

**NOT JUST KEEPING THE LIGHTS ON: USING PUSH-PULL STAKEHOLDER
ENGAGEMENT FOR MUTUAL GAIN AT A UTILITY**

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ABSTRACT

Organizations face diverse demands from numerous external stakeholders. This research develops a deeper understanding of how managers in organizations respond to institutional complexity through a case study of a utility and its community stakeholders. I introduce the concept of *push-pull stakeholder engagement*, which I define as a form of stakeholder engagement in which the organization pulls in elements of the environment to shape organizational characteristics, while pushing the organization out into its environment to authentically engage community stakeholders. I show that, through push-pull stakeholder engagement, the utility's managers were able to attend to the convergent and divergent interests of community stakeholders by leveraging both internal, organizational and external, community features.

INTRODUCTION

External stakeholders are increasingly holding organizations accountable for actions that impact communities; thus, engaging community stakeholders has become a concern for managers. Furthermore, expectations from these stakeholders are changing and broadening (Austin, Hesselbein, & Whitehead, 2002; Yaziji & Doh, 2009). Companies are embedded in communities in which they operate (Dacin, Ventresca, & Beal, 1999), and stakeholders in these communities can impact organizational performance (Barnett, 2007; Clarkson, 1995; Wood, 1991). In response to the impact of these dynamics, some companies plan and execute external stakeholder engagement strategies and activities.

The stakeholder engagement literature suggests that companies should engage external stakeholders (Donaldson & Preston, 1995; Freeman, 1984), yet few empirical studies show examples with mutual gain for the participating actors. Previous studies on stakeholder engagement tend to focus on the challenges companies face. Some of these challenges in developing and executing stakeholder engagement strategies stem from the co-existence of multiple logics in the stakeholder environment. These logics provide organizing principles for actors as they attempt to achieve their goals (Friedland & Alford, 1991). I combine the institutional complexity and stakeholder engagement literatures to advance the work on the micro-mechanisms of stakeholder engagement with mutual gain for the organization and its community stakeholders.

This paper examines how one organization managed the numerous interests of its stakeholders. Executives incorporated (or “pulled”) the values, history, and relational structure of the community into the organization by using these community characteristics to determine the company’s structure, strategy and culture. Also, executives engaged the community in dialogue and co-creation, which “pushed” the organization out into the community.

This study seeks to provide a deeper understanding of how managers in organizations respond to institutional complexity by drawing on an original case study research of a utility and its stakeholders. I introduce the concept of *push-pull stakeholder engagement*, which I define as a form of stakeholder engagement in which the organization pulls in elements of the environment to shape organizational

characteristics, while pushing the organization out into its environment to authentically engage external stakeholders. Through push-pull stakeholder engagement, I find that the utility's managers were able to attend to the convergent and divergent interests of stakeholders by leveraging features both within the organization and also within the community.

This paper is divided into four parts. I begin by reviewing the institutional complexity and stakeholder engagement literatures to provide a theoretical foundation for the research. Next, I describe my methods, along with the organization and the characteristics of the multiple logics to which it was subject. The findings section provides details on how the utility embraced multiple logics to engage stakeholders with multiple issues and objectives. I show how executives pull elements of its community environment into its governance, culture, structure and strategy, while pushing key organizational elements out into the community to engage stakeholders. In conclusion, I discuss the theoretical contributions of this case study.

INSTITUTIONAL COMPLEXITY AND ENGAGING EXTERNAL STAKEHOLDERS

Organizational responses to institutional complexity

Organizations are subject to multiple demands in the environments in which they operate. These demands may come from actors inside or outside of the organization and manifest as conflict over means and ends (Pache & Santos, 2010). These demands can involve multiple institutional logics within the organization and the environment (Thornton, Ocasio & Lounsbury, 2012). Institutional logics are “socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules” (Thornton & Ocasio, 1999: 804). These logics provide guidelines for action, which shape the behavior of actors. Previous studies have explored instances when organizations operate within multiple institutional spheres (D'Aunno, Sutton, & Price, 1991; Heimer, 1999; Reay & Hinings, 2009; Zilber, 2002). Organizations in these pluralistic environments are subject to potentially conflicting prescriptions from multiple logics (Pache & Santos, 2010).

Previous studies have examined the tensions and outcomes of multiple logics inside of organizations (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). Organizations that hold multiple logics face increased challenges due to practices associated with different logics that may not work well together (Besharov & Smith, 2012; Tracey, Phillips, & Jarvis, 2011). Kraatz and Block (2008) identified multiple ways organizations deal with institutional complexity. Organizations may resist or eliminate the tension, balance demands by forging links among the logics, detach from the institutional setting, or compartmentalize identities. The coexistence of these multiple logics can lead organizations to create hybrid practices and identities (Battilana & Dorado, 2010; Pache & Santos, 2012).

Although previous work has mainly examined various ways organizations deal with tensions stemming from combining logics internally, there has been little work exploring how organizations respond to the different interests of external stakeholders. Organizations face institutional complexity as they attend to the issues that arise from stakeholders outside the boundary of the firm (Mitchell, Agle & Wood, 1997; Greenwood, Díaz, Li, & Lorente, 2010). Jay (2013) identified a service paradox as a public-private energy alliance attempted to satisfy the demands of its clients and the public. Organizational members deemed outcomes as both success and failure, depending on the stakeholder lens through which they looked. Also, Dutton and Dukerich (1991) examine the Port Authority of New York and New Jersey's response to the homeless in its facilities, which prompted attention to the perspectives of numerous external stakeholders. The organization's image and identity guided individuals' sensemaking as they attempted to maintain the Port Authority's dual objective of providing transportation services and being an altruistic organization with a commitment to serving the stakeholders in the region. Although these studies begin to shed light on the strategies organizations use to attend to different stakeholder demands, open questions remain about how managers use organizational and environmental features to conceptualize and implement responses to these demands that benefit all parties involved.

Balancing interests of external stakeholders

Organizations must address diverse demands from numerous external stakeholders, including shareholders, customers, communities, suppliers and regulators (Freeman, 1984; Margolis & Walsh, 2003). Much of the extant work has documented the challenges that firms and stakeholders face as they attempt to work together. Dissimilarities between companies and stakeholders can create contradictions and tensions regarding process, structure and goals (Bryson, Crosby & Stone, 2006). Numerous factors that contribute to these challenges have been identified in the literature, including differences in decision making styles (Austin et al., 2002), organizational language (Hardy & Phillips, 1998; Hardy, Lawrence, & Phillips, 2006), institutional logics (Bryson, Crosby & Stone, 2006; Vurro, Dacin, & Perrini, 2010), frames (Le Ber & Branzei, 2010; Norwell, 2010), identities (Brickson, 2007), and expectations (Huxham, 1996). These challenges may prevent companies and stakeholders from reaching a mutually beneficial outcome (Bowen, Newenham-Kahindi, & Herremans, 2011).

This focus on challenges has been at the expense of a robust exploration of the micro-level mechanisms that enable firms and stakeholders to find mutually beneficial outcomes. Previous literature on stakeholder engagement has focused on advancing the interests of either the firm or its stakeholders (Bowen, Newenham-Kahindi, & Herremans, 2010). More recently, scholars have started to look beyond cases with one-sided outcomes by examining cases with benefits to both sides of stakeholder engagements. These two-way, integrated engagement activities require a more intense partnership with two-way communication and benefits to the firm and stakeholders (Porter & Kramer, 2011; Sagawa & Segal, 2000; Waddock, 1991). Two-way, integrated stakeholder engagement has not been extensively studied, and research on the topic remains largely at a theoretical stage of development (Laplume, Sonpar, & Litz, 2008; Austin & Seitanidi, 2012). Empirical work has primarily examined integrated engagements at the broadest level by using large datasets (Bowen et al., 2010), without providing insight into the micro-mechanisms of stakeholder engagement. This paper extends this line of inquiry by focusing on the nature of relationships between a company and its stakeholders as the company's managers navigate through convergent and divergent interests.

This study seeks to provide a deeper understanding of how managers respond to external stakeholders by exploring the actions of an organization during the planning and implementation process of a large project. I explore the following question: How do an organization's managers balance the multiple interests of its community stakeholders for mutual gain? Using a case of a utility and its stakeholders, I find that the utility's managers were able to balance the multiple logics in its stakeholder environment by leveraging features from both the organization and the community.

METHODS

Research setting

EPB was created by an Act of the Tennessee Legislature in 1935 to serve as a provider of Tennessee Valley Authority (TVA) generated electricity to the City of Chattanooga and the surrounding areas. From World War II until the early 1970's, EPB played a vital role in the growth of manufacturing around Chattanooga and the development of the region. However, a combination of high coal prices and the 1973 oil crisis led to a series of rate increases, which alienated both residential and commercial customers, causing high customer dissatisfaction. In the early 1990s, the company took strides to improve its product and services offerings and customer service.

With improved processes and customer service, EPB began looking at other businesses and ways in which it could better fulfill its mission as a municipal entity. Rebranding and a new logo ushered in a new era, in which EPB entered new lines of non-electric businesses in the early 2000s. In 2007, EPB launched a fiber optics network, which is the company's largest project in its history. At the time the network was completed, EPB had the largest full fiber to the home network with gigabit per second internet that reached all customers in its service area in the Western Hemisphere.

The company is composed of two divisions, Electric Power and Fiber Optics. The Electric Power division distributes electricity to the service area from the TVA. The Fiber Optics division provides TV, high speed internet and phone services to the service area over its fiber optic network. In addition to the energy and communications services the company provides, it prioritizes its commitment to the

community, in terms of providing excellent customer service and being socially responsible. The company serves over 169,000 homes and businesses customers in a 600 square mile service area, covering the City of Chattanooga, Hamilton County and parts of five other counties in southeast Tennessee and three in North Georgia.

Data Sources

I conducted 72 semi-structured interviews in November 2011-March 2013 with 69 individuals who have been involved in the planning and implementation of the fiber optics network. In addition to EPB representatives, I interviewed community representatives in government, nonprofit, entrepreneurial and corporate organizations. A member of the executive team from EPB helped me to develop a list of individuals who had been involved in activities related to the fiber optics network.

I relied on an interview guide, but allowed flexibility so participants could express their reflections on organizational dynamics and relationships, based on their functional or organizational role. I asked participants about the history and objectives of their organization, their role in the projects related to the fiber optics network, relationships with key decision makers and funders, local area economic and political climate, cooperative and competitive forces among organizations, methods of communication, and knowledge sharing tools. Most interviews were conducted in person and ranged from 45 to 120 minutes. Several individuals who worked on the same project were interviewed at the same time. Interviews were conducted on site at the participant's workplace or at a location specified by the participant. Seven interviews were conducted on the phone, due to scheduling conflicts. I wrote an analytic note immediately after each interview. Interviews were digitally recorded and transcribed. Table 1 provides an overview of interviewees' profiles.

Insert Table 1 about here

In addition to interviews, I also analyzed company archival sources. I used documents including EPB annual reports, EPB press releases, strategy documents, employee training booklets and videos, and

infrastructure promotional materials to triangulate findings from interview transcripts (Van de Ven, 2007).

Data Analysis

An inductive approach was chosen since there is relatively little theoretical or empirical work on institutional complexity in stakeholder engagement (Edmondson & McManus, 2007). My emphasis was on exploration and the development of emergent interpretations (Glaser & Strauss, 1967). I began the analysis by writing narratives of the organization and its various stakeholders, noting their histories, motivations, tensions and objectives related to the fiber infrastructure project (Eisenhardt, 1989). I identified themes in these narratives, such as community and organizational values, dialogue, and collaboration. These themes were used to categorize data during the data collection process and served as a guide for questions during ongoing interviews.

In the next stage of analysis, I compared data across narratives (Miles & Huberman, 1994). I saw that interviewees defined the prospects of the infrastructure in different ways and spoke about its potential social and economic impact. Next, I searched transcripts and archival documents for instances of how actors defined the problem and the solutions they suggested to bring about the desired outcomes. I coded the underlying interests and values associated with these narratives. I identified convergent and divergent interests and demands among the stakeholders and the utility. I recognized that executives spoke of how they attended to the pluralistic needs and interests of different community stakeholders. After I identified this theme, I focused on instances in the data when executives moved between the organization and the community to balance these interests.

In the final phase of analysis, I focused on documenting the various interests of stakeholders, executives' responses and the subsequent impact on the infrastructure project. The phenomenon of push-pull stakeholder engagement became more apparent during this exercise. I identified practices adopted by executives to enable mutual gain across the utility's constituencies. I categorized these practices into two domains, (1) pulling characteristics of the external community environment into the organization and (2) pushing elements of the organization out into the environment. I identified organizational and

environmental factors that executives utilized within these practices. I iterated between the data and the literature to make sense of and refine my coding themes. I considered the institutional complexity and stakeholder engagement literatures as concepts and themes became more concrete. I iterated between the data and themes until no additional new themes were identified (Charmaz, 2006; Miles & Huberman, 1994).

COMMUNITY STAKEHOLDERS AND COMPETITORS AS ACTORS IN THE ENVIRONMENT

Stakeholders in the community

Since EPB's founding, the company has focused on operating in a service area covering the City of Chattanooga and its surrounding areas. EPB is embedded in a community with a shared historical narrative and strong collective values.

Shared historical narrative. Leaders and residents in the community share a historical narrative of Chattanooga's near death in the late 1970s and early 1980s. The exodus of several major industries and a subsequent decrease in population in the 1950s hallowed out Chattanooga's downtown, riverfront and south side areas. A nonprofit leader explained this nadir,

Twenty-five years ago [the city] was scraped to the bottom of the barrel for jobs. We had racial tensions; we had a horrible local economy. The downtown was a nightmare. Our air quality was called the dirtiest air in the country... There's a cultural myth around what happened and that's a big piece of what makes this [community improvement] work happen today. It's that people said 'By God, that's not who we're going to be.' We're going to be part of and proud of this community, and we're going to sit people around the table and figure out how to make this a place that we can live and be helpful and hopeful in the process.

Frustrated with the city's challenges, a group of community members organized a nonprofit in the early 1980s to bring the community together to envision a brighter future. Several thousand community members participated in numerous activities where they brainstormed potential social, political, environmental and economic changes they would like to occur in the city by the year 2000. The projects that resulted from these brainstorming and visioning activities dramatically

changed the physical landscape of Chattanooga's downtown, while establishing relationships among community organizations. The processes developed during these projects have guided further revitalization projects and fostered a belief that community members can continue to revitalize and remake Chattanooga to improve quality of life.

Values and relational structure. Community leaders share a heritage of commitment to the community through the city's thirty year revitalization process. A prominent process in this community's civic life has involved bringing together community members who could potentially contribute ideas or resources to a project that could benefit the community. Many times this process brings together a diversity of individuals from numerous industries and age groups. A transit leader explained the relational structure among community leaders developed during the revitalization process,

There is a term we use here, and it's gone through some changes but the Chattanooga Way. And the Chattanooga Way was basically, in my mind, trying to get everybody together that might have an impact, a thought, a concern, anything to do with a thing that we were working on. And it brought together people that never sat at the table before... I didn't understand the development world. They didn't understand the transit world. And for years we just worked together, learned from each other and thus when a project came out it had this whole undergird of the community already accepting it and designing it.

This process has continued since the 1980s, and over time, community members who participated have seen the value of talking with and learning from each other. By including community members in the process of creating and developing solutions to problems, leaders believed it was a way to get buy in from different groups across the community.

A deep concern for the livability and development of the community drives and coordinates the work of representatives from different organizations as they work together on projects. These civically engaged community organization representatives operate with a common ideology as they work on projects that will make the city a better place to live for current residents. An economic development representative explained,

The goal has been for a very long time to make Chattanooga the best mid-sized city in America... It's a pretty powerful statement because it does give us a sense of what

parameters we're operating at...people are all operating in accordance with the same principle so we got the result.

One organization was not identified as the leader or sole contributor to collaborative projects. The focus is less on one organization receiving credit for positive outcomes and more on positive outcomes for the health of the community.

Leaders have a personal connection to the community as they think about the future since it impacts their families and employees. This connection prompts a longer term perspective, where community leaders focus less on a short term financial benefit and more on how their work can benefit the greater community in the long term. A community leader said,

You have to have people who really do care about the place that they live, and not that they're going to personally profit right out of the gate, off of the work you're doing. But that they care about the community, and the quality of life of people in it, and the economic opportunity. And they want to see the city evolve, and grow, and develop in a responsible way. And so, you need that. If you have people who are looking to make a quick buck off of every turn of the page that dilutes the value of what you're doing. But if it really is community driven, the prosperity will result in profit for a lot of people over time.

This longer term focus also drives community leaders to consider alternatives that can help a wide spectrum of community members across socioeconomic status.

Competitors in the market

Executives at EPB noticed a competitive opportunity in the telecommunications market and decided to expand its services by leveraging its existing infrastructure and developing new capabilities. Initially, the company offered phone and internet services to its commercial customers. After some market and brand research, executives realized that there was not only a competitive opportunity in the commercial market, but the company could also better serve its residential customers. The incumbent commercial telecommunications provider was known for poor customer service and constantly increasing prices. The incumbent marked Chattanooga as a small, third tier market; thus, the community was at a lower priority for getting access to new products and services. As a result, community leaders expressed

concern about the lack of investment and the subsequent constraint in internet bandwidth as they considered the needs of the area in the 21st century.

Moving into a new market space was a risk for EPB since it had operated as a monopolistic, nonprofit electric utility for 75 years. Incumbents in the telecommunications industry were better resourced and benefitted from economies of scale. Yet, EPB executives and the board of directors pushed forward to develop a business plan to enter the residential telecommunications market over its entire service area since the company had exposure to the market by offering phone services to commercial customers for several years prior. By entering this market, executives wanted to spark competition by bringing a quality telecommunication product and superior customer service to its customers in the community.

EMBRACING MULTIPLE INSTITUTIONAL LOGICS IN STAKEHOLDER ENGAGEMENT

Pulling the community in

EPB leveraged several organizational features to embrace both the community and market logics, while balancing the interests of numerous community stakeholders. The organization pulled in the historical narrative and values of the community into the boundaries of the organization to shape governance, culture, structure and strategy.

Monitoring multiple objectives with the governance structure. Appointed by the City Mayor and approved by City Council, the locally based, five member board balances EPB's mission of service to the community, while enacting sound business principles. In accordance with the organization's founding charter, the board is dominated by directors with extensive experience in the private sector. The chair of the board characterized the board of directors saying, "The basic personality of the Board is still such that with our background in the private sector while we are a municipal utility, we said we're going to run this thing just like it was a private sector organization with the provisions of knowing that there are things that we must do that a private sector organization probably wouldn't have... We had to lay out and have an understanding with staff is that there are certain things you do as municipal that you might not have done

as a private sector.” For example, EPB extended the bill payment period as long as possible for customers having challenges paying their utility bill.

The board’s priority is to ensure that the organization fulfills its mission to serve the community. The company focuses on its customers in its service area since it does not have investors or shareholders as a nonprofit municipality. A board member said, “I think there’s a unique opportunity for a utility to be a major force in a community. It’s not just keeping the lights on. That’s your core mission, that’s the basic thing you’ve got to focus on and you’ve got to do it well, but I think being a strong part of the community and promoting those things in a community that are good is just a very important part of where a utility can contribute.” This focus on serving the community stems from the company’s commitment to economic development at its founding. The focus on economic development has been the impetus for EPB entering new markets to provide additional services beyond distributing power.

In line with the mission, the board of directors viewed the purpose of the company to build infrastructure that is needed to move the community forward. EPB’s leaders take a long term perspective on decisions. The CEO said, “I see part of our responsibility as determining not what the city needs today, but what it needs tomorrow and to build it. I couldn’t do that if I were working for a board that was only interested in immediate return. We get to make long-term decisions, and that really is a huge advantage for us.” The board of directors reviews the financials of the company every month, yet decisions are made based on their impact on a long term time horizon of ten years.

Embracing an externally focused purpose to shape culture and structure. The utility prioritized the development of strong customer service capabilities in the decade before starting the fiber infrastructure project. Due to its commitment to the community, quality customer service was an extension of the organization's mission to improve the quality of life of individuals in the community. The company’s customer service focus was facilitated by moving away from the traditional siloed utility structure to a structure where barriers were broken down across departments. An operations executive said,

We try not to have boundaries between the different areas of the company...I think if you are driven by common goals, your senior team sits around the table and understands that you don't penalize people for working outside of the boundaries of your organization. You reward them for those efforts as long as it's moving everyone in the right or beneficial direction for the community.

This shift enabled a free flow of information across the company to better service customers and the community. Employees frequently shadow individuals and teams in other parts of the company to facilitate learning and flexibility associated with working across boundaries inside and outside of the organization. The structure empowered employees to have greater autonomy in making decisions about how to carry out their jobs to best serve customers.

Company leaders use this focus on service to the community as a motivator for employees, who are also residents of the community. An executive explained the impact of working for a purpose in the company,

[The CEO] has really got people to buy in on that our community pays our salaries, and we're here for the community...It's fun to work for a purpose. We all have to make a living, we all have to support our families, but it's also good to have a purpose. It's great to work here, knowing that you're helping the community, as well as feeding our families. That helps a lot and that's different than where I came from [in the private sector], just making money for the owner so he can buy another jet.

A focus on purpose reinforces the interconnectedness of the roles employees play in the organization and the community. Employees hold multiple roles as organizational members, community residents and customers. Formal training sessions and ongoing discussions with employees connect their everyday work in the company with improving quality of life for their families and the community. In addition, executives and employees regularly talk with customers in the community at official community events and informally during off working hours. A customer service manager said, "We also have opportunities to go to these events and meet people face-to-face and they get to know us. They'll walk up and say, "I love your service and Bill came and he ..." and, we'll know who Bill is, when they say that. It has been a phenomenal plus to be local, mainly, because our service is so good... We have a relationship with them that's very intense." Employees are encouraged to care about the customers they service. Managers make

the mission tangible by reminding employees that the company's customers are employees' families and neighbors.

The company's local focus is a major component of its brand. An operations executive said, "A major significant component of our brand is the fact that we're local, that we are dedicated to improve the local landscape, businesses and infrastructures. We like to play here as much as we like to work here." The development of the company's brand transcends the company's operations. It also extends into improving the community in which it does business. As members of the community, executives and employees desire to enjoy the area's amenities during their free time. As the largest taxpayer in the city and sponsor of numerous local events, EPB's investment back into the community supports its mission.

EPB also embraces the larger "buy local" movement as a competitive advantage. As a locally focused company, customers directly talk to customer service representatives located in the community, not a representative in a different city or country. This local connection to customer is very powerful, as described by a marketing executive,

[Being local] means everything...Because when they [customers] call us, they get people that talk [with a southern accent] like we do. They know that they're going to understand where they live and the problems that are unique to their area. It's wonderful, because with bigger companies, you may call and wind up in the "Who knows where." It's much different.

Customers have the comfort of knowing that customer service and other EPB representatives understand the culture and problems unique to the community.

Nesting multiple interests in strategy. Starting in the early 1990s, EPB executives began to consider the future electricity infrastructure needs of its service area. EPB's infrastructure was not very different from the initial infrastructure it supplied when the company was founded in the 1930s. EPB executives wanted to avoid building minimal infrastructure with traditional materials because EPB leaders did not believe the infrastructure would meet its customer needs in several years. In line with a traditional utility strategy, the EPB strategic research team created a business plan for a cable infrastructure.

Fiber optics infrastructure was an alternative to cable materials. By the mid-1990s, the company's board of directors began to investigate fiber technology and its potential to upgrade the electricity

infrastructure. Leaders in communities that were early adapters of the advanced technology expected to have economic development benefits associated with the fiber infrastructure. Although these other communities had just recently installed their networks and the community and economic development benefits had not been quantified yet, EPB's CEO believed they could implement and benefit from a similar infrastructure in the company's service area.

The executive team resolved to build the most powerful system they could and put in the greatest speeds possible to be fast enough for future applications, which led the executive team and the board of directors to rule out the cable business plan in favor of fiber. The CEO decided cable technology would not help the community in any way beyond providing electricity infrastructure. EPB executives decided to wait until the technology was more mature and the price was more in line with the company's financial projections.

By the mid-2000s, fiber prices decreased and the technology had been substantially improved. The board of directors encouraged executives to make a more concrete plan to build the new infrastructure. In 2007, EPB began to develop a 10 year plan to build a fiber optic network across its 600 square mile service area. Reflecting on the decision, a board member said, "We asked ourselves the question, if we are to move forward what's the basic reason behind doing it? It's very simple, we want to give our service area, our customers-and that's residential, commercial, industrial-the greatest advantage we can give them... We saw that this was something that could be a game changer for Chattanooga and for our customers." The infrastructure plan included sophisticated sensors, making it a highly intelligent smart grid that would allow for remote meter readings and rerouting of power during storms and other service disruptions.

There was constant reflection and discussion regarding the infrastructure upgrade decision and its alignment with the company's values. In connection with the organization's strong commitment to economic development in its service area, executives viewed the infrastructure upgrade as an economic development project. As residents of the community, executives had a great deal of understanding about Chattanooga's economic development history. Executives viewed the infrastructure initiative as a

continuation of the city's revitalization projects. An executive who worked on the business plan explained,

We knew that [economic development is] a hot button issue in Chattanooga. We've seen very slow economic growth in Chattanooga for the past 20 plus years... There continues to be a great deal of interest in accelerating our rate of economic growth. The question we had to answer was if you look at site selection issues in the economic development community, the electric system and communications infrastructures are always in the top five issues for any business today.

This commitment to economic development and the organization's values of service to the community shaped the development of the business plan.

Although this technology was initially considered to modernize the electric system, EPB executives believed fiber could provide benefits beyond the electric system. Executives developed a plan that provided mutual gain for EPB and stakeholders that created economic and social value. The multiple layers of the infrastructure plan were infused with both community and market logics. The CEO explained this complimentary nature of this pursuit, "What we try to do is get the best of both public and private. The private part is top fiscal management. It's making a profit. Making sure what you're doing is good business, but the public part is having a cause, allowing people to be idealistic." In line with these dual objectives, the board of directors insisted that the business plan show benefits for the community, but also be financially viable since the company would enter the market with private sector competitors. There were three layers that executives decided to pursue.

The first layer was a smart grid for the electric system. This smart grid incorporated automation of the electric system, which would improve reliability and resiliency of the system. Projections showed this layer would yield efficiency and cost savings benefits for EPB. The second was to build the capacity to offer a telecommunications commercial product with internet, phone and TV services. This product would provide a quality telecommunication service for the company's customers. The first two layers provided revenue streams, either of which could pay for the infrastructure. The third layer would provide economic and social development for the community through quality of life improvements.

The way EPB defines value and return on investment allowed for inclusion of both business and social opportunities in the business plan. Without dividends or shareholder returns, the business plan made a case for the value of the infrastructure's large capital investment in a way that deviated from typical private sector practices. An EPB executive who developed the business plan said,

We had return on investment quantified, but it was completely the inverse of the free cash flow kind of financial modeling that you would see that the Wall Street community [or]...that the incumbents use... The definition of value for us was the value you provide to the customer. Not the value we provide to the investor, who puts their money down... Our value was in, how are we making the difference for a family in Chattanooga, for a business that had new opportunities to profit from the greater prosperity that we had created as a result of our business model.

Since EPB executives viewed the infrastructure as an economic development opportunity and not solely as way to upgrade the electric system, executives quantified value of the infrastructure in multiple ways. Direct benefits to EPB were quantified from productivity gains from additional data from smart meters and a decrease in theft. The second source of value was from its telecommunications services in the form of revenues from the projected customer market for these services. EPB executives also quantified community impact. EPB executives searched for models to project indirect and direct economic benefits of the infrastructure for the community; however, no model existed. EPB executives altered the assumptions of community impact models typically used to quantify the benefits of airports, sports stadiums and hospitals to determine job creation, industry attraction and improvement in community domestic product. This model allowed EPB to quantify the direct and indirect economic and social benefits of the infrastructure.

Pushing the organization out

Encouraging dialogue to reveal stakeholder interests. As a municipal utility, EPB is accountable to numerous community stakeholders, including residential and commercial customers, government officials, and the community at large. Given the diversity of these community stakeholders, EPB executives and board of directors navigated the convergent and divergent interests of these stakeholders to plan and implement the infrastructure project. As EPB informed stakeholders of the infrastructure, a plurality of interests among stakeholders emerged.

Government officials. EPB maintained a policy of open communications with governmental officials, including the City Mayor, County Mayor, City Council, and City Commission. Members of the Board of Directors and the CEO met regularly with governmental officials to update them on the company's plans and subsequent progress. A board member said, "We have had tremendous support from our elected officials...Every time we have gone before the [City] Council to update them or to answer any questions they had when I walk out of there with [our CEO] after we've made a presentation, and we have had dialog with the City Council and the Mayor it's one of the warmest feelings you could have... It makes us want to do more and better." EPB executives believe governmental officials sincerely understood the company's commitment to economic development, which is the driver of these stakeholders' strong support.

City and county governmental representatives saw an opportunity to improve public services with the infrastructure. The infrastructure had the potential to improve the tools emergency first responders used through real time connection between police dispatch and squad cars in the field. As governmental representatives thought about the future, they were concerned about city and regional competitiveness. In addition to increasing quality of life through improved public services, these representatives believed the advanced infrastructure would be a tool to attract and retain new businesses and residents, helping the community improve its national and regional competitiveness profile.

Residential and commercial customers. EPB established a speakers' bureau, composed of EPB employees from all levels of the organization, to begin a dialogue about the infrastructure with residential and commercial customers in the community. Speakers' bureau volunteers targeted community organizations and neighborhood associations with which they already had a relationship, through their own membership or other affiliation. EPB executives embedded the infrastructure plan with both community and market logics; thus, executives and speakers' bureau volunteers framed the project to appeal to multiple stakeholder interests.

The infrastructure initiative was presented as a project designed to benefit the community by improving the efficiency of the electric system, generating new jobs, keeping Chattanooga globally

competitive with the rest of the world and providing additional social benefits to the community. Drawing on extensive research by EPB's strategic research team, presenters used this information to quantify the potential economic and social benefits of the infrastructure to a wide spectrum of stakeholders.

EPB representatives emphasized the potential economic development and social impact of the initiative by quantifying the impact over the next decade. An executive explained his thought process as he collected and reported these data on the impact of the community, saying "[These are] things that get your community kind of on your side that, "Yes, this is going to make my future brighter," that's what this data did. Aside from credibility, it gave that confidence that the community was going to get a lift in its ability." Executives believed this emphasis on social and economic benefits to the community was important since they saw other mid-sized cities similar to Chattanooga struggling from decreased quality of life, stemming from the cities' manufacturing bases moving to lower cost production locations.

Speakers explained EPB's intent with moving forward with the initiative and listened to community members' concerns and interests. Speakers asked that stakeholders voice if they wanted EPB to move forward with the infrastructure and share their opinions with the speakers, executives or the board of directors. Speakers' bureau representatives reported insights from these discussions back to the EPB executive team.

Residential customers who subscribed to the incumbent telecommunications provider's services frequently voiced multiple challenges. The incumbent was known for poor customer service and constantly increased prices of its services. Customers had fewer options for advanced services, due to the lack of investment in Chattanooga. Residential customers found EPB's offer of faster internet, improved picture quality, and better customer service attractive.

For larger companies in the community, the infrastructure provided benefits associated with improving efficiency. An increase in electricity reliability was attractive to the manufacturing companies in EPB's service area since several minutes of down time could have expensive implications. Large companies also believed the internet infrastructure could be a way to cut overhead. Several companies in the area were experimenting with flexible work arrangements for employees to cut office space costs. The

advanced internet could enable employees from these companies to seamlessly work at home with adequate technological tools.

EPB's infrastructure project emerged around the same time as a group of entrepreneurs and venture capitalists started a double bottom line angel fund focused on growing successful companies that could ultimately generate wealth to support the city's economic future. These efforts were driven by the city's history of revitalization, since the fortunes earned from entrepreneurial successes in the late 19th and early 20th centuries funded the city's revitalization projects through the local foundations founded by these successful entrepreneurs. Entrepreneurs, angel investors and economic development nonprofits viewed the infrastructure as a way to inject new businesses and industries in the community. They saw an opportunity to profit from a several year head start of testing new business models and products in the community since Chattanooga was a first mover with the infrastructure.

Community development nonprofits and education organizations saw numerous ways they would be able to use a more technologically advanced infrastructure to address digital divide challenges and bring services to inner city and rural households. In addition, cultural nonprofit organizations within the city saw an opportunity to be more creative with their exhibits and performances with enhanced internet services.

Conservative community groups and competitors. Although there was widespread support from community stakeholders, a minority of community groups and competitors expressed concern about EPB's plan. These actors argued that EPB should not enter the competitive telecommunications market. Several conservative community groups expressed concerns about a public entity competing with private sector companies in the telecommunications sector. These groups believed government showed very few examples of doing anything well, and the infrastructure project would follow suit. Likewise, private companies in the telecommunications industry opposed EPB's entry into the competitive telecommunications market.

Less than six hours after EPB's board of directors unanimously voted to expand the organization's business into the residential telecommunications market, the Tennessee Cable

Telecommunications Association (TCTA), the industry organization that represents private sector telecommunications companies in the state, filed a lawsuit against EPB. An incumbent telecommunications provider also filed a similar claim several months later. TCTA alleged that the company was planning to illegally cross subsidize by using the Electric division’s revenues to build the fiber network. This cross subsidization would improperly use community taxpayer dollars to assist EPB to enter a competitive market with high profit margins, which may increase community ratepayers’ electricity costs. Also, TCTA argued that EPB was attempting to assume an inappropriate role as a public sector entity by competing with private sector companies. EPB’s status could lead to an unfair competitive advantage for private companies, based on the differential cost of capital and tax benefits. Further, the industry organization alleged that EPB had a flawed business plan that put the community and stakeholders at risk since a public entity was competing in a market where private companies dominate.

The lawsuit prompted a flurry of media attention. The cable association launched an advertising campaign against EPB in which it asked city residents to call City Council and tell them not to let EPB proceed with plans to offer cable and internet services. Ads emphasized that other city-owned utilities across the country attempted to enter the cable business and compete with private sector actors, but went bankrupt as a result. The ads and news articles asserted that EPB would end up in the same situation and community taxpayers would have to pay the bill through increased taxes or electric rates. Table 2 summarizes the demands and interests to which EPB’s stakeholders subscribed.

Insert Table 2 about here

Leveraging the organization’s alignment with community characteristics. In response to these voices of dissent among some stakeholder groups, EPB leveraged its alignment with the community’s values and strong history of commitment. Executives highlighted the community logic by emphasizing

the years of trust and commitment the organization had with its customers and the community to amplify shared interests and values.

EPB's emphasis on the infrastructure as a means to improve the community through economic development resonated with civically involved community leaders. As civically engaged residents of the community, EPB executives had insight on the values and interests of different stakeholders. An EPB executive believed the community's values would be a competitive advantage in responding to the challenges and opportunities associated with EPB's infrastructure initiative. He said, "So, we do have that experience [of revitalization over the past 30 years] going for us, and so as we tackle a problem like, how do you take advantage of a future-proved network to build new market space and new customers on it and to make it for a better quality of life here and more economic opportunity, we kind of know what the formula for that is. And I think that's an advantage for us." Local companies and organizations also formally and informally showed their support for the fiber initiative through letters, opinion pieces in the local newspaper, and conversations with other community members.

From the results of several consumer studies, EPB executives had data that showed the company's brand was perceived more positively and had a higher consumer trust level than other phone and cable companies in the area. The incumbent cable company had been admonished by area residents for poor customer service over several years. When EPB's initiative was challenged by the TCTA and the incumbent, EPB tapped into its solid reputation among customers and its strong reputation in the community. An executive said,

[The commitment of employees to customer service], that's what touches the community. We can win with that. We can never win with competing with on content, new apps, or things like that. We do these things but they're not as glamorous and never will be. The reason we've done what we've done is because we have exemplary customer service that is just over and above. People are amazed by it.

A different executive contrasted EPB's focus on customer service with what he believed the incumbent's perspective is. He explained, "I think what we've learned is when you take on a model like the [incumbent's] model, that is a financial scheme. [The incumbent] doesn't care that they earn the Golden

Poo Award for customer service every year. In fact, they accept it, and they stand there, and smile, and have their picture taken. For us, that would be the dagger in our heart.”

In addition to poor customer service, the incumbent had not upgraded its telecommunications systems in the area to match the products and services of larger cities. Executives believed the incumbent telecommunications provider viewed the city as a third tier city in their rankings of the geographies in which it does business. Subsequently, the incumbent was not offering services that were standard in larger, higher priority markets. EPB executives were also concerned about the incumbent concentrating its services in higher income area and limiting the options of residents in low and medium income neighborhoods. EPB’s perspective was that every resident in its service area should have access to superior telecommunications services, regardless of the socioeconomic characteristics of the neighborhood.

EPB highlighted that the organization had to serve the community with infrastructure that other private entities would not. This perspective was intended to show that EPB had the community and its future at the center of its business model. A board member said, “Who would have done it if we didn’t do it? Look, what we’re doing is not only for our area, but we’re leading the way for the rest of the country. We’re showing them that there’s a better way to do this.” The incumbent’s lack of investment concerned EPB executives and some community leaders because it might prevent the city from attracting top talent or businesses that could positively impact job creation and other economic development metrics.

EPB emphasized to community members that the organization’s entry into the market would provide another option for cable, internet and phone in the service area. Competition was encouraged by executives to prompt better telecommunications options for commercial and residential customers. EPB viewed its entry in the market with advanced services as a means to encourage the incumbent and other companies to make the city more of a priority in offering new products and services. This shift in mindset of competitors would be good for the community, regardless if households or businesses subscribed to EPB’s telecommunications services.

The media campaign from the cable association and the incumbent initiated had the opposite result than expected by helping to generate more support and interest in EPB's initiative. An EPB executive recalled the advertising campaign the resisters brought against the company saying, "[The media campaign] helped generate more support and interest in our initiative...we had some consumers seeing their advertising campaign against us, and that just ended up making consumers more angry at the cable operator and more supportive of our going into the business." EPB drew on the trust and social capital it developed with customers and the community, resulting from years of actions that supported the community's values as it attempted to enter the competitive telecommunications market. The incumbent did not have this type of strong relationship with customers in this community, weakening its claims against EPB. All of legal claims against EPB were dismissed several months later, and EPB had strong support from potential telecommunications customers in the community. Subsequently, EPB continued to build out the fiber network throughout its entire service area.

Exploring and learning with stakeholders. After the lawsuits were dismissed and the infrastructure build out began, EPB's CEO wanted to get community stakeholders involved in thinking about what the infrastructure could mean for them. A strategy executive explained a shift in mindset saying, "We're in the people business now. The technology, we have a responsibility to maintain and keep the technology current, but really the issue is engaging people." EPB engaged a local foundation and a real estate development company in initial discussions about the potential of the new infrastructure. In collaboration with EPB, these organizations organized a series of discussions with groups of leaders in the community to educate them about the potential technical capabilities and explore the range of innovative possibilities related to the infrastructure. The chair of the board explained the rationale behind these efforts saying, "We do a lot of convening...We enjoy getting people together to learn how they can work together to do bigger and better things." EPB executives believed a key part of the company's commitment to economic development was to get community members excited about where they live and thinking about the future. These discussions were coined as intentional conversations.

Connecting the company's product to stakeholder interests. Intentional conversations were held over two years with over 250 community leaders across industries and sectors in the city to understand the potential applications of the infrastructure in the community and beyond. Both emerging and more established leaders within the city were sought after to participate in intentional conversations. Leaders represented a wide spectrum of industries, not just technology experts who would understand the technical implications of the network. A participant involved in designing intentional conversation sessions said, "You know the [intentional conversation] process that is being used is trying to be inclusive. Trying to be sure that the people who have an interest in it are at the table. Trying to be sure that you're not creating unintentionally and unnecessary cross currents where people are competing or opposing or whatever when they ought to be working together." The purpose of these meetings was to establish new networks and encourage stakeholders to think about the next wave of innovation.

Intentional conversation facilitators organized meeting agendas to be open ended in terms of the direction given to attendees and the path of the conversation. EPB executives shared that they believed the infrastructure could be used in ways other than simply providing electricity. Intentional conversation participants were asked: How do we let the world know we have this fiber network technology? How do we encourage community members and people outside of the community to build businesses on it? How do we use the technology as a real economic development tool for Chattanooga? EPB representatives and meeting facilitators refrained from providing a direction about potential applications and technologies related to the infrastructure to avoid stifling the ideas that would emerge during the meetings. Instead, the organizers wanted leaders to draw on their varied backgrounds and expertise to imagine how the infrastructure and potential technological innovations can impact the community and their organizations. EPB representatives and facilitators wanted intentional conversation participants to find ways to incorporate the network or its applications into the things about which they cared.

The breadth of opportunities discussed during intentional conversations expanded the possibilities for using the network as a tool to positively impact the community in both social and economic applications. The dialogue generated ideas from starting new technology businesses, to improving health

access for patients in rural areas to globalizing the curriculum for inner city school children. The potential of the infrastructure in their personal and professional lives resonated with some participants more than others. Community leaders who saw the value of the infrastructure continued to participate in intentional conversations and subsequent projects.

Expressing explicit intent. EPB was clear with stakeholders about the company's intent in exploring and learning about the infrastructure's capabilities and applications with community stakeholders. An EPB executive explains EPB's position saying,

We're not the ones who are going to develop the applications ourselves, there may be some applications we do develop, but the whole approach is to really open the door for entrepreneurs and for those that have a vision not only to develop their application... Now, I think that's the great thing about having the fiber network is it opens the ability for others to be able to play, and to interact, and to create, and to event... We know that opening up the availability of bandwidth to large groups of people has a tremendous ability to allow people to be smart, and be creative, and to really let their entrepreneurial spirit thrive.

Several executives compared the introduction of this advanced infrastructure to an earlier time when electricity was first introduced. Utilities provided electricity, while innovators developed applications that used electricity.

EPB viewed working with community stakeholders as an opportunity for mutual gain, appealing to both the community and market logics the company internalized. By helping community leaders and entrepreneurs explore different applications of the network, EPB fulfills its mission to serve the community. An EPB executive said,

It's kind of the profit versus prosperity kind of argument. I'm not opposed to profit. Our goal is make sure that the businesses that are here can maximize their profit, but we want a general prosperity to go with it. We want people to have good jobs that they can make a living on, raise their kids. We're very interested in having people who grow up here able to live here and not have to move off to some major urban area.

In addition to supporting the community, this perspective also benefited EPB in the competitive market. Some stakeholders subscribed to EPB's new services as a way to support the community.

An architect who participated in the intentional conversations said, "I now have EPB services, which I paid about \$20 a month more for, mostly because philosophically I like the idea of supporting EPB rather than [the incumbent]." Other community stakeholders were attracted to

EPB's offerings as a way to improve opportunities and workflow in their personal and professional lives.

Also, EPB executives viewed the infrastructure's advanced offerings as a way to increase the community's attractiveness to new and expanding businesses. This increase in business activity, including the relocation of new employees and an increase in income of current employees, potentially increases EPB's customer base and subscription to its services. Although EPB does not gain significant revenue from these large companies due to slim margins; the company, however, increases its revenue when new residents move to the city and subscribe to the company's services.

Facilitating co-creation and ownership with stakeholders. By engaging community members with dialogue and allowing them to find ways the network impacted their personal and professional lives, EPB established an environment where community members felt committed to the success of applications associated with the infrastructure. Stakeholders had various reasons for exploring the opportunities presented by the infrastructure and collaborating to develop applications. In particular, business, nonprofit and government stakeholders saw ways the infrastructure could accommodate both their separate and collective social and economic interests.

In an effort to institutionalize the productive discussions during intentional conversations, EPB spearheaded the creation of a group of stakeholders from public, private and nonprofit organizations to continue to explore the larger implications of the infrastructure on the community. An EPB executive involved in this cross-sector group said, "I think that what we're going to learn is that moving on from having the network and making it work and have it become a successful business venture, the next thing you need is you need a community venture that goes that next step." Similar to the community collaboration in the 1980s and 1990s among public, private and nonprofit organizations to revitalize downtown through investments in tourism and real estate, executives at EPB envisioned a similar collaborative process with technology through the infrastructure. Executives pushed the organization out

to the community by being open with the infrastructure, allowing stakeholders to take on projects related to the infrastructure to go beyond EPB.

Several stakeholders commented positively about EPB’s openness in allowing the community to innovate on the infrastructure. This was in contrast to other advanced infrastructure projects built by private sector companies. An entrepreneur attempting to develop new business models based on the infrastructure said,

You know we're very lucky to have EPB being the ones that built it here because they by mandate and by mentality are very open. They're a utility and they see themselves as a utility and they're like, hey as long as you're not doing anything illegal or immoral on the network have at it... They're very open about what could happen on the network which is really cool and I think long-term going to be a pretty good competitive advantage for us.

As a public entity, EPB lacked a concern about proprietary R&D and return for shareholders, unlike some private companies. Instead, EPB’s focus was on maximizing quality of life and economic opportunity. The cross-sector group of stakeholders focused on thinking about the infrastructure’s impact on the community. The group mobilized other individuals and organizations to facilitate several projects that went beyond EPB’s purview, with partners including real estate developers, venture capitalists, entrepreneurs, higher education institutions, and several foundations. Table 3 provides illustrative quotes of how the organization’s executives pulled elements of the community inside of the organization, while pushing the organization out into the community.

Insert Table 3 about here

DISCUSSION

This article set out to answer the question: How do an organization’s managers balance the multiple interests of its community stakeholders for mutual gain? To explore this social interaction, I undertook an in depth case study of a utility planning and implementing an infrastructure project. This

paper examines how an organization responded to and managed the numerous interests of its stakeholders to which it is accountable.

This case sheds light on how executives can pull the values, history, and relational structure of the community into the organization by using these characteristics to determine its structure, strategy and culture. At the same time, executives can push the organization out into the community by engaging the community in dialogue and co-creation that can help shape their joint future. This movement of pulling the community in and pushing the organization out appears to help both executives and community leaders to act on their values and find mutually beneficial outcomes. It also facilitated executives' ability to manage the institutional complexity of operating in a space where community and market logics simultaneously exist, both within the organization and also embodied within community stakeholders interests. This ability to bridge the divide between multiple logics over time gave the organization a competitive advantage as it entered a new market space. Figure 1 illustrates the main elements of the conceptual model.

Insert Figure 1 about here

The goal of this paper was to generate new theory; thus, this paper offers several contributions to the stakeholder engagement, institutional complexity and organizations in communities literatures. First, this paper contributes to the institutional complexity literature by giving an account of managerial action in response to varied demands in an organization's environment. This research highlights a case where decision making processes are wider and more inclusive than typical publically traded companies. This structure makes nonmarket logics particularly salient (Greenwood et al., 2011). By understanding and leveraging the nonmarket, community logic, executives were able to use it to the company's advantage by contrasting the company's commitment to the community, compared to its competitors, which ultimately contributed to economic success in the market. This research suggests that managers can look to both organizational and environmental features as a way to embrace the plurality of demands and interests of

stakeholders (Smith & Lewis, 2011). The authenticity of managers as they navigated and leveraged multiple logics reinforced the trust they had with community stakeholders.

Second, this paper has implications for the stakeholder management literature. It responds to a call by Freeman et al. (2010) for studies that examine the underlying mechanisms that managers use to bring together stakeholder interests. While extant studies focus on a firm's interactions with a specific social or community organization, this paper gives a more comprehensive perspective of balancing the interests of multiple community stakeholders, including residential and commercial customers, city and county government officials and nonprofit leaders. These findings suggest that simply announcing a community stakeholder engagement strategy to these stakeholders with varied interests fails to take into account the multiple organizational and environmental factors at hand that can be leveraged as intangible resources. While previous studies have focused on longer term benefits from engagement, such as reputation management (Austin et al., 2002) and license to operate (Yaziji & Doh, 2009), I find that successful community stakeholder engagement can have a short term impact on the organization, particularly in terms of executing a large project and establishing a competitive presence as an entrant to a new, competitive market.

Third, my findings also have implications for research on the influence of communities on organizations. This paper illuminates specific organizational structures and behaviors that were influenced by the community in which the organization is embedded. Executives actively considered local factors, including a shared historical narrative, values and relational structure, as they shaped the organization's structure, culture and strategy. These organizational features enabled executives to actively engage community stakeholders with convergent and divergent interests and respond to their varied needs. This research harkens back to the early work on institutions that focused on the relationship between organizations and communities (e.g., Selznick, 1949). This paper responds to the call to advance research on the influence of geographic communities on organizational behavior (Marquis and Battilana, 2009).

Limitations and Future Research

This study provides insights on balancing the interests of multiple community stakeholders; however, it has several limitations that future research can address. As a single case study, this research provides an analysis of the complex social processes within a company and its institutional setting, but this method has limitations in terms of generalizability (Yin, 2003). As such, there needs to be further work on balancing interests in stakeholder engagement in a diversity of company and community settings.

These findings need to be examined in companies with different governance structures, including for profit and family owned firms. Future studies can look at the community engagement strategies of companies operating in communities where the company is not headquartered. This setting could allow an exploration of the impact of the lack of senior executives living and having a network within a community (Galaskiewicz, 1991). Future work can also look at the engagement strategies of organizations embedded in communities of different sizes, histories, and networks.

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Table 1: Interviewee profiles

Sector/Organization	Participants	Number of Interviews
EPB	18	25
City government	5	5
County government	2	1
Community development nonprofit	6	5
Economic development nonprofit	10	12
Law	3	3
Healthcare	3	3
Real estate development	4	6
Venture capitalists	4	4
Education	2	1
Technology	11	6
Automotive	1	1
TOTAL	69	72

Table 2: Overview and characteristics of stakeholder interests

Stakeholders	Interests/Demands	Example
City and county government	<ul style="list-style-type: none"> • Improve public services • Attract and retain new businesses and residents • Stay competitive in the region • Improve quality of life 	<p>“How do we process the data that's required now to manage a city?...We look at very unfortunate things that have affected communities, like the Columbine shootings near Boulder, as a matter of fact. And people say what if that happened here? And you start thinking through scenarios. And the way to manage those kinds of unfortunate things, or even the day-to-day management of cities requires greater utilization of data...You want to build for the future. You want to put in the resources that are necessary.” (Government official)</p>
Residential customers	<ul style="list-style-type: none"> • Better customer service • Freeze product and service price increases • Gain access to advanced telecommunications product and service offerings 	<p>“Yeah we were on [the incumbent’s services] up until last year. I live on Lookout Mountain and everybody in the mountains was just like give me a reason to get away from [the incumbent]. Please, we just hated it. But, as soon as EPB laid fiber near our house we immediately switched over and have been really happy with it.” (Entrepreneur)</p>
Large businesses	<ul style="list-style-type: none"> • Cut overhead through improvements in efficiency and reliability • Bolster talent attraction strategies through technology improvements 	<p>“You know EPB is putting fiber in homes of everybody in the city. What does that mean? That means from a cost effective basis I have virtually unlimited bandwidth.</p> <p>Alright, so now I am no longer restricted by waiting a long time for things to happen... So I think we certainly look to players like EPB and others to enable some of these things and as the technologies change here as we look at what's stopping us being more creative.” (Healthcare executive)</p>
Entrepreneurs, venture capitalists and economic development nonprofits	<ul style="list-style-type: none"> • Attract entrepreneurs and talent • Benefit from a head start in developing new products, services and business models • Use entrepreneurial activity and wealth to improve quality of life 	<p>“We need entrepreneurial activity... We have all of this awesome stuff but we haven’t done anything to regenerate wealth... We need a consistent march of companies that are coming through and hopefully not selling off but if they sell off, great the money will stay [in the community].” (Venture capitalist)</p>

<p>Conservative community groups and competitors</p>	<ul style="list-style-type: none"> • “Fair” and free market competition in the telecommunications market 	<p>“There are certain ultra conservative people that think that a government entity—and we have to remember that we are a municipal government entity—you should not be doing things like this. ... There are people that they don’t want government into things like this, and I can tell—I would say there’s a lot of things that the government should not be in.” (EPB board member)</p>
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Table 3: Pull-push stakeholder engagement practices examples

Practice	Example
Pulling the community in	
Monitoring multiple objectives with the governance structure	<p>“We asked ourselves the question, if we are to move forward what’s the basic reason behind [moving forward with fiber infrastructure]? It’s very simple, we want to give our service area, our customers and that’s residential, commercial, industrial, the greatest advantage we can give them to grow their business. Start at the top to grow their business to attract other business into Chattanooga and from a residential standpoint give them a higher level of service than they’ve ever had... We saw where it was something we felt very strongly that it was something that would be attractive to customers.</p> <p>... Then from an altruistic standpoint what would it give us, Chattanooga? What would it give the Chattanooga area that would be better than what other people had, that would improve our quality of life for people that were here now? That would attract other people into Chattanooga? ... We felt the business plan was solid and then the whip cream on the cake was what we thought it can do for Chattanooga.” (EPB board member)</p>
Embracing externally focused purpose to shape culture and structure	<p>“[During employee training], we started going through our accomplishments and we took our employees back 7 years to show them what we have done as a utility. We brought them to the current day, and we showed them New York Times’ clips [celebrating the utility]. We tell them, ‘This is who you are. You live in Chattanooga, Tennessee but you have done something in this region, in this country.’ We talk about the quality of life in Chattanooga.” (EPB executive)</p>
Nesting multiple interests in strategy	<p>“We started out improving the electric system. We found out along the way that if we went with fiber, it could be any kind of development tool for the community and then the thought his us, well, if we’re building a system that is capable of developing the community economically, there is a good possibility that we’ll provide services that superior enough that we can sell them in enough quantity to pay for the whole thing.</p> <p>Really, all three matched together. Building a commercial product that would sell itself and pay for itself that would also drive the ability to improve the controls of the electric system, and that would also drive the community toward a better level of economic growth. All of that became pretty obvious that it fit together.” (EPB CEO)</p>
Pushing the organization out	
Encouraging dialogue to reveal stakeholder interests	<p>“So, no group was too small and no group was too big for us to talk to about what we were planning and get their input. We explained the initiative, and we asked them to let us know if they wanted us to do it, let us know if they didn't want us to do it, or let City Council know.” (EPB executive)</p>
Leveraging the organization’s alignment with community	<p>“[Representatives from the incumbent] talk about customer service, and I'm quick to tell everybody, he's not local, we are. And you have</p>

<p>characteristics</p>	<p>to look also at how does it benefit the community? The money that [the incumbent] collects here in Chattanooga goes back to [the incumbents' headquarters in another city]. Our money stays here in the community. It's community-owned, the money stays here. So then you have the city and the county that has a little tax money that is helping with other things, where they see fit to spend it. So it's a win for communities.” (EPB executive)</p> <p>“[EPB] has developed a whole lot of good will among the community and a lot of credibility among the community. So, I mean recognize that the opposition to that project came from Comcast and their cohorts...But [the lawsuits] were being filed by competitors, not by citizens. And in fact, most of the community is so pissed off at Comcast, that you know they said hallelujah, peace.” (Lawyer)</p>
<p>Exploring and learning with stakeholders</p>	<p>“So, all we saw electric power for at the time [when it was first introduced] was a more convenient way to light our homes versus an oil lamp. Well, at that time, nobody could think about refrigeration and computers and the internet and TV, all of the things, just cleaning appliances, all of the things that have been developed and invented and all of the wealth that's been generated and jobs that have been created, in part, because electric power was widely available. We think the same thing is true with true broadband, but much like if we were sitting here in Chattanooga in the 1930s with our installed light bulb, we wouldn't necessarily be able to see all the things in the future that were going to be made possible by it. Luckily we had the Thomas Edisons and the General Electrics who developed these things, but that's what we think this next generation of geeks is going to do.” (EPB executive)</p> <p>“I think number one is that we're looking at basically becoming a playground, looking at trying to develop a place where it just becomes, at the end of the day, a big lab. The more smart people that can come in here and help us look at that, the better.”(Real estate developer)</p> <p>“I think the thing that I have observed that is probably the most interesting, is that there had been a commitment to a process that is both time consuming and laborious, and requires a lot of effort on the part of the institution of the people involved, but that process knits together the relationships that can go into the next initiative, and also because there has been that process and there's ownership of those things you create or start, and so you feel responsible for finishing them.” (Entrepreneur)</p>

Figure 1. Push-Pull Stakeholder Engagement Model

