking
◆ desire to head off negative public confrontations, protect image and reputation	◆ access to, for example, supply chains
◆ desire to engage stakeholders	◆ greater leverage

Source: SustainAbility

Echoing these ideas, also Deetz (2007) claims that diverse value representation can be a driving force for competitiveness especially in postmodern societies and knowledge-intensive industries. Stakeholder collaboration can boost creativity, stakeholder commitment, employee motivation, managerial coordination, product and service customization as well as reduce the risk for reputation scandals.

As modern organizations are starting to understand the potential positive outcomes of diverse value representation, companies are looking for new ways to conduct stakeholder collaboration. Companies deliberate on whose values should matter, how

much should they matter and how to take account of these values. Central to addressing the issues is creation of governance models with strong focus to collaboration and communication practices. (Deetz, 2007)

Also O’Riordan and Fairbrass (2008) point out, that companies are facing growing pressure to respond to their social environment’s needs through CSR. As a part of addressing the requirements of different groups, stakeholder engagement has become a key element in CSR work. O’Riordan and Fairbrass denote, that stakeholder’s perceptions are likely to have an impact on a company’s external and internal interactions. Therefore, stakeholder communication should be of managerial interest for companies. Stakeholder dialogue is an increasingly common form of stakeholder engagement, which opens up an opportunity for companies and stakeholders to discuss their perceptions and expectations with regards to socially, environmentally and economically responsible business behavior. (O’Riordan & Fairbrass 2008)

2.2.1. Stakeholder Collaboration

The existence of a stakeholder collaboration program is obviously not sufficient per se when aiming for mutual benefits, but the way in which stakeholder collaboration is carried out determines outcomes. Although stakeholder collaboration offers potential political and business benefits, stakeholder collaboration models are still rather underdeveloped and ineffective (Elkington 1997, Deetz 2007). Deetz (2007) argues that the biggest problems of stakeholder collaboration arise from weak communication models. Traditionally participation processes stem from state-democratic concepts where the creation of consensus is a desirable outcome. However, the most effective collaboration models and practices are based on the setting where diverse representation of stakeholder interests provokes conflict rather than consensus. Effective outcomes yield from processes where instead of aiming to find a common ground, diverse opinions and contestation are encouraged to facilitate the invention of creative solutions that fulfill diverse goals (Deetz 2007).

The failure to collaborate with stakeholders efficiently may be caused by certain managerial approaches to communication. Deetz (2007) points out that business

schools traditionally focus on presentation, public speaking and message design skills leaving leadership skills of listening and negotiation with less attention. Concepts of control and persuasion are on display more than the skills of cooperation and facilitation. Also corporate communication is portrayed with a narrow focus on advertising and public relations, and internally used as a tool for gaining compliance. The potential of corporate communication is not exploited comprehensively although it could provide effective basis for extensive stakeholder collaboration. (Deetz 2007)

Consequently, Deetz (2007) claims that managers lack skills and models required for participatory communication and hence, hesitate to include stakeholders into decision-making processes. Creation of a new participatory communication model would be in place to provide managers with guidance for managing stakeholder dialogue. Deetz (2007) says that in an ideal model for stakeholder collaboration, management's role would be the coordination of diverse values, stakeholder views and conflicting interests. According to him, rather than controlling stakeholders, managers should aim to take account of various stakeholder perceptions and coordinate operations to bring about solutions designed to meet diverse goals.

Also Elkington (1997) argues that a profound shift in management thinking is needed in order for businesses to cope in the global paradigm. Directors traditionally perceive themselves standing at the top of the corporate pyramid, tend to think short-term and focus highly on the internal management of a company. Elkington (1997) suggests that leaders should rather see themselves as part of the company's ecosystem than at the top of hierarchy. According to him, management's role should be to coordinate corporations' internal as well as external learning processes by monitoring, developing and responding to the needs of fluctuating operating conditions. (Elkington 1997)

According to Deetz (2007), an advanced participatory model should have at least the following qualities: First, stakeholders should have equal opportunity for expression of opinion. Second, hierarchical positions should be set aside, yet stakeholder backgrounds should be openly and freely examined in order to relate to their diverse viewpoints. Third, information sharing and decision processes should be open and transparent.

But what holds up the implementation of effective stakeholder collaboration programs? As previous research demonstrates, participatory models can yield several positive outcomes, so why are companies not taking the chance to benefit from diverse stakeholder interests?

Based on earlier discussion, three main reasons for the absence of successful stakeholder programs can be defined: First, the strong tradition of democratic consensus in group decision-making. The majority of the attempts to collaborate with stakeholders are embedded in the idea of making diverse interest groups understand each other and gain consensus as a result of collaboration. However, as Deetz (2007) demonstrates, in order to gain desired business results, conflict should be allowed as a source for quality decision-making and creative solutions. Second, the general understanding in the quarterly oriented business world is that there is a basic contradiction between doing good and doing well. However, Deetz (2007) claims that there are several examples indicating that such contradiction does not essentially exist, but stakeholder collaboration can rather yield positive business and social outcomes. Finally, even if managers would like to conduct stakeholder collaboration, they lack skills to manage the participation processes effectively. Traditionally business management education is oriented towards control rather than leadership, and corporate communications is used as means for proclaiming corporate strategy instead of creating guidelines for strategy through stakeholder dialogue. (Deetz 2007)

In light of these arguments, the understanding is that the development of effective stakeholder collaboration models requires profound changes in management mindsets. Elkinton (1997) argues that building trust is crucial for companies in the contemporary business setting. Companies need to learn that credibility and trust are not built with exposure of facts and science, but through engaging emotions of the public. This engagement requires the shift from one-way communication to multi-way, active stakeholder dialogue. (Elkinton 1997)

2.2.2. Stakeholder Dialogue

Several academics argue that stakeholder dialogue is a growingly important component for organizational success (e.g. Elkington 1997, Deetz 2007, Fieseler et al. 2009, O’Riordan & Fairbrass 2008). According to them, stakeholders are becoming increasingly critical on especially environmental and social issues. In order for companies to succeed in the market, an increasing number of environmental, social and economic considerations are to be addressed. According to Elkington (1997), essential to coping in the complex global environment is the creation of new governance models with a central focus to stakeholder dialogue. He argues that companies need to develop models that are much more participatory and inclusive than before. In such models, the flow of dialogue processes should be increasingly multi-way rather than one-way. (Elkington 1997)

Although many business directors still remain critical towards the idea of open stakeholder dialogue, there are a growing number of leaders who are willing to engage more voices to organizational decision making (Elkington 1997, Jones et. al 2009). In order for business managers to overcome their doubts and open out for stakeholder dialogue, advanced stakeholder collaboration models, tools for facilitating dialogue and encouraging examples of positive outcomes are needed. According to Deetz (2007), the models and tools developed for successful stakeholder collaboration should be designed to create win-win situations for both business and society.

Deetz (2007) highlights that an advanced stakeholder dialogue model should be highly focused on participation. It is not sufficient that stakeholders are present in dialogue; the process should be designed to be highly participative with commitment to conflict, diversity and creativity rather than representation and consensus. Such a model can 1) produce creative win-win outcomes for diverse stakeholder groups 2) increase responsibility and production of companies 3) provide deeper understanding of organizational processes and their fluctuations 4) offer guidelines for evaluation of existing organizational operations 5) deliver basis for organizational education and process redesign.

There are several initiatives companies are taking up to respond to the growing pressure to conduct stakeholder dialogue. According to Elkington (1997), the most

traditional effort to communicate corporate responsibility for stakeholders is environmental reporting. He argues that stakeholders are pushing companies towards making corporate disclosure. There are three channels through which corporate disclosure occurs: involuntary, mandatory and voluntary. Environmental reporting can be carried through any of the three channels. (Elkington 1997)

According to Elkington (1997), many corporate boards view environmental reporting as a tool for managing public relations. Through environmental reporting, many company managers wish to create social capital and ensure companies have a social license to operate. However, he continues that stakeholders have a different view on the purpose of reporting. Stakeholders see reports as means to monitor, screen, measure, compare and benchmark companies. Therefore, companies are increasingly required to produce reports that are comparable, easily readable, accessible, focused on triple bottom line performance, integrated to company strategy, and formed in collaboration with stakeholders (Elkington 1997). Figure 5 illustrates how environmental reporting is in transition towards ‘sustainability reporting’.

Figure 5: Ten Transitions Towards Sustainability Reporting (Elkington 1997, p. 172)

Established focus on:		→	Emerging focus on:	
1	One-way, passive communication	→	Multi-way, active dialogue	
2	Verification as an option	→	Verification as standard	
3	Single company reporting	→	Benchmarkability	
4	Management systems	→	Life cycles, business design, strategy	
5	Inputs and outputs	→	Impacts and outcomes	
6	Ad-hoc operating standards	→	Global operating standards	
7	Public relations	→	Corporate governance	
8	Voluntary reporting	→	Mandatory reporting	
9	Company sets reporting boundaries	→	Boundaries set by stakeholder dialogue	
10	Environmental performance	→	Triple bottom line performance	

FIGURE 7.2 Ten Transitions Towards Sustainability Reporting
(Sources: SustainAbility/UNEP)

Elkington (1997) emphasizes that in order for reports to be credible, multi-way dialogue with stakeholders is needed in the formation of reporting processes. He suggests that stakeholders should be engaged in defining the targets in sustainability auditing. However, even though the need to engage with stakeholders is evident to many managers, they still have little understanding on how to conduct interactive stakeholder dialogue. (Elkington 1997)

Many academics argue that managers do not have sufficient stakeholder engagement skills since there is an apparent lack of practical stakeholder dialogue models (e.g. Deetz 2007, Elkington 1997, O’Riordan & Fairbrass 2008). Perhaps another reason for the absence of this expertise lies in the failure to understand the expectations that stakeholders have towards dialogue processes. Quite surprisingly, there has been very little research on stakeholder perceptions with regards to stakeholder engagement, especially on those of relatively unempowered stakeholders. Barone et al. (2013) denote that especially local communities’ opinions about stakeholder engagement and CSR reporting remain neglected, although corporate operations may have significant impact on local people.

Barone et al. (2013) found that local communities are poorly engaged in CSR reporting processes and feel that CSR reports are not directed to them but to serve other groups’ interests. Hence, Barone et al. (2013) suggest that CSR reports are poorly readable, and should be condensed into a shorter, filtered, relevant, understandable and useful form for the purposes of wider stakeholder groups. According to them, CSR reporting is not a sufficient form of stakeholder engagement. Especially in times of crisis, direct engagement could provide means for stakeholder communication. Moreover, Barone et al. (2013) indicate that if companies are to seek for more transparency and accountability, they should engage in stakeholder dialogue proactively, not after decisions have been made or when a crisis has occurred. Only this way, rhetoric can be turned into practice.

Barone et al. (2013) argue that stakeholder engagement still remains a cosmetic practice, or even worse, does not take place at all. According to them, less economically powerful stakeholders practically left out and financial stakeholders are dominating discourse. They found that poor and misleading communication can lead to deep mistrust and resentment. Furthermore, their case study indicated that stakeholders felt like their opinions were completely discarded and that financial

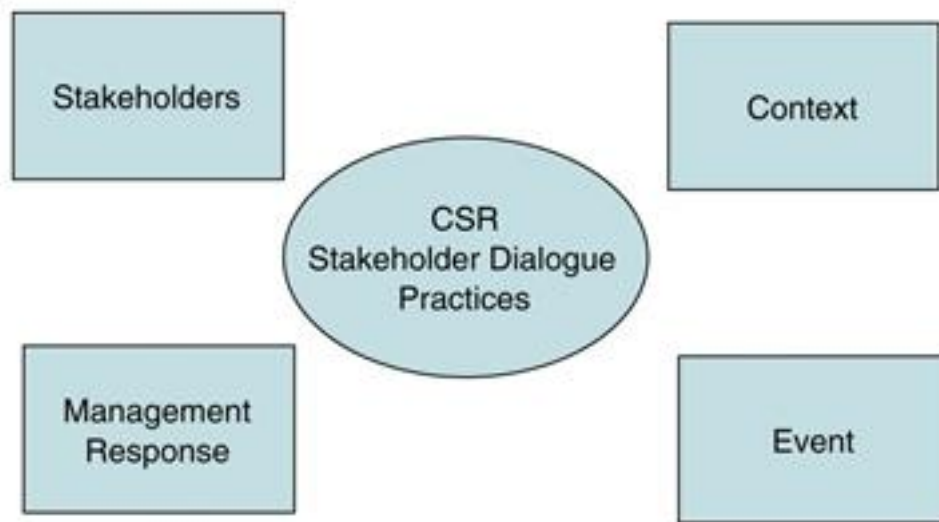
concerns always win over. Consequently, Barone et al. (2013) claim that there is a clear gap between corporate rhetoric and actual stakeholder engagement processes.

To improve the current state of stakeholder discourse, Barone et al. (2013) suggest that attention should be drawn to the evolution of CSR reporting, and the process of stakeholder involvement itself. According to them, the most generally used sustainability reporting initiative, Global Reporting Initiative (GRI), does not offer sufficient guidelines or steering for stakeholder engagement. The guidelines should be developed to clearly instruct companies on how to effectively and extensively engage with non-financial stakeholders. Moreover, they emphasize the importance of proactivity and interactivity in stakeholder communication. They suggest that companies should provide their stakeholders with two-way, open and frequent discourse especially in times of crisis. Online tools could provide a considerable channel for such dialogue in the form of tweets, email, text messages, web reporting or an active web forum. (Barone et al. 2013)

O’Riordan and Fairbrass (2008) argue that previous stakeholder dialogue models address fragments and single questions of the dialogue process, but do not provide a comprehensive, managerial framework for CSR strategists. Especially models with focus to the link between CSR activities and firm – stakeholder relationships are barely found in academic literature. O’Riordan and Fairbrass (2008) call for development of models, which offer practical help for managers engaging with stakeholders. Besides collaborating with stakeholders, such models would allow for business managers to analyze and prioritize stakeholder groups and interests.

As a response to the lack of practical stakeholder dialogue models, O’Riordan and Fairbrass (2008) present a new model of stakeholder dialogue practices. The model identifies four domains, which describe the circumstances and thereby, stakeholder power within a business setting. The four elements require inspection when defining CSR strategy and practices for stakeholder dialogue. The model is presented in figure 6.

Figure 6: Overview on circumstantial domains (O’Riordan & Fairbrass 2008, p. 751)



The framework by O’Riordan and Fairbrass (2008) suggests that in forming a practical approach to stakeholder dialogue and CSR, it is essential to identify and assess four key elements. The elements are further discussed below.

Context. The element ‘context’ describes the circumstances and the environment(s) within which stakeholders and business managers are positioned. Other say, context contains external, contingent and conditional factors that surround a company and its stakeholders. These include factors such as cultural, environmental, political, social, technological, legal, historical and environmental factors. Some examples of such factors include competitor activity, industry attributes, media influence and the effectiveness of stakeholder power. The contextual factors might be directly linked with events that occur within a company’s operating environment.

Stakeholders. The second element of the framework is ‘stakeholders’, which defines the nature of stakeholders themselves. In order to understand the position of stakeholders in a dialogue process it is necessary to firstly, carry out a stakeholder analysis, which involves identification and prioritization of stakeholders and stakeholder processes. Secondly, the stakeholder dimension implies understanding

stakeholder expectations. Stakeholder expectations may be linked to company attributes such as:

- Size of the company (number of employees, financial terms such as sales revenue and capital)
- Level of success of the company (in terms of e.g. profit levels)
- Industry and the type of business (these are linked to 'context' and 'event' dimensions)
- External listing status
- Business culture and stakeholder policy of the company
- Governance and CSR practices of the company.

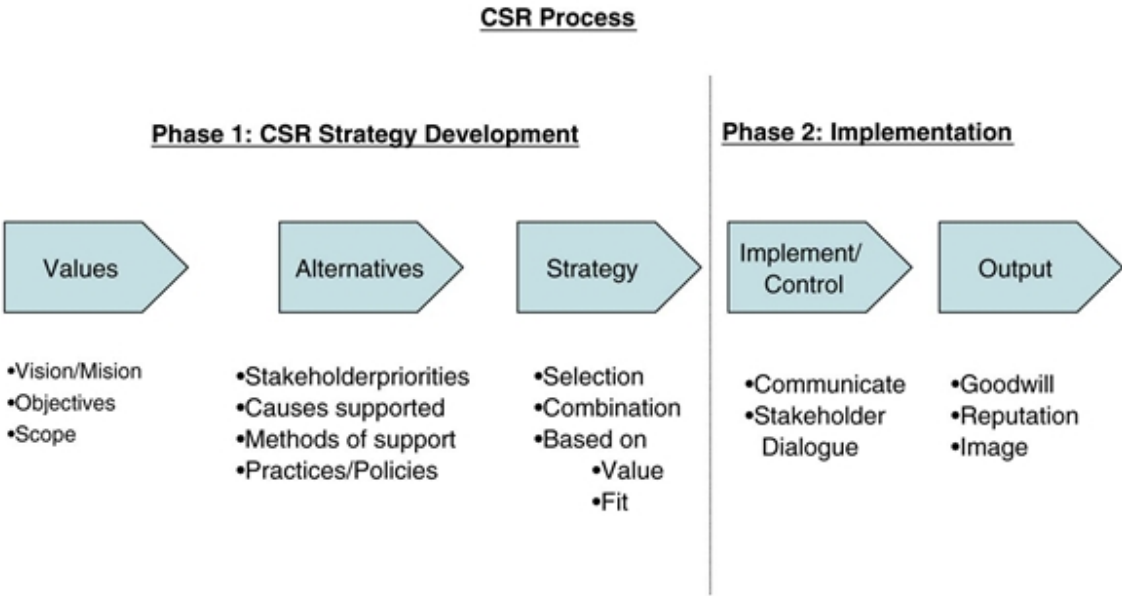
Event. The dimension 'event' depicts the nature and details of a possible event. The element implies that although the context and stakeholders might set favorable or unfavorable circumstances for a company, a specific event might trigger change in the setting. Such events might include e.g. operational changes or activities within the company (such as changes in processes or introduction of new procedures), external geographical changes (an event which raises expectations towards the company), or activities that negatively affect social or physical environment of the company. Such events underline the need for thorough consideration of stakeholder dialogue processes. The dimension also conveys that crisis management plays an important role as a facilitator for proactive CSR stakeholder dialogue management.

Management Response. Finally, the dimension 'management response' highlights the significance of managerial approach towards CSR stakeholder dialogue. The element adds the idea of strategic management in terms of stakeholder dialogue to the picture, and identifies the opinions and values of business managers on certain issues. These issues might include opinions and values with regards to:

- Responsibility and context-specific obligations (linking with context)
- Risk, reputation, goals and perceptions
- Business culture and stakeholder policy of the company
- Stakeholder expectations (linking with the stakeholder dimension).

Since O’Riordan and Fairbrass (2008) wanted to create a model with practical implications to stakeholder dialogue management, the dimension ‘management response’ was elaborated further. According to them, stakeholder dialogue and CSR can be identified as phased processes, where two stages can be recognized. These stages are ‘strategy development’ and ‘implementation’. The strategy development stage includes three phases: ‘values’ which set base for strategy, ‘alternatives’ which identify the potential actions to be taken to execute the strategy, and finally, ‘strategy’ which combines the two earlier phases by defining the strategy with selected actions and values. Stage two, the implementation includes firstly, the phase ‘implement/control’ which marks the process with a tactical and technical level and essentially determines the control mechanisms of the whole process. Finally, the implementation stage includes the ‘output’ phase, which identifies the results of the process and emphasizes the rationale that result-driven approach is efficient in managerial sense. The process is illustrated in figure 7.

Figure 7: CSR Process (O’Riordan & Fairbrass 2008, p. 753)



As an application example, O’Riordan and Fairbrass (2008) tested the model (figure 6, figure 7) with the pharmaceutical industry. However, they argue that the model can be applied to also other industries as it is sufficiently general and comprehensive to fit other settings as well. According to them, the model should allow for business

managers to conduct productive and engaging stakeholder dialogue by enabling firms to understand the circumstances within which they operate (figure 6) and by understanding stakeholder dialogue as a part of a phased and strategic process (figure 7).

However, relating to the arguments of Deetz (2007), this study challenges the CSR process (figure 7) as defined by O’Riordan and Fairbrass (2008). It is argued that the model does not facilitate active coordination of diverse interests and implementation of various outcomes. Firstly, the model does not emphasize stakeholder dialogue as a key source of CSR strategy. The model provides a framework for strengthening managerial decision-making, not coordination of diverse interests. Secondly, in the break of the development and implementation stages, the objectives of CSR strategy are determined and limited to certain managerial objectives. The model does not define, how the strategy is redefined when circumstances change. It is suggested that an advanced model should rather be circular than linear. Finally, the main outcomes of the model are public relations related. Conforming Deetz’s (2007) ideas, in an ideal model for CSR stakeholder dialogue, the outcomes should include mutual value generation for both the company and its stakeholders, not only public relations benefits.

O’Riordan and Fairbrass (2008) developed the model with the aim to provide a practical framework to CSR strategists and managers. According to them, gaps in previous research pointed out the need for a new, concrete approach useful for not only academic researchers, but also business managers. Similarly to O’Riordan and Fairbrass, Deetz (2007) and Elkington (1997) claim that business managers lack guidelines and thus, skills to conduct successful stakeholder dialogue. Elkington (1997) argues that one of the reasons for the incapability to manage stakeholder interaction lays in the management generation’s lack of experience with transparency technologies. According to him, today’s managers grew up in the world where transparency technologies were still fairly new. Nevertheless, as transparency technologies exponentially grow their reach, companies are pushed towards mastering stakeholder dialogue through new media channels (Elkington 1997, Waddock & McIntosh 2011). In the following section, transparency as a concept and Web 2.0 technologies will be discussed in relation to stakeholder dialogue.

2.3. Web 2.0.

As discussed at the beginning of this study, the mankind is facing global crisis with a scale never experienced before (e.g. Elkington 1997, Waddock & McIntosh 2011). Parallel with the global issues, the awareness on the problems is also expanding. The Internet's reach is growing rapidly, allowing for masses of people to produce, share and access information in real time. These interactive technological developments are known as Web 2.0 (Waddock & McIntosh 2011). As the web keeps expanding globally, the world is becoming more transparent which is an issue enterprises of all types have to address. Web 2.0 puts business activities in the spotlight, forcing organizations to deliberately consider their CSR operations in relation to corporate strategy. (Waddock & McIntosh 2011).

Also Elkington (1997) argues that as social values and high-technology communication media are in parallel rise, companies are posed with new challenges. Corporate activities are increasingly under scrutiny worldwide, which means transparency in corporate operations will accelerate, whether companies like it or not - and the companies which succeed to deal with transparency will be rewarded in the market (Elkington 1997, Waddock & McIntosh 2011). According to Elkington (1997), as transparency increases, the triple bottom line values will spread globally, which is an issue the business world needs to consider. Furthermore, consumers across the world are becoming increasingly critical and prepared to take action towards irresponsible business behavior. As consumer awareness grows, success in the market may come down to a company's ability to manage transparency. (Elkington 1997)

Elkington (1997) points out that central in managing transparency successfully is the formation of innovative stakeholder partnerships. Public interest groups are increasingly following companies' activities, whereby it becomes difficult for business leaders to keep their heads down. Therefore, voluntary stakeholder collaboration has become a vital choice for managing transparency. (Elkington 1997)

Also Fieseler et al. (2009) suggest that in order to master stakeholder relationships, companies should not only expose stakeholders to CSR activities but more importantly, engage them. They argue that this engagement can be fostered through Web 2.0, where stakeholders can participate and collaborate via online

communication platforms. Interactive web technologies as facilitators for stakeholder dialogue will be further discussed in the following.

2.3.1. Stakeholder Dialogue in Web 2.0

Waddock and McIntosh (2011) claim that the economic crisis, the global problems and the emergence of Web 2.0 have created the need for new kind of capitalism. They introduce several examples of companies that are challenging the business as usual with their innovative strategies striving for sustainability. Such movements highlight the need for systemic change, where enterprises are highly connected to their social surroundings through Web 2.0. As interaction between companies and stakeholders increases, it is essential for an organization's success to understand how to manage dialogue on CSR. (Waddock & McIntosh 2011)

Web 2.0 can be described as the manifestation of our era of interaction and information. Web 2.0 is the phenomenon succeeding Web 1.0. The term Web 2.0 is used to describe interactive technological developments that allow people to generate, share and access online information at any virtual location (Baue & Murningham 2011). The transition from Web 1.0 to 2.0 represents the change in communication patterns. Baue and Murningham (2011) suggest that Web 2.0 shifted people's role from audience to participants, transforming communication from one-way to two-way, or multidimensional interactivity. Leading this development is the explosion of social media in recent years. Other examples of Web 2.0 technologies are blogging, podcasting, RSS, webinars, wikis, microblogging and tagging. (Baue & Murningham 2011)

Jones et al. (2009) investigated how companies manage their stakeholder relationships in the era of Web 2.0. They argue that Web 2.0 has given birth to new kind of consumerism, where consumers are more aware and active in their behavior towards companies. Negative associations towards a company can yield to boycotting and even public criticism, as consumers are given voice through Web 2.0 tools. Therefore, companies should be more active in trying to manage their relationships with stakeholders and aim to collaborate with them by conducting two-way instead of one-way conversations. (Jones et al. 2009)

Similarities between Web 2.0 and interactive CSR have recently been recognized by several authors inspecting development of CSR (e.g. Baue & Murningham, 2011, Visser 2011). Baue and Murningham (2011) investigated the intersections between corporate accountability and Web 2.0. They argue that both concepts feature interaction and call for engagement, whereby their unification can be expected to stir up mutual benefits for both companies and their stakeholders. Baue and Murningham (2011) claim that Web 2.0 can promote interactive accountability, which would then bolster socially responsible behavior in companies by creating democratic, collaborative and mutually respectful corporate cultures. Moreover, they indicate that Web 2.0 has the potential of facilitating sustainability reporting and developing it into interactive levels.

Similarly to Baue and Murningham (2011), Visser (2011) identified essential similarities between Web 2.0 and interactive CSR, metaphorically calling the new kind of interactive CSR “CSR 2.0”. He claims that CSR 1.0, which precedes CSR 2.0, has failed to meet its goal: resolving the worlds’ pressing problems. CSR 2.0 is based on five principles that constitute sustainable and responsible corporations: creativity, scalability, responsiveness, glocality and circularity. In order to move on to the era of CSR 2.0, Web 2.0 holds valuable lessons for CSR (Visser 2011). Figure 8 outlines the similarities between Web 2.0 and CSR 2.0:

Figure 8: Similarities between Web 2.0 and CSR 2.0 (Visser 2011, p. 15).

Web 2.0	CSR 2.0
Being defined by watchwords like 'collective intelligence', 'collaborative networks' and 'user participation'.	Being defined by 'global commons', 'innovative partnerships' and 'stakeholder involvement'.
Tools include social media, knowledge syndication and beta testing.	Mechanisms include diverse stakeholder panels, real-time transparent reporting and new-wave social entrepreneurship.
Is as much a state of being as a technical advance - it is a new philosophy or way of seeing the world differently.	Is recognising a shift in power from centralised to decentralised; a change in scale from few and big to many and small; and a change in application from single and exclusive to multiple and shared.

As seen in the table, according to Visser (2011) Web 2.0 and CSR 2.0 share significant similarities, but also have the potential to bolster each other and create mutual benefits. He argues that Web 2.0 tools, like collaborative online platforms, can be harnessed to facilitate stakeholder dialogue.

Jones et al. (2009) claim that business managers think they lose control over managing company reputation when opening up for online stakeholder dialogue. However, they argue that stakeholder dialogue also opens up beneficial opportunities for companies. Furthermore, they suggest that the social web allows for companies to co-create their brands with stakeholders. Co-creation can improve corporate image and add competitive advantage to the business. To serve this purpose, companies are increasingly building online communities around their brands. Some examples of companies that have created social online communities around CSR themes include Natura, SAP, McDonald's, Coca-Cola and Timberland. (Jones et al. 2009)

However, there is relatively little research on corporations' use of company-specific and company-owned web-communities. Unerman and Bennett (2004) denote that there has been little, if any academic literature on the extent to which Web 2.0-facilitated CSR stakeholder dialogue could promote democratic decision-making in a corporate setting. According to them, there are two key issues relating to stakeholder engagement initiatives: identifying and reaching a large array of stakeholders, and formulating mutually satisfactory outcomes from potentially conflicting stakeholder views.

Unerman and Bennett (2004) argue that the Internet has the potential of providing means for reaching a large number of stakeholders and therefore increasing the degree of democratic decision-making on corporate social, environmental and economic responsibilities. However, they remain skeptical towards companies' attempts to genuinely engage with stakeholders in a manner that would affect corporate decision-making. Unerman and Bennett denote that although web communities can increase the reach of dialogue, it may still exclude certain stakeholder groups. Companies are traditionally more inclined to take account of economically strong stakeholders while financially less powerful stakeholder views remain neglected. In the case of web-based stakeholder dialogue, reach and coverage become an issue when stakeholder groups do not have access to the Internet. This is an important notion especially when it comes to stakeholder collaboration practices

in economically weak countries and in areas, where company operations might have a significant impact on people with poor access to information infrastructure. (Unerman & Bennett 2004)

Furthermore, Unerman and Bennett (2004) point out that forum language might have a direct effect on stakeholders' ability engage with dialogue. They introduce a case on Shell's online forum for stakeholder dialogue, and argue that since the forum language was English, it significantly limited the number of stakeholders who could participate in dialogue. Unerman and Bennett (2004) claim that if an online community cannot reach stakeholders extensively, negative implications for the success of democratic decision-making and underlying competitive advantage goals will follow.

Consequently, Unerman and Bennett (2004) conclude that internet stakeholder dialogue has potential in providing grounds for an ideal speech situation. However, they argue that it still ignores many stakeholder groups on which companies might have a significant impact. Therefore, they convey that internet stakeholder dialogue should be used in alliance with other forms of stakeholder collaboration.

Unlike many other researchers, Unerman and Bennett (2004) point out many deficiencies of web-based CSR stakeholder dialogue. They suggest that claims of companies practicing open and outcome-focused stakeholder dialogue should be treated with some skepticism. According to them, internet stakeholder dialogue might be just another public relations activity for boosting corporate image, whereby companies aim at convincing their economically powerful stakeholders that they are acting within morally desirable standards. Furthermore, Unerman and Bennett suggest that the case company Shell may have used the web community with the purpose of channeling some stakeholder grievances from more public media to the company forum. The web community would then protect the company from perhaps wider attention in other media channels. They also denote that stakeholder dialogue activities are only effective if they affect actual behavior. Moreover, in order to demonstrate the effectiveness, companies should be transparent in their enactment to and results of stakeholder dialogue.

Unerman and Bennett (2004) argue that academics have a crucial role in researching internet stakeholder dialogue further and thus increasing the effectiveness and use of

dialogue forums. They suggest that especially manager motives on stakeholder dialogue should be further investigated to assess their interpretations. This study aims to understand some of the manager, as well as the yet scarcely researched stakeholder motivations towards participating in stakeholder dialogue. The following section outlines the theory used for conducting the case study of this research.

2.4. Thesis Statements

The objective of the present thesis is to examine stakeholder dialogue in Web 2.0 and identify essential factors for mutually successful CSR stakeholder dialogue processes. Specifically, the study observes stakeholder dialogue as a part of CSR and Web 2.0 as a facilitator for stakeholder dialogue. Based on the literature review, four key aspects relevant to CSR stakeholder dialogue in Web 2.0 can be identified: previous research has consistently discussed CSR stakeholder dialogue in relation to organizational learning, managerial approach, conflict management and communication tools. These factors are addressed from a variety of perspectives by different authors. For the purposes of this thesis, adopting a single theory from literature would not suffice to address the research questions extensively, and thereby central concepts are adopted from different sources.

Four thesis statements are formed to direct the research from this point on. The thesis statements are tested through a case study and then analyzed. The thesis statements address the central concepts identified at the literature review: CSR stakeholder dialogue with regards to managerial approach, conflict management, organizational learning and Web 2.0.

Statement 1. Managers lack sufficient skills, models and tools for conducting mutually beneficial stakeholder dialogue.

Deetz (2007) claims that managers are not well-equipped for conducting stakeholder dialogue. According to him, business education is traditionally focused on concepts that are inclined to one-way rather than multi-way communication. Therefore, Deetz (2007) argues that managers lack skills and models that are needed for interactive

stakeholder communication. Also Elkington (1997) indicates that although many managers recognize the need to engage with stakeholders, they often do not have understanding on how to conduct stakeholder dialogue. O’Riordan and Fairbrass (2008) also denote that there is a lack of comprehensive CSR stakeholder dialogue models which provide companies with guidelines for strategic and managerial purposes. Furthermore, besides the lack of sufficient skills and models, it seems apparent that corporations do not use Web 2.0 tools to their full potential. Many scholars (e.g. Baue & Murningham 2011, Fieseler et al. 2009, Visser 2011, Waddock & McIntosh 2011) address the potential of Web 2.0 as facilitator of stakeholder dialogue, but there are only few concrete examples of companies using Web 2.0 tools for CSR stakeholder dialogue. Even fewer are the cases that demonstrate Web 2.0 dialogue yielding mutually satisfactory outcomes. Unerman and Bennett (2004) suggest that web-based CSR stakeholder dialogue should be regarded with some skepticism, as Web 2.0 tools still feature significant deficiencies as facilitators for inclusive dialogue.

Reflecting to these claims, it is understood that there is a gap between what is being expected from managers and their ability to respond to the expectations. Companies are increasingly facing demands for strengthening dialogue with stakeholders, but do not have readiness to do so. Consequently, managerial response could be strengthened through education and the creation of practical models and tools for stakeholder dialogue management.

Statement 2. Dialogue settings that allow conflict encourage the most creative and mutually fulfilling outcomes.

Traditionally dialogue settings are built to facilitate collaboration that aims for consensus creation. Against this norm, Deetz (2007) indicates that communication environments should not be constructed with the aim to create consensus as the outcome of stakeholder dialogue. On the contrary, he denotes that the most effective stakeholder dialogue models invite diverse representation and thus, various interests that provoke conflict. According to Deetz (2007), conflict discloses diverse opinions, which enhances creativity and learning which fulfills diverse goals. Moreover, O’Riordan and Fairbrass (2008) argue that events play a significant role in

stakeholder dialogue processes. Events may refer to negative occasions, which are linked to crisis management and thus, conflict management. Therefore, it would be noteworthy to examine the conflict aspect in stakeholder dialogue further.

Relating to Deetz's (2007) arguments, it is assumed that communication environments should be made to reach and invite stakeholders from various backgrounds to engage in dialogue. Moreover, Deetz (2007) implies that hierarchies should be set aside to facilitate open expression of opinion, and managers should coordinate dialogue instead of aiming to manage discussions. Such communication setting is expected to encourage a variety of viewpoints to unfold, hence contributing to organizational learning processes.

Statement 3. CSR stakeholder dialogue is an integral part of organizational learning processes.

According to Deetz (2007) managers generally harness corporate communications as a tool for conveying one-way information to stakeholders. However, Deetz (2007) indicates that corporate communication can be utilized extensively as a means to creating dialogue with stakeholders: and through dialogue, drawing ideas for a competitive strategy. Although critics (e.g. Unerman & Bennett 2004) suggest that stakeholder dialogue may be used as another instrument for one-way public relations, lately many scholars have argued that an increasing number of managers have started to conduct stakeholder dialogue as a source for integrated CSR, which is expected to contribute to effective business results (Deetz 2007, Elkington 1997, Jones et al. 2009, Waddock & McIntosh 2011). According to Deetz (2007) and Elkington (1997), stakeholder dialogue can increase operational efficiency, employee morale, stakeholder commitment, creativity, innovation, product and service customization and hence, generate competitive advantage. Also Jones et al. (2009) suggest that stakeholder dialogue can produce business benefits, as it allows for companies to co-create their brands together with stakeholders.

In light of these arguments, it can be deduced that stakeholder dialogue is essentially a part of organizational learning process. Through dialogue, companies can gain understanding and new ideas from a variety of internal and external sources, and thereby create guidelines for CSR and business strategy. As a result of such process,

companies can gain competitive advantage through improved stakeholder satisfaction, process efficiency and new innovation.

Statement 4. Web 2.0 technologies are an essential part of extensive and learning-oriented CSR stakeholder dialogue.

According to Elkington (1997), transparency technologies are increasing their reach globally, which is an issue significantly affecting the business world. Growing transparency puts companies under a wider spotlight, which increases stakeholder awareness and might affect consumer choices, company reputation and ultimately, success in the market. Thus, Elkington claims that ability to manage transparency through stakeholder engagement can be a determining success factor for companies. According to Fieseler et al. (2009), Jones et al. (2009) and Visser (2011), Web 2.0 technologies can provide an effective basis for multi-way stakeholder dialogue. Baue and Murningham (2011) suggest that the coupling of corporate accountability and Web 2.0 can generate mutual benefits for both companies and stakeholders. Baue and Murningham also denote that Web 2.0 could develop sustainability reporting by introducing interactive reporting methods. Jones et al. (2009) indicate that interactive web allows for companies to co-create their brands together with consumers, thereby improving corporate image and adding competitive advantage to the business. Furthermore, Unerman and Bennett (2004) point out that the Internet has the potential of facilitating reach to a large number of stakeholders, and thereby increasing the degree of democratic decision-making on CSR issues.

Not only are Web 2.0 technologies and interactive corporate social responsibility in parallel rise, but according to Visser (2011), they also share significant similarities. Therefore, it is only natural to assume for them to be associated to some degree. As the interactive web grows its reach, the importance of Web 2.0 tools in CSR stakeholder dialogue increases. Echoing these arguments, it is deduced that Web 2.0 technologies have become a fundamental part in extensive, wide-spread and learning-oriented CSR stakeholder dialogue.

3. CASE COMPANY TALVIVAARA

The following chapter introduces the case company of the current study. The overview is constructed using O’Riordan and Fairbrass’ (2008) model of CSR stakeholder practices. According to O’Riordan and Fairbrass (2008), when attempting to form a practical approach to stakeholder dialogue, a circumstantial analysis should be carried out. The model (figure 6) defines four circumstantial domains which position companies in relation to their environment and stakeholders, and thereby gives implications to necessary CSR stakeholder dialogue practices. The four domains of the model, *context*, *stakeholders*, *event* and *management response* were explained in section 2.2.2. Below, the case company Talvivaara Mining Company Plc. is positioned and discussed within the four domains. The circumstantial overview of this section is written to facilitate the case study, and will be elaborated further through the analysis of the case interviews. After the circumstantial review, the company’s blog Paikanpäällä.fi (On the Spot) will be introduced.

Context

Talvivaara Mining Company Plc. is a Finnish-based base metals producer with a primary focus on zinc and nickel. The company is headquartered in Espoo, Finland and its main assets are in the nickel mine at the Kainuu region in Sotkamo, Finland. Talvivaara’s polymetallic deposits, Kuusilampi and Kolmisoppi are among the most significant sulphide nickel resources in Europe, with an estimated capacity to support production for several decades to come. The company was incorporated in 2003, after which production at the mine started in October 2008. In 2012, Talvivaara’s revenue amounted to EUR 142.9 million (2011: EUR 231.2 million). The company is listed on London Stock exchange Main Market and Nasdaq Helsinki OMX. (Talvivaara’s annual report 2012).

Talvivaara operates in the mining industry, which is under increasing scrutiny over corporate responsibility. According to Hamann (2003), in the mid-1990s the industry was facing major reputational crisis as the public started drawing attention to mining companies’ environmental and social practices. As mining corporations sought

internationalization opportunities by initiating projects in less-industrialized countries and the former Soviet Union block, international NGOs brought the public's attention to some companies' activities on site (Hamann 2003). Environmental incidents raised global awareness and concern, which got most of major mining companies to release sustainability policies of different scope and depth by mid-2000s (Dashwood 2012).

According to Hamann (2003), the mining industry is posed with significant challenges with regards to CSR due to the increased scrutiny and expectations, as well as the changing conditions of the global operating environment. Hamman (2003) argues that collaboration between the private sector, the government and civil society can provide a solid base for CSR strategy, but there is no standard strategy that fits all. He implies that especially community relations pose great challenges for mining companies, whereby CSR strategies should be established through continuous dialogue with stakeholders in an honest and transparent manner.

Also Dashwood (2012) highlighted the importance of stakeholder engagement in proper implementation of CSR in mining industry. According to Dashwood (2012), when seeking to incorporate sustainability into internal practices and policies, learning from the external environment is essential. Engagement with stakeholders allows for mining companies to monitor societal developments, enhance stakeholder dialogue, and seek for best practices. This way, companies can better adapt to switching societal conditions. (Dashwood 2012)

Although the mining industry is increasingly adapting CSR and sustainable principles to business agenda, the scope and nature of mining companies' CSR operations still vary significantly among mining corporations. According to Dashwood (2012), major mining companies engage in CSR as an attempt to address reputational issues stemming from surrounding social problems and environmental disasters, and to earn a social license to operate. To elaborate, mining companies adopt CSR strategies which are based on principles of sustainable development in order to 1) respond to external pressures strategically 2) bolster learning processes through internal rethinking and external collaboration 3) act according to the sustainable development norms, which are internationalizing as corporate behavior standards. (Dashwood 2012)

Dashwood (2012) demonstrated that there are different levels in which mining companies adapt to sustainable development norms. The approaches vary from denial of issues to institutionalized engagement towards sustainable development. Figure 9 illustrates these phases.

Figure 9: Phases of Sustainable Development (SD) Norms Socialization (Dashwood 2012, p. 126).

Table 1 Phases of sustainable development (SD) norms socialization			
<i>Denial</i>	<i>Strategic adaptation</i>	<i>Conviction</i>	<i>Prescriptive status</i>
Environment treated as externality No consideration of social impact <i>Organizational response:</i> Questioning of science	Talk the talk/lip service Tactical concessions <i>Organizational response:</i> Release of SD policy	Normative validity of SD accepted Committed leadership (senior executives, board) <i>Organizational response:</i> Organizational changes e.g. creation of VP, Sustainability; EMS established; Release of EHS/SD reports	Institutionalization "walk the walk" <i>Organizational response:</i> On-going effort to improve performance Continuous engagement with stakeholders
Notes: SD = sustainable development			

Like many other companies in the mining industry, Talvivaara has faced severe public criticism due to certain environmental incidents during past years. In 4th of November 2012, a gypsum pond leakage was spotted at the Kainuu plant. Since the gypsum pond leakage started, Helsingin Sanomat, the largest subscription newspaper in Finland and the Nordic countries, has published 192 news articles regarding Talvivaara by 12th of September 2013 in the Helsingin Sanomat news website (www.hs.fi). During the period, many of the news on the company demonstrated criticism towards Talvivaara. As an example, shortly after the leakage, Seppo Rekolainen, Head of the Freshwater Centre from Finnish Environment Institute Syke, assessed the incident in Helsingin Sanomat as one of the most serious environmental disasters in Finland in the 2000s. He also pointed out that the accident was already third in Talvivaara’s history within the previous years, having potentially serious impact on the nearby water systems and animals (Pippuri, 2012).

Stakeholders

In December 2012, Talvivaara employed 588 people and was a major employer in the Kainuu region where 76% of the personnel live. (Talvivaara's Annual report 2012)

Talvivaara's annual report 2012 points out that by putting sustainable development principles in the core of the company strategy, Talvivaara wishes to earn its social license to operate. According to Talvivaara's annual report 2012, an important part of getting social approval is engaging with stakeholders in an extensive and constructive manner. In 2012, the company introduced new initiatives to enhance its stakeholder collaboration. These included the establishment of an environmental monitoring team, the launch of Neighborhood Meetings, vouch of accessibility by increasing communications resources and the opening of a blog called Paikanpäällä.fi (On the Spot), dedicated to interactive communication with the local community. Besides these new initiatives, the company has formerly established also some other forms of collaboration: regular public events, sustainability reviews, mine visits and sponsorships as well as partnerships in local areas. (Talvivaara's annual report 2012)

Laita (2012) discusses some of the researcher Tuija Mononen's views on Talvivaara's stakeholder management. According to Mononen (2012), since the beginning of its operations, Talvivaara's communication has not been sufficient leading to mistrust among the local community. Mononen (2012) tells that local citizens expect information that is more precise and valuable than laws and settings, through which they are able to assess environmental and social risks associated with mining operations. Mononen further states that mining corporations need assistance in learning to collaborate with local citizens (Laita 2012).

Talvivaara's mining operations have also sprouted organized civic activism. According to Rönty (2012), Stop Talvivaara movement's goal is to get Talvivaara's mining site shut down. The movement collects water samples from nearby water areas (Rönty 2012), and has been reported to have taken part in and organized several protests around Finland (e.g. Hanhinen 2012, Hirvonen, 2012, Sullström 2013, Rautio 2013). Pilto and Rönty (2012) also reported about Stop Talvivaara's members' mistrust towards the messages that Talvivaara communicates to the public. The stakeholder dimension is further explored through the interviews with

Talvivaara's managers and stakeholders. The interview data will be reviewed in chapter 5.

Event

According to Talvivaara's annual report 2012, the year 2012 was the hardest in the company's history so far. The biggest difficulties during the year were caused by internationally weakened nickel price and the environmental disaster that occurred in November 2012 as a gypsum pond leakage was spotted. The leakage caused "a major setback in production and environmental development work" (Talvivaara's annual report 2012, p. 8), and caused extensive public attention in the Finnish media.

The Finnish Broadcasting Company Yle has actively been producing news on Talvivaara after the catastrophe in 2012. A few days after November's leakage, Sullström (2012) wrote about the public's response to the incident in social media. According to her (2012), the disaster has triggered exceptional amounts of short messages, so called "tweets" in social media service Twitter. Comments concerned mainly environmental, political and financial issues around Talvivaara. Some users of the service also posted photos of the pond's leakage. (Sullström 2012) The event dimension will be further examined through the gypsum pond leakage case in subsection 5.2.3.

Management Response

Talvivaara's long-term objective is to be among the world's leading low-cost nickel producers. To achieve this goal, Talvivaara creates five-year span strategies, which are divided into five sub-strategies. The sub-strategies include production, technology, human resources management, responsibility and stakeholder and partner relations (Talvivaara's annual report 2012). According to Talvivaara's annual report 2012, an important part in accomplishing the company's vision is to integrate the principles of openness and responsibility to the core of Talvivaara's strategy. Furthermore, the report denotes that Talvivaara aims to become a forerunner of sustainable development in the mining industry. The company seeks to achieve the position as a responsible industry leader by focusing on the following factors:

“To ensure its operational preconditions, Talvivaara must earn the trust of its stakeholders and partners, and play an active role in Finnish society. Talvivaara’s stakeholder and partner relations strategy therefore emphasises open and effective communications and the development of interaction, in particular with the surrounding communities. Our goal is to set an example in the way we manage our communications, occupational safety and environmental issues, as well as making use of our technologies in accordance with the principles of sustainable development.” (Talvivaara’s annual report 2012, p. 12)

Furthermore, the report denotes the company’s belief that engagement with sustainable development principles can yield business benefits:

“We believe that, by developing our operations in accordance with the principles of sustainable development, we can improve our chances to succeed, attract the most suitable and qualified professionals, operate efficiently and safely, and thereby improve our competitiveness.” (Talvivaara’s annual report 2012), p. 26).

Although Talvivaara’s annual report 2012 demonstrates commitment to CSR and stakeholder management, the company has been criticized for its managerial approach towards these issues. Laita (2012) analyzed the gypsum pond leakage and its management in Helsingin Sanomat in 3.12.2012. According to him, the catastrophe was extremely serious, but not the most serious in the Finnish history in environmental terms. However, Laita (2012) described the incident as above all, disastrous in the way it was dealt with by the company and the officials responsible. According to him (2012), the officials have generally been evaluated as not having sufficient expertise and resources to monitor and control the large plant’s operations. Moreover, he (2012) points out that also Talvivaara has played its part poorly in responding to the issues. Laita (2012) claims that Talvivaara has failed to understand, what kind of corporate social responsibility is being expected from the company.

As a part of Talvivaara’s strategy and managerial approach towards CSR and stakeholder dialogue, Paikanpäällä.fi (On the Spot) blog was established in the beginning of year 2012. In the following section, the blog is introduced.

3.1. Paikanpäällä.fi

According to Talvivaara's annual report 2012, Paikanpäällä.fi (On the Spot) blog was established as a response to local people's uncertainty and questions about Talvivaara's operations. In late 2011, Talvivaara conducted an opinion survey to see how Kainuu residents perceived the company. The results indicated that the majority of respondents thought Talvivaara was a positive asset to the area especially for the economic and employment benefit it brings to the region. However, almost two thirds of the respondents were concerned about the environmental impacts of the mine. Talvivaara indicates that the company is willing to keep local residents sufficiently informed and seeks to report on its activities transparently and openly. As an attempt to interact with the community and address their concerns, the company launched Paikanpäällä.fi. (Talvivaara's annual report, 2012). Talvivaara's annual report 2012, p. 60 describes the blog as follows:

“Paikanpäällä.fi (on the Spot) is a channel that primarily serves the entire local community. You can read the results of environmental monitoring at the mine – and particularly for those areas on which we receive most feedback from our neighbours. The blog also gives regular updates on the progress of Talvivaara's environmental improvement programme.”

According to Talvivaara's annual report 2012, the blog has reached good readership with approximately 2500-3000 distinct visitors per month from a variety of browsers. In November 2012, an environmental disaster took place at the mine as a gypsum pond leakage was spotted. The relation between the incident and blog visitor numbers will be discussed at section 4.2.1.

In this study, Paikanpäällä.fi is examined as a Web 2.0 tool for CSR dialogue. Norros' (2012) master's thesis evaluated Paikanpäällä.fi as a crisis communication channel mainly by looking at the blog's relation to media discussion. The findings of Norros' thesis supported the blog as a communication tool in a crisis situation. The current study adopts a different approach by specifically researching the company-stakeholder interaction in the blog through interviews with representatives from both parties.

Paikanpäällä.fi is a blog, which is a form of user-generated web site. Gaiser and Schreiner (2009) indicate that the growing reach of Web 2.0 tools has enabled user-generated web content to grow substantially. Massive amounts of user data traces are available through the Internet, and therefore, the phenomenon has become a great matter of interest for social science research. Blogs are a form of user-generated web content. Gaiser and Schreiner (2009 p. 4) describe blogs as follows:

“A particular form of user-generated web site is called a weblog or, in short, a blog. Blogs are web sites where an author creates documents such as diaries or commentary at (hopefully) regular intervals. Usually the author allows viewers of the site to post comments about the document, or engage in some type of online discussion. Subjects range from politics ... to personal and life events ... to consumer gadgets ... Blogs often include images as well as text and dynamically link to other blogs and sites on the Internet. By convention, articles or posts are placed in reverse chronological order, that is, the most recent is at the top. Also by convention, articles once posted, are not changed, though errata may certainly be posted later.”

Also Gil de Zúñiga et. al (2009), denote that blogs are user-generated, interactive webpages where hosts create postings around topics and usually blog readers are able to respond to the posts by leaving comments. Based on these definitions, some key features of blogs can be defined for the purposes of introducing the Paikanpäällä.fi case blog's features. The following figure identifies the elements with red marks.

Figure 10: Paikanpäällä.fi Blog

The image shows a screenshot of the Paikanpäällä.fi blog homepage. The page features a header with navigation links: Blogi, Parannusohjelma, Kysymyksiä ja vastauksia, Ympäristöseuranta, Kartta, Palaute, and Tarina. A large banner image shows a yellow excavator at night. Below the banner, the text reads 'ARKISTOT KUUKAUDEN MUKAAN: MARRASKUU 2012'. The main content area displays two blog posts in reverse chronological order. The top post is titled 'Päivitys 6: Kysymyksiä ja vastauksia kipsisakka-altaan vuodosta' and is dated 7.11.2012 | Talviavaari. It has 1 comment. The bottom post is titled 'Päivitys 5: Kysymyksiä ja vastauksia kipsisakka-altaan vuodosta' and is dated 6.11.2012 | Talviavaari. It has 2 comments. A left sidebar contains the blog's logo, contact information, and a brief description in Finnish and English. A right sidebar contains a red arrow pointing downwards with the text 'Posts are placed in reverse chronological order'. Several red boxes and arrows highlight specific elements: 'Blog information about theme, purpose and authors' points to the sidebar; 'Post title' points to the title of the top post; 'Post date and author' points to the date and author of the top post; 'Number of comments' points to the comment count of the top post; and 'Posts are placed in reverse chronological order' points to the downward arrow on the right.

Paikan päällä.fi
TALVIVAARA

Paikan päällä -blogissa kerrotaan Talviavaaran kaivoksen ympäristöasioista. Blogin tarkoituksena on helpottaa ja nopeuttaa Talviavaaran ympäristöviestintää etenkin kaivosten ja kaivoksen läheisyydessä asuvien ihmisten suuntaan. Kirjoittajina toimivat Talviavaaran ympäristöasioista vastaavat, mutta toisinaan blogissa vieraillee myös kaivosyhtiön ulkopuolisia kirjoittajia.

Lisätietoja
Vaihde 020 7129800

Kestävän kehityksen johtaja,
Eeva Ruokonen

Ympäristöpäällikkö,
Veli-Matti Hiltta

Viestintäpäällikkö,
Olli-Pekka Nissinen

etunimi.sukunimi@talviavaara.com

Briefly in english
You are now entering Talviavaara's dedicated Finnish language website for local communities in the Kainuu region. To be re-directed to the Talviavaara site, please [click here](#).

Terms of Use

[paikangaaia.fi RSS](#)

Uusimmat
Tuotannon kasvulle hyvät edellytykset Talviavaaran vaatine Iltalehden väheellisin välittisin Talviavaara jatkaa lintujen karkotusta syysmuuton aikana

Blogi Parannusohjelma Kysymyksiä ja vastauksia Ympäristöseuranta Kartta Palaute Tarina

ARKISTOT KUUKAUDEN MUKAAN: MARRASKUU 2012

< Edelliset Seuraavat >

Post title
Päivitys 6: Kysymyksiä ja vastauksia kipsisakka-altaan vuodosta

7.11.2012 | Talviavaari

Mikä on tilanne keskiviikkoamuna 7.11 kello 11.30? Kipsisakka-altaan vuoto on jatkunut entisen suuruisena. Suurin osa vedestä virtaa etelään jäikkäistely-yksikköön, jossa se pysähtyy Kortselammen patoon. Työtä vuoden paikkaistamiseksi, tukkimiseksi ja vahinkojen minimoimiseksi on tehty yötä päivää miehiä, voimia, kalustoa ja kustannuksia. [Lue koko juttu](#)

Number of comments
1 kommenttia

Post title
Päivitys 5: Kysymyksiä ja vastauksia kipsisakka-altaan vuodosta

6.11.2012 | Talviavaari

Vaikutuksia seurataan nyt tehostetusti. Mitä näytteistä on havaittu? Pohjoisen suuntaan seuraamme jäikkäistely-yksiöitä eteenpäin meneviä vesii Salmisenpurosta (Salmisen ja Kalliojärven välillä) sekä Kalliojoesta ennen Kolmisoppaa. Tuhkajoki otetaan seurantaan keskiviikosta alkaen. Etelän suuntaan seuraamme vesii Lumijoesta. Otamme näytteitä kaksi kertaa vuorokaudesta ja ... [Lue koko juttu](#)

Avisoinnot: [näytteenotti, Talviavaari](#) | 2 kommenttia

Posts are placed in reverse chronological order

4. METHODOLOGY

This section explains the methodology used in this thesis with a particular focus on the empirical part of the study.

Firstly, the methodological approach to data collection and analysis is introduced and justified. Secondly, the data collection process, the selection of the interviewees and the data analysis process will be reviewed. Finally, the trustworthiness of the study will be evaluated.

4.1. Research Methodology

To evaluate the causalities described in the literature review and the theory of this study, case study was chosen as the approach to the subject matter. According to Gummerson (2008), cases are used to make theories and concepts better understandable and concrete through examples and illustrations – not to particularly prove anything. Furthermore, Gummerson (2008) argues that in management research, the case study is used to narrate how an organization acted in a certain instance. According to Gummerson (2008 p. 39):

“Case study research is especially effective in approaching phenomena that are little understood; phenomena that are ambiguous, fuzzy, even chaotic; dynamic processes rather than static and deterministic ones, and includes a large number of variables and relationships which are thus complex and difficult to overview and predict.”

The purpose of this thesis is to observe stakeholder dialogue in Web 2.0 and identify essential factors for mutually successful stakeholder dialogue processes. As O’Riordann and Fairbrass (2008) pointed out, research on practical stakeholder dialogue is still at a very early stage, and hence, the phenomenon remains little understood. Relating to Gummerson’s (2008) conception, the case study was chosen as the approach for this research since it provides a way to identify some of the dynamic and complex characteristics of stakeholder dialogue.

Companies still conduct Web 2.0-based CSR stakeholder dialogue rarely. Observing Finnish corporations, it appears that only a handful of companies have an interactive channel dedicated to stakeholder dialogue, let alone one focused on CSR-related issues. For the purposes of this thesis, Talvivaara Mining Company Plc.'s blog Paikanpäällä.fi was chosen as the case for the empirical study.

Simons (2009) denotes that researchers use the case study in a very broad sense referring to it as a method, a strategy or an approach. This research adopts Simons' idea that the case study is essentially an approach, which affects the selection of data collection methods. Also Hamel et. al (1993) indicate that the case study is principally not a method but an approach, which employs a variety of methods. Methodologically this thesis is primarily qualitative and aims reconstruct and analyze the case comprehensively.

According to Gummerson (2008), case studies are affiliated primarily with qualitative methods but can also include a quantitative part. In managerial context, case studies are concerned with complex phenomena to which quantitative methods are inadequate in providing in-depth understanding. Hence, the case study approach is primarily qualitative. (Gummerson 2008).

This research adopts qualitative methodology as the primary approach to scrutinize the research themes. According to Sumner (2006, p. 249),

“qualitative research uses a range of methods to focus on the meanings and interpretation of social phenomena and social processes in the particular contexts in which they occur.”

The research questions of this study aim to identify company and stakeholder perceptions on stakeholder dialogue and examine how Web 2.0 tools facilitate stakeholder dialogue. According to Dirksen et. al (2010), when researching online dynamics, it is essential to understand online practices, but also offline activity surrounding an online domain since the two are essentially connected spheres of social activity.

Reflecting to the arguments reviewed above, it is contented that the most suitable research approach for the case study of this research is qualitative. Since the current research aims to frame a complex phenomenon which has been only little researched thus far, the study is primarily qualitative. However, in order to substantiate the analysis, a quantitative part where blog traffic is analyzed, is incorporated to the study.

4.2. Data Collection

According to Gummerson (2008) case study research can adopt any qualitative method that fits the research context. For the purposes of this case study, interviews were sought as the best data collection method to complement the research. Furthermore, in order to gain a deeper understanding of the case blog Paikanpäällä.fi and its user activity, an analysis of the blog traffic was carried out. The data collection process is reviewed in the following two sections.

4.2.1. Paikanpäällä.fi Blog User Activity Analysis

Hogan (2008) suggests that observation of research subjects' behavior through Internet traces can provide a valuable addition to qualitative, in-depth examination of perceptions behind online activity. Also Janetzko (2008) claims that combining nonreactive data with other kind of data ideally improves confidence of study results. Nonreactive data collection refers to settings where the persons under examination are unaware that they are being observed, thereby their behavior being little affected by the data collection process. Nonreactive data collection can be used as means for trace measures, which is a method for quantifying social activities or phenomena. (Davies 2006)

According to Janetzko (2008), nonreactive data collection on the Internet provides a way to concretize the phenomena or concepts under research. The method increases comparability, tangibility and visibility of the subject studied. However, the method used as such may provide relatively narrow interpretations of a subject matter, and

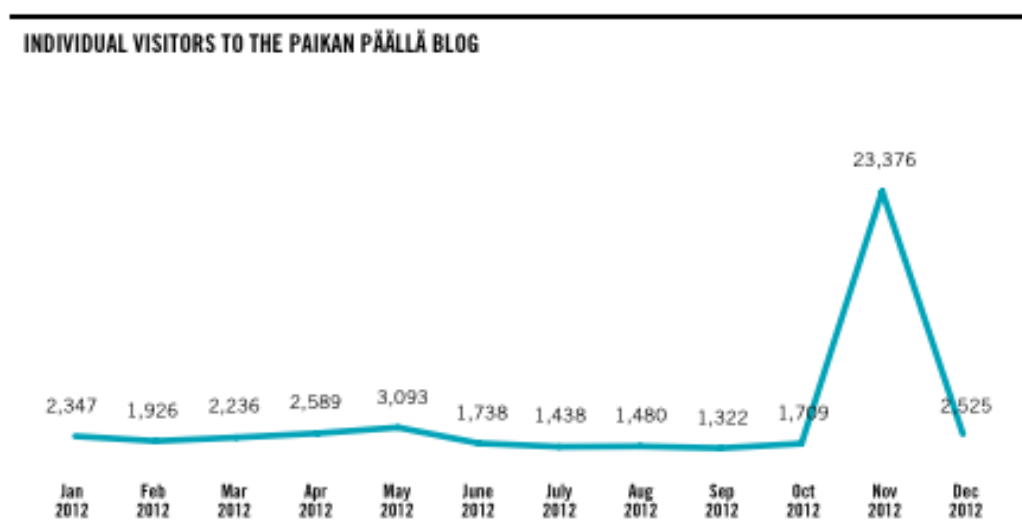
therefore, Janetzko (2008) suggests that combining other data collection methods may help in validating research.

For the purposes of this research, blog reader activity is observed in order to inspect potential fluctuations over a specified time period. Furthermore, commenting activity is quantified in order to identify the most active contributing readers of Paikanpäällä.fi blog.

As discussed in the literature review of this study, O’Riordan and Fairbrass (2008) claim that specific events play a significant role in the context of stakeholder dialogue. With regards to this study, it is noteworthy to inspect whether the incident of gypsum pond leakage described in chapter three has an effect to the blog activity. To evaluate this, the current study uses secondary data retrieved from Talvivaara’s annual report 2012.

Talvivaara’s annual report 2012 outlines that Paikanpäällä.fi has about 2500-3000 distinct readers per month visiting from a variety of browsers. In November 2012, the gypsum pond leakage was spotted at the mine in Kainuu. At the same time, there was a significant peak in blog visitor numbers, rising up to 10 times higher than in an average month of 2012. Figure 11 indicates the monthly number of individual visitors to Paikanpäällä.fi blog.

Figure 11: Individual Visitors to the Paikanpäällä.fi blog (Talvivaara’s annual report 2012, p. 60).



Reflecting to O’Riordan and Fairbrass’ (2008) claim that events are strongly linked to the stakeholder dialogue setting, it is assumed that the peak in blog visitor number was directly connected to November’s incident at the mine. Therefore, it is expected that the event might have implications to also other aspects of the stakeholder dialogue process. In order to investigate these and other linkages, stakeholder and company interviews were appointed. Company interviewees were selected by identifying and contacting the three writers of the blog, who are introduced at the main page of Paikanpäällä.fi (figure 10). Stakeholder interviewees were contacted based on their contribution through post comments. For the purposes of this research, the evaluation was based on manual calculation of blog posts and comments per post. The time period under evaluation was from November 2012 to October 22nd 2013. November 2012 was selected as the start time for the inspection, as the event took place in early November 2012. The posts were quantified up to the date when the calculation was carried out, October 22nd 2013. It is assumed that the period of several months reveals some of the trends associated with the link between the event and reader activity. Furthermore, in order to make sure that the interviewees selected based on nonreactive data collection process have sufficient memory of the blog dialogue process, blog posts from over a year ago were excluded from the examination.

In addition to calculating the comments per blog posts (figure available in subsection 5.4.2), the comments were quantified per individual visitor. The most active contributors were contacted to request stakeholder interviews.

Janetzko (2008) denotes that nonreactive data collection features significant ethical questions. Nonreactive data collection is hidden, meaning that the persons inspected are unaware that they are being studied. This links to online privacy issues, especially if the data becomes identifiable. Therefore, individual user activity record, which is linked to blog readers’ names is not published in this study.

4.2.2. Qualitative Interviews with Talvivaara Managers and Stakeholders

To get a thorough understanding of blog user perceptions and blog functions, three interviews with the case company Talvivaara and five interviews with Talvivaara's stakeholders were appointed. Semi-structured interview was selected as the data collection method.

According to Payne and Payne (2004), interviews are chosen as a research method for qualitative studies in order to attain in-depth understanding on the topic area. Some of the other main benefits of interviews include high response rates from targeted people, the possibility to interpret also non-verbal signals, flexibility and possibility to elaborate on the topic during the session.

Interviews are commonly categorized in three main types: structured, semi-structured and unstructured. Structured interviews resemble questionnaires a lot in that they are fixed by their format, whereas unstructured interviews resemble free conversations and require little guidance from the interviewer. Semi-structured interviews are partly led by interviewer's agenda and are used when certain broad topics and some specific questions need to be covered, but elaboration on answers is desirable. (Leonard 2003)

Semi-structured interviews provide a good basis for an open-ended conversation where certain topic areas need to be covered. The approach allows potentially for new ideas to emerge during the interview, for non-verbal interpretation of the interviewee as well as in-depth understanding to develop on the topic area. Some of the main disadvantages of this approach include bias of the interviewer as well as time and money costs. However, these pitfalls can be passed when planning out carefully and acknowledging the issue. (Leonard 2003)

4.2.2.1. Manager interviews

The company interviews were appointed with key contributors of the blog. Talvivaara's Chief Sustainability Officer Eeva Ruokonen, Environmental Manager Veli-Matti Hilla and Communications Manager Olli-Pekka Nissinen were interviewed September the 20th 2013 at the Talvivaara office in Espoo. The interview with Eeva Ruokonen was held face-to-face at the office and the Mr. Hilla and Mr. Nissinen were interviewed through a video conference call from Espoo to Kainuu. The interviews with Mrs. Ruokonen and Mr. Hilla each took about an hour. The interview with Mr. Nissinen was elaborative, and since the reserved one-hour time did not suffice to cover all the intended interview topics, the interview was continued the following week in 24th of September though a Skype call. All the three interviews were recorded for transcribing purposes. The records were listened through two times each written down and categorized under themes and subthemes for the analysis of this study.

The interviews were constructed to cover the research themes and thesis statements described in the section 2.4. The interviews were held in Finnish and structured by 20 questions (see appendices). From this point on, the interviewees will be referred to with the following abbreviations: Eeva Ruokonen (EER), Veli-Matti Hilla (VMH) and Olli-Pekka Nissinen (OPN).

4.2.2.2. Stakeholder Interviews

In order to evaluate stakeholder perceptions on dialogue with Talvivaara, five interviews with blog commentators were appointed. Ten of the most active commentators between the time period of November 2012 to October 22nd 2013 were identified, and a contact request was sent through Talvivaara, who possessed the commentators' email addresses. The interview requests were sent and responses gathered during November 2013. Out of the ten people contacted, five agreed to take part to the interview, two declined the request, one's email address was not found on Talvivaara's data base, one email did not reach the recipient and one did not reply to the request.

Four of the stakeholder interviews were held face-to-face at commentators' home region and one through a phone call. The interviews were all held during December 2013. The sessions each took about an hour and were structured with 16 questions (see appendices), which were formed based on the research questions and the four thesis statements of this study. The interviews were recorded for transcribing purposes. The records were listened through two times each and written down and categorized in themes and subthemes for the analysis. Two of the interviewees requested that the interviews should be reported anonymously and hence, it was decided that all the stakeholder interviews are reported anonymously.

4.3. Trustworthiness of the Study

In order to ensure the trustworthiness of the present thesis, four dimensions explained by Given and Saumure (2008) were evaluated: transferability, credibility, dependability and confirmability. According to Given and Saumure, the trustworthiness test provides researchers with a framework through which they can demonstrate the quality of their study. The trustworthiness test is used particularly for the assessment of qualitative studies. Typically the concepts of generalizability, internal validity, reliability, and objectivity are used to evaluate quantitative research. Since this research is primarily qualitative, it was sought that the concepts described by Given and Saumure (2008) were more suitable measures for this study.

Given and Saumure (2008) indicate that transferability refers to the applicability of a research in different contexts. Essentially, through evaluating transferability, the researcher is made aware of the scope of their study. Through the evaluation, it can be predetermined whether the study is applicable narrowly or broadly, and the value of the study cannot thereby be considered unworthy by scope. In assessing the transferability of the current thesis, it should be pointed out that the case study of this research only examines one case of a company, which operates in an industry that, according to Hamann (2003), is a subject to significant challenges with CSR and stakeholder dialogue. Therefore, the findings of the case study may not be transferable to other cases and industries. However, the thesis statements of this study were designed to be applicable for a variety of industries and managerial cases, and the main findings of this study were derived not solely from the individual case

study, but also based on the literature review. Nevertheless, it is suggested that the readers of this thesis carefully consider the applicability of the results of this study before generalizing them to other industries or cases.

According to Given and Saumure (2008), credibility assessment implies whether the researcher has described the phenomenon under research accurately and richly, and if the data of the study has been accurately denoted. The attempt was to establish the credibility of this thesis by looking at various sources of data, and based on this, provide a versatile and thorough description of the subject matter in the literature review. This turned out to be a quite a challenging task, as there has been only little research on stakeholder dialogue in Web 2.0 prior to this study. On the other hand, the gap in research further encouraged thorough investigation and explanation of the subject. As stakeholder dialogue in Web 2.0 turned out to be an extensive and little researched phenomenon, it was decided that the subject should be divided into four themes: managerial approach, conflict management, organizational learning and Web 2.0. The previous research has addressed some areas more extensively than others, and therefore it was sought that the subject could not be credibly evaluated as a single topic. Consequently, it is argued that the credibility between the findings on the different themes may vary.

Furthermore, Given and Saumure (2008) argue that dependability is evaluated to ensure the author represents the procedure and research tools used in the study so that the study can be further tested in similar conditions. The procedures and instruments should be selected so that if the study was conducted again in similar conditions, same interpretations on the phenomenon would apply. To lay the procedures and instruments appropriately, the aim was to carefully construct the literature review, the methodology section, the findings and discussion, the conclusions of this thesis as well as the appendices and references. The different phases of the study are carefully explained throughout the entire study with a specific attention to the methodology and thesis statements formed for this research.

Finally, according to Given and Saumure (2008), confirmability of research can be ensured by making interpretations and findings comparable to the study data. If a study is confirmable, no arguments that cannot be supported by research data can be claimed. The confirmability of this research is enhanced by giving detailed descriptions of the interview data in the Findings and Discussion chapter. The details

refer to the in-text statistics on interviewee opinions as well as the several straight interview quotations. This way, the findings of this study can be easily compared to the interview data. Furthermore, the findings of the research are only formed based on the case study data and the literature review data, which have been introduced in this research.

5. FINDINGS AND DISCUSSION

The objective of this section is to review the main findings of the empirical research and, simultaneously, discuss them in relation to thesis statements introduced in section 2.4. The findings can either support or challenge the four thesis statements.

The analysis of this study is thematic. The findings and the discussion are structured under four key themes which were identified in the literature review and further refined through thesis statements. The themes used for this study are: managerial approach, conflict management, organizational learning and Web 2.0. Each theme is discussed in relation to stakeholder dialogue. The thematic sections are started with the related thesis statement, and concluded with an evaluation of the thesis statement.

5.1. Managerial Approach

Statement 1. Managers lack sufficient skills, models and tools for conducting mutually beneficial stakeholder dialogue.

In order to understand the preconditions for stakeholder dialogue in Talvivaara case, it is essential to first explore the company's managerial approach towards stakeholder dialogue. According to Deetz (2007) managers are generally poorly equipped for conducting mutually beneficial stakeholder dialogue. The theme was discussed with the interviewees in order to examine Talvivaara's readiness to manage stakeholder dialogue with regards to managerial skills, models and tools. In this section, Talvivaara's managerial skills, models and tools in relation to stakeholder dialogue are evaluated by firstly, giving a short introduction on manager's general ideas about Talvivaara's CSR stakeholder dialogue. Secondly, both manager and stakeholder interview results on the theme are compared with O'Riordan and Fairbrass' (2008) stakeholder dialogue framework. Finally, the section is concluded with the evaluation of thesis statement 1.

As pointed out by Deetz (2007), managers generally lack education, example and hence, skills to conduct interactive stakeholder dialogue. Elkington (1997) claims that

the current manager generation has grown up with the absence of transparency technologies, and therefore might have difficulty in understanding how to harness Web 2.0 as means for stakeholder dialogue. However, Elkington also claims that managers often recognize the need to engage with stakeholders, but similarly to Deetz, Elkington argues that managers lack skills to manage stakeholder dialogue efficiently.

When Talvivaara managers were asked to describe what CSR means for Talvivaara, all three interviewees mentioned social responsibility as one of the core elements in Talvivaara's responsibility. Two of the managers said that one of the most important goals of Talvivaara's CSR strategy is to gain social license to operate. When asking the managers to list Talvivaara's most important stakeholder groups, all three recognized that Talvivaara has a wide array of stakeholder groups, including local people, local authorities, local companies, NGOs, politicians, schools, universities, owners, analysts, employees, the media, business partners and investors. Two of the interviewees identified local communities as the most important stakeholder group of Talvivaara, and one of the interviewees argued that almost every Finnish citizen have heard of Talvivaara, and hence the scope and demand for stakeholder collaboration is extensive.

One of the objectives of the interviews with Talvivaara managers was to identify the company's reasons for conducting stakeholder dialogue. One of the managers stated that environmental challenges have increased the pressure to conduct stakeholder collaboration. All the three indicated that Talvivaara has experienced external demand for stakeholder dialogue, and hence Talvivaara has initiated several stakeholder dialogue channels. One of the interviewees also mentioned that stakeholder dialogue is a mandatory part of mining operation permit process. Furthermore, all the three indicated that an important aspect in stakeholder dialogue is getting feedback.

5.1.1. Evaluation through Circumstantial Domains

According to O'Riordan and Fairbrass (2008), when forming a practical approach to CSR stakeholder dialogue, it is essential for managers to comprehend certain

preconditions for stakeholder dialogue: *context*, *stakeholders*, *event* and *management response*. The dimensions were introduced in detail in section 2.2.2. (figure 6). The interviews indicated in different forms that the three managers have a good understanding of the *context* within which Talvivaara operates.

“We probably can never please everyone, because the mining industry is the kind of business which changes the landscape and so on. We are sure to face discord regardless of how well we deal with things.” (OPN)

“CSR is vital to us, this industry always affects the environment and therefore we need to operate so that we get the social license to operate and understand what the society expects from us.” (EER)

Two of the managers also pointed out that *events* may trigger a change in stakeholder dialogue setting. An example of such event is discussed in subsection 5.2.3.

In order to evaluate managerial preconditions for stakeholder dialogue with regards to two remaining dimensions, *stakeholders* and *managerial response* of O’Riordan and Fairbrass’ (2008) model, we also need to understand Talvivaara’s stakeholder perceptions on these issues. As stated before, Talvivaara has several stakeholder dialogue initiatives and recognizes a wide array of stakeholder groups. As Talvivaara’s Annual Report 2012 and the manager interviews indicate, Talvivaara’s long-term strategic goal is to be a forerunner of sustainability in the mining industry. According to EER, Talvivaara’s short-term goals include the improvement of safety culture, sustainable water balance and stakeholder collaboration. Furthermore, Talvivaara’s improvement program for 2013 included safety, odors, dust, water and stakeholders. According to the manager interviews, Talvivaara’s stakeholder management tools and initiatives include regular public events, sustainability reviews, mine visits, partnerships with NGOs, environmental monitoring team, Neighborhood Meetings, stakeholder surveys and the Paikanpäällä.fi blog.

Referring to O’Riordan and Fairbrass’ circumstantial model (2008) it could be inferred, that Talvivaara has developed a CSR strategy and a stakeholder policy. These are an essential part of the *management response* dimension, which is also closely linked to the *stakeholder* dimension. According to the model, as a precondition for stakeholder dialogue, managers need to identify and prioritize stakeholders as well as understand stakeholder expectations. To evaluate the

implementation of Talvivaara's stakeholder policy and approach to stakeholders, we now look at stakeholders' perceptions on Talvivaara's managerial approach.

As indicated earlier, Talvivaara recognizes local citizens as one of its key stakeholder groups. Most of Talvivaara's stakeholder initiatives are directed to reach local communities. Four out of five interviewees lived within a 100 km of the mine area and one of the interviewees was originally from the area. Out of the five stakeholder interviewees, all five had attended in dialogue with Talvivaara through Talvivaara's events. All of the stakeholder interviewees had also contributed to discussion online at Paikanpäällä.fi blog. Other forms of dialogue the interviewees had taken part in were direct contact with the managers through phone calls and face-to-face meetings (four out of five) and leaving notes during permit application processes (five out of five). All the interviewees also reported they had been attending other forms of civic participation regarding Talvivaara. These included discussion in other web forums (five out of five), demonstrations (three out of five), contact with Finnish parliament members (three out of five) and giving media interviews (three out of five).

It can be stated that all the interviewees had been highly active in attending dialogue with Talvivaara as well as participating Talvivaara-related activity through other forums. The manager interviews also indicated that the stakeholder collaboration initiatives have reached extensive amounts of public. For example, according to OLN, the mine was visited by about 7000 people in 2012 and mine visits have gotten 500 to 2000 visitors per time. All the managers experienced that Talvivaara generally receives a lot of feedback, and that messages reach them quickly.

Reflecting to the interviews, it seems like all the interviewed managers have a general understanding on what kind of operative responsibilities stakeholders expect from Talvivaara. Talvivaara managers sought that stakeholders were concerned about environmental issues, currently the concerns being specifically on water pollution.

“We have discussed a lot of problems at these stakeholder events. We have gotten credit for odors and dust, but the concerns have moved on to waters.” (OPN)

Correspondingly, all the stakeholder interviewees indicated they were primarily concerned about Talvivaara's environmental impact.

“Since the beginning we have been worried about pollution of the environment and deterioration of conditions, because we knew how enormous the area is.” (KRA)

“I want a clean and safe living environment for me and my children, animals and future animals.” (VUJ)

However, when it came to stakeholders’ expectations towards Talvivaara’s communications, it appeared that the stakeholder interviewees were generally dissatisfied with the interaction. All the interviewees reported that they were interested in getting accurate and detailed information from Talvivaara, but they were discontent with information exchange with the company.

“I have tried to get information directly from the mine and the ELY Centre. But they deliver it so slowly.” (KUA)

“Talvivaara’s communications should be in line with the information we get from other sources. There are too many variables depending on where we get information. Information always tends to be contradictory between different sources.” (KRA)

“As a part of the statement we recently gave regarding environmental monitoring, we said that reporting of results should be continuous. Not just when an incident occurs, that’s when they release a piece of news, but it should be continuous.” (SEL)

“We started losing trust in communications already from the beginning. It was selective, and for the information that was not true or a bit unclear we were asking for clarification. They did not always respond... Their communication tactics are dismissive.” (REP)

“It (the blog) would be a good thing, if they responded and if they rather responded honestly. Not just whether the glass is half full or half empty”. (VUJ)

As seen in the comments, the stakeholder interviewees have experienced many kinds of problems with their interaction with Talvivaara. All of the interviewees indicated dissatisfaction with frequency of interaction and were discontent with undetailed

information Talvivaara communicates. Four out of five interviewees also demonstrated mistrust towards Talvivaara's communication, and all the five interviewees indicated that Talvivaara's communication is selective and emphasizes positive aspects of the company.

These remarks convey that the stakeholders feel generally dissatisfied with Talvivaara's communications. Barone et al. (2013) indicated that poor and misleading communications may cause deep mistrust and resentment among stakeholders. The findings of this study support this claim by suggesting that Talvivaara's poor communications may be the cause for the mistrust among the local community. Also Elkington (1997) suggests that credibility and trust are built through engaging emotions of the public, not by exposure of facts and science. According to him, such engagement requires active multi-way stakeholder dialogue.

Reflecting to Elkington's (1997) claims, it can be assumed that although Talvivaara uses a variety of stakeholder dialogue channels, the company has failed to engage the emotions and trust of its stakeholders. This might be a cause of Talvivaara's managerial approach towards stakeholder dialogue, which seems to rely on the exposure of facts. As an example, the stakeholders generally demonstrated frustration against the way Talvivaara communicates in its public events and the Paikanpäällä.fi blog.

"I asked something and they replied. The response policy was very consistent, they report some predetermined facts that hold true per se... But you know, things can be portrayed in different ways, so that you are not exactly lying." (VUJ)

"We were listeners of Talvivaara's briefing. Before the event Talvivaara announced that people should come ask questions, but during the two-hour event, fifteen people got to ask a question. Each question was then deliberated for twenty minutes." (REP)

"I think the problem with the events is that Talvivaara's official presentation has taken up most of the time, and the time for free discussion has been limited. Typically people have had much more questions and that should be given more time." (KRA)

Interestingly, also the interviewed managers demonstrated some degree of frustration towards stakeholder reactions.

“We strive to communicate openly, we are not purposefully misrepresenting things. We publish hundreds of measurement results at the website. Anyone can unilaterally interpret things though.” (OPN)

“There are certain cases, where our message is not understood no matter how carefully we explain and answer. The one who we have responded to has not felt satisfied with the answer. We respond as wisely as we can, but the one who asks the question might have a very different idea of the issue, and thereby we just can't really relate on one another.” (VMH)

“There (in the blog) has been a few people who all the time... There is this one woman who has never been satisfied with our answers. We are hoping that we could keep the answers very short.” (EER)

Consequently, it seems like there is a gap between Talvivaara managers and stakeholders with regards to the expectations towards communications. The interviewed managers and stakeholders seem to both expect a different kind of reaction from one another as a result of dialogue. Managers indicated that they wish to give concise answers to questions, whereas stakeholders expressed that they want more detailed information. The interviewed managers also told that they have experienced some difficulty in carrying out dialogue. The first comment below describes how Paikanpäällä.fi was initiated and the second depicts some of the challenges interactive web communication brings about.

“We contacted a communications agency to get some help. They came out with a very good idea, I knew it should be web-based, it cannot be our website but something else, I had no clue what it could be. We then established Paikanpäällä.fi really quickly.” (EER)

“The big picture is that social media is a very challenging environment. Active social media users are really demanding, you need to be fast and fluent. Now that you go there to practice so to speak, you get your butt kicked... It's not easy.” (OPN)

Furthermore, all managers indicated that they felt like Talvivaara's resources limit the possibility to conduct stakeholder dialogue more actively.

Drawing on the discussion above, it could be inferred that Talvivaara has partly failed to understand the *stakeholder* dimension of O'Riordan and Fairbrass' (2008) model. The managers had a general understanding on what kind of responsibilities the company is expected to carry and had deliberated who Talvivaara's primary stakeholders are, and how to reach these groups. However, the manager and stakeholder interviews indicated that the stakeholders are expecting a different kind of communication approach from Talvivaara. Linking to the *stakeholder* dimension, it appears that Talvivaara also has some issues regarding the *management response* dimension. Although Talvivaara interacts with a wide array of stakeholder groups and has defined a CSR strategy and stakeholder policy, the stakeholders were generally dissatisfied with the interaction with Talvivaara. Stakeholders were discontent with frequency of interaction, access to detailed information and trustworthiness of Talvivaara's communication. Therefore, it can be concluded that Talvivaara has some issues with implementing its CSR strategy.

5.1.2. Evaluation of Thesis Statement 1

The findings of this section mostly support statement 1.

The manager interviews support Elkington's (1997) claim that managers recognize the need for stakeholder dialogue. Reflecting to O'Riordan and Fairbrass' model (2008), the interviewed managers have a good understanding of the context within which Talvivaara operates and how events have affected the context. All the managers indicated that stakeholders are among the primary interests in Talvivaara's CSR strategy, and that Talvivaara uses a variety of tools and initiatives to allow active stakeholder discourse. The tools include different types of stakeholder events, meetings, reviews and Paikanpäällä.fi blog. According to the interviews, these initiatives have reached stakeholders extensively. The stakeholder interviewees had been participating in dialogue with Talvivaara actively. However, the interviewed stakeholders reported many deficiencies with the communication channels.

The interviewed managers demonstrated general understanding on the operational responsibilities Talvivaara's stakeholders expect from the company. However, as retrieved from the interview data, it appears that stakeholders were generally discontent with the managerial approach to communications. Stakeholders reported problems with Talvivaara's frequency of communication, access to detailed information and indicated general mistrust towards Talvivaara's communications. Correspondingly, managers reported they had faced some issues with regards to stakeholder reactions, as well as some difficulty in managing dialogue specifically in the blog. The managers also indicated that they lack resources for carrying out more active dialogue.

Consequently, the findings support Deetz's (2007) argument that managers lack sufficient skills and models for mutually beneficial stakeholder dialogue. Deetz denotes that failure to collaborate with stakeholders may be caused by managerial approach to communication. Talvivaara has an ample set of tools for stakeholder dialogue and has reached its stakeholders extensively, but stakeholders demonstrate dissatisfaction towards Talvivaara's managerial approach especially with regards to communications. Supporting Barone et al.'s (2013) claim, the findings suggest that poor communication has led to the local community's mistrust and resentment towards Talvivaara.

5.2. Conflict Management

Statement 2. Dialogue settings that allow conflict encourage the most creative and mutually fulfilling outcomes.

Some scholars (e.g. Barone et al. 2013, Deetz 2007, O'Riordan & Fairbrass 2008) indicate that conflict management is an essential part of CSR stakeholder dialogue. According to Deetz (2007), traditionally stakeholder participation processes strive for consensus creation, although conflict might yield more beneficial outcomes for both business and stakeholders. Therefore, Deetz implies that the most effective stakeholder dialogue models invite diverse representation and thereby, various views to unfold. Such setting is likely to cause conflict, which, according to Deetz (2007), should be approved as a source for creativity and innovation.

According to O’Riordan and Fairbrass (2008), negative events might trigger a change in stakeholder dialogue circumstances, and thereby conflict management was regarded a noteworthy aspect to address in this research. As explained before, Deetz (2007) suggests that conflicts should be turned into beneficial learning experiences. On the other hand, Barone et al. (2013) emphasize the role of proactivity and interactivity in crisis management. According to Barone et al., managers should engage in stakeholder dialogue proactively, not after the decisions have been made or a crisis has occurred.

In this section, Talvivaara’s approach to conflict management is evaluated. Firstly, the conflict versus consensus creation aspect in Talvivaara is investigated. Secondly, managers’ approach to conflict will be assessed by analyzing their tendency to either coordinate or control dialogue. Thirdly, Talvivaara’s approach to a specific crisis, the gypsum pond leakage in 2012 is being discussed. Finally, based on the findings, thesis statement 2 is either supported or challenged.

5.2.1. Conflict versus consensus

During the discussions with Talvivaara managers, it came up repeatedly that through stakeholder dialogue, managers wish to create understanding.

“Through stakeholder dialogue, we understand them better, and they understand us better. Consensus has absolutely increased. Local people have a lot of false information. It worries us very much, that they have unnecessary concerns. When things are emotionally associated, they are really difficult to change. The aha-effect does not come from the local Kainuun Sanomat newspaper, but through discussions.” (EER)

“Our goal is to tell local citizens, what Talvivaara is... We want for local citizens to have clear and truthful information about things.” (VMH)

“The best way to see what we do is visiting the mine. We had about 7000 visitors last year, which is a lot. We are hoping for the message to go through also through that channel, conveying what we are doing here. Maybe that will calm down the discussion a bit.” (OPN)

Also stakeholder interviews imply, that Talvivaara is inclined towards creating consensus.

“The blog is just adulation... It is the same thing with the events, they take us around by buss on a wide area, but we are not taken to the areas, where the problems are. So everything is secret.” (SEL)

“The blog is very prejudiced and strongly defensive. Of course, they have very little positive things to communicate about. The blog and its purpose have become very one-sided and declarative, so it is kind of like an official declaration channel.” (KRA)

Relating to the interviews, it can be concluded that through stakeholder dialogue Talvivaara aims to create consensus. However, the managers also indicated that they welcome various stakeholder groups and views to dialogue, which, according to Deetz (2007), is an essential factor in advanced stakeholder collaboration models. All of the three managers reported that they have had voluntary dialogue with local citizens, local organizations, NGOs and universities. During the interviews, two of the managers also mentioned that Talvivaara has considered inviting external, critical parties as visiting writers to the blog.

“Through a visiting blogger, we would wish to create and expand dialogue. For example the Finnish Association for Nature Conservation could be good, we are completely open for that. Dialogue is the only way to get over things, and that is when we need to be ready to discuss with people who think differently. And it would be a terrible situation if we all would agree on everything.” (EER)

All the stakeholder interviewees also indicated that they believe managers have heard their opinions, but all of them were suspicious on whether their views have an actual impact on Talvivaara’s operations and decision-making.

“My opinions have been conformed, but I am not sure if they have been really considered.” (KUA)

“Things will not change by commenting in the blog, many have written there. It has no effect, nothing affects.” (SEL)

“I think it (opinion exchange) is a two-way street, it will not go any further than that. I do not believe that they specifically process them in any occasion.” (VUJ)

Deetz (2007) emphasizes that advanced participatory models feature openness, reciprocity and responsiveness. Although the interviewed managers implied that they are open for critical discussion, four out of the five stakeholders clearly indicated that they do not think Talvivaara is open in its communications. As stated before, the stakeholders did not feel like reciprocity and responsiveness have been realized in the process either.

Relating to Deetz's (2007) concept of advanced participatory model, it can be concluded that Talvivaara's dialogue activities are rather traditional than advanced. The findings suggest that through stakeholder dialogue, Talvivaara wishes to encourage consensus rather than idea-provoking conflict.

5.2.2. Control versus coordination

According to Elkington (1997), coping in the global business paradigm requires a profound shift in management thinking. He argues that managers should coordinate external and internal learning processes by monitoring, developing and responding to the needs of fluctuating operating environment. Similarly to Elkington, Deetz (2007) argues that in an ideal stakeholder collaboration model, managers should coordinate diverse values, stakeholder views and conflicting interests. Traditionally business managers are focused on controlling dialogue rather than coordinating views towards mutually beneficial outcomes.

Through the interviews, it was found that managers have tendencies to control discussions rather than coordinate dialogue. All of the managers sought that one of the primary goals of Paikanpäällä.fi blog is to give Talvivaara a channel to voice their views to the media. All the three also indicated that the blog provides a way to channel public discussions.

“The best situation was at the beginning, when newspapers started referring to the blog in their articles. That way, we got our voice out to the public.” (EER)

“Through the blog, we can correct misunderstandings.” (OPN)

“We wanted a channel where we can put information ourselves, for example diagrams about environmental impacts, define ourselves what there is. It is a different case if for example Helsingin Sanomat newspaper writes an article about us, the journalist chooses.” (VMH)

“Theoretically, we could request discussion openings (to the blog) also from critical stakeholder groups, although we do get openings through other channels. It could then channel, for example from other media to us. We are the editors and publishers then. We should then adjust the text with the writer, if there was some clear misunderstanding. But it would be an intriguing setting.” (OPN)

“We are hoping that Paikanpäällä.fi would become the place, where people want to look for information, rather than from for example, a site against Talvivaara.” (VMH)

As the example comments indicate, managers experienced that the blog allows for Talvivaara to get a better hold of public discussion and information exchange. The stakeholder interviews also demonstrate that Talvivaara’s management tendencies seem to rather be controlling than coordinating. As demonstrated earlier in section 5.1., four out of five stakeholder interviewees indicated mistrust towards Talvivaara’s communication, and all the five argued in different forms that Talvivaara’s communication is selective and emphasizes positive aspects of the company.

“I do not think the blog seems very truthful... There is a clear absence of healthy self-criticism towards own operations. It seems like they are just trying excuse. They are not actually admitting anything, just denying everything.” (KRA)

Furthermore, two of the stakeholder interviewees also reported that their comments have not always been published in the blog even though they submitted them with their names, and four out of five interviewees said that their comments have not always been responded to. Moreover, during the interviews one of the stakeholders claimed that politicians and journalists have been quieted down by Talvivaara, and two of the stakeholder interviewees said that employees are being suppressed.

“Out of the comments we left in the blog, they selected the best ones and did not really respond to what we asked. We asked a second time around and they did not publish them. They have not published everything we have written at all.” (REP)

However, all manager interviewees reported that Talvivaara has not moderated or censored discussions a lot. Furthermore, correspondingly to the stakeholders, managers indicate that they have not responded to all comments. The manager interviewees argue that the main reason for this is the lack of resources and time.

“The discussions have stuck to the topic, there has been no need to leave almost any questions out.” (EER)

“For the most part the discussion and comments have been OK, there has been no need to censor anything.” (VMH)

“In principle, we can say that everything has been approved, we do require a name though, and we do not publish comments without names. There has been very little inappropriate content, just some automatic spam written in foreign language and that we do not publish. If there are some swear words or completely inappropriate comments, we do moderate that. There have been just a few individual cases like this.” (OPN)

“We would like to write more, but we do not quite have enough resources. Also responses to the comments have sometimes been a bit late, and the thing is that commentators would want discussion immediately.” (EER)

“We have not been able to respond to people in decent time, that we do admit.” (OPN)

Reflecting to the results and discussion of this subsection, it is argued that Talvivaara aims to control stakeholder dialogue rather than coordinate. The managers indicated that one of the main functions of the Paikanpäällä.fi blog is managing public discussion and information exchange. The findings suggest that Talvivaara has a traditional approach towards stakeholder collaboration. According to Deetz (2007), managers typically aim to control stakeholder dialogue. He suggests that in the new paradigm managers rather coordinate diverse values and stakeholder perceptions and thereby coordinate operations towards mutually beneficial outcomes.

5.2.3. Conflict Management: Case Gypsum Pond Leakage

According to O’Riordan and Fairbrass (2008), events are one of the key factors defining CSR stakeholder dialogue practices. According to them, even if other defining factors, i.e. context, stakeholders and management response set favorable circumstances for a company, a specific event might trigger change in the setting. Such events include e.g. environmental incidents caused by a company. Consequently, crisis management plays an important part in CSR stakeholder dialogue management.

In this subsection, attention is drawn to a specific event in Talvivaara’s past. In November 2012, an environmental disaster occurred at the Talvivaara mine as a gypsum pond leakage was spotted. The event was described in section 3. In the following, both the interviewed managers’ and stakeholders’ views on the incident’s management are reviewed and discussed.

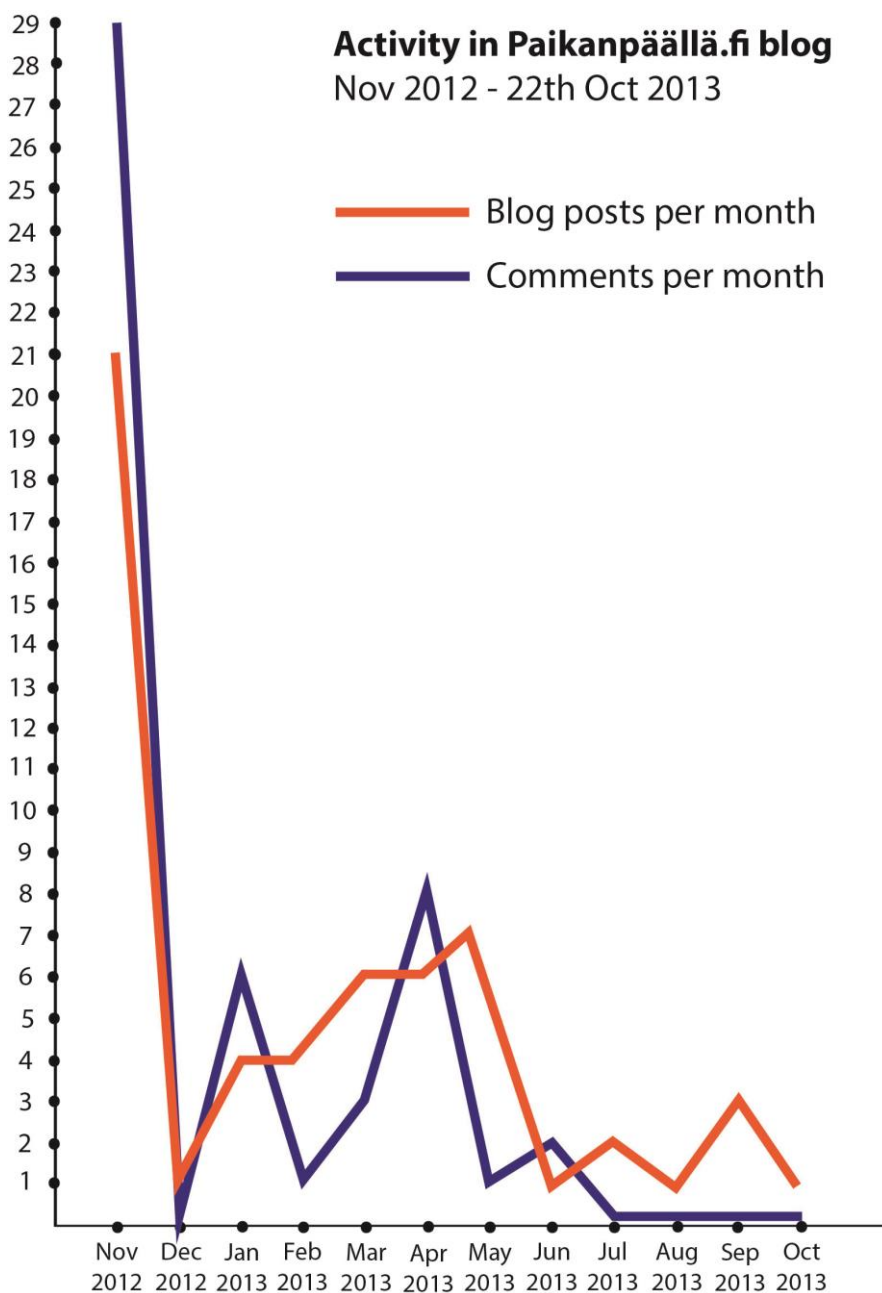
Interviews with the managers indicated that two out of three felt like the gypsum pond leakage had an effect to the nature of stakeholder dialogue. One of the interviewees said that the incident did not have an actual effect to the discussions.

“My observation is that before the gypsum pond leakage we received positive feedback. I got the conception that people had gotten information and dialogue and they were satisfied. After the event the mood has been more critical. It will take time for us to gain back the trust, to get to a good result through the active dialogue.” (VMH)

“The gypsum pond leakage discredited the good things we had already achieved in 2012.” (OPN)

Figure 12 illustrates how blog posts and comments have distributed at the time of the gypsum pond leakage. As seen from the graph, Talvivaara submitted 21 posts during November 2012, after which the amount of posts and comments has significantly dropped. After July 2013, there has been no commenting activity in the blog until 22nd of October 2013, when the calculation was carried out.

Figure 12: Activity in Paikanpäällä.fi blog



The major difference in the blogging activity between November 2012 and subsequent months suggests that the blog is used as a tool for crisis communication. The interview with EER supports this claim.

“In Paikanpäällä-blog, we respond to the topics discussed in press, when we have not gotten our voice out in the press. That way, the Paikanpäällä.fi-blog also operates as a channel for crisis communication.” (EER)

“A year ago, during the gypsum pond leakage accident, we posted photos in the blog in the morning and in the evening. That was fast.” (EER)

During the stakeholder interviews, the interviewees pointed out some observations regarding the drop in blog activity. When asking the stakeholder interviewees how often they read the blog, three out of five indicated they followed the blog posts specifically during the times of particular events. During the interviews, four out of five interviewees also reported they had reduced their visits and commenting to blog over time.

“I have not even visited the blog probably for a half a year now. When the blog was set up, I followed it quite actively for about a year, but my visits were dropping through time. Then I have visited the blog over the events like gypsum pond leakages, gas leakages, bird deaths and so on... Whenever such topic has been up in the media, that is when I have always visited the blog to see what they have written as response.” (KRA)

“Nobody cares to comment (the blog), because it is completely trivial. At the beginning there were a few who were commenting.” (SEL)

“There might be several days or weeks between me submitting the comment and them publishing it. I have fed up with the procedure, and I have noticed that at the beginning there were a good amount of comments, but lately no-one has commented.” (KUA)

“Nowadays I eye the blog and say that there is no use taking part. It has completely lost its credibility as I said. No-one cares to write there. They

are not responding, maybe they have so much to do, so there is no use writing there now.” (REP)

Referring to the stakeholder interviews, it seems like some of the reasons for the drop in blog commenting activity include slowness in reacting to comments and perceived loss of credibility. During the interviews, three of the stakeholders also pointed out that they were discontent with the way Talvivaara communicated during crisis.

“Pekka Perä (CEO) has changed it (communication approach) after the gypsum pond leakage accident a bit. After that, there were the formalities where there were apologies and courtesies... But I think that should have come out already a bit earlier and with a bit more humble attitude from the beginning. I think it would have been fair to tell that this is likely to cause harm, then elaborate and deliberate it with local citizens and the people affected. Things could have gone through in mutual understanding, but for many years they were using the elbow tactic indicating that they will take care of things and that we are complaining for nothing.” (KRA)

“At the beginning we wanted to clarify things by asking questions, but now their communication has turned into statements. Especially during the gypsum pond leakage. That behavior was inappropriate.” (REP)

The example comments and the results in general indicate that the stakeholder interviewees were discontent with the lack of interactivity and proactivity in Talvivaara’s crisis communication.

Drawing on the discussion it can be inferred that the gypsum pond leakage had an effect on Talvivaara’s stakeholder dialogue and blog activity. This finding supports O’Riordan and Fairbrass’ (2008) argument that events may change the circumstances for CSR stakeholder dialogue. Moreover, the findings suggest that one of the main purposes of the blog is to operate as a medium for crisis communication. Furthermore, events seem to increase stakeholder attention, but stakeholders’ willingness to interact may decrease as a result of company’s slow responses and stakeholders’ loss of trust in communications. And finally, besides credible and fast communications during crisis, stakeholders are expecting continuous proactivity and interactivity from communications, not just at the time of crisis. This notion backs up

Barone et al.'s (2013) argument that if companies seek for stakeholder engagement, they should be committed in stakeholder dialogue proactively, not just during or after crisis and decision-making.

5.2.4. Evaluation of Thesis Statement 2

The second thesis statement cannot be directly supported or challenged, since the results suggest that rather than allowing conflict, Talvivaara seeks for creation of consensus as the outcome of CSR stakeholder dialogue.

However, as demonstrated earlier in this study, Talvivaara has gone through a set of crisis, which has caused conflict. Therefore, certain conclusions on Talvivaara's conflict management can be drawn.

The findings indicate that through dialogue, Talvivaara aims to create consensus and understanding among stakeholders. One of the interviewed managers also pointed out that through dialogue, Talvivaara wishes to understand its stakeholders better. However, stakeholders remained skeptical towards Talvivaara's attempt to genuinely consider and process their views. Stakeholders did not feel like reciprocity, openness and responsiveness had come about through dialogue with Talvivaara. According to Deetz (2007) these features are essential role in advanced participatory models, and therefore it is inferred that Talvivaara uses a traditional, consensus-driven approach towards stakeholder dialogue.

It also appears that Talvivaara attempts to control, rather than coordinate dialogue. The manager interviews indicate that one of the main functions of the blog is to give Talvivaara a better hold of public discussion and information exchange. The stakeholder interviews also imply that Talvivaara's management tendencies seem to rather be controlling than coordinating, as stakeholders reported their blog comments had been censored or left with no attention. Some stakeholder interviewees also pointed out that stakeholders are being suppressed by Talvivaara. These findings resemble Elkington's (1997) description of the traditional management thinking, where managers perceive themselves standing at the top of the corporate pyramid; not as a part of company ecosystem where, according to

Elkington, managers should be positioning themselves in order to survive the global business paradigm.

Furthermore, the findings also support O’Riordan and Fairbrass’ (2008) claim that particular events have an impact on the CSR stakeholder dialogue setting. In Talvivaara’s case, the gypsum pond leakage accident in November 2012 increased both Talvivaara’s communication frequency and stakeholder’s attention towards the company. During the crisis, Paikanpäällä.fi blog was actively used as a tool for crisis communication. However, stakeholders expect the dialogue to be active also during and after the crisis. The findings suggest that inactive and reactive communication leads to stakeholders’ loss of interest to communicate. Consequently, this research supports Barone et al.’s (2013) claim that if companies seek to engage in stakeholder collaboration, they should conduct stakeholder proactively, not reactively.

5.3. Organizational learning

Statement 3. CSR stakeholder dialogue is an integral part of organizational learning processes.

Recently, many academics have argued that an increasing amount of companies have started to conduct stakeholder dialogue with the purpose of enhancing organizational learning (Deetz 2007, Elkington 1997, Fieseler et al. 2009, Waddock & McIntosh 2011). According to Deetz (2007) and Elkington (1997) stakeholder dialogue can produce a variety of business benefits, including operational efficiency, employee morale, stakeholder commitment, creativity, innovation, product and service customization, and thereby generate competitive advantage. However, Deetz (2007) also argues that managers generally use corporate communications as a tool for conveying one-way messages for stakeholders. Supporting this argument, Unerman and Bennett (2004) also claim that stakeholder dialogue may be just another tool for one-way public relations.

In this section, these claims are compared to the interview results with Talvivaara managers and stakeholders. Based on the results of the case study, it is evaluated whether Talvivaara’s stakeholder dialogue has been actualized as one-way or two-way

communication. Then, Talvivaara's stakeholder dialogue goals are being scrutinized by assessing whether Talvivaara is aiming towards enhanced public relations management or active, result-oriented learning. Finally, based on the results of this section, thesis statement three will be evaluated.

5.3.1. One-way Communication versus Two-way Communication

As indicated earlier in section 5.1., Talvivaara uses a variety of stakeholder dialogue initiatives to reach a wide array of its stakeholder groups. The initiatives include different types of events and meetings locally in the mine area as well as nationally: monitoring groups, stakeholder surveys and the Paikanpäällä.fi blog. Talvivaara recognizes local citizens as one of its primary stakeholder groups. Most of the initiatives are designed to particularly reach local stakeholders. The ample amount of dialogue channels suggest that Talvivaara has created a framework for two-way communication. The manager interviews suggest that through the channels, Talvivaara wishes to convey messages to stakeholders and create understanding among stakeholders, but also gain understanding and get feedback from stakeholders.

“We need to understand, what the society expects from us. Of course it works another way around too; the society needs to understand our operations.” (EER)

“Through blogging we wish to find a channel through which we can hold discussions faster. A two-way channel for subjects that are not necessarily in the stock market and press scope, a channel where people can comment and ask us questions... A channel for environmental communication in Finnish.” (OPN)

However, as indicated in subsections 5.1.1. and 5.2.3., stakeholder interviewees were generally dissatisfied with interaction with Talvivaara. The interviewees reported they were discontent with the frequency of interaction and sought that the information they receive from Talvivaara is undetailed and unreliable or selective. Furthermore, three out of five interviewees indicated they were not satisfied with Talvivaara's crisis

communication, and were calling for more proactive approach in stakeholder communication.

Four out of five stakeholder interviewees also indicated that they were displeased with interaction at Talvivaara's events. Furthermore, all five interviewees sought that interaction has not gone well on the blog.

“The commenting activity has not been very extensive or active, only a few people have commented. So as far as I know, there has not been a lot of opinion exchange, the comment threads are very short.” (KRA)

“I do not think the blog is very interactive. At least not the way I was expecting, I mean... If the commenting would be a bit faster. So that it would not take months. The comment would go faster and it would be faster responded to. They should put a little more effort on this, I'm sure they also have other things to do but maybe they would need one more person for this.” (KUA)

“They could improve their interactions. Even though all of my comments have not been so deep and correct, I wish they would answer even sometimes. It would take two to discussion. There has not been a channel where I would have gotten to discuss with them. In the discussion event I was waiting for my turn, but the time ran out. There were probably 15 people before me.” (VUJ)

“It was a huge disappointment for our community that we were not asked anything. It was just told that they will set up a plant like this, and the emissions will flow in two directions.” (REP)

Referring to the example comments and the stakeholder interview results in general, it is argued that although Talvivaara has established a framework for stakeholder dialogue, interaction has not succeeded sufficiently. As pointed out in section 5.2.2., all the managers also stated that interaction in the blog has not been very active.

“It (the blog) is not used as efficiently and fast as needed. We should probably respond within a day, that has probably restricted the commenting activity.” (OPN)

“There has not been a lot of discussion in the blog. Maybe the discussions have been held elsewhere. The blog is often being referred to in Kainuun Sanomat newspaper, and the discussion is often held in the forum there.” (VMH)

However, the interviewed managers also perceived face-to-face as more interactive than blog discussion. A comparison between these two approaches will be carried out in subsection 5.4.2.

During the interviews, stakeholders also pointed out that they would appreciate interaction which is not just two-way, but invites multiple participants.

“There is also a third party, the The Centre for Economic Development, Transport and the Environment (ELY Centre) in Kainuu. ELY Centre’s opinion should also be a part of this, but it has actually made itself a complete fool. It is just Talvivaara’s petty cash. They (ELY Centre) are in a difficult place with Talvivaara against the rest of us, but they would have a chance to be a mediator.” (VUJ)

“Notes in the permit application process are the most important (channel), because they are being read. Many parties, including authorities and the permit applicant who is obligated to comment on them. It has much more effect on the outcome, than writing on different sites and blogs.” (KUA)

“I think the events have provided much better conditions for delivering critique to Talvivaara. There have been many other parties, for example experts to discuss and criticize things. In this way, there are much better conditions for success. There ought to be even more expert and external comments.” (KRA)

As indicated in subsection 5.2.1., two out of three manager interviewees also said that they have considered inviting third-party bloggers to the discussion.

Referring to the discussion above, it is concluded that Talvivaara has established a framework for stakeholder dialogue, but according to stakeholders, does not use the channels satisfyingly. The stakeholder interviews suggest that Talvivaara’s communication is practically rather one-way than two-way. Furthermore, the

stakeholder interviewees demonstrated appreciation towards dialogue settings where there are multiple parties represented, and believed such settings produce results most effectively. The findings support Deetz's (2007) argument that managers generally use communications as a tool for conveying one-way information for stakeholders, but active dialogue could produce mutually satisfying outcomes. Therefore, it is suggested that in Talvivaara's case, multi-way dialogue could have a possibility to provide a source for mutually valuable results.

5.3.2. Public Relations versus Active Learning

Unerman and Bennett (2004) argue that although web-based stakeholder dialogue has potential in providing framework for an ideal speech situation, the purpose of web-based stakeholder dialogue should be treated with some skepticism. They claim that companies might use Web 2.0 tools primarily as instruments for public relations and boosting corporate image, and thereby aim to convince their economically powerful stakeholders that they are acting responsibly. However, they indicate that Web 2.0 technologies do have the potential of reaching a large array of stakeholder and that way, increasing the degree of democratic decision-making in corporate social, environmental and economic responsibilities. Furthermore, recently many academics have argued that companies have started to invest in stakeholder dialogue as a source for integrated CSR (Deetz 2007, Elkington 1997, Fieseler et al. 2009). In such setting, companies wish to learn actively from stakeholders through extensive dialogue.

It was suggested already earlier in subsection 5.2.1., that Talvivaara aims to control, rather than coordinate dialogue with stakeholders. Furthermore, it was indicated that one of the main purposes of Paikanpäällä.fi blog is managing public discussion and information exchange. Moreover, when asking managers to explain, what Talvivaara's stakeholder dialogue has entailed, the managers mentioned increased mutual understanding, information delivery, discussion, dialogue and satisfaction. One of the managers also pointed out that stakeholder dialogue has led to certain operations.

“More dialogue. We have had good discussions. Media relations are a part of stakeholders, and if you look at the development during the past year, you find that there has been certain rationalization... There are so many rumors and misconceptions about us, and now the discussions have taken a more of a right track. Of course we have also developed our operations. A few years back we smelled bad, for which the neighbors complained justly, and that we took care of.” (OPN)

Also three out of five stakeholder interviewees recognized some cases where stakeholder dialogue had led to concrete action.

“Face-to-face discussions have led to action. There have been certain operations with for example the dusts, where Talvivaara has cleaned our buildings. So we have reached some sort of solution. And with the noise we have gotten to some sorts of results... Not perfect solutions but at least something has been achieved.” (KRA)

“They were successful with the Sotkamo area odor and dust issue.” (REP)

“During one (water) discharge, the Greenpeace people called them and said that the PH is over 12. They do try to come up with something in a case like that.” (SEL)

As demonstrated above, the stakeholders implied that Talvivaara has responded to some of the stakeholder concerns. On the other hand, as discussed earlier in section 5.1.1., all the interviewed stakeholders also doubted if their opinions have an actual impact on Talvivaara’s operations and decision-making. The skepticism might be a result of the lack of extensive interaction between Talvivaara and the stakeholders. As indicated in the previous subsection 5.3.1., it seems like Talvivaara has failed to interact with stakeholders engagingly. Two of the stakeholder interviewees suggest that Talvivaara’s communication strategy should be more collaborative and proactive.

“In the work of getting Talvivaara’s neighborhood along and gaining understanding, they should have gone around with an anticipatory approach and tell people what might be coming. Not just defend themselves... When there is an industry which causes environmental

change, a communication model should be developed, where things should be told in advance, it cannot be reactive.” (REP)

“I have not gotten the kind of feeling that issues would have been completely admitted; that this happened, we are really sorry for that and we try to do everything we can to make things right. Things should be first admitted and then the follow-up plan with stages and actions should be systematically communicated.” (KRA)

All the five stakeholder interviewees also conveyed they had given concrete improvement suggestions for Talvivaara, regarding e.g. leakage location, water purification, wastewater treatment and information sharing.

Even though the stakeholder interviewees implied they do not believe their opinions have a direct effect on Talvivaara’s operations, all the manager interviewees said that stakeholder dialogue affects Talvivaara’s strategy on some level.

“Absolutely, no matter what channel the feedback comes through, it is certainly affecting our goals and strategy.” (VMH)

“Topics and framework can be found there (in the blog). I think they already correspond to our focuses though. But what the society expects from us, it does affect our focuses. It works both ways: we recognize and let the society affect what we do. After all, the goal is to get the social license to operate and acceptance, which we will not get if we just stubbornly do our own things and do not listen to others.” (EER)

Based on the discussion in this subsection, It can be claimed that public relations management is an important aspect of Talvivaara’s stakeholder dialogue. This notion supports Unerman and Bennett’s (2004) argument of stakeholder dialogue being used as an instrument for public relations. However, the manager interviews and some examples from stakeholder interviews also demonstrate that feedback and discussion have an effect on the company’s CSR strategy and operations. Nonetheless, the stakeholder interviewees also feel like their opinions do not genuinely affect Talvivaara’s operations. It is suggested that the feeling of ignorance might be the result of poor and reactive interaction. These findings support Deetz’s (2007) claim that the biggest problems of stakeholder collaboration usually stem

from weak communication models. However, through submitting Talvivaara concrete improvement suggestions, the stakeholder interviewees demonstrated they are willing to engage in results-driven stakeholder dialogue. It is therefore proposed that Talvivaara could gain mutually beneficial outcomes by engaging to active and learning-oriented dialogue with its stakeholders.

5.3.3. Evaluation of Thesis Statement 3

The results of this case study challenge thesis statement three.

Although Talvivaara has established a framework for stakeholder dialogue, it is argued that the dialogue channels are not being used effectively. Echoing Unerman and Bennett's (2004) argument, the findings indicate that public relations management are an important aspect in Talvivaara's stakeholder dialogue. However, the interviews also pointed out some examples of learning as a result of dialogue. Nevertheless, the stakeholders did not feel that their opinion exchange genuinely affects Talvivaara's operations and decision-making. Supporting Deetz's (2007) claims, it is suggested that the major problems with Talvivaara's stakeholder dialogue stem from weak communications. The case study suggests that Talvivaara's communication is rather one-way than two-way. However, the interviewed stakeholders indicated that they would find multi-way dialogue the most effective dialogue setting and called for more expert and authority parties to join discussions and operate as mediators between stakeholders and Talvivaara. Reflecting to these findings, it is suggested that though multi-way, proactive and learning-oriented communication, Talvivaara and stakeholders could engage to mutually beneficial dialogue.

5.4. Web 2.0

Statement 4. Web 2.0 technologies are an essential part of extensive and learning-oriented CSR stakeholder dialogue.

Elkington (1997) claims that transparency technologies are increasing their significance considerably in the global business sphere. According to him, a company's ability to harness transparency technologies can be a determining success factor in the market. Many scholars argue that Web 2.0 technologies have the potential of providing an effective basis for stakeholder dialogue (e.g. Fieseler et al. 2009, Jones et al. 2009 and Visser 2011). Baue and Murningham (2011) suggest that combining corporate accountability and Web 2.0 tools can produce mutual benefits, Jones et. al (2009) claim that Web 2.0 increase competitiveness through co-creation, and Unerman and Bennett (2009) argue that the reach of interactive web has the potential of enhancing democratic decision-making on CSR issues. Furthermore, Visser (2011) points out that as Web 2.0 grows its reach, its significance in CSR stakeholder increases.

This section discusses a Web 2.0 medium, Talvivaara's Paikanpäällä.fi blog as an instrument for stakeholder dialogue. The following subsections outline the interview findings on the blog's purpose, its goals and how they have been accomplished. Furthermore, the blog will be evaluated as a tool for stakeholder dialogue by contrasting it with face-to-face stakeholder dialogue. At the final subsection, thesis statement 4 will be challenged or supported.

5.4.1. Paikanpäällä.fi as a Tool for Stakeholder Dialogue

When asking, which influences got Talvivaara to establish the Paikanpäällä.fi blog, the managers listed a variety of factors. All the manager interviewees indicated that a need for a medium for environmental information sharing had been recognized, and two pointed out that the final push for the establishment came through a crisis in late 2011. An external communications office was consulted for help, and Paikanpäällä.fi was set up in the beginning of 2012. According to the manager interviewees, the blog was established as a quest for fast and two-way discussion. To make the site

interactive, the interviewees reported that a question, commenting and answering functionalities were made a part of the blog. Furthermore, two of the interviewees also said that the blog was made in order to create a channel for Finnish-language local interaction, which would be separated from traditional stock market communications. It was also mentioned that through the blog, Talvivaara wished to be able to define the information it shares, take part in media discussions and find a new channel for crisis communications.

“One of the factors was that people were asking for information from our web site, but we were not able provide it fast enough through that channel. This was a good forum for fast local communications... We wanted a fast channel to use and produce information.” (VMH)

“Me and the former environmental manager had already for a couple of years been calling for a place where to put environmental information. The need was not yet recognized internally back then. At the end of year 2011 there was a lot of discussion about sulfate emissions and we did not have a way to get our own message out. We could not put that kind of Finnish-language information on our website, since we are a listed company. Therefore our communications department did not see this kind of possibility. We contacted a communications agency to get some help. They came out with a very good idea, I knew it should be web-based, it cannot be our website but something else, I had no clue what it could be. We then established Paikanpäällä.fi really quickly.” (EER)

“Through blogging we wish to find a channel through which we can hold discussions faster. A two-way channel for subjects that are not necessarily in the stock market and press scope, a channel where people can comment and ask us questions... A channel for environmental communication in Finnish.” (OPN)

The managers were also asked, whether they thought that the Paikanpäällä.fi blog has been a successful tool for Talvivaara’s stakeholder dialogue. All the interviewed managers indicated that they were satisfied.

“It has been successful, the format is very good and adapt absolutely. We have been able to use it adequately, it has potential to develop and

increase usage within our resource capacity. But definitely good.”
(VMH)

”All in all, yes.” (OPN)

”It has been, yes, yes. At the events we always ask how many have visited (the blog), and it is always more and more. Very positive feedback for it, and also from authorities. The best situation was at the beginning, when newspapers started referring to the blog in their articles. That way, we got our voice out to the public. The goals we set have been reached multiply. The users have also given positive feedback.” (EER)

However, stakeholder perceptions on the blog were not as positive. The following picks from the stakeholder interviews describe the stakeholders’ opinions on the blog.

”It does not fulfill the purpose it was set at the establishment. There are only general articles from the mine, there should be more precise information, and of these emissions particularly. When the monitoring results come out, they should be published there right away. As I said, the water monitoring results are there now but there are no emission monitoring results. I also submitted one note and a request pointing out that there should be all of these.” (KUA)

”It would be a good thing, if they responded and if they rather responded honestly. Not just whether the glass is half full or half empty.” (VUJ)

”I think it is trivial, it is not of any help. They should focus on something else completely than the Paikanpäällä.fi blog. You have probably noticed yourself too, that there is nothing but self-praise, and in a way that it is not even correct.” (SEL)

”The communication of the blog should be truthful and future oriented, not discussing the past.” (REP)

”I do not think the blog is truthful... There is a clear absence of healthy self-criticism towards own operations. It seems like they are just trying

excuse. They are not actually admitting anything, just denying everything.” (KRA)

As seen in the example comments, all the respondents demonstrated discontent towards the blog. Four out of the five stakeholder interviewees criticized trustworthiness of the blog. Moreover, the interviewed stakeholders were also asked to evaluate specific aspects of the blog. Four out of five respondents argued that the information in blog is real-time. However, all of the respondents were hoping that there would be more information, and that the information would be more detailed. All of the interviewees argued that the blog articles were more or less trivial. Four out of five argued that the information was presented in an easy-to-read format. All of the stakeholder interviewees argued that Talvivaara could improve interactivity of the blog. However, three out of five interviewees indicated that technical availability of the blog was sufficient.

Furthermore, as discussed earlier in subsections 5.2.2. and 5.3.1., the manager interviewees agree that there have been some issues with the interaction in Paikanpäällä.fi. Two of the managers argued that Talvivaara has not been able to respond to the comment on the blog fast enough, and one of the managers also pointed out that discussion in Paikanpäällä.fi has not been very active.

Relating to the findings of this subsection and the previous sections, it is argued that Paikanpäällä.fi has the potential of providing a forum for active stakeholder dialogue, but has not succeeded to engage with stakeholders extensively. The findings suggest that one of the main purposes of the blog is public relations management, and that the blog is primarily used for one-way communication rather than systematic stakeholder collaboration. These notions support Unerman and Bennett’s (2004) argument that companies might use Web 2.0. tools primarily as instruments for public relations and enhancing corporate image.

5.4.2. Blog versus Face-to-Face Communication

An important part of this research was to understand how Web 2.0 is used for stakeholder dialogue, and compare it to the traditional instruments of stakeholder dialogue. As pointed out by Unerman and Bennett (2004), there is very little if any

academic research on how Web 2.0-based stakeholder dialogue can promote democracy in corporate decision-making. According to them, the key issues in stakeholder engagement initiatives relate to firstly, identification and reaching a wide array of stakeholders and secondly, formulating mutually satisfactory outcomes from various stakeholder views.

In this subsection, these two issues are being discussed reflecting to Talvivaara's case. Specifically, manager and stakeholder comparisons of blog and face-to-face discussion are reviewed.

Two out of three manager interviewees indicated that they think face-to-face dialogue is more fruitful than blog discussion.

“When we are face-to-face, we get to go through much more things. In the blog, the case is always individual... I think I already mentioned earlier that it is more fruitful in every way. It is a very good, fruitful way. The discussion in blog is completely different type. When I was young there were no web discussions, so probably also for that reason I appreciate face-to-face more, but maybe the young generation regards it higher. You need to go by what the external parties want.” (EER)

“Every time we discuss face-to-face with someone, it is always the best. That is when the message or the case will be gone through, and they are held between two people or in a small group, that always yields best outcomes.” (VMH)

However, all the three also argued that the blog has an important role in reaching remote stakeholders fast and with fewer resources.

“This is a very good channel for people who do not live nearby.” (OPN)

“Organizing group events is always quite time consuming. It is not possible that we hold them too often, the amount that we have right now cannot be much increased. The advantage of the blog is that it is fast and reaches a large group of people. (VMH)

“The blogging enables, that anyone can get there. There are also visits from abroad. It is absolutely fast, if we have something to tell and that

way we also receive feedback. The stakeholder events always take time. In that way it is useful.” (EER)

Also, three out of five stakeholder interviewees pointed out that straight or face-to-face discussion with managers was the most effective dialogue form with Talvivaara.

“On the blog there has been the article, and I have commented on it, they have responded to it and that has been the end of it. There is not a similar discussion character as face-to-face. News, comment, counter explanation and that’s it. And it has not led to any follow-up procedures, where they would have taken contact or otherwise continued the case that was brought up.” (KRA)

“I think straight contact has been the best way. You do reach them quite well.” (SEL)

The interviewed managers pointed out that Paikanpäällä.fi is a part of a bigger picture, complementing other forms of stakeholder collaboration. However, drawing on these findings and the results in section 5.3.2., it appears that face-to-face dialogue has been a more effective instrument for learning-oriented stakeholder dialogue than Paikanpäällä.fi discussion.

Interestingly, the interviews also denoted that conflict has been clearly more likely to arise in face-to-face events than blog discussion. Two out of five stakeholder interviewees and two out of three manager interviewees pointed out that there have been emotional outbursts in the events. All the managers argued that the blog discussion has generally been very peaceful.

“Blog discussion is more correct than face-to-face meetings, where there are emotional outbursts. An exclamation mark or three are probably the strongest emotional expression there has been written.” (OPN)

“They (Neighborhood Meetings) are quite interesting; there are a lot of emotional outbursts. It is interesting that when there is a camera involved, that is when the emotions come out. The open discussion events are much more peaceful when there is no press present. But it is important that people get to open up.” (EER)

“In the event there were emotional outbursts and the police was there too. I think one person was taken out of there. In the blog the comments are all in all quite appropriate.” (VUJ)

“At the events people started getting upset.” (REP)

As it appears, the face-to-face events have featured more emotional turmoil, but also have yielded more learning outcomes. Reflecting to Deetz’s (2007) arguments, it is possible that there is a connection between these factors and learning outcomes have been facilitated by conflict.

Furthermore, all the five stakeholder interviewees also reported that they have been attending to discussion and searched information in other Talvivaara-related web forums. The other web forums included a site called Talvivaara Environment, which was established by a local citizen who wanted to voice the perceptions of Talvivaara’s local community, Iisalmi Natural Museum’s Talvivaara website, Kainuun Sanomat newspaper’s website, Stop Talvivaara civil movement’s website and The Finnish Association for Nature Conservation’s website. Five out of five stakeholders indicated in different forms that they appreciated these information sources.

“They have also noticed in Talvivaara that during a year the Paikanpäällä blog has dropped. And Talvivaara has also noticed that the group who has started commenting there has been surprisingly small. It does not develop Talvivaara’s communications... We appreciate Talvivaara Environment’s (the website) approach, it is advanced, we appreciate it.” (REP)

“Talvivaara Environment website is good. It has fundamental and such information.” (KUA)

“Iisalmi Natural Museum has a Talvivaara-website, and then there’s Stop Talvivaara website. Those I visit more often (than Paikanpäällä.fi). I visit them because it is not as one-sided, although of course it is one-sided, it is against Talvivaara. But they at least take perceptions from national newspapers, so there are much more diverse viewpoints. They even defend Talvivaara there sometimes, I have regarded that as much more fruitful.” (VUJ)

The stakeholder interviews indicated that stakeholders value websites where diverse viewpoints are represented and information is fundamental and detailed. These results strengthen the findings of sections 5.1.1. and 5.3.1., which indicated that stakeholders appreciate multi-way dialogue and detailed information.

However, two of the stakeholder interviewees also reported that they had not been able to attend certain Talvivaara-related events because of a long distance. This and the manager notions of blog's good reach support Unerman and Bennett's (2004) findings by suggesting that the blog facilitates extensive stakeholder reach.

Even though it appears that face-to-face discussions have been more effective with regards to organizational learning, all the interviewed managers recognize that Web 2.0 tools are an essential part of stakeholder dialogue and have potential in growing significance as Talvivaara's stakeholder dialogue tools.

"I would like to organize an event where stakeholders would get to think about our strategy, other say, the ways to reach the vision. I am completely open and would like to organize this. This requires quite a lot of resources and I was thinking the kind of web-based system, but I have not budgeted it for next year... The idea is that it would be web-based, because that way we would get a lot of stakeholder groups."
(EER)

Moreover, three out of five stakeholder interviewees conveyed that they felt like there is enough functioning channels for discourse, but the problems with Talvivaara's dialogue stem from lack of outcomes. This notion supports Unerman and Bennett's (2004) notion that stakeholder dialogue is only effective if it affects actual behavior.

"It is a question of attitude. A change in attitude definitely, all the channels work, my comments reach them, but it is a matter of attitude. It would affect the comments also; they would not be so quarrelsome. It would make the interaction more constructive, if it would be more open and there would be responsiveness." (VUJ)

"The channels are quite OK, but something should also happen." (SEL)

Drawing on the discussions in this subsection, it is understood that compared to Web 2.0 based discourse, face-to-face dialogue is a more effective form of stakeholder

dialogue when aiming towards mutually beneficial outcomes. Relating to Deetz's (2007) conflict theory, the learning outcomes from face-to-face discussions might be the result of conflict which was only sensed in face-to-face events. However, both the stakeholder and the manager interviewees recognized the importance and the potential of Web 2.0 tools as means for stakeholder dialogue. The benefits include reach, fast communication and cost-efficiency. Therefore, it is suggested that an ideal stakeholder dialogue model combines both traditional face-to-face channels as well as contemporary Web 2.0 tools as the means for learning-oriented stakeholder dialogue. Furthermore, three out of five stakeholder interviewees pointed out that they were satisfied with the channels and the accessibility of Talvivaara managers per se, but were calling for outcomes as the result of dialogue. This finding strengthens Unerman and Bennett's (2004) argument that stakeholder dialogue is only effective when it has an actual effect on behavior.

5.4.3. Evaluation of Thesis Statement 4

The findings of this section support thesis statement 4.

Although the findings imply that Paikanpäällä.fi has not succeeded to engage with Talvivaara's stakeholder extensively, both the stakeholder and the manager interviewees recognized the importance and the potential of Web 2.0 tools as stakeholder dialogue instruments. The advantages of web-based stakeholder dialogue include reach, fast communication and cost-efficiency. The results support Elkington's (1997) notion that transparency technologies are increasing their significance in stakeholder dialogue. Therefore, it is necessary to have Web 2.0 technologies as a part of stakeholder dialogue toolset, but echoing Unerman and Bennett's (2004) argument, web-based stakeholder dialogue should be used in alliance with other forms of stakeholder collaboration. The interviews of the case study indicate that face-to-face discussions were more likely to yield conflict and mutually beneficial learning outcomes than the blog discussion. However, the results of this study cannot indicate whether a link between face-to-face conflict and learning exists. Hence, it is suggested that the connection between conflict and learning in face-to-face and Web 2.0 settings should be investigated further.

6. CONCLUSION

This chapter concludes the present thesis through six sections. Firstly, summary on the key findings is given by addressing the two research questions with a synopsis of the results of the literature review and the case study. Secondly, the theoretical implications of this study are outlined. Thirdly, the author's personal reflections on the current thesis are discussed. Fourthly, the managerial implications of this study are depicted. Then, the limitations of the research are elaborated. Finally, suggestions for future research are given.

6.1. Summary of the Findings

The objective of this thesis was to examine stakeholder dialogue in Web 2.0 and identify essential factors for mutually successful stakeholder dialogue processes. The subject was derived from the author's personal interests towards sustainability and communications, and the notion that Web 2.0 based dialogue and CSR concerns are in the parallel rise. Although the phenomenon seemed evident, it appeared that the linkage between Web 2.0 and stakeholder dialogue was not extensively researched prior to this study.

In order to reach the research objective, the specific aims of the thesis were identified based on a review on previous literature. To serve a basis for the discussion, the first aim was to understand the role of stakeholder dialogue and Web 2.0 in relation to corporate social responsibility. After creating basis to the topic, CSR stakeholder dialogue and Web 2.0 were further examined with the purpose of defining their interconnections. The focus was narrowed down by framing the topic within a specific setting, Deetz's (2007) theory of conflict and outcome-oriented stakeholder dialogue.

These issues were investigated through the literature review and a case study with Talvivaara Mining Company Plc.

Based on the literature review, four themes relevant to Web 2.0 based CSR stakeholder dialogue were identified – managerial approach, conflict management,

organizational learning and Web 2.0. The themes were specified into four thesis statements, which were tested through the empirical research of this study. The empirical study consisted of eight interviews, three with Talvivaara's managers and five with Talvivaara's stakeholders.

The main findings of the study are now outlined by answering the two research questions.

1. What reasons, expectations and experiences do companies and stakeholders have when participating in stakeholder dialogue?

The concepts of CSR stakeholder dialogue and Web 2.0 have previously been discussed in a general level in academic literature. There has been very little research on practical cases of web-based CSR stakeholder dialogue. There is some research on manager expectations and experiences on stakeholder dialogue (e.g. Deetz 2007, Unerman & Bennett 2004), but even scarcer are the studies on stakeholder perceptions on CSR stakeholder dialogue. Barone et al. (2013) indicate that through stakeholder dialogue, stakeholders expect to receive easy-to-read, condensed, filtered, relevant, understandable and useful CSR reports and information. Therefore, companies should provide their stakeholders with two-way, open, frequent and proactive discourse.

Since there was only few practical case studies on Web 2.0 based CSR stakeholder dialogue, the purpose of this study was to explore both manager and stakeholder perceptions on the subject.

The previous research on CSR stakeholder indicates that managers may conduct stakeholder dialogue as a source for integrated CSR, which is expected to generate business benefits (Deetz 2007, Elkington 1997, Jones et al. 2009, Waddock & McIntosh 2011). Traditionally managers pursue consensus as the outcome of stakeholder dialogue, but it seems like in fact, conflict would yield learning and thereby, mutually beneficial outcomes. Deetz (2007) and Elkington (1997) argue that ideally stakeholder dialogue can increase operational efficiency, employee morale, stakeholder commitment, creativity, innovation, product and service customization and thereby, produce competitive advantage. However, although web-based

interaction can facilitate extensive dialogue and democratic decision making on companies' CSR issues, managers might use web-tools primarily as public relations tools with the purpose of polishing corporate image in the eyes of economically powerful stakeholders.

Manager reasons, expectations and experiences

The findings of the empirical case study indicate that Talvivaara initiated stakeholder dialogue since firstly, the application permit process of mining industry requires hearing of stakeholders, secondly, the managers experienced there was an external demand for stakeholder dialogue, and thirdly, as a part of operating responsibly, Talvivaara wishes to understand and create understanding among its stakeholders. The reason specifically for establishing the Paikanpäällä.fi blog was fuelled by the urge to respond to a crisis through a fast and self-defined communication channel.

Furthermore, through stakeholder dialogue, managers expect to gain understanding and create consensus among stakeholders but also, understand stakeholder expectations. Moreover, the manager interviews indicated that specifically through Web 2.0-based dialogue in Paikanpäällä.fi blog, the managers expected to get a better hold of public and media discussions.

The managers generally indicated they experienced that stakeholder dialogue has been useful and that the Paikanpäällä.fi blog has been a successful instrument for stakeholder dialogue. The manager interviewees indicated that through stakeholder dialogue, the key accomplishments have been the improvements in media and public relations management as well as increased understanding and consensus between Talvivaara and stakeholders.

Moreover, the managers sought that the main benefits of Paikanpäällä.fi blog include reach, fast communication and cost-efficiency. However, the managers also experienced face-to-face discussions and events as more fruitful than blog discourse. Moreover, the managers observed that events are more likely to feature conflict and emotional discourse than blog discussion.

The findings of the empirical case study support Unerman and Bennett's (2004)

argument that the claims of companies conducting open and outcome-focused stakeholder dialogue should be treated with some skepticism. Although the findings of the present thesis indicate that Talvivaara's stakeholder dialogue has yielded some mutually satisfactory learning outcomes, it seems like learning is not the primary goal of Talvivaara's stakeholder dialogue. The results suggest that one of Talvivaara's stakeholder dialogue aims was channeling public discussion, which further confirms Unerman and Bennett's (2004) findings of companies channeling stakeholder criticism from public media to company forum. The manager interviews did not convey that stakeholder dialogue has systematically been practiced with the aim of deriving ideas for a competitive strategy, but rather as a means for traditional corporate communications. This confirms Deetz's (2007) argument that managers generally use stakeholder dialogue as means for conveying corporate messages rather than outcome-oriented discourse.

Furthermore, the manager interviews suggest that Talvivaara's stakeholder dialogue is rather consensus than conflict oriented. Although the results disclose some cases where learning and mutually satisfactory results have occurred, it is proposed that Talvivaara's stakeholder dialogue has not succeeded in extensive engagement with local citizens, since the company has preferred consensus approach towards stakeholder dialogue.

Stakeholder reasons, expectations and experiences

It was understood through the stakeholder interviews, that the reasons for taking part in stakeholder dialogue are grounded in the roots of the stakeholder interviewees. Four out of the five interviewees lived within a 100 km of the mine area and one of the interviewees was originally from the area. The stakeholders indicated that they were concerned on the environmental impact of the mine and therefore wanted to protect their living environment.

The findings also show that stakeholders expect frequent, real-time, easily accessible, detailed and reliable reports from Talvivaara. The interviewees demonstrated the most interest towards environmental information. Furthermore, the stakeholders expect fast, interactive and proactive communication from Talvivaara, and

demonstrated that they are willing to engage in dialogue which is open, honest and result-oriented. Moreover, the interviewed stakeholders demonstrated appreciation towards dialogue settings with multiple parties represented, and believed such settings are most likely to produce satisfactory outcomes.

The stakeholder experiences on dialogue with Talvivaara were generally negative. Four out of five stakeholder interviewees did not find Talvivaara's communications reliable. Moreover, the stakeholders indicated that Talvivaara's communication is selective and emphasizes positive aspects of the company. The interviews also pointed out stakeholders were discontent with the interactivity of the blog, and felt like their opinions did not have an actual effect on the company's decision-making. Furthermore, the findings suggest that stakeholders were satisfied with the functionality of dialogue channels and Talvivaara's availability per se, but the dissatisfaction arose from the perceived lack of dialogue outcomes.

The expectations of stakeholders in this case study conform findings of Barone et al. (2013), which suggest that stakeholders expect easy to read and understand, condensed, relevant and useful information on environmental factors. Furthermore, the findings suggest that companies' stakeholder engagement should be fostered through frequent and proactive dialogue. The results also imply that rather than two-way discourse, stakeholders prefer multi-way discourse as the stakeholders perceived it produces outcomes most effectively.

The findings of the stakeholder interviews also imply that the major problems with stakeholder collaboration stem from weak communication models. As indicated through this case study, Talvivaara aims to create consensus as the result of stakeholder dialogue. This is a typical managerial approach to stakeholder dialogue, but it is suggested that mutually satisfying results could yield from processes where instead of aiming to find a common ground, diverse opinions and contestation are encouraged. The findings of this study indicate that face-to-face discussions were more likely to feature conflict and mutually beneficial learning outcomes than the blog discussion. Therefore, the findings support Deetz's (2007) conflict-based theory, but it is suggested that the connection between conflict and learning should be tested in future research.

2. How is Web 2.0 used for stakeholder dialogue?

Stakeholder dialogue in general is a fairly little studied area - but research on Web 2.0 based CSR dialogue is only taking its very first steps. Many scholars discuss the potential of Web 2.0 in stakeholder collaboration (e.g. Baue & Murningham 2011, Fieseler et al. 2009, Jones et al. 2009, Visser 2011), but only few provide practical examples of web-based stakeholder dialogue processes. The few who have studied concrete cases are fairly skeptical on the motives behind companies' CSR stakeholder dialogue. The internet has potential in increasing stakeholder reach, and therefore, the degree of democratic decision-making on CSR issues, but the web-tools might be used as another tool for public-relations management, not for active learning dialogue.

Web 2.0 channels used for CSR stakeholder dialogue include tweets, email, text messages, web reporting, web forums, social media, blogging, podcasting, RSS, webinars, wikis, microblogging and tagging. Examples of companies using their own web-forum for CSR stakeholder dialogue include Talvivaara, Natura, SAP, McDonald's, Coca-Cola and Timberland.

This case study was examining Talvivaara's stakeholder dialogue specifically through the company's Paikanpäällä.fi blog. The findings indicate that Paikanpäällä.fi was established as a quest for fast and two-way discussion. Question, commenting and answering functionalities were made a part of the blog to ensure interactivity. Furthermore, the manager interviews indicate that the blog's purpose is to provide a channel for Finnish-language local interaction, which would be separated from traditional stock market communications. Through the blog, Talvivaara also wishes to be able to define the information it shares, take part in media discussions and find a fast channel for crisis communications. All the interviewed managers indicated that they were content with the blog as a tool for stakeholder dialogue.

However, the stakeholder interviewees were generally discontent with the blog. The interviewed stakeholders criticized trustworthiness, accuracy and frequency of the information Talvivaara shares through the blog. Moreover, the interviewees were calling for improvement to the interactions of the blog. Nonetheless, the stakeholders were generally content with the technical availability and features of the blog. Also the manager interviewees agreed that there have been issues with the frequency of

interaction in Paikanpäällä.fi. The interviewees in general also argued that discourse in the blog has not been very active.

It is concluded that Web 2.0 tools are used in order to facilitate stakeholder reach and fast communication cost-efficiently. However, the findings also convey that Web 2.0 instruments may be primarily used as public relations management tools, and for one-way communication with the goal of enhancing corporate image.

Although the findings suggest that Talvivaara has not succeeded to engage with its stakeholders extensively through the blog, the importance and the potential of Web 2.0 tools as stakeholder dialogue channels were recognized by both manager and stakeholder interviewees. It is therefore argued that Web 2.0 technologies play an important role in CSR stakeholder dialogue processes. However, the findings also suggest that in order to enhance learning and the creation of mutually beneficial outcomes, Web 2.0 stakeholder dialogue tools should be investigated and developed further. It is proposed that web-based stakeholder dialogue should be used in alliance with other forms of stakeholder collaboration.

6.2. Theoretical Implications

Academic literature addresses fractions and some areas of CSR stakeholder in Web 2.0. For example, O’Riordan and Fairbrass (2008) introduce a practical framework for CSR stakeholder dialogue, but as argued earlier in this study, the scheme features some deficiencies regarding weak stakeholder engagement links. Furthermore, the theory does not address the use of Web 2.0 technology in stakeholder dialogue. On the other hand, Unerman and Bennett (2004) introduce concrete implications to web-based CSR stakeholder dialogue, but do not discuss conflict centrally. Deetz (2007) challenges the traditional consensus-approach through a learning-oriented conflict theory, but does not cover the Web 2.0 aspect specifically.

Therefore, it was sought that a new theory for the subject matter is needed. Since the research on CSR stakeholder dialogue in Web 2.0 is a fresh discipline, it was determined that the theory created for this study should not be too confined. The

theory used for this research was adopted from central concepts of the literature review, and formed into four thesis statements.

The idea was to form four thesis statements, which would direct the empirical case study and the findings and discussion of this research. Through the analysis in chapter 5, the four thesis statements were each evaluated based on the gained results.

The thesis statements formed for the study were:

Statement 1. Managers lack sufficient skills, models and tools for conducting mutually beneficial stakeholder dialogue.

Statement 2. Dialogue settings that allow conflict encourage the most creative and mutually fulfilling outcomes.

Statement 3. CSR stakeholder dialogue is an integral part of organizational learning processes.

Statement 4. Web 2.0 technologies are an essential part of extensive and learning-oriented CSR stakeholder dialogue.

Based on the results of the case study and their reflections to literature review, each statement was challenged or supported. In summary, the findings suggested that firstly, managers have an access to a variety of tools, but lack sufficient skills, models and additionally, resources for practicing mutually beneficial stakeholder dialogue. Secondly, it was implied that conflict might enhance mutually beneficial stakeholder dialogue, but not automatically: managers should be committed to open, proactive, and learning-focused dialogue. Thirdly, it was indicated that CSR stakeholder dialogue does not necessarily strive for organizational learning. CSR stakeholder dialogue might be harnessed for other purposes of corporate communications, such as public relations management. Therefore, it was concluded that CSR stakeholder dialogue can yield organizational learning only if discourse is active and multi-dimensional. Finally, thesis statement 4 was supported. It was indicated, that Web 2.0 is growing significance generally and has also become an integral part of stakeholder dialogue. Furthermore, it was concluded that Web 2.0 technologies can facilitate reach and frequency of stakeholder dialogue especially during crisis, but should be used in parallel with traditional face-to-face forms of stakeholder dialogue.

As the review to the previous literature indicates, there are only few practical case studies of web-based CSR stakeholder dialogue. In general, it was found that the previous research mainly discussed the *potential* of Web 2.0 in CSR stakeholder dialogue, and depicted a positive outlook to the possibilities of the unification of CSR and Web 2.0 technology. The results of the few company case studies (Barone et al. 2013, Unerman & Bennett 2004), were, on the other hand, more skeptical towards the potential outcomes of stakeholder dialogue in the interactive web. The findings of the current case study confirmed most of Barone et al.'s (2013) and Unerman & Bennett's (2004) arguments. Therefore, it is suggested that the first three thesis statements should be revised for potential future use. However, it should be understood that the results of this case study are deduced from an individual example; and the revised thesis statements below condense the key theoretical implications retrieved through this particular study.

Statement 1. Managers lack sufficient skills, models and resources for utilizing managerial tools for mutually beneficial stakeholder dialogue.

Statement 2. Conflict can only lead to mutually fulfilling outcomes, if managers and stakeholders are committed to proactive, open and learning-oriented stakeholder dialogue.

Statement 3. Active and multi-way CSR stakeholder dialogue has the potential of providing means for organizational learning.

Statement 4. Web 2.0 technologies are an essential part of extensive and learning-oriented CSR stakeholder dialogue.

6.3. Personal Reflections

Firstly, it should be stated that writing this master's thesis has been a challenging yet intriguing process. The first thoughts on the topic of this thesis arose from my personal interests towards sustainability and communications. Furthermore, working in an ICT company, I got the idea of combining Web 2.0 technology with the area of my study program, Creative Sustainability in my thesis work. Looking back to the

first discussions of the topic with my thesis supervisor, the focus has evolved and my conceptions on the area expanded significantly.

Personally, the main learnings from the thesis can be condensed into two perceptions. Firstly, I must say that I was surprised on the gap there seemed to be between the stakeholder and manager perceptions on stakeholder dialogue in this particular case study. I was expecting some difference between the two interviewee groups, but the results of the interviews turned out to be much more differing than I supposed. Secondly, as indicated at the beginning of this research, the aim was to examine CSR stakeholder dialogue particularly in Web 2.0. However, through the literature review and particularly the interviews, I understood that Web 2.0 technology as a facilitator for CSR stakeholder dialogue should not be strictly separated into its own discipline, but perceived as a part of a bigger process. I feel like this is an important learning, as to me it indicates how products and services should always be seen as a part of a system in order for them to be viable.

The present thesis was conducted under the interdisciplinary Creative Sustainability program. I suggest that in certain cases this study can be implemented in the area corporate social responsibility, but parts of the research could also be applied to the disciplines of communications, management and ICT. However, it should be noted that there are limitations to the potential applications of this study. These are further discussed in sections 4.3. and 6.5..

6.4. Managerial Implications

One of the goals of this thesis was to understand the factors, which enhance CSR stakeholder dialogue management. As suggested by the findings, managers generally do not have sufficient stakeholder engagement skills because they lack practical models for stakeholder dialogue. Consequently, O’Riordan and Fairbrass (2008) created a model for stakeholder dialogue strategists, which can be used for defining CSR strategy and practices for stakeholder dialogue.

It is argued that O’Riordan and Fairbrass’ (2008) model of circumstantial domains can be useful for designing stakeholder dialogue practices, but only from the

managerial approach perspective. The model does not provide a framework for an explicit stakeholder dialogue process.

The managerial implications of this study are depicted in the form of a model (figure 13). The model introduces four key areas to stakeholder dialogue management: managerial approach, conflict management, organizational learning and tools. Each area is interconnected between one another, and changes in one area have implications to all other areas.

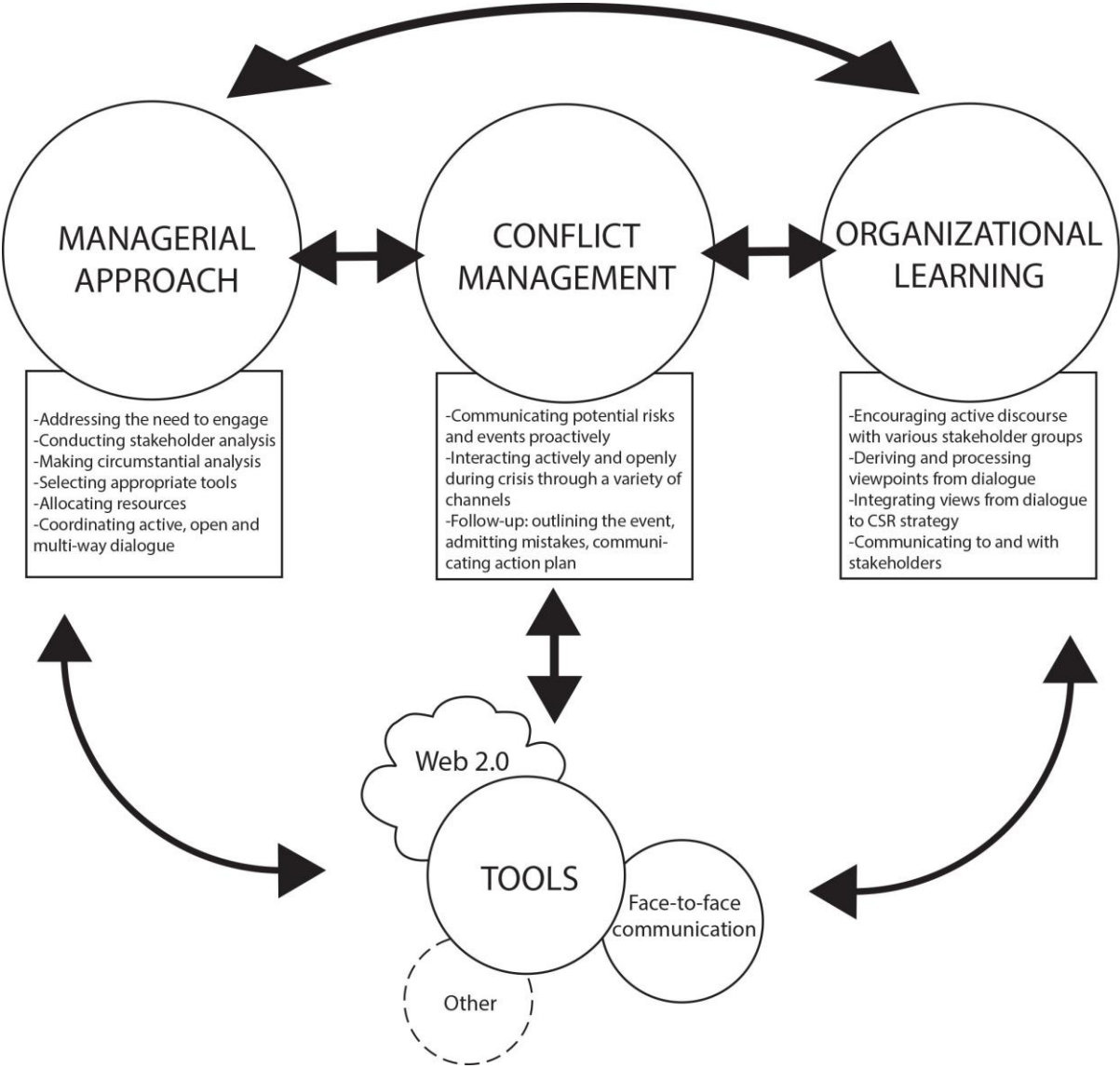
Managerial approach highlights the importance of management's role in stakeholder dialogue. In order to define stakeholder dialogue practices, the need to engage should be addressed through observing the internal and external stakeholder signals. Then, a stakeholder analysis should be conducted in order to identify stakeholder groups and understand their expectations. After this, it is suggested that a circumstantial analysis is carried out according to O'Riordan and Fairbrass' (2008) circumstantial domain model. Based on the analysis, the appropriate tools for stakeholder dialogue are selected. Finally, resourced should be allocated to coordinate active, open and multi-way dialogue.

Conflict management depicts that the role of stakeholder dialogue increases magnitude during crisis. It should be noted that an important part of conflict management is proactive communication of potential risks and events. It is suggested that at the time of crisis, interaction should be active and open and practiced through a variety of channels. During and after the crisis it is also important to outline the events of the crisis, admit potential mistakes, and communicate the action plan to and with stakeholders.

Organizational learning can potentially occur, when managers engage in active discourse with various stakeholder groups. Furthermore, managers have an important role in deriving and processing viewpoints from dialogue, and integrating these views into CSR strategy. It is also argued that stakeholder dialogue can only be effective when its outcomes are clearly communicated to and with stakeholders.

Tools define the instruments and channels used as the basis for stakeholder dialogue. Drawing on the findings of this study, it is suggested that face-to-face as well as Web 2.0 tools should be harnessed as means for CSR stakeholder dialogue, and other tools additionally considered.

Figure 13. CSR Stakeholder Dialogue Management



6.5. Limitations of the Study

When evaluating and further using the findings of this thesis, it should be considered that the present study has been a subject to some challenges and limitations. The trustworthiness of the study was already discussed in section 4.3., and will be further elaborated here.

Firstly, it should be acknowledged that the subject matter has not been extensively researched prior to this study. Finding purely CSR stakeholder dialogue related literature turned out to be unexpectedly challenging especially in Web 2.0 and conflict context. On one hand, this notion confirms that there was a clear research gap in the literature research but on the other, the gap indicates that the theory adopted for this study was derived from a variety of sources and hence, has not been tested before. Furthermore, narrowing the focus down turned out to be a challenging task since the subject area is wide yet little explored.

Secondly, it should be noted that the thesis statements were tested only through one case. Although it can be argued that the case provided interesting and extensive insights on the research themes, the transferability of one case can be questioned. Furthermore, it should be understood that the stakeholder interviewees of the case study were local citizens, and therefore the results of their interviews may not apply to all stakeholder groups. However, the findings of this thesis were not based solely on the empirical case study but principally on the previous literature on the subject matter.

Finally, it should also be mentioned that there are certain events that occurred during and after the period the interviews were carried out, which might have had some impact on part of the stakeholder interviewee perceptions. In fall 2013, Talvivaara was going through financial crisis and commenced organizational restructuring with the decision that was published in 17.12.2013, the day which three of the final stakeholder interviews were held. Furthermore, another considerable event with regards to this study was when Talvivaara's opened its Twitter account in 13.1.2014. Twitter is a Web 2.0 medium, which allows for fast public interaction between multiple parties. This study does not address the financial crisis of fall 2013 or evaluate the impact of Twitter into Talvivaara's stakeholder dialogue. Nevertheless, it

should be noted that the focus of this study was purposefully narrowed down to address the gypsum pond leakage of November 2012 as a crisis example, and Paikanpäällä.fi blog as a stakeholder dialogue channel. Therefore, it is suggested that the inclusion of the recent events would not have affected the results of the study considerably.

6.6. Suggestions for Future Research

As indicated several times during this study, there are clear gaps on Web 2.0 based CSR stakeholder dialogue in academic literature. Therefore, there are various areas which should be further studied. In this section, some suggestions for future research are given.

Firstly, it is suggested that the revised thesis statements (subsection 6.2.) and the managerial implications (subsection 6.4.) of this study should be further researched. As stated in the previous section, the current research was limited to investigating one case, and therefore the theory and conclusions of this study should be strengthened or challenged through more case studies.

Secondly, it is proposed that research specifically on interactive CSR reporting should be conducted. Baue and Murningham (2011) indicate that Web 2.0 has the potential of facilitating sustainability reporting and developing it into interactive levels. Furthermore, Barone et al. (2013) suggest that currently CSR reports are both poorly readable and adaptable to local communities' needs. Also Elkington (1997) indicates that there is a gap between stakeholder expectations and company expectations with regards to environmental reporting. He claims that reporting is the most traditional attempt to communicate CSR, and therefore, its significance to CSR is essential. It is therefore suggested that stakeholder expectations and interactive models for CSR reporting should be further researched.

Finally, it is suggested that Deetz's (2007) conflict-based stakeholder dialogue theory should be studied further. Specifically, the connection between emotional outbursts in face-to-face events and mutually beneficial learning outcomes could be a noteworthy subject to examine further. It is argued that Deetz's conflict theory could

be a revolutionary aspect to communication, management and CSR disciplines, and therefore should be further investigated.

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APPENDICES

6.7. Appendix 1: Manager interview questions

(translated from Finnish to English)

1. What does CSR mean to Talvivaara?
2. What kind of goals does Talvivaara's CSR strategy include?
3. Who are Talvivaara's most important stakeholders? How are they identified?
4. For what reasons did Talvivaara start conducting stakeholder dialogue?
5. How does Talvivaara conduct stakeholder dialogue?
6. What do you think Talvivaara's stakeholder dialogue has entailed?
7. Which influences got Talvivaara to establish the Paikanpäällä.fi blog?
8. What is your personal role in the blog? What kind of subjects have you written about?
9. What does Talvivaara wish to gain through blogging?
10. In your own view, has the blog discussion stayed within the designated themes of the blog?
11. Who moderates blog discussion?
 - a. How would you describe the moderating process?
 - b. To what extent are comments being removed?
 - c. What principles are being used for comment removal?
12. In your own view, which factors hinder or encourage a person's participation to blog discussion on Paikanpäällä.fi?
13. Compared to other forms of stakeholder dialogue (Neighborhood meetings, mine visits, audience events), what kind of advantages and challenges do you think blogging involves?
14. In your own experience, do you feel that the quality of blog discussion differs from face-to-face dialogue?
15. Are there some surprising matters that have emerged in blog discussions? (With regards to themes, topics, expectations towards Talvivaara)
16. Have the discussions on Paikanpäällä.fi blog changed your views about the society's expectations towards Talvivaara?
17. Have the blog discussions disclosed matters that have been difficult to accept? (With regards to attitudes, expectations, approaches, comments)
18. Do you believe that the blog discussions will have an impact on the formulation of Talvivaara's CSR strategy?
19. In your own view, has the Paikanpäällä.fi blog been a successful tool for stakeholder dialogue for Talvivaara?
20. Have you considered developing the blog further? In what ways?

6.8. Appendix 2: Stakeholder interview questions

(translated from Finnish to English)

1. How would you describe your relationship to Talvivaara?
2. In what kind of situations have you been in contact with Talvivaara?
3. Have you attended Talvivaara's stakeholder events? Why/why not?
4. Have you attended other Talvivaara-related activity (such as demonstrations, discussion forums, civic activism)? Why/why not?
5. Why have you taken part in discussion/written comments on Paikanpäällä.fi blog?
6. How often do you visit the blog or write comments to the blog? (An estimate)
7. What kind of subjects and themes interest you in the blog? What kinds of issues are you willing to comment on yourself?
8. What do you think about the blog?
9. Do you think the information published in the blog is a) real-time b) interesting c) easy to understand? Do you think the information is reliable?
10. Has it been easy to take part in blog discussion? Has there been something problematic?
11. In your opinion, how has the interactivity in blog succeeded: have you received answers to your comments?
12. Do you feel like your opinions are heard through the blog?
13. Do you think that the blog discussion has an effect on Talvivaara's operations?
14. In your opinion, how could the blog be improved?
15. Compared to other dialogue forms with Talvivaara, what are the advantages and disadvantages of the blog in your opinion?
16. In your point of view, what is/would be the best channel for dialogue with Talvivaara?