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A STUDY EXPLICATING THEORETICAL ASPECTS OF CORPORATE-COMMUNITY RELATIONSHIPS IN THE CONTEXT OF CORPORATE SOCIAL INVESTMENT

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ABSTRACT

Poles apart in underlying values, the capitalistic stakeholder theory and the principles of participatory communication for social development are simultaneously present in the communication environment of corporate social investment (CSI). Both these theories have principles such as ethics, fairness, dialogue, a people-orientation and an acceptance of a complex and dynamic reality in their application, but the stakeholder theory and participatory development communication differ greatly in ideological nature, economic principles, target groups and intended direction of action.

Explicating the divides and likenesses between the theoretical principles that guide the actions of corporate companies and recipient community organisations respectively allows for certain suggestions to be made about opportunities and challenges within the relationship between the two. In this paper the opportunities implied by the theoretical similarities (integrity, dialogue, consideration and compassion) and the challenges (turbulence, lack of shared meaning and the challenges of the different worlds the parties come from) are critically analysed and suggestions given for using these theoretical insights in applied settings.

INTRODUCTION

The theory-practice conundrum has long been the nemesis of practitioners and applied researchers alike. In applied settings, theories, however robust they may be, should serve the context to which they are applied and this context could be more complex than anticipated – especially if it represents a mix of theoretical paradigms as well as practical realities. This complexity is well illustrated by the context of corporate-community relations as part of CSI where different worlds collide to create a mechanism by which the private sector funds development. In this regard, South African authors Rensburg and De Beer (2011:153) and Burger (2009:101) all grappled with the applicability of communication theories in the context of corporate governance and social responsibility.

In South Africa, the investment of corporate money in community development projects and organisations is commonplace. Born in international trends of corporate governance, steered by a need to reverse negative legacies left by the country's apartheid past and formalised by legislation and industry norms, CSI is truly a licence to operate for organisations in South Africa.

The practice of CSI brings people with vastly different worldviews together. On the one hand there are the CSI practitioners, communication specialists, operational managers, project

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coordinators and other corporate employees who are responsible for the social endeavours of the corporate companies. On the other one finds groupings such as recipient communities, civil society organisations and non-profit organisations. Motivated by various social ills, poverty and other societal challenges, the community representatives enter the CSIenvironment with expectations of participation while the corporate representatives see this engagement as another stakeholder to manage on behalf of the organisation. A qualitative inquiry by VanDyk and Fourie (2012:216) suggested that existing theory seemed unsuited to explore and describe this specific relationship accurately, thereby echoing arguments by Rensburg and De Beer (2011:154) and Steyn and De Beer (2012:33) that current theoretical perspectives need broadening.

The need to explicate the theoretical aspects of the relationship between corporate donor and recipient-NPO motivated the conceptual comparison between stakeholder theory and the participatory approach to development for this paper. The stakeholder theory and the development theory of participation show similarities in their approaches – both theories advocate ethics, responsibility, powersharing and sustainability – butthere are also stark contrasts in their underlying values.

This paper discusses the exploration of the similarities and differences between stakeholder theory and the principles of participatory development as well as the setting of CSI in order to show the special context of colliding worlds of corporate-society relationships. The parallels between the two approaches are translated into opportunities for creating real change through this stakeholder relationship and the differences represent the challenges that the parties in this relationship have to face.

CORPORATE SOCIAL INVESTMENT IN SOUTH AFRICA

Aspart of the bigger notion of corporate governance – leadership characterised by ethical values, responsibility, accountability, fairness and transparency – corporate social responsibility speaks to the responsibility of organisations towards the society and environment in which they operate. CSI (without too much focus on the terminology) represents the manifestation of that responsibility (IoDSA, 2009:9,51).

CSI is a local and international priority and the importance of development for the world's poor can be seen in international trade discussions and government priorities (Bernstein, 2005:2). Locally, corporate companies are pushed by normative codes, guidelines and legislation towards greater involvement in socio-economic development.

The first documents that direct CSI in South Africa arethe King Codes of governance (specifically King II and King III). Although the King Code is a normative guideline only and compliance to its recommendations is voluntary, it is regarded by many as the touchstone for corporate governance in South Africa. Of principal importance for the current paper is the attention paid by King III to an inclusive approach that requires all stakeholders' needs to be considered by the company and not only the needs of those stakeholders who are instrumental to the financial success of the company (IoDSA, 2009:11).

The second directional mechanism is the Johannesburg Stock Exchanges Socially Responsible Investment Index (JSE SRI Index). This index consists of a set of criteria to measure the social and environmental responsibility of companies and also serves as a platform where potential

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investors can access the sustainability and responsibility of the companies' business practices (JSE, 2010). The index is only applicable to companies listed on the JSE, but displays a sentiment among investors and the South African business community to be socially responsible.

The third governing mechanism is the Companies Act 71 of 2008. The purpose of the Act is to encourage transparency and high standards of corporate governance because of the significant role of companies within the social and economic life of South Africa. The legislation also places high value on responsibility, transparency, accountability and integrity of enterprises in the country (South Africa, 2009:42).

Another Act that promotes CSI is the National Black Economic Empowerment (BEE) Act 53 of 2003 that has the broad aim of righting inequalities of apartheid by deliberate transferring of equities to the black community (Babarinde, 2009:360). The CSIpillar of the BEEscorecard even stipulates the amount of money companies must spend on CSI; a compliance target of 1% net profit after tax is set (South Africa, 2007:73).

These legal requirements and other benchmarks support the idea that corporate South Africa should contribute to good societal change, and compliance to them drives CSI. In corporate companies CSI is usually demonstrated by donations, financial assistance and other contributions to act on the aforementioned responsibility towards the broader economic, social and environmental needs of the communities around them.

It is in the sphere of CSI that the worlds of corporate companies and community organisations collide and this melting pot holds great challenges and great opportunities. Through CSI a situation is created in which corporate South Africa can contribute to real change in the country by supporting a stakeholder group that links them to communities at grassroots level, but the differences between the two parties in this relationship set the scene for a conflicted relationship.

The idea that organisations that want to be successful are obliged to manage the needs of all their stakeholders forms the basis of the stakeholder theory (Freeman, Harrison, Wicks, Parmar& De Colle, 2010:9). The stakeholder theory changed the conception of organisations forever and it is widely accepted and practised – in South Africa the King IIIreport further supports the notion of the stakeholder theory by considering the management of stakeholders as being in the best interest of the organisation and society (IoDSA, 2009:12).

CONCEPTUALISATION

In an effort to explicate the theoretical foundations and applications of stakeholder theory and participatory development, literature on the theories was critically analysed in an attempt to uncover similarities and differences. The purpose of the purposive and critical analysis was to explore donor-NPO relationships from a theoretical perspective based on the assumption that corporate donors see the relationship as a form of stakeholder engagement (as prescribed in King III) and NPOs see it relationship as a means to a development end.

The comparisons made in the paper are by no means conclusive but are intended to advance understanding about relationships in the CSIcontext where groups with different worldviews will inevitably meet.In the search for an expanded understanding, the literature analysis

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reported on in this paper was based on recognised theorists and seminal works on both theoretical perspectives and comments found in the work of South African authors whose writing reflects theoretical insight into the local CSI and governance contexts.

While the underpinnings of the stakeholder theory and the management of stakeholder relationships could be said to represent corporate donors within the CSIcontext, the picture looks different when considering the foundations of the community stakeholder group. The community stakeholder group act as implementation agencies for development programmes supported by CSIinitiatives. These organisations – in many cases NPOs, community organisations, civil society and charities – have participatory approaches at their core and not corporate theories.

THEORETICAL PARALLELS

In a context where corporate companies and community organisations are obliged to maintain a relationship for the CSImechanism to work, the approaches of both parties become relevant. Collaboration would require that the two parties see eye to eye and that the similarities in their foundations facilitate common ground.

When searching for likeness between the stakeholder theory and the principles of participatory development, it is clear that both theories advocate the importance of *acting fairly and ethically* – doing things right. Stakeholder theory understands the role of business as part of humanity (Freeman et al., 2010:29) and has true value creation for both stakeholders and the organisation at heart. From the participatory point of view, development is viewed as real change, holistic change and sustainable change (Jacobson & Kolluri, 1999:274; Servaes, 1995:46; World Bank, 1996:7). Stakeholder theory holds conditions such as transparency, trust, openness and truth in high regard and sees business and ethics as being inseparable (Freeman & Velamuri, 2006:9; Jahansoozi, 2006:943).

Participatory development and stakeholder theory both accept *multiplicity and plurality* as part of life. The stakeholder theory sees the role of organisations as being subject to meeting a number of societal objectives and thereby accepting at least some complexity and dynamism in managing stakeholder relationships (Agle et al., 2008:166). The valuecreation propagated by the stakeholder theory further implies multiplicity and that numerousstakeholders are valued (ibid.). Furthermore, the lists of considerations, antecedents and indicators of relationships reflect the complex, multifaceted nature of stakeholder relationships (cf.Agle et al., 2008; Grunig, 1993; Heath, 2001). Intricacy is certainly also associated with participatory development with this approach's strong focus on local settings and contexts, non-linear development and the importance of negotiation (Jacobson & Kolluri, 1999:273; Melkote, 2001:116; Servaes, 1999:42). White (1994:16) summarises the thoughts of many other development theorists by equating participation to a kaleidoscope – it is complex, dynamic and fragile.

When considering the nature of *communication* prescribed by the stakeholder theory on the one hand, and the participatory approaches to development on the other, the significance of two-way symmetrical communication, dialogue and deliberation is evident in writings about both approaches (cf.Huesca, 2008:180; Ledingham, 2003:188-189; Phillips, Freeman & Wicks, 2003:480-481; Steyn & Puth, 2000:210; Thomas, 1994:53). Stakeholder theory centres a discussion on communication by referring to collaboration, listening and openness (Heath,

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2001:3; Jahansoozi, 2006:942), and participatory development communication theorists repeatedly mention engagement, collaboration and dialogue (Jacobson & Kolluri, 1999:280; Nair & White, 1993:51; World Bank, 1996:3). Two-way symmetricalcommunication in organisational communication is a concept closely associated with the excellence theory that argues that organisational and relational effectiveness depends on two-way symmetrical communication where receiving information is regarded as being just as important assending information (Grunig, Grunig& Dozier, 2002:11). The development equivalent of two-way symmetry is the concept of dialogue as a means by which to name and transform the world (Freire, 1970:88). Freire (1970) argues that the dimensions of dialogue are an interplay and balance between action and reflection. The organisational view of two-way symmetry and the developmental view of action and reflection to create dialogue show an undeniable likeness in how communication is viewed.

Resemblances are also visible in the *peopleorientation of the two approaches*. One of the definitive characteristics of stakeholder theory is a move away from 'issue management' towards 'people management' (Steyn & Puth, 2000:210), so much so that stakeholder theory is regarded as a theory that sees business within the realm of humanity (Freeman et al., 2010:29). Likewise, the participatory approach sees people as the very centre of development. Participation refers to the participation of people and the very terminology used in the language of participatory development indicates the importance of the human perspective (cf.Burkey, 1993; Pawar & Cox, 2010; Servaes, 1999; Waisbord, 2001:18). Even though written in the vernacular of their respective disciplines, the comparable binaries issues-management versus people-management and human-centred versus media-centred, indicate a likeness in terms of the orientation of stakeholder theory and the participatory approach to development.

Table 1: Summation of theoretical parallels

Theoretical parallels	Application in stakeholder theory	Application in participatory development
Fairness and ethical focus	Ethical capitalism	Real, sustainable change
Acceptance of multiplicity and plurality	Diverse and complex stakeholders	Various contexts, non-linear development
Nature of communication	Two-way symmetrical communication, negotiation	Dialogue, collaboration, engagement
People orientation	Business in society, people management	People's participation, human-centred

The parallels between the two approaches (as summarised in Table 1) could be translated in applied settings to become the strengths of a relationship between parties built on the stakeholder and the principles of participation. A relationship between a corporate donor and community organisations within the CSIenvironment should use their shared focus on fair and ethical conduct, the acceptance of multiplicity and plurality, their shared approach to communication and their people-orientated natures as the strengths of this specific relationship.

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These strengths should be utilised to build positive, long-term relationships to benefit both the corporate sector and the development environment.

OPPOSING CORE VALUES

Looking only at the similarities between the underpinnings of stakeholder theory and the principles of participatory development will, however, not provide an accurate pictureof the stakeholder relationship between corporate donors and recipient community organisations. Although the application of the two theories is similar in some regards, the core values on which stakeholder theory and participatory development communication are based are in fact worlds apart. To illustrate the difference, the core characteristics of both theories are compared in the following paragraphs.

The *ideological divide* between the theories is apparent – while the stakeholder theory developed from the general systems theory,the participatory development approach originated from the critical school of thought. Most scholarship on the relational approach to communication is builton the systems theory as an overarching construct (Angelopulo, 2002:41; Ledingham & Bruning 2000:xiv). The ideas of interrelatedness of systems and subsystems imply relationships between them, and the objective of equilibrium and stability, openness and adaptability can also be seen in the prepositions of the stakeholder theory (Angelopulo, 2002:42; Burns &Deek, 2010:4). Participation, on the other hand, has its roots in critical theory – with principles that stress critique of society and the attempt to understand, explain and transform it (Altafin, 1991:312; Strine, 1991:197). The critical theories arose from power struggles and a quest for freedom. Thus, while the stakeholder theory is built on an ideology that values stability and equilibrium, participation is embedded in transformation and questioning.

The ideological differences between the theoretical bases on which these two theories were founded can also be seen in the *economic models* they subscribe to. Stakeholder theory is defiantly capitalist in nature (Freeman, 2000:174; Freeman & Phillips, 2002:334). Inboth theory and praxis, stakeholder theory legitimises itself by constantly referring to the attainment of corporate goals and maximising value for the organisation (cf. Burger, 2009:102; Grunig & Huang, 2000; Hon & Grunig, 1999). Of course, stakeholder theory also argues about legal, ethical and responsible business (Agle et al., 2008:161) and theorists continually emphasise that organisations cannot treat their stakeholders as just more environmental factors to be managed (ibid.), but the focus understandably still remains on the profitable organisation in question. On the other side of the organisation-community relationship, the economic descriptions used to talk about the participatory approach for development communication is certainly non-capitalistic – usually linked to socialism and other non-capitalist ideals, where the most radical participatory views even attack the value systems of the West and capitalism (Mohan & Stokke, 2000:249; Sayer, 2005:254). While profits count for big business, economics matter and trading is regarded as the most important aspect of their activities (Agle et al., 2008:161; Freeman, 2000:173); the focus of participatory development communication is on sustainable change, self-reliance, social change, human rights, justice and environmental responsibility (Melkote, 2001:114; Servaes, 2008:15; Tufte & Mefalopulos, 2009:8).

The hemispheric divide introduces the next paradox – *who were the two theories developed for and by whom*? The stakeholder theory was developed in the Global North/Western world, according to the Stanford Research Institute internal memorandum of 1963. The authors of

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seminal works on stakeholder theory are from the Global North/Western world and the stakeholder theory was developed for businesses in the North and the West. On the other hand, the localities 'Global South', 'former colonies', 'developing countries' are almost synonymous with development theory and the lifeblood of participatory development is the need for empowerment of the Third World (Melkote, 2001:105; Mohan, 2008:47).

Running alongside the North-South argument, is the global-local contrast of the two theoretical perspectives. Freeman et al. (2010:3) motivate the need for a revised business outlook by referring to globalisation and the increased societal pressures that are associated with global trade and the information age. Theorists that describe participatory development communication, on the other hand, moved away from the globalised perspective of the modernist approach to focus on indigenous knowledge and cultural identity (cf.Pawar & Cox, 2010; Mohan & Stokke, 2000; Servaes, 2008; White, 1994).

The *direction of action* is another notable difference that is relevant to the discussion in this paper. Stakeholder theory functions top-down – it is the organisation that decides which stakeholders should be attended to, and when, in order to ensure corporate performance (Freeman et al., 2010:9).From a development perspective, the top-down direction of stakeholder actions could be equated to modernisation where the recipients of development are seen as passive or even obstructive to development (Mohan, 2008:47).This view is in stark contrast to the actions in participatory development that are always ideally people-centred and bottom-up (Mohan & Stokke, 2000:248; Servaes, 2008:21; Veltmeyer, 2005:95).

Table 2: Summation of theoretical disparities

Theoretical disparities	Values underlying stakeholder theory	Values underlying participatory development
Ideological orientation	Systems theory	Critical theory
Economic model subscribed to	Capitalism	Anti-capitalist
Hemispheric divide	Global North; Western world; global	Global South; former colonies; developing world; local
Direction of action	Top-down	Bottom-up

The Northern/Western, capitalist foundation of the stakeholder theory seemsso much separated from the non-capitalist, non-Western nature of participatory development principles that it is difficult to see these two worlds collaborating in any respect. In a relationship between parties based on these two divergent theoretical stances the different origins, target groups, vantage points, direction of action and political underpinnings could be seen as representative of the challenges in the relationship.

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THEORETICAL OPPORTUNITIES AND CHALLENGES FOR CORPORATE-COMMUNITY RELATIONS IN THE CORPORATE SOCIAL INVESTMENT CONTEXT

Relationships between corporate companies and communities within the CSIfunction, show principles of both participatory approaches and the stakeholder theory, but viewing the relationship through the lenses of the two theoretical perspectives shows two different pictures. The comparison, when viewed within the context of CSI activities, highlights the complexity of this context in that neither theory can be upheld for this specific relationship. The comparison also shows the stark differences and as highlights the similarities between the perspectives. These differences and similarities could be translated into opportunities and challenges for the relationship between corporate donors and recipient community organisations.

Neither theory can be upheld in the corporate social investment context

When studying the theoretical principles represented by the two parties in a corporate-community relationship and considering the various differences between these approaches, it is clear that neither theory can be used in its entirety to describe this relationship. The unique context of CSI is in line with the complexities of the larger governance function mentioned by both Rensburg and De Beer (2011:159) and Burger (2009:101).

The stakeholder theory does not exclude community/society stakeholders, but itdoesnot really accommodate them either. The community or society stakeholders are mostly last in a list of stakeholders (sometimes even mentioned in brackets) and seem to be the stepchild among the stakeholder groups. The reason for this could be because the community stakeholders are not instrumental to the success of the company and therefore not really a stakeholder in the eyes of the capitalist.

The next perspective from stakeholder theory that is relevant for this discussion is the importance of value creation and trade (Freeman et al., 2010:5). In the case of community stakeholders in the context of CSI, value is definitely created for the community (in a funding situation, for instance) and arguably less value is created for the company (Agle et al., 2008:162), but no trading takes place in this relationship nor is trading a realistic spin-off.

Similarly, the idea that business and ethics are always integrated causes dissonance when thinking of community stakeholders. Freeman et al. (2010:7) argue that all business has ethical bearing and all ethics have business content, but the business reasoning for nurturing a relationship with community organisations is difficult to motivate. There is, of course, a business case to be made for CSI towards poverty and social development (Sayer, 2005:260), but the promises of benefits from a healthy society and environment are all long-term while much of business behaviour is focused on the short term (ibid.)

Another question about stakeholder theory in the context of CSI is related to the rights of community stakeholders to call themselves stakeholders. Mitchell, Agle and Wood (1997:864) argue that the prominence of a stakeholder group depends on the power, legitimacy and urgency of their claim to the company to which they relate. Although variable, all three aspects seem to be lacking when considering community organisations as

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stakeholders. Mitchell et al. (1997:856) say that groups that are excluded from the stakeholder label are groups that cannot affect the company or who are not affected by the company. This argument about legitimacy seems to put community groups in the 'illegitimate' category because they have limited claims to the organisation. The claims community stakeholders have are confirmed by governance requirements, but individually a community organisation will have very limited legitimacy. The company is also not really affected by individual community organisations and legitimacy is difficult to ascertain in that direction.The question is whether community organisations can really be regarded as stakeholders without legitimacy, power or urgency in their stakes?

From the stakeholder literature it is clear that the capitalist, business-centred stakeholder theory cannot quite account for the community as a stakeholder group theoretically and the legitimacy of the community organisation's claim is even questioned.

The makers of the stakeholder theory intended the theory to be boldly capitalist, to be about value creation and trade, to integrate business and ethics totally; they intended companies only to be bothered by stakeholders with a legitimate stake (Freeman et al., 2010:5; Mitchell et al., 1997:864).

From the capitalistic perspective, CSI may even seem unnecessary as the needs of all stakeholders are identified and managed; if the demands from community stakeholders can be instrumental in economic performance or a threat to the success of a company, those demands will be heeded.

Freeman has spoken out against the application of stakeholder theory in contexts where the capitalist nature cannot be upheld, categorically criticising CSIliterature (Freeman, 2000:171; Freeman et al., 2010:11) for high-jacking the theory for arguments about morality without recognising the capitalist intent of the theory.

Real participation is threatened by tokenism – the words of participations are popular, some use the rhetoric without really empowering. It simply becomes routinised and rubber-stamped (Mohan 2008:48).)On the other hand, from the participatory vantage point, this relationship between corporate company and community appears unrecognisably different.

Participatory development is known for its grass-roots and bottom-up nature, based on the argument that a community's own perceptions of poverty and ideas on how to fix it differs considerably from the ideas of outsiders (Akindola, 2010:164). Together with the idea of participation also comes the idea of empowerment and liberty (Freire, 1970:44; Mohan & Stokke, 2000:247) whereby power and control over the process and outcomes of the development process lie in the hands of the recipients (Servaes & Malikhao, 2008:169; White, 1994:116). Simply put, participatory development requires participation on all levels and all stages of participation atboth on an interpersonal and mediated level (Thomas, 1994:55), right through from planning to evaluation (Servaes, 2008:215). These principles cannot possibly be adhered to in the current practice of CSI in South Africa where development is driven by supply rather than demand. As a result, those who need the goods and services to improve their lives are at the mercy of the priorities of their funders. The infamous uniqueness of the social development sector allows communities very limited ways of really expressing their needs and demanding good service of philanthropists.

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The opportunity for collaborative real change lies in the parallels

The similar views on fairness and ethics, dialogue, acceptance of multiple realities and people orientation between the stakeholder theory and the participatory development approach is a precursor of relational opportunities that should be exploited in a corporate-community relationship within the realm of CSI. These opportunities include that the relationship should be characterised by integrity, dialogue, compassion and accommodation.

The opportunities for a relationship where both parties value fairness and ethical behaviour are apparent. In relationships, believing the other party is fair and just indicates a perception of their search for *integrity* in a relationship partner. Integrity, again, forms part of the bigger concept of trust which is a well-known relationship indicator (Grunig, 2002:2; Ledingham & Bruning, 2000:55; Ledingham, 2003:188-189). Trust determines the confidence and willingness to open up to each other (Hon & Grunig, 1999:3). Hence, if both parties value fairness and ethical conduct and expect it from the other, the relationship between corporate donors and recipient community organisations should have the strong point of being open and having confidence in each other.

The importance of *dialogue and communication* in relationships cannot be emphasised more and when a relationship is characterised by open and two-way communication relational issues become opportunities to create lasting, positive relationships. Dialogue is the tool by which to balance needs through deliberation in order for the interest of both parties to be served (Freire, 1970:88; Grunig et al., 2002:11; Steyn & Puth, 2000:210).

For two parties, accepting that multiple versions of reality and a diversity of views are part of life, and accepting each other's' realities and circumstances and *accommodating* each other's differences should be natural. In the case of corporate-community relationships accepting certain contextual realities of each other's position and taking those realities into account when relating to the other party will go a long way towards maintaining a positive and long-lasting bond.

People (with names and faces and children) are what relationships are made of (Freeman & Velamuri, 2006:17) and if a peoplefocus is part of both parties' approaches, *consideration and compassion* of the other is likely and so the relationship benefits.

Just as the parallels between stakeholder theory and the principles of participatory development predict opportunities for the relationship between corporate donors and community recipients of CSI funding, the differences between the theoretical viewscould foretell possible challenges in the relationship.

The paradigmatic divide creates challenges for the relationship

Challenges are part of any relationship, but in a relationship as complex and dynamic as the corporate-community relationship, the theoretical paradoxes can forecast possible specific problems that the parties in this relationship might encounter.

When trying to combine the ideological prepositions, the void between stakeholder theory and participatory development principles is undeniable. The capitalist stakeholder theory and the socialist participatory development approach are from two different worlds, "'the humble

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versus the hegemonic" as Sayer (2005:251) formulates his impression of the relationship of the private sector with the development industry.

The relational challenge here lies in possible *relationshipturbulence* because of the huge differences in ideology between the two parties. The two theories also originated from vastly different theoretical paradigms – stakeholder theory from a systems theory worldview where balance and stability are required, while the participatory approach to developmentwhich was born from the idea that the status quo needs to be questioned and that transformation and freedom are important.

Another possible challenge for this relationship is a *lack of shared meaning* created by the differences in economic models the two parties in a corporate-community relationship probably subscribe to. When considering the different views on economics of the stakeholder theory andthe participatory development approach, the relational challenge for corporate-community relationships is a lack of understanding of the core business of the other party and a lack of insight into the other party's point of view. The profit-driven nature of corporate donors is what enables them to fund development and their focus on goal achievement and value maximisation will inevitably manifest in their relationship with community organisations. Likewise, the absence of a profitfocus in community organisations and emphasis on sustainability and social issues would certainly constrain the relationship and could manifest in day-to-day frustrations with time and resource constraints on the side of community organisations.

A third foreseen relational challenge is *the burden of putting different worlds together*. The relationship between corporate donors and recipient community organisations could certainly bear evidence of the paradigmatic paradoxes of North-South and Global-local arguments that are often heard in developing countries such as South Africa. In developing societies business cannot expect to be able to act like their counterparts in developed nations, because in the developing world large corporations share neighbourhoods with adverse poverty. In South Africa it could easily be concluded that thinking about stakeholder theory needs to be differentbecause the circumstances are so different. The same goes for participation – true participatory development is certainly not possible in circumstances where funding/resources are at stake, because community organisations cannot survive in isolation and being adaptable enough to relate positively to corporate donors could certainly prove a challenge.

USING THE OPPORTUNITIES AND FACING THE CHALLENGES

The differences between stakeholder theory and participatory development principles are telling and the similarities are promising, but maintaining positive relationships between corporate companies and community stakeholders happens in the real world and a theoretical perspective is only part of this reality. Theory supports, adds value and guides (Barge & Craig, 2009:55; Bulmer 2004:38) when it comes to problems in an applied setting. Although theory is not the whole story, it could provide valuable added insight into a practical research issue. The dissonance between stakeholder theory and participatory principles could help the parties in the relationship to be cognisant of the opportunities and challenges within this context.

The approach to manage and maintain corporate-community relationships can simply not be settled with a naive conclusion to smooth over differences or to judge the relationship by

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either viewpoint. The paradigmatic and theoretical differences should be recognised and should inform the management of this relationship.

Corporate companies' CSIteams and the management of community organisations could use the principles of stakeholder theory and indicators and strategies to manage and maintain stakeholder relationships as a starting point when approaching corporate-community relationships, but without ever losing sight of the specific opportunities and challenges this relationship holds. Both parties in the relationship should use the value placed on integrity and dialogue to enhance the relationship and capitalise on the consideration and compassion in the shared quest towards development of communities. The turbulence,the lack of shared meaning and the challenges of coming from different worlds should be considered in every aspect of this stakeholder relationship.

It is difficult to predict exactly how the theoretical insights will infuse the description or approach to the stakeholder relationship between corporate companies and community organisations because each specific application will be dependent on the combination of contextual, empirical and theoretical information.

CONCLUDING REMARKS

The relationship between stakeholder theory and participatory development has a special context within the CSIenvironment – a context that is rife with theoretical contradictions that illustrate the complexities of this relationship. But making these theoretical similarities and differences do indeed matter in the real world. Here the context demands that neither theory be viewed in exclusive or absolute terms, but the theoretical commentary only matters when it has provided insight into the real-world relationship between corporate companies and the community organisations they fund. The touch points and divides between the theoretical foundations of the two parties point to opportunities and challenges within the actual relationship.

In the case of stakeholder theory and the principles of participatory development, it is clear that neither theory can be upheld within the relations between corporate organisations and community organisations within a CSIcontext. Comparing the stakeholder and participatory approaches seems to emphasise the differences and similarities between the theories. The similarities and differences should be seen as potential opportunities and challenges for the description, management and maintenance of the real-world relationships. Knowledge of challenges and opportunities should ultimately be used to provide insight in maintaining positive relationships whereby the intended communities receive the most benefits possible from the CSIrelationship between two important players in the channelling of those benefits.

In this paper, the differences and similarities between stakeholder theory and the principles of participatory development as well as the setting of CSI are explored and it is argued that these likenesses and disparities could be translated into possible relationship opportunities and threats that, in turn, could contribute to the management and maintenance of this important stakeholder relationship. In contemplating the literature on both theories, one cannot deny that neither can be applied in absolute terms when considering the relationship between corporate and community. It is argued that a simplified solution seems implausible, but that a sober stance, where differences are truly recognised and the solutions come from the shared

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characteristics of the theories, could contribute to real change in those communities that are meant to benefit from this relationship.

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