

**From Conflict to Collaboration:
Stakeholder Bridging and Bonding in Clayoquot Sound**

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Abstract

This case study analyzes the seven year development of the relationship between a forestry company and a coalition of environmental stakeholder groups opposing the clearcutting of old growth forests in British Columbia. Central actors' retrospective accounts suggest the move from interorganizational conflict to interorganizational collaboration requires an intervening interpersonal stage in which individuals from each side develop mutual trust. Events suggest third parties can catalyze the transitions into, and out of, the interpersonal trust stage. Comparisons with a similar case imply that advocacy stakeholder coalitions must achieve internal bonding before attempting bridging. The authors suggest firms facing hostile stakeholders should focus, first, on structural factors to end the conflict, second, on interpersonal trust to understand stakeholders' views, and third, on shared values and cognitive frameworks to spark collaboration.

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Understanding the dynamics of conflict and collaboration between corporations and critical civic sector stakeholders has become a growing concern for business leaders. In terms of conflicts, companies like Shell, Nike, Texaco, and Nestlé have suffered damage to their reputations as a result of public awareness campaigns by advocacy stakeholder groups (Schwartz & Gibb, 1999). The internet is being used to organize boycotts against dozens of companies (e.g., <http://www.corporations.org/corplist.html>, updated Oct. 31, 2000). More and more corporations are coming to the conclusion that in order to maintain their “social licence to operate” they must develop positive long term relationships with their most vociferous critics (Wheeler, Rechtman, Fabig, & Boele, 2000). In terms of collaboration, some companies have begun to build bridges to environmental advocacy groups in order to acquire new information and ideas, forestall negative media coverage, and win credibility with the public (Elkington & Fennell, 1998). The most proactive companies have embraced environmental principles as a stimulus for innovation in efficient resource allocation and in product and service development (Lovins, Lovins & Hawken, 1999).

In the last decade, interorganizational bridging with advocacy stakeholders has emerged as a topic in the broader field of interorganizational relations. Westley and Vredenburg (1991) studied the case of a failed bridging attempt between a grocery chain and environmental non-governmental organizations (ENGOS). They identified motivational and cognitive factors as determinants of the form that bridging would take. Lawrence and Hardy (1999) advanced the study of interorganizational bridging further with a typology of bridging organizations and their

characteristic cultures and survival strategies. Bridging has been distinguished from bonding as two different patterns of social capital (Gittell & Vidal, 1998; Putnam, 2000). The case study presented here traces the development of bridging and bonding social capital between a company and a coalition of advocacy stakeholders, including one of the same groups involved in the Westley and Vredenburg case (i.e., Greenpeace Canada). This time the bridging attempt was successful insofar as it culminated in collaboration.

The case involved a dispute between MacMillan Bloedel (MB), one of Canada's largest forest companies, and an informal coalition of environmental non-governmental organizations (ENGOS) including Friends of Clayoquot Sound, Greenpeace Canada, Greenpeace International, the Natural Resources Defense Council, Sierra Club, and Western Canada Wilderness Committee. The ENGOS organized an international campaign to prevent MB from clearcutting old growth forests in Clayoquot Sound on Vancouver Island in British Columbia, Canada. In the summer of 1993, the conflict reached its height with the blockade of logging roads and the arrest of more than 800 people. This was the largest act of civil disobedience in Canadian history. During this period, full-page ads were run in the New York Times and high profile United States politicians vocally supported the cause. Six years later, MB had ended clearcutting in Clayoquot and had created an eco-friendly logging company, Iisaak Forest Resources, jointly owned with the local First Nations (i.e., North American Indian) bands. In 1999, Greenpeace and other environmental groups signed a Memorandum of Understanding (MOU) that committed them to helping Iisaak develop a market for forest products and services from Clayoquot.

In this study, we sought to understand the processes that allowed the adversaries to move from conflict to collaboration. To that end, we analyzed the case in terms of concepts and

theories that would allow us to extract generalizable knowledge (Yin, 1994), about the interplay between interorganizational and interpersonal relationship processes. Foremost among these theoretical notions was the concept of social capital, particularly Nahapiet and Ghoshal's (1998) formulation. It subsumes structural factors from social network analysis, the concept of trust, and an array of cognitive factors. We begin by reviewing the meaning of social capital and the subsidiary concepts of bridging and bonding social capital. Then we turn to aspects of social network structure that contribute to the development of social capital and collaboration. Next we review several typologies and stage theories of trust and discuss the differences between interpersonal trust and interorganizational trust. Finally, we consider the cognitive dimension of social capital and its different manifestations in various contexts.

Social Capital

Social capital has been defined differently in various traditions. Generally, it is agreed to be the trusting relationships among people that facilitate collective action and access to resources (Jacobs, 1965). Social network theorists have tended to define social capital strictly in terms of social network ties (e.g., Burt, 1992, 1997; Degenne & Forsé, 1994/1999). Others have preferred to require that the relationships in the network also exhibit certain interpersonal features, like trust, norms and reciprocity, before the network ties can be characterized as social capital. Lazega (1997) argued that studying both interpersonal processes and social network structures together yields more interpretive context for both levels of analysis. Because we wished to examine the interplay of structural and interpersonal factors in this case study, we adopted Nahapiet and Ghoshal's (1998) definition of social capital. Their view of social capital includes one structural dimension, and two interpersonal dimensions. The structural dimension deals with

social network structure. More social network density and more structural holes (Burt, 1992) were both deemed indicative of more social capital. The relational dimension deals with the interpersonal processes among actors, including trust, norms, reciprocity, and mutual identification. Below we discuss theories of trust that subsume all of these elements. The cognitive dimension includes interpersonally shared codes, language, and narratives. Tsai and Ghoshal (1998) extended the cognitive dimension to include shared goals, values, and vision. We use Nahapiet and Ghoshal's three dimensions as framework for reviewing the theory and research that we used to analyze the Clayoquot case.

Bridging and Bonding

The concept of social capital offers a heuristic for summarizing patterns of relationships among people and organizations involved in conflicts and collaborations. Putnam (2000) popularized the terms bridging social capital and bonding social capital to describe two patterns of social capital that appear particularly relevant to studies of conflict and collaboration. The distinction between the two is essentially structural. For quite some time social network analysts (Burt, 1992; Gargiulo & Benassi, 2000; Granovetter, 1973) have been aware of the different types of benefits that accrue to an actor who is central in a dense social network (i.e., has bonding social capital) versus one who is central in a network with non-redundant ties, or structural holes (i.e., bridging social capital). Borgatti, Jones, and Everett (1998) proposed that part of the distinction was between internal versus external relationships. Strong and numerous ties inside a group would constitute bonding social capital and numerous, non-redundant ties with outside groups would be bridging social capital. We see bridging and bonding as varying

independently. An individual or a group could have any combination of few or many bonding ties with few or many bridging ties.

In their study of social capital in five Australian communities, Onyx and Bullen (2000) used the term bonding social capital to describe the rural communities they studied where they found high levels of community participation and mutual support, but not for those outside the community or for minorities in the community. They associated bridging social capital with the inner-urban area in their study where there was greater tolerance, more ties with members of minorities and outside communities, and more reliance on individual initiative instead of mutual support. Relieved of its community context specifics, and merged with Borgatti et al.'s distinction, Onyx and Bullen's two types of social capital can be differentiated as the group's internal cohesiveness (i.e., bonding social capital) versus the group's external ties (i.e., bridging social capital).

Focusing on bridging types of collaboration, Lawrence and Hardy (1999) developed a typology of bridging organizations specifically for advocacy stakeholders. Their main dimension of comparison was the center versus the border of activist domains (Douglas & Wildavsky, 1982). Governments and corporations reside at the center. Low-power, low-status individuals and organizations reside at the border. Bridging organizations develop bilateral relationships with the center on one side and the border on the other. Lawrence and Hardy proposed three types of bridging organizations. The center extension type endorses most of the same values as the center institutions and adopts a hierarchical cultural form. These types see the main risks to their survival as anything that disrupts the stability of the activist domain. Their main strategy for dealing with those risks is to develop standardized practices and codes. At the other extreme, the

border federation type shares values with the margins of society and organizes itself like a sect.

The main threats to its survival come from internal disunity and a lack of consensus on acceptable norms and roles. Their primary coping strategies deal with defining and enforcing the rules and meaning of membership. Between these extremes, the pure bridge type tries to synthesize the values of the center and the border. It faces survival risks from both domain disruption and internal division. These types must enact both standardization and membership survival strategies.

In Lawrence and Hardy's typology the ENGOs in the Westley and Vredenburg (1991) case were a border federation and therefore had to be most concerned about maintaining cohesion and avoiding fissioning. In that case, a Toronto-based environmental group, Pollution Probe, attempted to play a bridging role between other environmental groups and a retail grocery chain, Loblaws. Pollution Probe became involved in developing standards for environmentally friendly consumer products. Because the Westley and Vredenburg case occurred in an historical period when environmental groups were newly formed and growing quickly, their social network was diffuse. In theoretical terms, they lacked bonding social capital. The bridging attempt ended with Pollution Probe being publicly attacked by another environmental group, Greenpeace Canada. The Clayoquot case offered an opportunity to assess the level of bonding social capital that preceded a successful bridging attempt by a border federation. The outcomes were different. We sought to determine whether there was a corresponding difference in the antecedent levels of bonding social capital.

Social Network Structure and Motivation to Collaborate

Rowley (1997) also considered consequences of divisions among stakeholders, whether they were border federations or not. Although he did not use the concepts of bridging and bonding social capital, Rowley specified network structural conditions that allowed him to formalize the “divide and conquer” aphorism. Rowley proposed that a focal organization would be more able to impose norms and expectations upon its stakeholders if it occupied a highly central position among them, and if the stakeholders did not communicate with one another. In more formal terms, if the focal organization is more central and the stakeholder network is less dense, the focal organization can play a commander role, using its greater autonomy to control information flows and influence behavioral expectations. In the opposite a situation, a focal organization low in centrality facing a densely connected stakeholder network would play a subordinate role. It would more often have to conform to expectations imposed upon it by the stakeholder coalition. A cohesive border federation would constitute such a coalition. In the Clayoquot case presented here, assessing the level of cohesiveness in the border federation offered an opportunity to test Rowley’s propositions.

Rowley’s formulation specifies conditions under which a focal organization might be more autonomous versus more motivated to collaborate. Logsdon (1991) identified two factors as important for raising the motivation to collaborate. First, the stakes have to be high. Both parties must be unable to ignore or delay dealing with the problem that would be the focus of the collaboration. Second, interdependence must be high. Addressing the problem autonomously must be a very non-preferred option. The Clayoquot case provides another revealing contrast with the Westley and Vredenburg (1991) case in this respect. Westley and Vredenburg observed

that the motivation to collaborate was rather low in their case. In the Clayoquot case, events conspired to raise the motivation to quite a high level on the dimensions identified by Logsdon.

The Role of Trust

Stakeholder oriented research has shown that trusting relationships are a key to fostering long term partnerships and alliances (Ring & Van de Ven, 1994) and the support of local communities where a company operates (Gray, 1989). It has been argued that trust-based stakeholder relationships can increase cooperation (Mayer, Davis, & Schoorman, 1995) and help companies adapt to complexity and manage change (Wicks, Berman, & Jones, 1999). Clearly, companies facing hostile advocacy stakeholders could improve their prospects by earning the trust of those stakeholders.

Sequenced Typologies of Trust. The precise role of trust in the development of collaborative stakeholder relationships awaits a cogent, comprehensive theory of trust. In the Clayoquot case, we had an opportunity to provide a description of the development of trust at the interpersonal and the interorganizational levels across a seven year period. Because of their longitudinal nature, these observations were most relevant to conceptual frameworks that speak to the sequencing of various forms of trust. Mayer, Davis, and Schoorman (1995) and of Lewicki and Bunker (1996) addressed the development of trust over time. They also proposed typologies of trust that not only appear similar to one another, but also appear to subsume all the elements of the relational dimension of social capital proposed by Nahapiet and Ghoshal (1998). The relational dimension included trust, obligations, norms, reciprocity, and mutual identification. Nahapiet and Ghoshal, however, made no sequence predictions among their elements. By contrast, Mayer, et al. differentiated between factors that contribute to the growth of trust early in

a relationship versus later. They identified ability, integrity, and benevolence as the most important bases for trust in interorganizational relationships. Ability was described as the set of competencies and characteristics that give an actor influence in a sphere of activity. Integrity was seen as consistent adherence to an acceptable set of principles, which might include procedural norms. Mayer, et al. described benevolence as wanting “to do good to the trustor, aside from an egocentric profit motive” (p. 18). They proposed that integrity would provide the basis for trust early in the relationship, and that benevolence would be the last of the three to become important. Similarly, Whitener (2000) proposed that the predictability created by behavioral consistency and integrity would kindle the earliest trust in a relationship, and that, as the relationship progressed, trust would become more strongly associated with benevolence and delegation of control. Likewise, Lewicki and Bunker (1996) proposed a three stage progression from calculus-based trust, to knowledge-based trust, to identification-based trust.

These various typologies of trust make similar predictions, particularly when subsumed by the simple dichotomy proposed by McAllister (1995). McAllister portrayed interpersonal trust as having a cognitive and an affective dimension. The affective dimension seems to correspond to what Mayer et al. called benevolence, what Lewicki and Bunker called identification based trust, and what Nahapiet and Ghoshal (1998) called mutual identification. Likewise, the cognitive dimension seems to mirror what Mayer et al. called ability and integrity, what Lewicki and Bunker called calculus-based trust and knowledge-based trust, and what Nahapiet and Ghoshal called obligations, norms, and reciprocity. According to both stage hypotheses of trust development, the cognitive dimension of trust should be the first to develop and the affective dimension should develop later. In the Clayoquot case then, the predicted pattern would be

disconfirmed if affective trust developed before or simultaneously with cognitive trust in any dyads.

Interpersonal vs. Interorganizational Trust. Barney and Hansen (1994) found that interorganizational trust depends on interpersonal trust between the individuals who bridge the boundaries between the organizations. Zaheer, McEvily, and Perrone (1998) found that interorganizational trust is higher between companies where there are interfirm dyads that also enjoy higher levels of interpersonal trust. Because their study was not longitudinal, they could not determine which type of trust, if either, develops first. Gulati (1995) found that repeated ties between organizations led to more stable and cooperative arrangements over time. Zucker (1986) described how informal patterns between individuals can become institutionalized. These findings suggest that when interorganizational trust depends only on the trust between bridging individuals, the interorganizational relationship may end if either one of them leaves. However, if the interorganizational trust were more formalized, as would the case when agreements have been signed, it would persist even with new actors replacing the original boundary spanners. The trust between the organizations would have spread from the interpersonal level to the interorganizational level. Zaheer et al. recommended that future research should include case studies to look at “how interorganizational trust builds up over time and its dynamic relationship with interpersonal trust” (p. 156). The Clayoquot case presented an opportunity to explore that relationship. Based on the above reasoning, we expected interviewees to report that interpersonal trust developed before interorganizational trust.

The Cognitive Dimension: Shared Meaning

Nahapiet and Ghoshal's (1998) cognitive dimension of social capital included shared codes, language, and narratives. Tsai and Ghoshal (1998) described it in terms of shared goals, values, and vision as well as a "shared code or a shared paradigm" that helps achieve a common understanding of "collective goals and proper ways of acting" in a social system. We take these statements to imply that the cognitive dimension deals with shared meaning or understanding. Shared meaning between two internally bonded groups would have to reference a higher order, more encompassing level of similarity than either group uses to distinguish itself from the other. For example, two accounting departments from two different companies share common meaning and understanding by virtue of their professional training. That could form the cognitive basis for any bridging they might do with one another.

Tsai and Ghoshal's (1998) inclusion of shared values under the cognitive dimension of social capital touches upon the role of corporate values in relationships with stakeholders. Swanson (1999) lists four areas in which a company's values are selected, retained, and enacted, namely, a) the executive's normative orientation to social policy, b) formal organizational decision making, c) informal organizational decision making, and d) external affairs management. She depicts "value-attuned" organizations as those that seek to expand and discover information about the values of important stakeholders. Thus companies that are more attuned to the values of their stakeholders can be said to have more social capital in their stakeholder network by virtue of a shared cognitive system. Although values attunement or congruence has not received much attention in the corporate stakeholder literature, the importance of corporate values is often mentioned in the field of corporate social responsibility and responsiveness (Buchholz, 1993; LaBerge & Svendsen, 2000; Wheeler & Sillanpää, 1998).

Therefore, we expected that evidence of values attunement would be associated with a facilitation of rapprochement between the adversaries in the Clayoquot case.

Without mentioning social capital, Westley and Vredenburg (1991) also emphasized the importance of cognitive factors in interorganizational bridging. They proposed that bridging would take different forms when the problem domain was more organized. A domain is more organized when the boundaries of the domain are clear and commonly accepted and when awareness of the domain itself is high. Collaborative activity, according to Westley and Vredenburg, can organize the domain by developing cognitive resources such as a common language and a set of norms and values to govern ongoing interaction. When the motivation to collaborate is high and the domain is underorganized, Westley and Vredenburg predicted that collaboration would take the form of multiparty roundtables, task forces, or projects. When motivation is high and the domain is well organized, collaboration was predicted to take the form of joint ventures. Whether described in terms of social capital terms or domain organization, scholars agree that a shared meaning system facilitates collaboration in one form or another. Therefore, we expected the collaboration in the Clayoquot case to have been preceded by a rise in shared meaning.

There have been studies of bridging between adversarial organizations and there have been studies of the role of trust between collaborative organizations. The case presented here traces the development of bridging across the full gamut from adversarial relations to collaboration. Moreover, it does so using the concepts of bridging and bonding social capital, which integrate structural factors like network ties, with process factors like trust at both the interpersonal and interorganizational levels.

Method

We used personal face-to-face interviews, media accounts, and a survey questionnaire to study the case. The period selected for study corresponded to the period during which the greatest volume of media accounts of the dispute was available (i.e., 1993 to 1999). This helped provide a validity check on the retrospective reports obtained in the interviews and questionnaires.

Interview Sample

We conducted 25 personal interviews between mid-November 1999 and mid-January 2000. To select the initial interviewees, we reviewed media coverage and secondary reports for the names of prominent spokespersons. Those people were then probed to identify other potential interviewees. The eleven interviewees from the ENGOs had all led, or held senior positions in, their organizations and had been involved in the process for most of the seven year period. The five MB managers that were selected all represented the company in discussions with ENGOs either for the whole seven year period or for significant portions of it. The four community leaders, two academics, and two consultants had all been centrally involved in the Clayoquot issue over the six year period. They were interviewed in order to help understand the context of the relationships and to provide a source for triangulation. We made four unsuccessful attempts to schedule interviews with each of three First Nations leaders. The analysis of the media coverage was also used to triangulate results.

Interview Protocol

The interview protocol covered six main areas. First, interviewees were asked a) what happened between themselves and the other party (i.e., the ENGOs or MB) from 1993 to 1999,

b) what the most important factors or events were that led to the signing of the MOU, c) why each factor was important to them individually and to their organization, d) how each factor or event affected the evolving interpersonal and interorganizational relationships between themselves and the other party, e) how much they trusted the other individuals and organizations at three points in time (i.e., during the blockades, when the MOU was signed, presently), and f) what caused their trust to increase or decrease, and why. Most of the interviews were conducted face-to-face at locations chosen by the interviewees. When face-to-face interviews could not be arranged, the interviews were conducted by telephone at a prearranged time. Detailed notes were taken and were transcribed within 24 hours.

Survey Sample

The purpose of the questionnaire survey was to triangulate responses obtained in the interviews and obtain more specific information about social network ties between MB and the ENGO coalition. To obtain a sampling frame for the survey, we asked each interviewee to name the people from each side who were most involved in the events from 1993 to 1999. There was a consensus on six senior MB employees, including the 1997 to 1999 CEO, and eight leaders of the environmental groups. Four of these 14 people were among the seven signatories to the MOU. We took that as evidence that these 14 people did indeed include people who were very involved in the process we wished to study. We had already interviewed 13 of the 14 people. The one who was not interviewed was the MB CEO, who did not reply to any of our four attempts to arrange an interview with him. Four months after the last interview, these 14 people were asked to complete a questionnaire and then fax or mail it back to us. After ten were returned and reminder e-mails, faxes, and telephone calls were exhausted, the field period was terminated.

The sample of ten questionnaire respondents was comprised of five MB employees and five environmental leaders. Again, the MB CEO did not reply. Three months later, we sent the 25 personal interview participants a draft of the case history for comment. Six replied and their comments were then reflected in the current version of the case history.

Survey Measures

The questionnaire sought information about the state of relationships between people and organizations during the one month periods that followed each of four events. The introduction to the questionnaire identified the events as the blockades at Kennedy Bridge in the summer of 1993, the announcement of the closure of the Kennedy Lake Division of MB in January of 1997, the announcement of the MB Forest Project in June of 1998, and the signing of the MOU in June of 1999. There was a version of the questionnaire for ENGO leaders. It named MB and its employees as the other parties to the relationships in question. Likewise, a version for MB employees asked about relationships with ENGOs and their leaders. In the introduction, it also listed the names of ENGOs that signed the MOU.

The first part of the questionnaire dealt with organization-to-organization relationships. The second part dealt with interpersonal relationships. The third and final part dealt with social networks. In the first and second parts, the questions presented a statement and asked for an agree-disagree response on a seven-point rating scale with the bottom scale point (1) labeled as “completely disagree” and the top scale point (7) labeled as “completely agree”. There was also a non-rating scale response alternative (8) labeled “no contact/relationship” and a “don’t know” (9) alternative. Each question asked for a rating scale response for each of the four time periods.

The statements in the interorganizational relationship sections asked about perceptions of the degree of risk and opportunity in a closer relationship, the trustworthiness of the other organization, the levels of conflict, cooperation, and collaboration in the relationship, the ability of the other to develop workable solutions to conflicts, the other's integrity, the degree to which the other had the rater's organization's interests at heart (benevolence), the other's understanding of the goals of the rater's organization and vice versa, and the willingness of the other organization to learn from the rater's organization and vice versa.

The interpersonal section asked participants to name the person from the other side who was their main contact during each of the four periods. Subsequent ratings were made with respect to that main contact person. The ratings covered a subset of the interorganizational ratings, namely, trustworthiness, ability, integrity, benevolence, understanding of each other's goals, and willingness to learn from each other.

The social network section of the questionnaire asked participants to list all the people they dealt with in the other organization(s) at each point in time. Then they were asked to rate the amount of contact they had with each person as low (1), medium (2), or high (3). The retrospective nature of the questions might have introduced inaccuracies into these data (Bernard, Killworth, Kronenfeld, & Sailer, 1984). However, previous studies suggest that any biases were likely in the direction of whatever longer term relationships evolved over the six year period (Freeman & Romney, 1987; Freeman, Romney, & Freeman, 1987). In other words, actors who played a role at only one of the four time periods were more likely to have been forgotten than those who were involved across more of them. Because all of the individuals in the sample were highly involved across most or all of the four periods, this was not seen as a

serious obstacle to obtaining a rough estimate of their levels of communication across the periods.

Data Analysis

Because of the small sample size, significance tests were not applied to the rating scale data. These data were only intended to provide further corroboration of verbal statements about changes in trust levels. Therefore, they have been reported as comparative statements along with the verbal interview findings.

The social network data were simply mapped onto four bipartite network graphs corresponding to the time periods queried in the questionnaire. The graphs show reciprocal valued outdegrees for the people who returned questionnaires. A person's outdegree is the total number of contacts he or she reported having with other members of the network. A person's reciprocal outdegree is the total number of reported contacts with others, excluding those others who did not report a contact with the person whose reciprocal outdegree is being calculated. A reciprocal outdegree is valued if it sums the ratings that indicate the amount of contact (i.e., low, medium, high) between the pairs of people. The bipartite network graphs show only those reciprocal valued outdegrees with values of four or more. Therefore, the criterion for a tie appearing on the graph was that at least one of the persons who both reported contacting each other had to have rated the amount of contact as medium or high. This criterion was arbitrarily chosen because it removed clutter without creating an overly sparse set of graphs. By requiring that ties represent higher levels of communications, it also reduced the probability of error in memory distorting the picture.

Findings

Social Network Data

In the social network part of the questionnaire, the survey respondents rated how much contact they had with whichever people they named from the other side in the conflict. To examine changes in the number and strength of network ties between the two sides, we counted only ties to other survey respondents from the other organization. To allow stronger ties to count for more contact, we summed the values for the rated amount of contact. The mean outdegree rose from 0.80 ($SD = 1.31$) in 1993 to 5.20 ($SD = 4.76$) in 1999. A repeated measures t-test indicated a significant difference between the means, $t(10) = 2.92$, $p = .02$.

Insert Figure 1 about here

Figure 1 shows reciprocal ties between MB employees and ENGO leaders where at least one member of the pair rated the amount of contact as medium or high. Panel A contains no ties at the height of the protests in the summer of 1993. Panel B shows the existence of the relationships that eventually became the strongest and deepest. It reflects some cooling of tensions in response to MB's termination of logging operations at its Kennedy Lake Division in the Clayoquot area in January of 1997. Panels C shows the situation in June of 1998 when MB announced The Forest Project, an intensive study to find alternatives to clearcutting. At that point, more people from both sides became engaged in dialogue with one another. In June of 1999, as shown in Panel D, communications reached a high point with the signing of the MOU. The ten actors who completed questionnaires reported having communications with many other actors outside the subset of ten, but mostly at low levels of frequency. Environmentalists

mentioned communicating with 15 MB employees over the seven year period. MB employees mentioned 36 environmentalists, most of whom were only involved during the blockade.

Interview Findings

The following synopsis describes the events from 1993 to 1999 and provides additional context about the situation before and after that period. Figure 2 shows a schematic of the relationship structures at six points in time. The circles in Figure 2 represent people, the rectangles represent organizations, and the polygons represent coalitions, joint ventures, or collaborative units. The lines connecting the circles represent social network ties. Because Figure 2 is a conceptual schematic, it does not show all of the people, organizations, or ties that were actually involved. Panels B, D, E, and F on Figure 2 correspond chronologically to Panels A, B, C, and D in Figure 1.

Insert Figure 2 about here

The entire Clayoquot saga was very complex, involved more stakeholders than we have mentioned, and continued beyond the end of this study. However, because our interest was in the progression from conflict to collaboration in corporate stakeholder relationships, we have focused on the relationship between MB and the ENGOs and the pivotal role of the First Nations.

A. Local protests, before 1993. The seeds of conflict were planted in the early 1980s when the five First Nations (i.e., North American Indian bands) of Clayoquot Sound and a local environmental group, Friends of Clayoquot Sound, carried on a low level, local campaign to stop

logging on nearby Meares Island, which the First Nations claimed as sacred ground. At the time, the First Nations also had links with MB because individual members of the bands worked for MB as loggers. In the early 1990s, attention shifted to the larger Clayoquot Sound area, where protesters mounted a local campaign to stop the cutting of old growth trees, some of which were estimated to be 1,000 years old. A lengthy, provincial government sponsored consultation process between 1987 and 1992 had failed to resolve the conflict.

Coincidentally, Näsi, Näsi, Phillips, and Zyglidopoulos (1997) reviewed the annual reports of MB and three other forestry companies from 1976 to 1991. They noted a general increase in social responsiveness from the mid-1980s to 1991. MB showed a growing concern with environmental issues from 1985 to 1987. Näsi, et al. found that from 1989 to 1991, environmental policy suddenly became a major focus at MB.

B. Confrontation, 1993. The intensity of the dispute escalated dramatically in the summer of 1993 when protesters blockaded a logging road on the West Coast of Vancouver Island to draw attention to MB's intention to log the old growth forests in Clayoquot Sound. During this period non-local ENGOs joined the campaign and attracted international media attention. Environmentalists held an International Day of Protest outside the Canadian embassies and high commissions in Australia, England, Germany, Japan, and the United States. Members of several ENGOs lived together in a "peace camp" at the entrance to the forest. Over the course of the summer, they were joined by hundreds of volunteers, with representation from across North America. On one weekend, an Australian rock band played a free concert at the peace camp, attended by an estimated 5,000 people (Ross, 1996). One day in August over 1,000 people joined the blockade and police spent seven hours arresting over 300 of them. These shared experiences

contributed to a high level of camaraderie and solidarity among the ENGO leaders. The polygon around the three ENGO markers in Panel B of Figure 2 represents the coalition that they formed at this stage. MB employees and ENGO leaders did not view each other as trustworthy during this period.

C. Power Struggle, 1994 to 1996. In early 1994, when the blockades failed to stop the logging, the coalition of Canadian, US, and international environmental groups began an international market campaign aimed at MB's customers. As Coady (1999) noted, "By the mid-1990s, the environmental movement and the BC forest industry were nose to nose in a zero sum game" (p. 12). There was very limited, and generally hostile, communication between ENGOs and MB managers during this stage. However, both MB and the ENGOs had interests in common with the First Nations.

Like MB, the First Nations wanted some logging in Clayoquot in order to provide employment for their people but they lacked the operational and marketing muscle that MB could provide. Like the ENGOs, the First Nations opposed clearcutting the old growth trees, but the provincial government claimed jurisdiction over the land and permitted clearcutting. The First Nations were exploring legal and political avenues to win back control of the land that they claimed was theirs. The First Nations were pivotal players in two processes that created common ground between MB and the ENGOs. First, the provincial government appointed what was known as The Scientific Panel. It was composed of scientists and First Nations elders. The panel developed a plan for sustainable forestry in Clayoquot Sound. Its process and report allowed MB managers and environmental group leaders to develop a better understanding of the issues involved. It also contributed to the creation of a common language for discussing sustainable

forestry. Second, during this period, the First Nations leaders facilitated dialogue between the ENGOs and MB. They claimed ownership and control of the forests of Clayoquot and understood that the non-local media and urban public opinion were sympathetic to their cause. As Coady (1999) explained:

With a modern day Treaty process having begun in earnest in BC, the aboriginal peoples of Clayoquot Sound found themselves with the moral authority to cast the swing vote in the whole controversy. They had the effective political power to either discredit Greenpeace's international market campaign or blow MB's defenses to smithereens (p. 13).

The Clayoquot First Nations leaders opted to do neither. Between 1994 and 1996 they convened a series of meetings between MB, the environmental group leaders, loggers and community representatives in an attempt to find solutions to the conflict. These meetings initiated mediated communication, between the ENGO leaders and the MB representatives, as indicated in Panel C of Figure 2. Before the meetings, the First Nations insisted that the ENGOs appoint one person to speak for the coalition. The First Nations wanted the ENGOs to be able to speak with one voice. At the climax of one lengthy meeting attended by over 150 stakeholders, the First Nations elders asked everyone to stand up if they were willing to hand over decision-making authority for Clayoquot lands to the First Nations. The only people who did not stand up were the half dozen women leading the ENGOs. The MB representatives did stand. In interviews, the MB managers said they supported the First Nations because they felt the company could not resolve the dispute without the support of the First Nations.

D. Exploration, 1997 to 1998. The next transitional event was MB's decision to shut down its Kennedy Lake Division operations in Clayoquot Sound. The local loggers and their union had been among the most committed defenders of clearcutting. Now they were unemployed. Meanwhile, the First Nations had been searching for ways to create more employment for their people. In early 1997, the First Nations of Clayoquot and MB formed a new joint venture logging company, Iisaak Forest Resources. Iisaak's Board of Directors made a commitment to log "conflict-free" by respecting ecological, social, spiritual, and financial values. The formation of Iisaak is represented in Figure 2 by the polygon around the MB and First Nations rectangles in Panel D. Looking back on it during the interviews, the leaders of the ENGOs said the creation of the joint venture company signaled to them that MB was becoming serious about developing new forest management practices in Clayoquot.

Shortly after MB's closure of its Clayoquot Sound operations, several senior MB managers and the leaders of the major environmental groups entered a stage of unmediated exploration. MB's VP of Environment initiated numerous informal meetings with several of the ENGO leaders to explore issues and identify common ground. In the interviews, both sides recalled that they did not have a high level of trust in each other's organizations at this stage. For example, environmentalists were still protesting MB's clearcutting elsewhere in British Columbia. Nonetheless, both sides were willing to listen to each other and were able to agree on an approach to dialogue that eventually came to exert normative control over their ongoing deliberations. The approach was to tackle one issue at a time and to use agreed upon principles as a basis for achieving goals.

During this period, pivotal interpersonal relationships developed between individuals from both sides, represented in Figure 2 by the tie between the ENGOS and MB in Panel D. The woman who was MB's VP of Environment, and the woman who was the chief spokesperson for Greenpeace Canada, both lived in the same neighborhood. They also had young children of the same age and during 1996 and 1997 would meet for coffee at a local restaurant with their children. After many episodes of this "stroller diplomacy", the hostility on both sides began to diminish and trust increased. Near the end of 1997, they promised each other that they would advocate for each other's primary goals back in their home organizations.

E. Cooperation, 1998 to 1999. In late 1997, MacMillan Bloedel's board appointed a new CEO from outside the company and the country. In that sense, he was an outside third party unencumbered by any commitment to past decisions. The new CEO believed that MB needed to change the way it operated in order to regain its social licence to operate. He invited leaders of the environmental organizations to a meeting to discuss their concerns. During the meeting, the new CEO announced his intention to launch The Forest Project, a one million dollar project to develop an economically feasible plan to end clearcutting. He gave staff three months to work with environmentalists and find a profitable way to end clearcutting. The new interorganizational ties that resulted are represented on Panel E of Figure 2 by the two additional lines between the ENGO polygon and the Iisaak polygon.

In June 1998, MB publicly announced it was phasing out clearcutting, thus becoming the first company to break what some environmentalists called the "clearcutting cartel". At this transition point, the ENGO leaders agreed to cooperate actively with MB to develop the plan to end clearcutting across all of MB's operations, not just in Clayoquot Sound. The ENGO leaders

maintained a skeptical “wait and see” attitude about what MB would do as a company, but interpersonal trust reportedly increased between more ENGO leaders and MB managers. Over the next 18 months, MB managers who were working on the Forest Project met numerous times with ENGO leaders to share ideas and discuss alternative approaches. Their primary focus was on learning about options for sustainable forest management. Together they visited forest management sites across North America to see first hand how new models of sustainable forestry might be implemented. The company invited stakeholders, including the environmental group leaders, to a number of symposia where experts from other jurisdictions discussed alternatives to industrial logging. At the same time, these ENGO leaders were engaged in intense discussions with the directors of Iisaak around what the environmental groups would oppose, tolerate, and finally endorse in relation to the new forest company’s operations in Clayoquot. Those discussions led to the creation of the Memorandum of Understanding (MOU) almost a year later.

F. Collaboration, 1999 to 2000. A new collaborative stage in the relationships between ENGOs and MB began with the signing of the Memorandum of Understanding in June 1999. This MOU committed MB, through Iisaak, to selective and sustainable harvesting in Clayoquot in return for marketing assistance from ENGOs. The parties also agreed to work together to untangle the myriad of regulatory and practical considerations involved in running Iisaak as an ecologically sustainable and profitable forest company. New people from both sides became involved as leaders delegated the specific tasks. Over the next several months, environmental groups wrote letters for MB’s newsletters, and helped to fund feasibility studies for non-lumber forest products and services. The largest polygon on Panel F of Figure 2 represents collaborative group formed by the signing of the MOU.

In August, 2000 Iisaak began harvesting old growth and other trees with the active support of First Nations, the environmental groups and Weyerhaeuser, the new owner of MacMillan Bloedel (Hamilton, 2000). Both sides reported that the sale of MB to Weyerhaeuser in the summer of 1999 was completely unrelated to the signing of the MOU. A second year critique workshop on the Forest Project was held in mid-July, 2000. On the Weyerhaeuser side, one of the former MB employees who was a primary actor had left the company and been replaced. Likewise on the ENGO side, three of the leaders had moved on to other endeavours leaving their former positions to others. Nonetheless, the collaboration continued.

Not everyone was satisfied with the outcome. On the anti-logging side, the Friends of Clayoquot Sound did not sign the MOU. They did support the agreement verbally but viewed it as only a transitional step. They wished to remain free to play the watchdog role. The organization was particularly suited to that role because it was the only environmental group headquartered in the Clayoquot area. On the pro-logging side, former MB employees and contractors in the Clayoquot area lost their jobs despite having organized their own rallies and media campaigns. Their towns have yet to recover economically. Moreover, the provincial government suffered a revenue decline that meant less money for public services for all British Columbian communities. The dynamics that left these stakeholders dissatisfied were beyond the scope chosen for this study.

Discussion

From 1993 to 1999, a coalition of environmental groups and a forestry company went from struggling to defeat each other to collaborating on sustainable harvesting of the old growth forest in Clayoquot Sound, British Columbia. The path from conflict to collaboration was multi-

faceted and complex. In order to understand better the dynamics of interorganizational bridging, we have narrowed the focus in this case to the evolution of the relationship between the main combatants, the environmental coalition and the forestry company.

Table 1 shows which factors loomed forward as dominant issues during four different stages of the journey from conflict to collaboration. Table 1 also provides a framework for the discussion of the findings.

Insert Table 1 about here

Confrontation Stage: Cohesion in the Advocacy Network

Westley & Vredenburg's (1991) case study of a failed bridging attempt between environmental groups and business drew attention to the importance of bonding social capital for border federation (Lawrence & Hardy, 1999) bridging organizations. When Pollution Probe moved towards implicitly synthesizing environmental and business values, the Canadian environmental movement, a border federation, had not yet developed bonding social capital. They had not yet negotiated among themselves what would be acceptable activity at the interface with the business world. In the absence of such agreement and commitment, the attempt to negotiate standards for environmentally friendly products caused a schism in the federation. This contrasted sharply with the relationships among environmental groups 14 years later in Clayoquot. The Clayoquot ENGOs had weak ties among themselves prior to the 1993 blockades but developed high levels of bonding social capital during the blockades. Planning and implementing the market campaign together offered plenty of opportunity for the ENGO leaders

to negotiate acceptable ingroup goals and values. Living in the “peace camp” together, planning events together, and, for some, being arrested together, cemented the mutual trust and identification. All of the elements of social capital identified by Nahapiet and Ghoshal (1998) were well developed.

The invitation to start bridging came in the form of initiatives aimed at developing sustainable forestry practices. To develop such a code of practice is to use what Lawrence and Hardy (1999) would call a standardization strategy. The Clayoquot ENGOs, however, were a border federation and therefore, according to Lawrence and Hardy, would be unlikely to adopt a standardization strategy. Nonetheless, the motivation to collaborate had been raised to such a level that they did move towards a standardization strategy. What is noteworthy, however, is that they did so in unison. The Clayoquot ENGOs discussed the Scientific Panel report among themselves and attended the First Nations sponsored multiparty meetings together. Therefore, they were all exposed to the same pressures to bridge in the service of establishing standards, and were able to discuss the pros and cons of various bridging alternatives. Their bonding social capital was apparently strong enough to keep them committed to achieving a consensus response instead of breaking into factions over how to deal with the pressure to participate in standards development. They avoided the fissioning that always threatens border federations, even as they renegotiated what was acceptable activity at the boundary with business. In the last year of the period we studied, the Friends of Clayoquot Sound declined to sign the MOU. This represented a degree of fissioning, but it was slight because they verbally supported the MOU as a transitional step in the right direction. The practical lesson to be drawn from comparing Westley and

Vredenburg's case with the Clayoquot case is straightforward. If you are a border federation advocacy group, bond before you bridge.

Power Struggle Stage: Motivation to Collaborate

Two essential differences seem to account for why the Toronto bridging attempt failed but the Clayoquot attempt ended in interorganizational collaboration. First, as discussed above, the Clayoquot ENGOs had high levels of bonding social capital before they ventured into standardization strategies. Second, the level of motivation was raised sharply in the Clayoquot case. The increase occurred mainly during the power struggle from 1994 to 1996. Westley and Vredenburg (1991) predict that a higher motivation to collaborate in a relatively unorganized problem domain would lead to collaboration in the form of multiparty roundtables, projects, or task forces. With the Forest Project, that is exactly what happened. However, Westley and Vredenburg did not mention any intervening stage of interpersonal bridging and trust development. In this case, it appeared that the main contribution of the higher motivation was to catalyze a transition into the interpersonal trust development stage.

Westley and Vredenburg did not address the question of how the motivation to collaborate might be raised. However, Rowley's (1997) propositions suggest structural features of the relationships that raised the motivation during the power struggle stage. The First Nations of Clayoquot Sound met the criteria for a focal organization with a commander stakeholder orientation because they had ties to both their stakeholders (i.e., MB, ENGOs) but the stakeholders did not have ties to each other. The commander approach to stakeholders tends towards imposing behavioral expectations, controlling exchanges, and controlling the formation of shared norms. As Rowley would have predicted, the First Nations did indeed use their central

position in the network structure to impose behavioral expectations on MB and the ENGOS. In this case, they expected their stakeholders to engage in a dialogue that would end clearcutting but permit some limited logging.

Logsdon's (1991) work on the motivation to collaborate explains why the behavioral expectations imposed by the First Nations were so effective. According to Logsdon, two stakeholders' will be more likely to collaborate with one another when both parties have a high stakes interest in the problem and when they both perceive themselves to be highly interdependent with respect to tackling the problem. Both variables must be at a sufficiently high level before collaboration is likely to occur. The First Nations raised the levels on both variables by issuing a conditional threat. They threatened to use their favor with the international media to undermine public support for whichever stakeholder failed to meet the condition. The condition was that both sides begin a dialogue aimed at finding a mutually acceptable approach to sustainable forestry in Clayoquot. The public relations threat raised the stakes. The requirement to enter a dialogue raised the level of interdependence.

These findings highlight the practical importance of creating and maintaining a high level of motivation in order to move stakeholders towards mutual collaboration. No matter which tactics are used to raise the motivation to collaborate, they all must counteract the natural tendency of central institutions and border federations (Lawrence & Hardy, 1999) to protect their autonomy. Central institutions want to use their autonomy to maintain the status quo; border federations want to use it to continue criticizing the status quo. Motivating collaboration requires decreasing autonomy by increasing interdependence in a way that cannot be ignored.

Exploration Stage: Interpersonal Trust

The mediated contact that began in the power struggle stage became unmediated as individuals from both sides met to explore each other's perspectives. The development of interpersonal trust became the dominant process during the exploration stage. As predicted, cognitive trust, defined as Mayer et al.'s (1995) ability and integrity components and Lewicki and Bunker's (1996) calculus based trust and knowledge based trust, developed before affective trust, defined as Mayer et al.'s benevolence component and Lewicki and Bunker's identification based trust.

Cognitive Trust. Cognitive trust began to develop before the exploration stage. During the power struggle stage, calculus based trust (Lewicki & Bunker, 1996) was displayed, when both sides attended the meetings convened by the First Nations. The ability (Mayer, et al., 1995) most relevant to engendering trust was mostly negotiating competence. Both organizations were able to put competent individuals forward. By the exploration stage, both sides began testing each other's integrity (Mayer, et al., 1995). For example, they would share confidential information in meetings and monitor whether or not it had been kept confidential. They would watch to see if people followed through on commitments made in meetings. Many of the behaviors relevant to judging personal integrity had to do with the adherence to informal norms. Individuals who respected simple procedural and courtesy norms in the initial meetings gradually came to be seen as having integrity. Going further, both sides agreed to an overall approach to their discussions. The agreement to tackle one issue at a time and to start with areas of agreement became another procedural norm that was relevant to perceptions of integrity. It also facilitated the development of knowledge based trust (Lewicki & Bunker, 1996) as each side came to understand more about each other's perspectives.

The cognitive aspects of interpersonal trust continued to develop in the cooperation and collaboration stages of the relationship. For example, as The Forest Project proceeded, both sides acknowledged the equal importance of ending clearcutting and making a profit. In effect, they agreed to normative limits (Nahapiet & Ghoshal, 1998) on the ranges of solutions that would be deemed acceptable. The progress towards mutually agreed to norms reached high point when expectations were put into writing in the Memorandum of Understanding.

Affective Trust. Affective trust corresponds to Mayer, et al.'s (1995) benevolence and Lewicki and Bunker's (1996) identification based trust. The first inkling of identification based trust came at the beginning of the "stroller diplomacy" talks when MB's VP of Environment and the woman who led Greenpeace Canada capitalized on the existing mutual identification among mothers of young children in the same neighborhood. At that time, some cognitive based trust of Lewicki and Bunker's calculus variety had already been established in the meetings convened by the First Nations. Therefore, the sequence accords with the notion that affective trust develops after cognitive trust. Another facet of affective trust, benevolence (Mayer et al., 1995), seemed to have developed in another dyad, again after a foundation of cognitive trust had already been laid. Near the end of the exploration stage, MB's VP of Environment and the leader of the Western Canada Wilderness Committee agreed to advocate for each other's positions back in their own organizations. The two women reached this level of interpersonal benevolence well before their respective organizations agreed to collaborate.

Cooperation Stage: Shared Understanding

The cooperation stage was dominated by attention to elements of the relationship covered by Nahapiet and Ghoshal's (1998) cognitive dimension of social capital, which includes things

like shared paradigms, values, goals, and knowledge. Although shared knowledge had been accumulating through the previous stages, it did not become the central focus until the new CEO of MB displayed attunement to environmental values (Swanson, 1999) by committing money and resources to finding ways to enact those values in MB's operations. Thereafter, the two sides were able to use the social capital that had been developed at the interpersonal level to begin generating intellectual capital, specifically, new knowledge about sustainable forestry. As the Forest Project brought intellectual organization to the problem domain, the parties moved steadily from a multiparty roundtable form of collaboration towards a joint venture form, as Westley and Vredenburg (1991) would have predicted.

The cognitive dimension of social capital entails the same perceptions and shared understandings that define cognitive trust. Cognitive trust, therefore, was also advanced during the cooperation stage. It appeared to move extend from the interpersonal level alone to include the interorganizational level as well. Interviewees reported that the arrival of MB's new CEO, an outsider, had a catalytic effect on the relationship between MB and ENGOs. They pointed to the fact that the bridge building and trust development that had taken place over the previous three years was suddenly supported by a million dollar budget and a strong public commitment by the CEO. Inside MB this was experienced as a shift of power away from the employees who had bonded in a defensive stance against the ENGOs during the confrontation stage (Coady, 1999). Those who had been bridging interpersonally with the ENGOs gained power and their goals were legitimized as company policy. Therefore, we portrayed this stage as the advent of interorganizational bridging.

Collaboration Stage: Joint Planning and Action

During the collaboration stage the focus shifted to strategic planning and implementation. At this point, the interpersonal bridging and bonding had been overlain with interorganizational bridging. A corresponding institutionalization of the interpersonal trust into interorganizational trust was indicated by the fact that some of the key actors during the previous seven years had moved to other jobs or other locations yet the interorganizational collaboration continued with new actors. From an interpersonal network structure perspective, the ties moved beyond bridging because they became redundant. At the interorganizational level, however, the nature of the trust between the organizations is most relevant to deciding whether or not to characterize the interorganizational ties as bridging or bonding. If interorganizational affective trust is required as a condition for interorganizational bonding social capital, then we could not say there was interorganizational bonding during the collaboration stage because we do not have a theory of interorganizational affective trust. We do not know how it would be manifested. Indeed, Jeffries and Reed (2000) propose that such trust does not exist because organizations are incapable of emotions. Deciding the ontological status of interorganizational affective trust is beyond the scope of this article. What we can conclude is that there was interorganizational cognitive trust within a discrete problem domain and there were numerous redundant ties. On those criteria, we characterize the relationship as limited bonding social capital. Full interorganizational bonding would mean a merger. Compared to that, the bonding observed in this case was quite rudimentary. Given the fundamentally opposed reasons for existence between corporations and their advocacy stakeholders, deeper bonding is likely rare.

Overview: Dynamic Systems Change

From Bridging to Bonding. Bridging social capital can evolve into bonding social capital.

Both the interviews and the social network questionnaire data indicated a general increase in intergroup contact over the period of the study. As Figure 1 illustrates, the contact began as bridging social capital in the sense that the ties were non-redundant during the exploration stage. By the cooperation stage, the ties began to be redundant. After the ties strengthened enough to support undertaking joint action, the most trusted actors from each side penetrated each other's networks to acquire resources, in this case, marketing assistance and political support. Consequently, the social capital at the interpersonal level among the principal actors involved began to lose the defining structural characteristics bridging social capital (i.e., structural holes) and began to take on more of the structural characteristics of bonding social capital (i.e., redundant ties).

Shifts Between Levels. Looking at all five stages, an overarching pattern emerges. The dominant processes apparently driving events were at the interorganizational level (i.e., conflict) in the beginning. Then they shifted to the interpersonal level (i.e., trust building) before returning to the interorganizational level (i.e., collaboration) at the end. The movement to the interpersonal level during the middle stages both began and ended with catalytic roles played by newcomers to the dispute. When they became active in the dispute, the First Nations ushered the actors into the realm of interpersonal processes. The new CEO of MB ushered the actors out of the interpersonal realm when he led MB into becoming a values attuned organization in relation to its environmental stakeholders. In general, then the path from conflict to collaboration was marked by the dominance of interorganizational, structural processes at the conflicted and

collaborative ends, but was dominated by interpersonal processes in between. The development of trust, broadly defined, was the central interpersonal process.

The role of interpersonal trust was not mentioned by Westley and Vredenburg (1991) but the two variables they did propose as determinants of the form of collaboration did dominate at different times. During the power struggle stage, when the First Nations catalyzed the transition from interorganizational confrontation to interpersonal exploration, the motivation to collaborate rose sharply. It had the effect that Westley and Vredenburg predicted, namely, a shift towards a multiparty roundtable form of collaboration. During the cooperation stage, when MB's new CEO catalyzed the transition from interpersonal exploration to interorganizational collaboration, the level of organization of the problem domain rose sharply, again with the effect that Westley and Vredenburg predicted, namely, a shift from the multiparty roundtable form of collaboration to the joint venture form. The sequences of dominant determinants in this case suggest that Westley and Vredenburg's proposed determinants of collaborative forms play their respective roles at different phases of the development of a collaborative relationship. Motivation is more important earlier on. The organization of the problem domain is more important later.

Dialectic of Bridging and Bonding. Another pattern that emerges from an overview of the five stages is the classic Hegelian dialectic from thesis to antithesis to synthesis. The thesis was clearcutting backed by government permits. The antithesis was old growth preservation backed by international boycotts and the First Nations' land claims. The synthesis was commercial use of the forest, including some selective logging, based on respect for spiritual, social and environmental values. Each of these three positions was adopted by an organization. MB began with the thesis. The ENGOs responded with the antithesis. The MOU represented a joint venture

that embodied the synthesis. The move towards the synthesis did not appear inevitable in this case. As is the case with many ethnic and religious conflicts around the world, the conflict between the thesis and the antithesis in this case originally showed no signs of resolving itself. Progress towards the synthesis required the intervention of two catalysts, one to move them to the interpersonal level of relating, and the other to move them back to the interorganizational level.

In the context of managers in a multinational corporation, Gargiulo and Benassi (2000) found that managers do better when they balance bonding social capital within their unit with bridging social capital between units. This homeostatic view of the ideal relationship between bridging and bonding social capital contrasts with the findings in our case. Paradoxically, in Clayoquot, polarization appeared to be a prerequisite for collaboration. In the Westley and Vredenburg (1991) case, the polarization was absent insofar as the border federation of ENGOS had not developed bonding social capital among themselves. The result was a failure to collaborate. In the Clayoquot case, even the catalyst who initiated the interorganizational bridging insisted that the ENGOS speak with one voice. The very bonding social capital that made the confrontation possible also seemed to be a prerequisite for the later bridging that itself was a prerequisite for even later collaboration.

Insert Table 2 about here

Table 2 shows how bridging and bonding social capital seemed to accumulate across levels of analysis over the period studied in this case. The intraorganizational level of analysis is

especially relevant for the ENGO coalition. They bridged with one another before the blockades and bonded as a coalition during it. That bonding was so strong, it lasted through the many twists and turns of the case. At the interpersonal level, mediated bridging began during the power struggle stage and became unmediated during the exploration stage. By the cooperation stage, a few dyads had developed interpersonal bonding social capital insofar as they were advocating for each other back home within their own organizations. At the interorganizational level, bridging began with the launch of the Forest Project. When the MOU was signed, bonding within a limited sphere of activity became formalized between Iisaak's owners and the ENGOs.

Implications for Future Theory and Research

The analysis of this case raises several questions for future research. First, the procession from conflict to collaboration has been described here at two levels of specificity. The more specific level has five stages characterized by the dominance of distinct focal factors. The more general level traces a movement between two levels, the interorganizational and the interpersonal, with catalytic processes at the transition points between levels. Future research might determine which of these levels of specificity generalizes more readily to other corporate-stakeholder relationships of various kinds.

The case also revealed a need for a better understanding of the differences between interpersonal trust and interorganizational trust. Cognitive trust appears evident at both levels but seems to be manifested in different ways. The very existence of affective trust at the interorganizational level is in question. Because trust is integral to social capital, the way in which these issues are addressed could also affect our definitions of bridging and bonding social capital.

Future work on the relationship between bonding and bridging social capital might specify the conditions under which various combinations of each are most desirable for given outcomes. For example, is a balance between bridging and bonding preferable in a stable environment but less adaptive in a turbulent environment? Does major organizational change necessarily involve disequilibrium between bridging and bonding social capital? The Clayoquot case indicated that balance is not always advisable. The high bonding, low bridging pattern might be an advantage when it is necessary to spring into action, as protest groups or striking unions must do, or when an organization wishes to “circle the wagons”, as corporations under siege sometimes do. Likewise, the low bonding, high bridging pattern might be more suitable for a group just getting established or needing renewal. For example, a civic organization with a dwindling, aging membership could renew itself by bridging to new social networks for new members and by questioning internal assumptions or norms that previously contributed to bonding among the existing members.

Finally, stakeholder theory could benefit from more attention to negatively charged relationships. Corporations tend to strive for cooperative relationships with powerful stakeholders. By contrast, organizations that advocate for change often place a higher priority on affecting the corporation’s policies and practices. Cooperation is only one of several tactics they could use and they must be careful to have a high level of bonding social capital internally before using it. By examining these tensions, stakeholder theorists could provide a deeper understanding of corporate and social change processes, particularly in the context of rising expectations regarding corporate social responsibility.

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Table 1

Chronology, dominant factors, and significant events at each stage of progress from conflict to collaboration between MB and the ENGOs.

Stage	Year	Dominant Factor	Significant Events
Confrontation	1993	ingroup cohesion	protesters blockade roads, mass arrests
Power Struggle	1994 to 1996	motivation and mediated contact	ENGO market campaign, First Nations stakeholder meetings
Exploration	1997	interpersonal trust	unmediated talks, “stroller diplomacy”
Cooperation	1998	values attunement and shared understanding	new CEO at MB, MB launches Forest Project
Collaboration	1999	joint planning and action	Memorandum of Understanding

Table 2

Sequencing of bridging and bonding social capital development across stages at three levels of analysis.

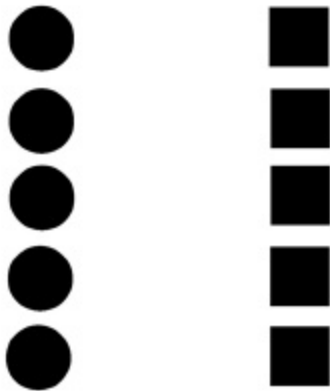
Stage	Level of Analysis			
	Intraorganizational		Interpersonal	Interorganizational
	within MB	among ENGOs	in dyads	Iisaak-ENGOs
Before 1993	bonding	bridging	no contact	no contact
Confrontation	bonding	bonding	no contact	no contact
Power Struggle	bonding	bonding	bridging	no contact
Exploration	bonding	bonding	bridging	no contact
Cooperation	bonding	bonding	bonding	bridging
Collaboration	bonding	bonding	bonding	limited bonding

Figure Captions

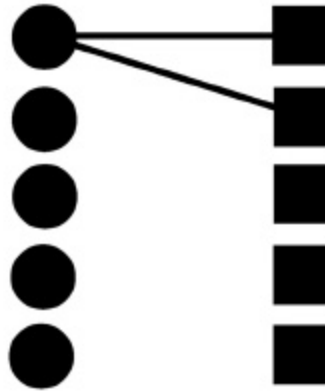
Figure 1. Reciprocal valued ties between MacMillan Bloedel employees (circles) and environmental coalition leaders (squares) at four points in time.

Figure 2. Conceptual schematization of the stages of the relationship among environmental non-governmental organizations (ENGOS), the First Nations of Clayoquot, and MacMillan Bloedel (MB), including the emergence of a joint venture forestry company (Iisaak) and the commitment to collaborate embodied in a Memorandum of Understanding (MOU).

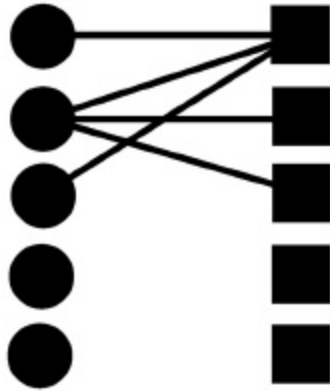
A. Summer 1993



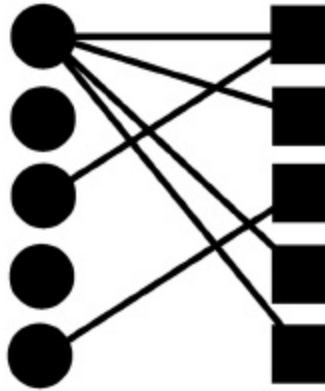
B. January 1997



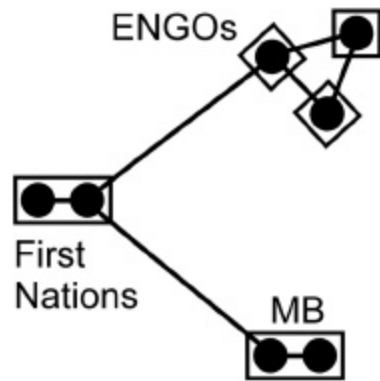
C. June 1998



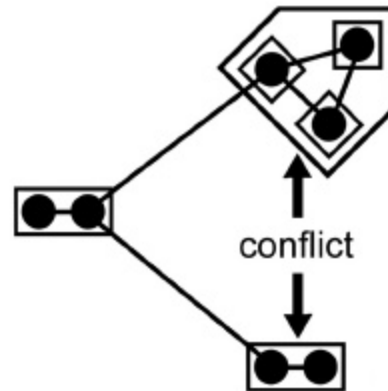
D. June 1999



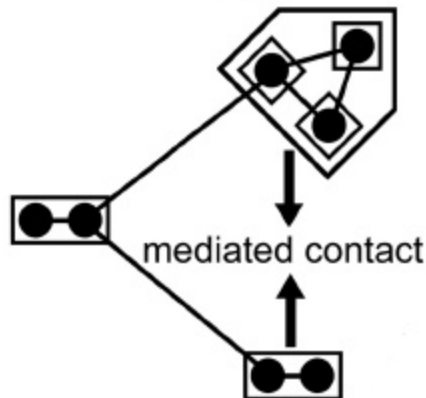
A. Local Protests



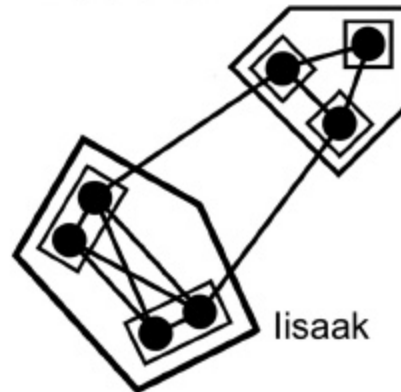
B. Confrontation



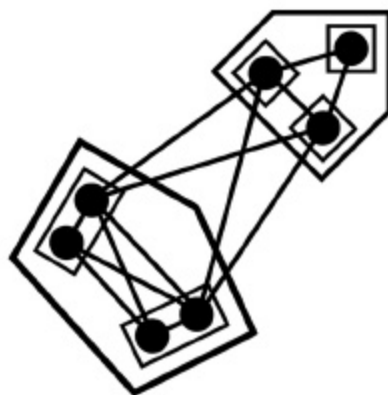
C. Power Struggle



D. Exploration



E. Cooperation



F. Collaboration

