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Organisational drivers of capabilities for multi-stakeholder dialogue and knowledge integration

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RESEARCH ARTICLE

Abstract

Business and policy actors increasingly make use of multi-stakeholder interactions (MSI) as a corporate social responsibility strategy to understand, influence, harmonise and meet stakeholders' social, environmental and financial expectations and so to create value. While many researchers and practitioners have recently described the role of MSI for sustainable innovation and development, little is known about how organisations can develop a capability to effectively create and maintain a dialogue with stakeholders and learn from them. The paper explores the organisational characteristics driving two key capabilities needed for effective MSI: stakeholder dialogue and knowledge integration. Based on the empirical evidence from four business cases, the research follows an explorative approach building upon stakeholder and organisational learning theories. Findings indicate that the 'involvement of senior management and employees', 'open culture', 'vision towards sustainability' and 'hierarchical structure' are key drivers of stakeholder dialogue and knowledge integration capabilities.

Keywords: dynamic capability, corporate social responsibility, organisational learning, collaboration

1. Introduction

Business and policy actors are increasingly pressured to understand and meet social, environmental and financial expectations of different stakeholders both within and outside their economic sector (Hitchcock and Willard, 2006). To meet these stakeholder expectations, organisations need to gain more insight into stakeholders' goals, beliefs and values related to sustainable development. A large body of literature discusses the importance of multi-stakeholder interactions (MSI) for managing wicked problems such as sustainability (Ayuso *et al.*, 2006; Sharma and Kearins, 2011). MSI is considered in the literature as a strategy by which firms interact with multiple stakeholders leading to innovative and widely accepted actions that create value and so provide possibilities for competing and surviving (Freeman, 2010). Today, large corporations such as Unilever, Sara Lee and Heinz regularly interact with multiple stakeholders. These companies learn from their stakeholders and combine the knowledge from different actors in order to solve social and environmental issues (cf. Blok *et al.*, 2013; Bos *et al.*, 2013). Moreover, in the agricultural and food sector alone, it has recently been established that twenty-one out of the fifty largest firms in the world have formally engaged in at least one multi-stakeholder platform (Dentoni and Peterson, 2011).

Despite the evidence confirming the rapidly growing role of MSI as an effective corporate social responsibility (CSR) strategy for sustainable development, only a few organisations have developed learning procedures on 'how to build an effective MSI'. These business actors are taking explicit steps to continuously integrate, reconfigure, gain and release resources to address the rapidly emerging and changing expectations of multiple stakeholders (Eisenhardt and Martin, 2000; Freeman, 2010). In other words, few companies have realised the importance of gaining dynamic capabilities for MSI. The literature defines 'stakeholder dialogue' and 'knowledge integration' as two key capabilities that jointly constitute a dynamic capability for MSI (Ayuso *et al.*, 2006). Companies that are capable of dialogue with stakeholders and of integrating their knowledge can develop innovative ideas and manage risks (Zahra and George, 2002) in relation with their external environment. Both these capabilities are strongly interrelated constructs and are built over time with reinforcing practices and processes within organisations (Ayuso *et al.*, 2006; Dentoni, unpublished results).

Despite the existing research related to organisational learning and capabilities in the area of CSR and environmental management, only few studies have focused on the combination of characteristics that an organisation needs to effectively set up a dialogue with stakeholders and integrate their knowledge. Therefore the relevant question

for both industry and academia is: what is the combination of organisational characteristics that drives the capability of companies to dialogue with multiple stakeholders and to integrate their knowledge? Currently a very limited amount of literature is available which is directly related to a dynamic capability in the field of sustainability. Despite the lack of research in this specified field, this subject of research is not new as similar studies can be found in the innovation literature and literature on stakeholder dialogue and knowledge integration. These studies are used as a theoretical basis for the collected empirical evidence. This study followed an inductive research approach which involved: (1) a theoretical framework based on a literature study on dynamic capabilities, organisational learning and stakeholder management in the domain of CSR and environmental management; (2) a set of interviews with managers of food multinational enterprises (MNE) and stakeholders involved in MSI for sustainability; (3) secondary data analysis of websites of MNEs participating in the interviews; and (4) an analysis of the primary data, linking data to existing theory in the domain of interest. The collected empirical evidence is used as a basis for developing an improved theoretical framework describing the organisational drivers of stakeholder dialogue and knowledge integration capabilities for MSI.

2. Theoretical framework

Dynamic capability

A dynamic capability (DC) can be defined as 'the subset of competences/capabilities which allow the firm to create new products and processes in response to the changing environment' (Teece *et al.*, 1997: 510). The term 'dynamic' refers to the capacity to renew competencies in order to achieve congruence with the changing business environment. The term 'capability' emphasises the key role of strategic management in appropriately adapting, integrating and reconfiguring organisational skills, resources and functional competences to match the requirements of a changing environment (Teece *et al.*, 1997: 515). Therefore, companies with dynamic capabilities effectively adapt, compete and survive in environments characterised by rapid changes, complexity and uncertainty.

A dynamic capability consists of multiple organisational capabilities. The idea that multiple capabilities compose a dynamic capability was first researched by Verona and Ravasi (2003), who analysed the dynamic capability of continuous innovation by investigating its organisational sources. In later research, Ayuso *et al.* (2006) claimed that a DC can

be considered as a combination of simple capabilities. But what are the driving forces behind the creation of a DC?

In relation to this research, 'stakeholder dialogue' and 'knowledge integration' have been identified as two organisational capabilities of crucial importance for managing MSIs to achieve sustainable development (Ayuso *et al.*, 2006).

Capabilities: 'stakeholder dialogue' and 'knowledge integration'

Stakeholder dialogue is the capability to interact with stakeholders and to access their knowledge (Ayuso *et al.*, 2006). Kaptein and van Tulder (2003) defined ten characteristics of 'stakeholder dialogue'. These characteristics are defined based on their experience of visiting and facilitating many different MSIs:

- To know and be understood: parties must know each other. Companies have to know the interests of the other parties.
- Trust and reliability: a certain level of trust is needed. Each party has to interact with an open and vulnerable attitude. Fairness, openness and honest agreements are important (Waddock and Smith, 2000).
- Clear rules for the dialogue: appointments about procedures followed during the MSI, for example with respect to confidential information.
- A coherent vision for how the dialogue is to be held: a balance has to be found between accepting invitations from stakeholders and personally inviting stakeholders for meetings.
- Dialogue skills: parties must perform the skills for participating in a dialogue.
- Expertise in the subject matter: a good dialogue requires expert knowledge about the subject.
- Clear dialogue structure: parties have to know the expectations, possibilities and limitations of the dialogue. A clear agenda is needed.
- Valid information as basis: the facts presented by the parties have to be beyond any doubt. This is important because parties' present information related to their own agendas, which can lead to skewed facts.
- Successive meetings: joint ownership has to be created for actions resulting from the dialogue. Frequent interactions give parties the opportunity to develop a closer relationship.
- Feedback on results: parties have to rely on the fact that the other party will represent the interests and views of its constituent members. For example, a company cannot say, after a lot of meetings and agreements,

that the management or directors will not support the conclusions or the agreements made during the dialogue.

Knowledge integration is the capability to assimilate the insights from the dialogue with stakeholders and to transform this knowledge into the organisational processes (Ayuso *et al.*, 2006). Common agreements between the company and stakeholders lead to the transformation of knowledge within the organisation. If a company for instance decides to embrace the suggestion of a stakeholder to change a production process into a more sustainable alternative, the company may develop new internal procedures or rules of conduct. Organisational learning literature has established that the assimilation of stakeholder knowledge within the processes of the company takes place through two mechanisms: 'direction' and 'organisational routines' (Grant, 1996). Direction means that stakeholder knowledge is converted into codified guidelines or manuals, for example. Organisational routines mean that individuals develop sequential patterns of interaction which permit the integration of their specialised knowledge without the need for communicating that knowledge explicitly (Grant, 1996: 379). When companies make use of directions, knowledge is communicated at low cost to a large number of persons (Grant, 1996). For example, it is easier to create an operation manual which can be used by several persons in the organisation than to educate each person separately. When companies make use of organisational routines, knowledge is converted into explicit rules and instructions and less information is lost. Besides that, the use of routines gives a greater capacity to adapt responses to a broad range of circumstances (Grant, 1996).

Together, 'stakeholder dialogue' and 'knowledge integration' enable companies to gain the dynamic capability of understanding, adapting and responding to the requests and pressures of multiple stakeholders.

Drivers of 'stakeholder dialogue' and 'knowledge integration'

Since stakeholder dialogue and knowledge integration are crucial for companies to manage interactions with multiple stakeholders in dynamic, complex and uncertain environments, it is important to identify the organisational leverages driving these capabilities. Not surprisingly, many researchers have explored drivers of stakeholder dialogue and knowledge integration, however, not many studies have explored the range and combination of organisational resources needed to create a dialogue and integrate knowledge from stakeholders, especially in the context of sustainable development.

Management studies found that stakeholder dialogue is triggered by firm resources promoting two-way communication, transparency and appropriate feedback to stakeholders (Ayuso *et al.*, 2006). These drivers are also mentioned by Kaptein and van Tulder (2003) as characteristics of stakeholder dialogue. Therefore, these drivers cannot be defined as organisational drivers. Next to that, other researchers found that open culture (Reed, 2008), human capital (Dentoni *et al.*, 2012b) and management commitment to sustainability (Pedersen, 2006) also positively influence the capability of keeping up a dialogue with stakeholders. The driver 'open culture' is crucial because stakeholder dialogue has to be institutionally embedded within the organisation (Reed, 2008). Many of the limitations experienced in stakeholder dialogue have their roots in organisational cultures. Decision makers normally feel comfortable to stay in control, while room to negotiate with stakeholders is a necessary condition for stakeholder dialogue. By committing themselves to stakeholder dialogue and knowledge integration, decision makers have to learn to release this control because they do not know the outcome of the dialogue beforehand (Reed, 2008). This requires a shift in the organisational culture of the company. Management commitment is important for stakeholder dialogue because the perception and priorities of the key actors within an organisation are likely to affect companies' response to environmental issues (Pedersen, 2006). Therefore management perception of CSR has received some attention in the literature (Pedersen, 2006). The willingness of key actors in the organisation gives priority and allocates resources towards sustainability.

Regarding stakeholder knowledge integration, management studies found that the capability of knowledge integration relies on non-hierarchical structures, flexibility and openness to change (Ayuso *et al.*, 2006). The drivers 'flexibility' and 'openness to change' are also identified as value dimensions of market-oriented organisations (Homburg and Pflesser, 2000).Therefore these drivers will be mentioned together in this research under the general driver of open culture. Other researchers also identified 'common understanding', 'efficiency of the system' and 'non-hierarchical structure' as key drivers of stakeholder knowledge integration (Grant, 1996). First, 'common understanding' is the ability of employees and functional units to achieve a common understanding of a subject area despite a different knowledge background and expertise (Huang and Newell, 2003). In order to facilitate for instance the discussion on sustainable sourcing between a technologist and a trader of a company, it is crucial for the trader to have some basic understanding of the new product, and for the technologist to have some basic understanding about the trading process. The lower

the level of common understanding, the more difficult the integration of the knowledge with regard to sustainable sourcing within the company (Grant, 1996). Second, 'efficiency of the system' is the ability of an organisation to receive and interpret a stream of incoming messages from the environment (Nelson and Winter, 1982) and to translate these messages into formal and informal ways of working, procedures and communication flows within the organisation (Peters and Waterman, 1982).

The efficiency of integrating knowledge in the organisation depends on the sophistication of the organisational system to signal and respond among teams and employees (Grant, 1996). Third, 'non-hierarchical structures' favour direct communication and proximity between people (Ayuso *et al.*, 2006). These kinds of structures support the increasing demands for communication and enable the improvement of integration efficiency (Wright and Snell, 1998). To summarise, an overview of drivers of stakeholder dialogue and knowledge integration capabilities explored in the literature is given in Table 1.

3. Research methods

Sample and case selection

An explorative, qualitative approach was chosen because of the scarcity of research on the organisational drivers related to a dynamic capability for sustainable development. Cases were selected on the basis of theoretical sampling, which was used to select cases which were likely to extend the emerging theory (Eisenhardt, 1989). Four MNEs (hereafter indicated as MNE 1,2,3,4) were selected for this study according to the following criteria. First, the MNEs were all food manufacturers and buyers of raw agricultural products, since the agri-food industry is strongly influencing and influenced by issues of sustainable development (Dentoni *et al.*, 2012a). Second, the four MNEs are large corporations with comparable CSR strategies and organisational systems, so that capabilities of stakeholder dialogue and knowledge integration and their drivers can be compared too. Third, the four MNEs are all participating in multiple multi-stakeholder

platforms, which are formal institutions where MSIs take place. Fourth, the selected MNEs had European decision-making headquarters in the Netherlands (although two companies have US origins), a feature that serves to reduce the effect of the national culture of the company's country of origin on the organisational culture and capabilities. Given these inclusion criteria, the four MNE cases were first selected as representative cases of large companies that have to manage their MSIs as part of their CSR strategies for sustainable development. At the same time, the four companies have differences in terms of size, CSR experience and experience in MSIs. In particular, one MNE is much larger and participated in many more multi-stakeholder platforms than the other three. The diversity of size and experience in CSR and MSIs was also purposive, as it could be expected that larger and more experienced companies may have more capabilities for stakeholder dialogue and knowledge integration. Table 2 gives an overview of the variability across the four companies.

As part of their engagement in MSIs, one stakeholder for each MNE (hereinafter indicated as stakeholder A, B, C, D) participating to the same multi-stakeholder platform with the MNEs was also selected and interviewed. This was meant to reduce the common method bias by triangulating the measures from the four MNEs with assessments from actors external to the companies. Out of the four stakeholders selected, two stakeholders are NGOs and two stakeholders

Table 2. Overview of the variability across the four companies involved in this research.

MNE	Employees	First CSR report	Partnerships	Partnerships founded
1	19,500	2006	5	0
2	167,000	2000	19	10
3	41,000	2008	10	1
4	35,000	2005	9	1

CSR = corporate social responsibility.

Table 1. Organisational drivers for 'stakeholder dialogue' and 'knowledge integration'.

Organisational drivers for 'stakeholder dialogue'	Organisational drivers for 'knowledge integration'
Actors: commitment of actors in the organisation	System: efficiency of the system
Culture: open culture	Skills: common understanding skills
	Structure: non-hierarchical structure

are multi-stakeholder platform coordinators, with the primary role of facilitating the interaction of companies and stakeholders. Despite the difference of roles, NGOs and platform coordinators both provide external interpretations of actions taken by the four MNEs and thus an assessment of their capabilities. In the last stage, drivers were defined and operationalised based on the empirical data collected from the MNEs and their stakeholders. Finally, the results from the empirical research were compared and contrasted with the results of the literature study to evaluate the elements of novelty and contribution to the debate on the drivers of capabilities for MSIs in the context of sustainable development.

Data collection

Secondary data were collected from company websites and CSR-reports to get a better understanding of the CSR policies of each company and the experience they have with MSIs. After the secondary data analysis, in-depth semi-structured interviews were conducted with the companies and stakeholders to investigate the organisational drivers of MSI for sustainability. At each company a manager involved in MSI was interviewed. In most cases, the manager was directly responsible for sustainability and CSR in the company. In the stakeholder interviews, the person involved in the interaction of the company was interviewed. Data were collected in spring 2012.

The interviews were structured in the following way: interviewees were asked to describe two cases of MSI. One case of a successful interaction leading to common agreements between the parties and changes in the organisation and one case of an unsuccessful interaction. Interviewees had to keep these cases in mind while questions were asked related to the capabilities for stakeholder dialogue, knowledge integration and the drivers of these capabilities. An interview protocol was developed to safeguard non-biased and consistent data gathering. Questions were left as open as possible, in order to give space for information which could not directly be derived from secondary data (Kumar, 2011). A total of fifteen questions were asked, seven measuring stakeholder dialogue and eight measuring knowledge integration. The first part of the questionnaire administered to stakeholders was comparable to the questions that the companies were asked to respond to. The only difference was that in case of the stakeholder interview, questions referred more directly to the capabilities of the company during the dialogue, decision-making and implementation. As in case of the company questions were specified about the stakeholders who were involved during the interaction and the value they

delivered. On the knowledge integration part questions were asked about the extent to which the company learned from the dialogue and took action as a result of the dialogue. After the administration of the interviews, a written transcript was prepared for each meeting. The transcripts were read and interpreted by the research team, including the interviewer and two others. Based on categories of possible drivers of stakeholder dialogue and knowledge integration, data interpretation was done and quotes from the interviews were assigned to each category. Then, the different categories were compared to search for common patterns across interviews, which help to identify some of the drivers of stakeholder dialogue and knowledge integration capabilities.

4. Analysis of results

Assessing stakeholder dialogue and knowledge integration

In order to analyse the capability of each company to dialogue with stakeholders, all participating MNEs have been evaluated with respect to the characteristics of 'stakeholder dialogue' and 'knowledge integration'. In Table 3 each company is evaluated according to these characteristics. The triangulation of measures from the four company managers and from the four stakeholders confirmed the results rather than providing contrasting assessments. This is interpreted by the research team as a sign that, despite the different beliefs, goals and values among stakeholders in MSIs, there is uniformity of assessments on the capabilities demonstrated by the actors participating in their dialogue.

Companies two and three possess almost each characteristic. These companies have the most experience with partnerships. Although companies one and four do not possess each characteristic, the capability of each company to conduct a dialogue with stakeholders is demonstrated by the fact that stakeholders value the ability for dialogue positively in each company. Companies two, three and four assimilated knowledge from the dialogue by means of routines. This means that the knowledge is integrated in the existing routines, for example within the current organisational rules, strategies, structures and/or technologies. Company one assimilated knowledge from the dialogue by means of directions, which means that the knowledge is integrated within the company using guidelines and/or manuals for instance. This can be explained because the knowledge coming from the dialogue did not directly affect the operations of the company itself. The capability of companies to integrate the knowledge is confirmed by secondary data; each company integrated different sustainable initiatives in the past as a result of

Table 3. Company evaluation against the characteristics of stakeholder dialogue and knowledge integration.

	Company 1	Company 2	Company 3	Company 4
Stakeholder dialogue				
To know and be understood		X	X	X
Trust and reliability	X	X	X	X
Clear rules for the dialogue	X	X	X	
A coherent vision for the dialogue	X	X	X	X
Dialogue skills	X	X	X	X
Expertise in the subject matter	X	X	X	X
Clear dialogue structure		X	X	X
Valid information as basis	X	X	X	X
Successive meetings	X	X	X	X
Feedback of results	X	X	X	X
Knowledge integration				
Direction	X			
Organisational routines		X	X	X

MSI. It can be concluded that each company is able to have a dialogue with stakeholders and to integrate sustainable issues within the company by making use of routines or directions.

Organisational drivers: 'stakeholder dialogue' and 'knowledge integration'

Five organisational drivers could be defined. The drivers are related to the capability 'stakeholder dialogue' or 'knowledge integration'. Some drivers are related to both capabilities.

Open culture

This driver refers to the openness of a company and its employees to incorporate the knowledge of stakeholders in facing sustainability issues. Table 4 demonstrates that an open culture in which the interests of stakeholders are taken into account is needed to create a dialogue with stakeholders and to integrate their knowledge.

Companies one and two mentioned the need to stay open to stakeholder knowledge in facing the challenges and dilemmas of sustainability. An open culture makes a company approachable for stakeholders and will contribute to a constructive dialogue. This was confirmed by stakeholder C who mentioned an environment in

Table 4. Results organisational driver 'open culture'.

MNE	Quotations from the interviews
1.	'We said to our stakeholders: 'we do not know how we can improve our operations, can you help us?' And this led to a culture change, because normally as a company you want to find a solution by yourself, but we had to admit that we do not know everything by ourselves; it is not part of the culture of the company to say: 'can you help us?''.
2.	'We do not have all the answers to the challenges and dilemmas that our business faces today. Many sustainability issues can only be addressed through a collaborative, multi-stakeholder approach'.
3.	Stakeholder D mentioned that the company was very open to the developments in civil society, and therefore to the interests of stakeholders.
4.	No information available

MNE = multinational enterprises.

which people find a solution together taking precedence over the individual company interests as one of the factors contributing to the effectiveness of a dialogue. An open culture means that managers do not expect that all answers can be found within the organisation, but are appreciative of the insights from stakeholders and are aware of the value these insights can bring to the company (company one).

An open culture is required as an organisational driver for stakeholder dialogue and knowledge integration because it will help companies to be involved with their environment, to know the interests of stakeholders and to find supportive solutions to the sustainability problems they face.

Structure

Structure refers to the way sustainability is organised within a company. Primary and secondary data demonstrated that in each company sustainability was organised in a hierarchical way, by means of a steering team, with or without representatives of the board. Table 5 gives an overview of the data related to this driver. A hierarchical structure will help the effectiveness of knowledge integration which results from the stakeholder dialogue.

In companies two, three and four a board member is made responsible for CSR within the company (companies' websites, 2012). Starting with the board it has to be integrated throughout the entire organisation. For this reason, a team consisting of representatives from different departments is made responsible for the execution of the sustainability initiatives within the company (companies' websites, 2012). In companies one, two and three, CSR responsibility is integrated in the primary tasks of line managers. These managers are working together within a steering team. This is needed since the implementation of sustainability initiatives requires the involvement of different departments by means of a wide range of functions (see the driver staff). Companies three and four mentioned the role of a sustainability manager (interview company three and company four). It is expected that sustainability managers need to collaborate with the line managers and to coordinate the execution of the initiative within the organisation.

A hierarchical structure is an organisational driver for knowledge integration because sustainability is a very broad concept which will have implications for the work of different employees. A hierarchical structure, with higher management involved, will make the integration more efficient.

Staff

Staff refers to the managers and employees involved during the stakeholder dialogue and the knowledge integration. The interviews demonstrated the need to actively involve senior management in the dialogue and to involve employees both in the dialogue and in the knowledge integration. Table 6 gives an overview of the data related to the involvement of senior management which could be derived from the interviews. Table 7 shows the data related to the involvement of employees. Both drivers will be explained in this section.

The driver *senior management* refers to the participation of higher management during the stakeholder dialogue. Three out of four companies mentioned the involvement of the higher management during the dialogue.

From the statements it can be derived that in companies one, two and three a representative of the higher management

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Table 5. Results organisational driver 'organisational structure'.

MNE	Quotations from the interviews and secondary data
1.	'Sustainability is organised in a sustainability coordination team and four teams responsible for the implementation of CSR throughout the entire organisation'.
2.	'Sustainability is organised in a steering team. A wide range of functions is represented on the team, from research, supply chain and marketing through to human resources and raw material procurement'.
3.	'We have organised CSR in a steering team in which the highest managers of the different departments are represented'.
4.	'The company developed the sustainability process to provide a consistent and coordinated framework for each business unit and facility. This framework makes it possible to define and implement a customizable sustainability program at each business and facility under a business model'.

CSR = corporate social responsibility; MNE = multinational enterprises.

Table 6. Results organisational driver 'support from senior management'.

MNE	Quotations from the interviews
1.	'The sustainability manager, the manager external communications and the secretary of the board were involved during the dialogue'.
2.	'During the whole process we made presentations for the Benelux Board or international board about the status of the initiative and the results'.
3.	'From the industry people like me [director international CSR] are involved and some specialists...people from our environmental department'.
4.	Stakeholder D mentioned the involvement of senior management during the interaction with company four as a driver which improved the effectiveness of the dialogue because the involvement of senior management indicated that company four did take the issue seriously.

CSR = corporate social responsibility; MNE = multinational enterprises.

Table 7. Results organisational driver 'involvement of employees'.

MNE	Quotations from the interviews
1.	No data available
2.	'An internal team is involved. This team consists of the marketer, the meat procurer, the technical management, the production manager, someone from category management, the finance business partner, I am involved from sustainability. Also a media colleague is involved'. 'It is important to embed it (the sustainability initiative) within your processes and systems and to involve all relevant employees cross functional. So not only from one department'.
3.	'...at the end you have to embed (the initiative) in the business. This is possible if you start the initiative from the beginning with a group which is represented broadly within the organisation and who finally have to implement it'.
4.	'In the beginning the procurement department, together with his suppliers were involved. Besides that someone concerned with the CSR policy was involved'.
	'...when a decision was made to implement the initiative, the marketing department became involved. ...Our internal and external communication department was involved to communicate the initiative to our employees'.
	Stakeholder A mentioned the involvement of employees with different backgrounds in the dialogue as one of the reasons why the initiative was supported within the entire organisation of company four.

CSR = corporate social responsibility; MNE = multinational enterprises.

was involved in the dialogue. In companies one and two a board member was active in this role. In company one a member of the board was directly involved in the dialogue. In company two the board was indirectly involved in the dialogue. This can be explained by company two being a much larger company compared with the other three companies. The distance to the board is therefore much greater. In company three the director of international CSR was involved as part of the higher management. The fact that the boards of companies three and four were not involved in the dialogue can possibly be explained by the fact that these companies do not have their headquarters in the Netherlands.

The driver *employees* refers to the involvement of employees in the dialogue and the knowledge integration. Table 7 provides an overview of the data related to this driver which could be derived from the interviews. Three out of four companies mentioned the involvement of employees in the stakeholder dialogue and the knowledge integration.

The statements show that companies two and three involved employees cross-functional which are represented broadly within the organisation. The differences in functions which were involved can possibly be explained by the divergent initiatives the companies have to deal with and the influence these initiatives would have on several departments. For example, a certification in the field of animal welfare requires different knowledge than the knowledge which will be required for the development of a measurement tool for the carbon footprint of coffee. Besides, the required knowledge also depends on the extent to which companies set requirements for their suppliers, customers, or give public attention to the initiative. In the last case, the communication team will play a bigger role for example. The involvement of a broad range of employees of company three is confirmed by stakeholder C who mentioned in general the need to promote the implementation of the sustainability initiative throughout the entire organisation. The fact that these employees were not involved in company one can be explained by the fact that company one did not directly implement the initiative within its own organisation but set requirements for its members, since the company has a co-operative structure.

Vision

Vision refers to the need for a sustainability vision of a company. A sustainability vision gives insight into the ambitions of a company for sustainability in the long run. Table 8 gives an overview of the data related to this driver which could be derived from the interviews. Two out of four companies mentioned their vision for sustainability development as an important driver for stakeholder dialogue. A clearly formulated vision gives direction to the issues which will be discussed during the dialogue and to the selection of dialogue partners which will be relevant for the company.

The citations show that company one and company two have developed a sustainability vision. Based on this vision, goals and strategies have been formulated. Having a vision for sustainability development means that companies make decisions about the sustainability direction they should take. This is needed since sustainability is a very broad concept which can be applied in different ways and for different purposes. A direction towards sustainability is critical in directing organisational attention (company one). Without a clear strategic direction, it is possible that interests in and attention to sustainable development will become too dispersed between the different partners during the stakeholder interaction. Company two for example has the ambition to give more attention to animal welfare in their sourcing strategy. Therefore the company decided to contact the animal welfare organisation in the Netherlands to develop a certification system on meat. Companies which have developed a clear view of sustainable development are better able to deal with different stakeholder perspectives and are able to select issues which fit within the company's vision or reject issues which would not serve the sustainability vision of the company.

5. Conclusions

This study has investigated the organisational drivers of stakeholder dialogue and knowledge integration capabilities for MSIs. Table 9 summarises the findings on organisational drivers of stakeholder dialogue and knowledge integration which emerge from the empirical study in comparison with the existing literature.

Comparing the empirical results with the literature, it could be first observed that the empirical study does not show up all the drivers identified in the literature. The organisational drivers 'efficiency of the system' and 'common understanding skills' were not directly found in the empirical study. As the empirical data demonstrated that

Table 8. Results organisational driver 'vision for sustainability'.

MNE	Quotation from the interviews
1.	'We have a policy and a certain vision related to the implementation of sustainability and we look which stakeholders have to be involved'.
2.	'We defined 50 commitments, summarised in three main goals towards sustainability'. 'We have a high ambition level towards sustainable sourcing, and we developed supply chain roadmaps for the different materials'.
3.	No data available
4.	No data available

MNE = multinational enterprises.

Table 9. Organisational drivers of 'stakeholder dialogue' and 'knowledge integration'.

Organisational drivers for 'stakeholder dialogue'	Organisational drivers for 'knowledge integration'
Culture: open culture	Culture: open culture
Actors: involvement of senior management and employees	Actors: involvement of employees
Vision: vision for sustainability	Structure: hierarchical sustainability structure

many employees with different backgrounds were involved in the dialogue and the integration of the knowledge, it was to be expected that the driver 'common knowledge skills' would be relevant. The most surprising result was the identified driver on organisational structure in the empirical research. From the literature a non-hierarchical structure could be derived as a basis for gathering together the viewpoints of people from different business departments and hierarchical levels. From the empirical data, however, a hierarchical structure has been derived as driver. The empirical data confirm the need for teams consisting of people from different business departments but also demonstrate that starting from the higher organisational levels sustainability has to be integrated throughout the different levels within the organisation. This implies that knowledge and responsibility for sustainable development have to be available at the higher levels of the organisation, so that they are able to give direction and support to the integration of sustainability within the different levels of the organisation.

In view of the relatively small amount of companies and stakeholders that have been used as a sample, future research on MSI and the organisational requirements can test the suggested drivers and the way these drivers are operationalised.

Because thus far not much attention has been given in the literature to the organisational drivers which are required for stakeholder dialogue and knowledge integration capabilities to perform a dynamic capability for sustainable development, this research aimed at identifying potential drivers for these capabilities. Due to the rapidly growing role of MSI as an effective CSR strategy for sustainable development and the minimum amount of research done on this topic, this research first of all has scientific significance by expanding our knowledge regarding MSIs. Furthermore, the drivers found in this research may have crucial managerial implications. Most importantly, the drivers enable companies to develop organisational capabilities and to use MSI as a source of sustainable innovation and development. Additionally,

companies developing these capabilities can make use of the continuous dialogue with external stakeholders more effectively, protecting the organisation's reputation. Finally, developing these capabilities may help companies to create a culture that is aware and ready to deal with the complexity of sustainability problems posed by external stakeholders.

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