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Community Engagement, Legitimacy, and Justice in the Oil and Gas Sector: Insights from a Galp Case Study

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Abstract

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Esta dissertação examina como diferentes modelos de envolvimento comunitário no setor do petróleo e gás influenciam as percepções locais de legitimidade e justiça, através de um estudo de caso da Galp em Portugal. Assente na Teoria dos Stakeholders, na Teoria da Legitimidade e na Justiça Energética (distributiva, procedimental e de reconhecimento), investiga-se como a governança, as oportunidades de participação e a transparência comunicacional condicionam a licença social para operar em territórios onde instalações industriais coexistem com comunidades residenciais e onde a intermediação municipal é frequente. Adota-se uma estratégia qualitativa de estudo de caso, combinando 10 entrevistas semiestruturadas a quatro grupos de stakeholders (representantes da Fundação/empresa, colaboradores, residentes e parceiros institucionais) com evidência documental, incluindo relatórios de sustentabilidade e materiais públicos entre 2020–2024. Os dados foram analisados por codificação inspirada na metodologia de Gioia e por lógica de *pattern matching* (Yin). Os resultados sugerem que abordagens filantrópicas ou transacionais e modelos responsivos (consultivos), marcados por decisão centralizada e limitada capacidade de influenciar prioridades, tendem a gerar legitimidade sobretudo pragmática e condicional, evidenciando lacunas de justiça procedimental (critérios pouco transparentes, devolução frágil e baixa percepção de co-decisão). Em contraste, práticas mais estratégicas e co-criativas, baseadas em interação continuada, aprendizagem e adaptação iterativa, associam-se a maior confiança, reconhecimento e percepções de justiça, embora persistam assimetrias de poder e visibilidade desigual dos resultados entre grupos. O estudo contribui ao integrar *engagement*, legitimidade e justiça num único quadro analítico e ao apontar implicações para práticas mais transparentes e responsivas, alinhadas com expectativas crescentes de reporte e participação no contexto europeu.

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This dissertation examines how different community engagement models in the oil and gas sector shape local perceptions of legitimacy and justice, through a case study of Galp in Portugal. Drawing on Stakeholder Theory, Legitimacy Theory and the Energy Justice framework (distributional, procedural and recognition justice), it asks how engagement design governance arrangements, participation opportunities and communication transparency affects the social licence to operate in territories where industrial facilities coexist with residential communities and municipal mediation is frequent. The research follows a qualitative case-study strategy. Ten semi-structured interviews were conducted with four stakeholder groups (company/foundation representatives, employees, community residents and institutional partners) and triangulated with documentary evidence, including sustainability reports and public materials from 2020–2024. Data were analysed using Gioia-inspired coding and Yin's pattern-matching logic. Findings suggest that philanthropic/transactional approaches and responsive (consultative) models marked by centralised decision-making and limited capacity for stakeholders to shape priorities tend to generate mainly pragmatic and conditional legitimacy and expose procedural justice gaps (opaque selection criteria, weak feedback loops and a low sense of shared decision-making). By contrast, more strategic and co-creative practices grounded in sustained interaction, learning and iterative adaptation are associated with

higher trust, stronger recognition and fairer assessments of engagement, although power asymmetries and uneven visibility of outcomes persist across groups. The study contributes by integrating engagement, legitimacy and justice into a single analytical lens and by deriving practical implications for more transparent, responsive engagement aligned with rising European expectations for reporting and meaningful participation.

Keywords: Community engagement; Social license to operate; Legitimacy; Energy justice; Stakeholder theory; Oil and gas sector

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1. Introduction

The oil and gas sector is a very visible and highly publicly contentious industry that has a leading position in the provision of energy and economic development, and creates serious externalities in terms of environment and social impact, these strains make corporate legitimacy fragile and community engagement the focal point of the ways firms aim to sustain trust and social licence to operate (Suchman, 1995).

The difference in the way the Oil and Gas companies interact with the communities in which they are embedded, whether in concept or in practice, has changed significantly over the last few decades, the difference is nearly palpable as the interaction has been leveraged, nowadays, as a tool to help in the shift to the green energy. It is a just transition that is not perceived as a transition, but as a transformation in which the procedural fairness, community involvement and social value creation are highlighted alongside the commitment to reduce carbon. In spite of this development, studies have found that there remains gaps between the said goals of community engagement and the perspective and experience of the stakeholder, as this community engagement remains an instrumental logic in which companies make decisions, engagement remains ad hoc and, more often, occurs after strategic decisions have been taken, this fact is what causes businesses to fail to achieve trust or apparent organisational legitimacy. Even hard studies put it as such that the technique that the businesses adopt can either gain compliance or prevent conflicts, communities anticipate to be involved in planning, governance and the creation of shared value, this demonstrates that as the businesses move to low-carbon strategies and re-set operations, communities also transform to how they desire to be involved in these changes. Whereas, initially, these projects were philanthropic, transactional, corporate-focused and positioned as a way of compensating the social and environmental upheavals associated with the industrial operations, today, the community-company relations are related to the growing energy infrastructures in the form of hydrogen production plants, biofuel projects, offshore wind projects, and ecosystems of innovations.

The world had moved towards a more organized form of engagement based on risk management system, stakeholder mapping and adherence to international guidelines, such as UN Global Compact, IFC Performance Standards, and the Equator Principles. It is peculiar to the European context in this sense, i.e. there is the Corporate Sustainability Reporting Directive (CSRD) of the European Union, and the future European Sustainability Reporting Standards (ESRS) of asking companies to report on the existence, quality, outcomes, and alignment of the engagement processes with due-diligence standards, and in the same breath, there are the policies of the energy transition, the noncontinuation of the fossil activities, and the ongoing investment in the renewable infrastructures that are changing the relations between industry and territory.

The industrial plants in Portugal tend to be placed in proximity to the housing areas, that is, in refining and petrochemical zones, and in this particular setting, this context is unique, since the municipalities will often feature as the mediating structures between the final decision-making

and accountability, becoming a stratified and hollow terrain that will hold the belief in corporate discourses precarious.

Instead of assessing performance based on the pre-existing benchmarks or outcome examination in a company perspective, in this dissertation, I considered all the other stakeholders based on the interpretation of engagement as a relational and interpretive process by undertaking a qualitative stance of analysing the results through interviews with the organisational representatives, employees, local institutions and community members, and analysing the secondary data. In such a manner, a true exploration on how engagement is experienced through the stakeholders would be accomplished.

The research question is as follows:

What is the effect of various community engagement models within the oil and gas industry on the issues of legitimacy and justice by the local communities?

In order to find the answers to this question, the dissertation considers the following sub-questions:

RQ 1.1: What are the internal motivations, governance mechanisms, and decision-making processes that determine how the focus oil and gas company designs and carries out the community engagement practices?

RQ 1.2 How the company communicates and reports about community engagement are in line with the design and the on-the-ground execution of the practices?

RQ 1.3: What role do the intermediary actors (e.g., NGOs, municipalities) play in and mediate the process of community engagement design and delivery?

RQ 1.4: What are the perceptions of the community stakeholders in terms of the legitimacy, procedural fairness and distributive outcomes of the engagement practices of the company?

The investigation of the effects of community engagement models embraced by oil and gas corporations on the ways society views legitimacy and justice in certain governance environments, communication, the middleman and the social-territorial environments.

In theory, stakeholder engagement, legitimacy, and justice lenses form the basis of the dissertation through which the community engagement model can influence the perceptions of the local people in an industry that is contentious and has an impactful effect (Suchman, 1995; Freeman, 1984).

Practically speaking, this has some lessons to companies in industries that are under social legitimacy pressure and lessons to stakeholders proceeding with just-transition models that need substantive participation and accountability.

Bringing the Introduction to a stop, the structure of this work proceeds as follows:

Then, Literature Review, will continue the development of the community participation in oil and gas industry and outline major debates connected to the legitimacy, participation, communication and justice. Subsequently, discussion of the methodological design, which

includes qualitative design, data collection, analytical model and quality standards. Thing to do next is a Data Analysis, organized on a Gioia-informed coding process and pattern matching logic as developed by Yin. Discussion chapter is then followed and there is a discussion of the findings in relation to the existing literature and theoretical frameworks and finally there is the Conclusion chapter where there is a summary of the key contributions, limitations and indicating future and further research.

2. Literature Review

2.1. Introduction

This chapter critically reviews the literature on corporate community engagement and places it in the discussion of legitimacy, stakeholder engagement, governance, communication, and justice. It brings out the scale of engagement, whereby CSR activities can be transactional based and more participatory activities where there is collective decision making and accountability.

2.2. Stakeholder engagement

Stakeholder Theory makes organizations part of webs of interdependent actors, the interests of which must be taken into account in decision making (Freeman, 1984) stakeholders are those who are or can be influenced by corporate activity. It is not a merely reputational requirement of engagement, but a relational requirement. According to stakeholder salience literature (Mitchell et al., 1997), communities do not need to have formal power but be able to exercise moral authority, i.e. legitimacy is based on perceptions of fairness, responsiveness and respect, and not on legal compliance or to preserve reputation.

Communities are one of the most vulnerable and socially relevant stakeholder groups in the oil and gas sector, which implies that: since they are the groups that have the closest proximity to the industrial activity and therefore, the impact of the latter directly, their response has the direct impact on the functioning of the company. Legitimacy Theory, According to Suchman (1995), organisations must be socially accepted to work sustainably, It is in such a way that legitimacy is described as generalised perception that where corporate actions are legitimate then they are desirable, appropriate and acceptable to the societal norms. The legitimacy is challenged and fragile in oil and gas industry, depending on the historical events of environmental degradation (probably, because of the nature of activity), unmet commitments or hollow corporate responsibility. The phenomenon has resulted in the creation of the concept of Social License to Operate (SLO). An approval of society whose loss may lead to demonstration or interference in its operation. According to previous literature, the concept of instrumental and substantive engagement differentiates (Agyeman and Osei, 2024; Idemudia, 2014).

Instrumental engagement is usually structured in such a way that it makes compliance easier and lower the resistance to change, it is usually transactional and risk-oriented. The sphere of

decision-making is highly centralized in the firm, and the involvement usually follows the time when major strategic decisions have been made. Critiques Academic critics point to the fact that, even though it can be theorised as participatory, instrumental engagement might be used symbolically, and provide partial impact to affected stakeholders.

Substantive engagement is iterative and aimed at co-defining priorities and creating shared results, which is designed to decentralise power and facilitate inclusive dialogue. It normally involves prolonged engagement, a sense of listening to society and organisational ability to adjust plans as issues arise. Since it is resource-sensitive and institutionalisation, substantive engagement is less widespread in practice, even though it is more consistent with procedural fairness and the creation of long-term legitimacy. It appears that instrumental engagement is rooted, in various geographies, in terms of which the main concerns are a sense of social acceptance and reduction of risk (Agyeman and Osei, 2024; Idemudia, 2014).

2.3. Community Participation

The concept of participation is often talked about in the corporate sustainability scholarship, but it is often difficult to translate the concept of participation into practice. Ladder of Participation created by Arnstein (1969) is still a handy source as it puts emphasis on the gap between the formal consultation and the actual influence. In more recent research, participation is conceptualised not as a procedural necessity in the context of compliance regimes, but as a relationship that involves dialogue and trust-building in the long run (Idemudia, 2014; Akinsanmi and Adegbite, 2024; Reed, 2008). Participation on this sense is substantive whereby it acknowledges the existence of community agency and can influence making decisions instead of merely justifying already predetermined results (Arnstein, 1969; Adjogah and Boakye, 2024). In the oil and gas setting, participatory processes can be used to legitimize decisions made by the companies already, and the tokenistic exercises of participation are created (Arnstein, 1969; Idemudia, 2014). Past related events like industrial accidents, environmental degradation, labour relations and political coalitions also influence expectations of engagement and thus the communities judge new initiatives by the story of promises that have been fulfilled or failed, and this may complicate the recovery of legitimacy (Idemudia, 2014; Agyeman and Osei, 2024).

2.4. Communication Transparency

As the companies seek the means of establishing trust, the communication appears to be the one proposed in CSR, yet in reality, in the oil and gas industry, communication strategies are focused on reputational management rather than mutual learning (Adams and Kelly, 2024). Most companies are usually publishing sustainability reports, though in most cases, they are considered as informational outputs, as they are not considering the community aspect or the

communication with the community. This brings about dialogue deficit. In such cases as communication is not bound to action, the trust disappears instead of solidifying, as there is a distance between the responsibility, inclusion and partnership companies purport and the minimal influence and the lack of responsiveness stakeholders feel.

2.5. Governance

Engagement processes have been formalized through ESG reporting standards, compliance audits and sustainability committees but this does not ensure influence, since an arrangement of governance can formalize engagement and still maintain corporate power (Esposito et al., 2024).

Another theory that can be useful in assessing organisational behaviour is the energy justice perspective that focuses on fairness and equity in three main pillars: distributional justice (the way benefits and burdens are distributed), procedural justice (how decisions are made and by whom they can be influenced) and recognition justice (whether the identities and experiences of communities can be recognised and respected) (McCauley et al., 2013; Jenkins et al., 2016). In this sense, the community participation can be evaluated as a policy by which justice is being practiced or not in reality.

2.6. Models of Community Engagement Available to Oil & Gas Companies

It is shown in literature that organisations choose alternative ways of framing engagement, which is based on assumptions of how communities are supposed to be involved, what the purpose of engagement and the extent of shared decision-making is. Practically, strategies co-exist within the industry, and even within an organization, leading to a continuum of engagement models (International Finance Corporation, 2012; Reed, 2008; Idemudia, 2014). The first model is a philanthropic model or transactional, this is focused on donations, sponsorships and short term community support. Although it might fulfill short-term demands, the decision-making power is mostly under the business and communities are more passive and, therefore, can be less trusted and perceived as legitimacy when the demands are not limited to compensation (Carroll, 1999; Idemudia, 2014). The second model is a responsive (consultative) model, when businesses hold meetings with the public, polls and advisory groups to get feedback. Such mechanisms may enhance transparency and avenues to concerns, yet they are not always associated with transfer of influence in case consultation is not accompanied with clear decision guidelines and accountability (International Finance Corporation, 2012; Reed, 2008). A third one is a strategic or co-creative approach. In this case, involvement becomes a part of the organisational governance: firms and communities make decisions together, develop and take part in initiatives design, and take part in monitoring. The responsibility and accountability of this model are more likely to create the long-term value and to incorporate the aspect of legitimacy and justice into the organisational practice (Owen and Kemp, 2013; Kemp and Owen, 2013). Differences between companies and territories lie in the extent to which they

proceed on this spectrum, and the differences in engagement design can be used to understand the differences in perceptions of legitimacy and justice among various stakeholders and uneven engagement outcomes (Suchman, 1995; Jenkins et al., 2016; Idemudia, 2014).

2.7.Synthesis, research gap and research question

Combined, the literature posits that the design of engagement i.e. who is involved, when one participates, how information is conveyed and how one perceives benefit and burden determines whether communities will see corporate action as legitimate and just (Arnstein, 1969; Reed, 2008; Suchman, 1995). The current studies however are incomplete in terms of how these factors interact in the oil and gas situations in Europe and among various stakeholders, which is the basis of this research. Theoretically, the notion of legitimacy, participation, communication and justice is applied as a set of distinct issues instead of a set of dimensions that rely on each other in the same relational process. A legitimacy study focuses on the notion of societal acceptance (Suchman, 1995), and a participation scholarship entails the quality of processes and the power to make decisions (Arnstein, 1969; Reed, 2008). Energy justice provides a complementary perspective to evaluate the distributional results, procedural fairness and recognition in stakeholder relationships (McCauley et al., 2013; Jenkins et al., 2016), but it is not part of the direct models of corporate community engagement. Empirically, numerous studies are preoccupied with the organisational policies, reporting or single-actor view, which may blur the understanding of the experience of engagement among various groups of stakeholders. There is a lack of multi-stakeholder qualitative evidence to compare the perception of companies, local authorities and residents regarding the same engagement practices (Agyeman and Osei, 2024; Akinsanmi and Adegbite, 2024). In the geographical level, the literature on oil and gas engagement has mostly evolved by cases of the resource-dependent areas and new extractive frontiers (Idemudia, 2014; Agyeman and Osei, 2024; Adjogah and Boakye, 2024).

Less case studies are done on Southern European industrial territories, which restricts information on the influence of the long-term industrial pasts and well-established governance environments in defining expectations, trust and perceived justice. In a practical sense, standards serve as a guide to consultation and stakeholder management, however, they are less detailed on how firms operationally shift to a shared governance arrangement that entrenches accountability and justice over the long-term (International Finance Corporation, 2012; Owen and Kemp, 2013; Kemp and Owen, 2013). To fill these gaps, it is necessary to consider engagement as a lived experience: the way in which various stakeholders formulate the engagement models and the ways in which such formulations are applied to legitimacy and justice within a particular territorial environment.

What role do various models of community involvement in the oil and gas industry play in influencing legitimacy and justice perceptions of the local communities? This question is operationalized using four sub-questions (RQ 1.1 1.4) which are defined in Chapter 1 and discussed in the Discussion. This dissertation focuses on the development and interpretation of

engagement models by various stakeholders in the Galp case through the prism of the legitimacy theory and energy justice framework, thus explaining the occurrence of variation in the outcomes of engagement and perceived fairness in the identical territorial context.

3. Methodology

3.1. Research Design

In order to further analyse the community engagement and also considering that it is driven by expectations, history, power relations and lived experience, a qualitative approach to the study is suitable, in that it can show how legitimacy and justice is experienced by the various stakeholders. To remain congruent with the argument by Yin (2018), according to which case studies are the best choice to analyze the case that is located in the real-world context, Galp was chosen as the case study. This portuguese company has been selected due to its territorial reach, easier access to information and due to its location in the oil and gas industry. It becomes simpler to identify meanings that various actors ascribe to engagement practices by using the qualitative research method design, which presupposes that the legitimacy and justice are constructed based on the interpretations of the stakeholders. It facilitates thorough exploration of the modalities in which, within groups of stakeholders, engagement is encountered, which makes the discussion of the legitimacy and justice as contingent processes more refined. At that, the quantitative approaches are more focused on the measurability, comparability and generalization, thus such approaches would not be the preferred ones in this analysis because of the absence of depth and meaning.

3.2. Context

In Portugal, large energy and petrochemical infrastructures tend to be in or around residential communities, which makes day-to-day impacts (i.e. perceived environmental threat, nuisance, and accident) salient and community-company relationships are a frequent governance challenge. Within this context, local authorities and other local organizations often serve as the mediators between companies and citizens, defining the way issues are gathered, the way projects are brokered, and the flow of information.

This dissertation explores the issue of community engagement with reference to Galp in Portugal. The empirical case is based on engagement practices related to communities that are situated near one of the industrial operations of the company. In order to preserve the participants and the access of the organisation, the name of a particular location and city is not announced, but the case is framed by the context of engagement initiatives, communication networks and interrelation between stakeholders regarding that land. It is analysed in the framework of a European regulatory environment where corporate sustainability disclosure and accountability to stakeholders are enhanced (European Parliament and Council of the European Union, 2022; European Commission, 2023). This renders it a topical context where formal

reporting conditions can be explored in relation to local felt perceptions of legitimacy and justice. On the whole, the case is analytically significant, in that it integrates: a high-impact industry, near-territoriality between industry and impacted populations, and mediated local government which organizes participation and communication.

3.3. Sampling Strategy

The sampling was done on a purposive basis that was used to get a view of the stakeholder groups that are most central in the community participation in the area of focus. This clustering of stakeholders was based on their involvement in the engagement system and their closeness to the decision-making and effects: company/foundation representatives (design and implementation), employees (internal operational perspective), community residents (lived experience of outcomes and impacts) and institutional actors like NGOs or municipal actors (collaborative roles). This distinction is aligned with the position of stakeholder theory, which focuses on the actors who can either influence or be influenced by the organisational activity (Freeman, 1984) and with the necessity of incorporating the informants with the various degrees of salience and engagement (Mitchell et al., 1997) in the qualitative case study.

3.4. Participant Overview

Table 1- Participant Overview

Code	Stakeholder Type	Relationship to Engagement
G1-G2	Company/Foundation representatives	Responsible for designing and implementing engagement practices
E1-E2	Employees	Internal perspective; proximity to implementation
C1-C4	Community residents	Lived experience of engagement outcomes and impacts
P1-P2	Institutional partner (NGO)	Implements or collaborates in community projects

The participants gave their consent and were informed of the purpose of the research, all of them gave their voluntary consent and could not withdraw at any point. In order to maintain confidentiality, names and other identifiable factors were anonymised, positions were only reported in an aggregated form where necessary (e.g., "community member").

3.5. Case Study Strategy

To research the topic of community engagement within the practices of the organisation, the case study approach was chosen since this approach is specifically relevant to the investigation of the processes in the real world when the limits between the phenomenon and its context cannot be identified clearly (Yin, 2018). This was an explanatory and theory based study. Its objective was to know the influence of various types of engagement models on stakeholder perceptions of legitimacy and justice, where the goal was not statistic but analytical generalisation. At that, empirical understanding is applied to improve and expand the knowledge that already exists regarding the aspects of stakeholder engagement, legitimacy and justice.

A number of case-study tactics were used in order to enhance the quality of studies (Yin, 2018). The support of construct validity was ensured with data triangulation (interviews and organisation/public documents) and the careful chain of evidence between raw data and codes and themes. Pattern matching between theoretical expectations and empirical patterns was used to deal with internal validity. Reliability was also ensured by employing the same interview protocol and recording the decisions in coding so as to provide an auditory trail of analysis.

3.6. Data Collection

Semi-structured interviews were adopted as the main mode of collecting data since they enabled the participants to express their views and at the same time, provide comparability across the stakeholder groupings. A set of interview guide based on research question was used in a consistent manner, although probing and follow-up questions were allowed to prevent any unforeseen themes (Yin, 2018). Interviews were carried out either via the internet or face to face and were audio recorded with informed consent and supported by field notes. The choice of semi-structured interviews is due to their flexibility between structure and flexibility: they allow the systematic coverage of the key topics (e.g. the engagement processes, the perceived legitimacy and justice considerations) and allow the participants to be able to include details and examples that result in a context-specific picture.

It is especially an appropriate format when considering case studies directed at elaborating how and why processes occur in practice (Yin, 2018).

3.7. Data Analysis

Transcripts of interviews and documentary materials were analysed based on an inductive-deductive approach. To begin with, transcripts were read wholesomely to acquaint themselves with each of the stakeholder accounts. Second, informant terms and concrete description (first-order concepts) were captured by means of open coding. Third, the second-order themes were involved in grouping codes, which was informed by the theoretical lenses (stakeholder salience,

legitimacy and the three dimensions of energy justice). Last but not the least, the themes were condensed into aggregate dimensions that organize empirical chapter and assist in matching the patterns with the theoretical expectations (Gioia et al., 2013; Yin, 2018).

Coding choices were recorded during analysis and code definitions and examples were given to make the process more transparent and limit interpretation bias. Cases that were negative (those that did not support the prevailing interpretations) were actively pursued and argued. Reflexively, I checked what my previous assumptions of CSR and reporting might bias interpretation by going back to verbatim passages again and again and comparing interpretations across stakeholder group.

3.8. Saturation Logic

The method of recruitment was based on the use of both professional networks and referrals to identify informants who have first-hand experience with the engagement practices being investigated. The thematic (content) saturation criterion was measured in terms of iterative coding: the interviews have been continued until no further data leads to the emergence of the first-order concept (substantively new) or change of the second-order theme in the stakeholder clusters (Guest et al., 2020).

4. Analysis

4.1. Data Structure

In order to provide the empirical results of the qualitative analysis, the case adhered to Gioia methodology. The first one is in that it involves pushing past first-order concepts (in this instance are informant-centric expressions made by participants) to second-order themes (meanings informed by theory). Subsequently, reduce the second-order themes to four aggregate dimensions. In accordance with Gioia et al. (2013), the focus on this section is the second-order themes, Figure 1, at the end of this chapter, which visually demonstrates the relationship between concepts (bullet points), themes (smaller rectangles) and the aggregate dimensions (bigger rectangles).

4.2. Community Engagement and Negotiated Legitimacy

Within this aggregate dimension, there is the understanding of how community engagement is perceived among various stakeholder groups and how it is employed as a means of creating and maintaining organisational legitimacy.

License-to-Operate Logic

On the organisational level, community engagement is always characterised as the precondition of keeping the company acceptable and structurally related to the ability of the company to work without disagreement. This point of view is also fully expressed when organisational representatives stressed on trust and acceptance, “We need trust, we need acceptance. That’s part of operating here.” (G1), as indispensable conditions to work in close proximity to local communities, “We are part of these territories, and being present also means having a role in helping shape their future.” (G2).

These demonstrate a practical concept of legitimacy by Fundacao Galp representatives. Engagement in these statements acts as a means to maintain a SLO through strengthening social acceptance.

Moral Responsibility Framing

The organisational actors expressed the community engagement as moral and as it should be, since, according to their words, the engagement is a type of responsibility towards the local territories and the future generations: “Being part of the territory also means taking responsibility for its future.” (G2), not confined to compliance issues. This implies that legitimacy is sought by matching with the social values, by locating the organisation as an embedded entity within the territory and legitimate is also formed by the overlapping logics whereby the organisational moral commitment and the need to operate mutually support each other.

This framing indicates that the legitimacy is also sought in respect of congruence with the wider social values and normative expectations. Even though the majority of these were explicitly stated by organisational representatives, references to moral responsibility via long-term commitment and responsibility also appeared indirectly in the reports of employees and partners, implying that moral responsibility is a covertly, but unevenly, expressed, frame of reference.

Conditional Legitimacy Shaped by Environmental Impact

For community members, the engagement is perceived to be compensatory with regard to the environmental and social effects of industrial activity,, “They help because pollution is part of the reality. It’s like a balance.” (C4). Engagement is measured against lived experience as opposed to organisational intention. Legitimacy is temporary, depending on whether or not the organisation recognises the environmental burdens and it is ready to reduce them.

This conditional framing was apparent in the resident narrations, and also reflected in employee thoughts that valued environmental responsibility as the core of trust.

Relational Legitimacy Through Proximity

The level of proximity between the stakeholder and the organisation influences perceptions of legitimacy, stakeholder with a direct and stable contact with Fundacao Galp reports engagement as trustworthy and transparent,, “There is trust. We know how the process works.”

(P2), yet stakeholders who had intermittent contact with Fundacao Galp felt the legitimacy to be reputational, “CSR has a reputational role as well.” (P1), or symbolic “We see initiatives mostly when they are shared internally. We know they are happening, but we are not part of planning them.” (E1). Engagement activities with quality and long-term relationships with stakeholders generate legitimacy, this proximity creates understanding, trust, and perceived fairness.

Collectively, these descriptions indicate that relational proximity acts as a central process by which legitimacy is generated, and that the forces of trust and acceptance become more forceful where the stakeholders are in direct and continuous contact with the organisation.

4.3. Governance and Participation in Engagement Processes

To explore the structure and governance of engagement practices, with differences in decision-making levels among stakeholders, this aggregate dimension was chosen.

Diagnostic-Based and Strategic Planning

Organisational representatives define community engagement as a strategic priority that is predetermined and is based on territorial diagnostics, “The starting point is always a diagnostic of the territory. We don’t design programmes without understanding needs first.” (G1). It depicts a strategic map of interaction of long-term organisational planning which is in tandem with sustainability models.

Centralised and Mediated Decision-Making

Other stakeholders complained of low involvement in terms of resources allocation and priority setting. According to institutional partners, Fundacao Galp specified the priorities “The Foundation defines priority themes every year, and based on those, we design the project according to the needs we see.” (P2), or that resource allocation is undisclosed, “Funds are allocated through the municipality using criteria we don’t know.” (P1). Though the members of the community and employees raised concerns of unknown standards of project criteria: “We don’t know how projects are chosen, or who they are for.” (C3); “It’s clear the Foundation has a structure, but we don’t really engage with how decisions are made.” (E2)

Uneven Participation and Limited Voice

Participation varies between the stakeholder groups, and some institutional partners have a sense of instructed freedom and flexibility “The Foundation defines priority themes every year, and based on those, we design the project according to the needs we see.” As (P2), the community members and employees get involved at the observation level and implementation level, respectively. Consultative engagement is still felt, considering the uneven nature of participation.

4.4. Organisational Structure and Internal Engagement

This dimension examines the internalisation of community engagement and CSR and how the practices are perceived and sensed by the employees.

CSR as Organisational Identity

Employees always referred to the CSR initiatives, especially volunteering, as part of organisational culture and identity, “Volunteering is promoted a lot, it’s part of what it means to work here.” (E1). CSR is therefore a symbolic process that ensures the organisational values and common goals are strengthened.

Participation as Execution, not Influence

Regardless of such cultural integration, employees stated that they were not involved in the engagement priorities or shaping programme design, “We participate when there are volunteering calls, but decisions are elsewhere.” (E1). Internal participation is thus more of an execution than deliberation and governance level.

Normative and Performative Dimensions of Participation

Even though the engagement in CSR activities is officially voluntary, there were employees who felt that they were under some covert obligation to participate. “It’s encouraged, sometimes it feels like something you’re expected to do.” (E2). This brings in a performative aspect of internal interaction in which involvement strengthens organisational identity without increasing decision-making authority..

4.5. Perceived Outcomes and Justice Implications

This dimension demonstrates the perception of the results of engagement within the groups of stakeholders related to visibility, justice, and impact.

Visibility and Communication Gaps

The absence of clear communication was observed among the groups of community members, and company employees, where they recognize that projects may be taking place, but they are unaware of the conditions of engagement and outcomes: “Maybe there are projects happening, but people don’t know.” (C2) and “We see announcements when something starts, but not really what happens after.” (E2). Communication was viewed as one-directional and not deep enough in local or organisational contexts.

Distributive Fairness and Perceived Adequacy

Fairness was measured by the relationship between engagement initiatives with negative environmental impact linked to industrial activity and, social and educational programmes are generally valued, but are usually not in harmony with core environmental issues, and this is indicated by 2 different groups of stakeholders :“Education is important, but environment is the main issue here.” (C4) and “If the company wants trust, environmental responsibility is the key area.” (E2).

Lack of chances of participation was a source of concern towards procedural justice, as it was a waste of time and resources in the wrong direction.

Divergent Perceptions of Impact Overtime

The stakeholder groups did not have the same perceptions of the engagement outcomes. In the case of P2, there is an obvious interaction and it is a benefit to the community, "Projects don't end. Equipment stays, skills stay." (P2), but in the case of C1, a community member, the change is not apparent in day to day life. (C1).

This difference in meaning of impact brings out the effects of the timeframe of projects on the perception of stakeholders. These distinctions highlight the influence of relational proximity, visibility, and anticipations on how impact is interpreted and what should be provided under engagement.

4.6. Gioia Data Structure



Figure 1- Gioia Data Structure as a Tree

5. Discussion

In order to explain the empirical results directly in relation to the theoretical constructs like stakeholder theory, legitimacy theory and participation theory, the discussion explores how the results confirm, support or disprove the existing literature on community engagement of oil and gas industry. In this chapter, the role of community engagement is established as the mechanism of legitimacy that depends on the practices of communication, territory and governance structures and arrangements of participation.

5.1. Pattern Matching and Synthesis

To complete the analysis, in the last stage of the analysis, the empirical evidence is compared to theoretical expectations through the application of a pattern-matching strategy suggested by Yin (2018) as a fundamental analytical method that will be used in the analysis of the relationship between empirical evidence (such as the interviews) and theoretical expectations that guide the study. The cross-analysis of the ten interviews, supported by the documentary evidence, in this case, reveals that there is no complete conversion or diversion of the theoretical expectation and empirical reality. The legitimacy theory pattern is normally supported by data whereby companies which conduct business in a socially or environmentally sensitive industries rely on CSR to sustain their legitimacy. Legitimacy, in this instance, appears to be one of the key areas of community interaction. Mentions to the SLO, territorial anchoring and compliance to ESG systems support CSR as the instrument of legitimacy management, and, at the same time, inhabitants indicate that legitimacy is not a given but a bargaining element.

The second theoretical expectation that was made in the past which involves the extractive sector has impacted on communities, and it is still in the minds of the people, and it is the subject of the interpretation of CSR as a reward of the damages it has caused rather than being altruistic, and this is the area of conversion with the literature that argues that legitimacy in the extractive context is normally fragile, iterative and liable to scrutiny by the community. The second theoretical expectation which relates to meaningful stakeholder engagement, literature presents substantive engagement as a need to provide chances to dialogue, voice. The representatives of Fundacao Galp, which claimed that it was engaged in diagnostics and according to the territorial demands, but neither inhabitants nor workers, said that they had opportunities to directly participate in decision-making. According to the residents, there was no feedback mechanism. Internal communication and volunteering are seen by employees as a way of engagement. The two institutional partners describe show a greater disparity, since P1 stated that they share a mediated relationship with Fundacao Galp, in which the funds are mediated by municipal authorities, the criteria of fund allocation is not known and lamented that the opportunities of co-creation are limited, but on the other hand, P2 stated that they are provided with guided autonomy and iterative adaptation. Symbolic practices exist in industries where there is a socio-environmental complexity and that is a third expectation that is informed by CSR literature. In this instance, the inability to see the impacts, the inability to determine tangible outcomes and uncertainty about the beneficiaries of the projects is often mentioned by the residents; employees mentioned volunteering as being promoted, which implies that a performative participation is in effect, rather than an organically driven one; P1

said that the contributions were minimal, that the institutional needs were not considered, and the structure was perceived as residual. Each of the state before, echo with symbolic CSR theories, where the organisations are responsible in the reporting and visibility. P2 however, emphasized a continued cooperation, continuity of results and perceived long term gain. This makes it difficult to strictly interpret symbolically. (Suchman, 1995).

The other theoretical expectation was the alignment of the CSR priorities with the needs of the community, the literature indicates that misalignment can undermine legitimacy and reduce the perceived value, the data gathered supported the literature. Although Fundacao Galp focuses on education, inclusion and energy transition, the community members identify environmental issues as the unaddressed concern of the primary concern. Some of the interviewees said that the most appropriate way of responsibility would be environmental remediation. However hard, they understand the importance in areas where they overlap with wider strategic and future interests of the Fundacao. This strain echoes wider arguments over the existence of responsibility gaps. Businesses tend to make investments in socially acceptable spheres and not in the historically or reputationally sensitive ones. The last expectation is transparency and communications. The more trustworthy and strengthens CSR legitimacy, according to literature, is the frequent, accessible, and dialogic communication and the empirical results show partial consistency with it. Fundacao Galp manufactures and distributes a lot of documentation, which is formally, top-down and institutionally mediated, and it is not converted into the common knowledge of the community inhabitants or employees. The presence of communication does not ensure that target audiences interpret it as meaningful and understand it. (Idemudia, 2014; Suchman, 1995).

In conclusion, this trend is reflective of a CSR system that is planned through processes, having a clear strategic orientation and sources of relational commitment. Nevertheless, under this system, the lack of transparency of certain groups of stakeholders, the lack of compatibility with the expectations of the community, uneven participation and symbolic signals is evident. The indications indicate a mixed paradigm, due to the complexity of extrativising CSR based on historical perceptions and power disparities, in which aspects of substantive engagement co-exists with operations that are seen as symbolic.

5.2. Revisiting the Research Questions

This dissertation aims to investigate the effect of various models of community engagement in the oil and gas sector on the perceptions of the legitimacy and justice by the local communities. Relying on a qualitative, multi-stakeholder case study of Galp, resting on semi-structured interviews and documentary analysis, the results indicate that the community engagement models influence the legitimacy and justice in the first place through their governance structures, participation channels, communication patterns, and responsiveness to environmental issues.

The research indicates that the models of instrumental and consultative engagement, which are centralised, mediate the participation and unidirectional communication, and at the same time generate pragmatic and conditional legitimacy, and recreates the lack of procedural justice, in such models, communities might be willing to accept corporate presence because of apparent benefits or compensatory efforts. However, legitimacy is always tenuous, conditional and can be easily removed once the environmental issues or transparency demands are not fulfilled. Conversely, more relational and direct engagement arrangements, especially those that entail long-term interaction with partner organisations and adaptive collaboration, have a positive relationship with perceptions of fairness, trust and moral legitimacy.

These models do not do away with power asymmetries, but they partially help to reduce them by enhancing the visibility of local actors, their responsiveness and recognition. Nevertheless, the results also demonstrate that these substantive aspects co-exist with the instrumental logics in the same organisational system, which leads to unbalanced perceptions of legitimacy and justice between the stakeholder groups.

5.3. Theoretical Contributions

5.3.1. Community Engagement as a Legitimacy Mechanism

The results of this case confirm the main assumption of the legitimacy theory that acceptance in disputed industries in organisations is socially constructed and contingent.

The role of community involvement in the Galp case can be viewed as a process by which legitimacy is repeatedly negotiated with the local stakeholders, as the definition of legitimacy proposed by Suchman (1995) of legitimacy as the generalised sense of appropriateness. The outcomes of this case attest to the balance of instrumental engagement in the pursuit of securing a social licence to operate in line with the existent research on extractive industries (Idemudia, 2014; Agyeman and Osei, 2024), in addition, the representatives of an organisation perceive the engagement in terms of trust and acceptance, displaying a pragmatic approach to legitimacy, which is oriented at mitigating the risks. It is also demonstrated in this case that the long-term commitment can co-exist with the practices that are oriented towards compliance, this hybrid form of arrangement upholds the position of Carroll (1999) that CSR is a strategic and ethical process. Notably, the interviews with community members attest to the fact that the legitimacy in extractive settings is weak and conditional as observed by Idemudia (2014).

The concept of engagement is perceived more through the experience of exposure to the environment, which supports the idea that legitimacy is temporary and can be reviewed on a regular basis.

5.3.2. Participation, Governance and Procedural Justice

Most community members and employees are engaged at the level of implementation instead of stages that are related to shared decision-making as the confirmation of the relevance of the Arnstein (1969) ladder of participation. Findings of this case confirm the criticism of participation theory that formal engagement processes tend not to lead to stakeholder influence. The level of centralisation in decision making is also high in Fundacao Galp, which favours the stakeholder salience theory (Mitchell et al., 1997), according to which the uninfluential stakeholders may be represented symbolically but not included in the decision making. Their limited ability to influence the results thus undermines procedural justice. The comparison of direct partnerships (P2) and mediated arrangements (P1) indicates that the intermediary design influences the transparency of the process and how fairly the decision-making process is perceived. This is in line with studies conducted in the oil and gas industry that indicate that the engagement strategies are centrally chosen and managed (Arnstein, 1969; Reed, 2008).

This study demonstrates that the results of participation are relational as opposed to an approach where the participation is viewed as a vertical hierarchy. The procedural justice is thus determined by the engagement relationships and the consultation of the stakeholders.

5.3.3. Communication, Visibility and Symbolic CSR

Majority of residents and workers complain of low levels of knowledge of engagement activities, even though sustainability reporting is in line with ESG models, which substantiate the argument that CSR communication in the oil and gas industry is reputational rather than dialogic (Adams and Kelly, 2024). The fact that there was reporting in this case does not, we can conclude, carry with it the understanding and perceived responsiveness. The results are consistent with evidence that sustainability reporting in oil and gas organizations is selectively visible with a focus on positive outcomes and a blind eye to impacts related to stakeholders (Kwarto et al., 2024). Consequently, practices of engagement that otherwise can be significant are perceived by stakeholders who are low to none proximitic as far.

5.3.4. Distributive Justice, Environmental Memory and Territorial CSR

In line with the existing studies, the community members measure fairness mostly based on the effects on the environment instead of the presence of the social or educational programmes on their own (Idemudia, 2014; Adjogah and Boakye, 2024). Engagement initiatives are assessed using past nocive events that occurred within that territory which affect current interpretations of corporate responsibility, this is what compliments the legitimacy theory by demonstrating that moral legitimacy is rooted in place and history (Suchman, 1995) and such gaps have been observed between engagement initiatives and community perceptions in other settings where accountability does not translate into perceived justice on the local level (Boamah and Nyarko, 2023).

5.4. Practical Contribution

This research also provides an empirical input by transforming the results into a practical and conceptually based framework, which can assist GALP reflect on the practice of community engagement in the form of a diagnostic framework that is aimed at guiding the strategic reflection and internal discourse. These dimensions are areas when aligned leads to the experience of engagement to various stakeholders.

The four dimensions taken collectively create an alignment system of diagnosis that can be used to explain why engagement initiatives can create trust and legitimacy in certain settings and create scepticism in others. The framework does not dictate what should be done or what changes should be made in the organisation. Rather, it provides an organised means of contemplating interactions of governance decisions, participation design, communication and issue prioritisation to influence community perceptions.

The framework enhances a more context-sensitive and justice-conscious community engagement through making these relationships explicit. It is also meant to guide in-house deliberations in GALP and to offer a point of reference in the comparison of the engagement practices among the various territories, although it is acknowledged that the design of engagement should be sensitive to local circumstances and experiences.

Governance

The first dimension relates to the way engagement is governed plays a central role. Findings indicating that decision-making is still centralised in initiatives, this dimension invites GALP to reflect on how decision-making is distributed and communicated. The question asked in this dimension is: Can stakeholders understand who defines priorities and through which governance arrangements these decision are made?

If stakeholders fail to understand or are unclear, the risk of engagement being perceived as symbolic increases.

Depth of participation

Timing and depth of stakeholder participation are the concern in the second dimension, the results in this case show that most stakeholders are involved at later stage of engagement. In this dimension, GALP can assess if participation occurs early enough to allow stakeholders to feel influential in the process, by asking: Is the stakeholder role confined to executing pre-defined initiatives?

Little involvement makes it more likely that engagement is seen as symbolic.

Communication architecture

For the third dimension of this framework, the focus is on how engagement is communicated at the local level. The research points out the obvious discrepancy between the formal communication activities and the real awareness of the stakeholders. To assess this dimension, the question is: Does communication of initiatives rely primarily on formal disclosures and institutional channels?

The more formal the communication, bigger the risk of engagement being perceived as symbolic.

Justice

In the fourth and final dimension, the central theme is how the perceptions of fairness and relevance for stakeholders align with engagement priorities. In this case results show that engagement initiatives did not match with the community perceptions. So, to assess this dimension, GALP should ask the question: Are engagement initiatives primarily compensatory social investment?

If the answer is yes or similar, the risk of engagement being perceived as symbolic.

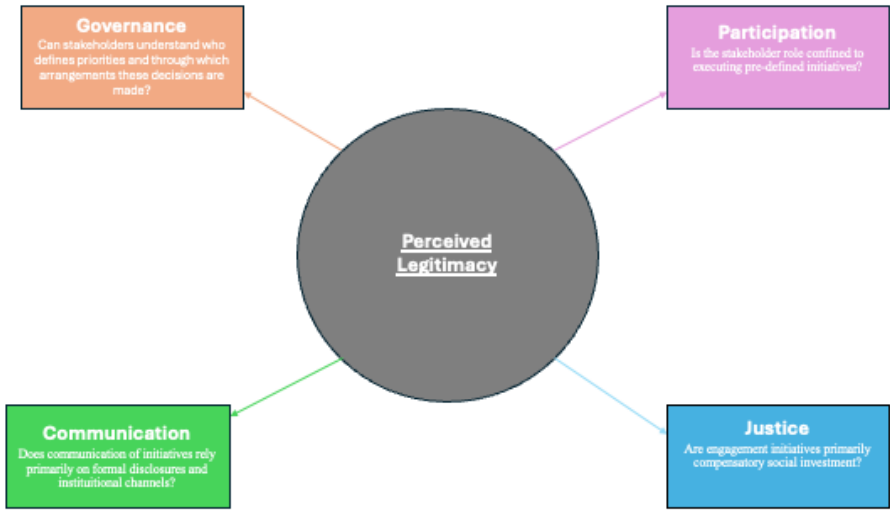


Figure 2 - Framework

6. Conclusions, Limitations and Future Research

6.1. Purpose of the study and alignment with the research design

The dissertation took the initiative of attempting to understand how different models of community engagement in oil and gas industry have been applied in shaping the perception of the local stakeholders towards the concept of legitimacy and justice in the empirical setting of Galp and Fundadao Galp. It was guided by a case-study qualitative design, which assumes semi-structured interviews with multiple groups of stakeholders and supported by documentary data, and disaggregated via systematic qualitative coding and pattern matching. The methodological choice was appropriate to pursue the purpose of the research because legitimacy and justice cannot be directly observed variables; these are forms of social construction judgements that are constituted by narratives, experience, and comparison of expectations and

perceived organisational behaviour. This case study method therefore enabled a deeper look into the contextual experience, interpretation and evaluation of engagement as compared to the assumption that engagement practices have legitimacy effects in either a linear or homogenous way.

6.2. Main conclusions

The initial observation is that under a sector where the environment is very sensitive and historical disputing has occurred, the legitimacy is not offered as a reward to those who have the engagement initiatives, neither is it brought about by the quantity of the programme, partnership and communication campaigns. Instead, legitimacy is created or stripped away in the form that engagement is carried out and experienced. The stakeholder considerations in the study at hand were premised on the fact that community engagement is plausible when perceived as a continuum bond, mutual recognition and accountability and implausible when perceived as episodic, remote or reputation seeking. This demonstrates the fact that legitimacy is dynamic and reciprocal and cannot be a set organisational property.

The second conclusion is that governance architecture is the most significant mechanism that connects engagement practices and the perceptions of procedural justice. In the question of perceived fairness disparity, during the interviews, presence of social investment was not as closely associated with the disparity in relation to the perceived fairness as was the capacity of communities to understand how priorities were determined, what was the means of selection and whether there were substantial opportunities to play a part in the decisions in an early way as opposed to playing a part in the decisions after formation. When the stakeholders perceived themselves as centrally planned and always made indirectly they were most likely to justify uncertainty and low degree of influence and this is a spoil to the procedural justice directly. To the contrary, in such instances where engagement was achieved in the aspect of more intimate and direct relationships, stakeholders stated being more responsive, less ambiguous, and more trustful in the integrity of the process. What this means is that procedural justice is not an image of engagement; it is a concrete output of structures of decision-making, points of entry and visible feedback channels.

The third finding is that intermediary structures change the results of engagement greatly and create unequal legitimacy within a single organisational system. This study shows that the engagement cannot be referred to as a single organisational practice since it is shared with the stakeholders through different relational channels. The partnerships that were typified by being in the form of constant close communication were more likely to create perceptions of collaboration/adaptation as compared to the ones that were perceived to have been mediated in terms of institutional routing. As a result, the same organisation can be perceived as trustworthy and open to a certain group of actors and as one that is ambiguous or politically motivated by another. This is an important conclusion because it shows that legitimacy is not a unit, composite perception at the community level, it is through proximity that it is divided into access and the path to governance through which engagement is given.

Fourth conclusion is regarding the boundary of communication as a means of building legitimacy in the circumstances where it is ineffective in creating any mutual understanding. The studies show that the existence of reporting and institutional communication does not necessarily imply the intelligibility of residents and other stakeholders who are less

institutionally affiliated. The lack of information was not the only reason why the legitimacy was compromised in situations when interviewees said that they had low knowledge of programmes, criteria, or outcomes. The recognition in this instance is when the communities believe that their issues are heard, they are handled in their own terms and with a responsiveness that they can be able to make a trace of the input to the outcome. A disjuncture may therefore exist between the organisational self-description and how the community lives it because of one-way or predominantly institutional communication. This lack of connection is important because it leads to suspicion even though initiatives are substantive and it can lead to a community feeling that it is a symbolic relationship to decisions and impact when they cannot visualize it.

Fifthly, it is determined that distributive justice is evaluated in the light of environmental responsibility and locally felt presence of industry, rather than the social benefits of programmes. The social initiatives were often a welcome change in the case in question, but the effects of their legitimacy depended on whether the stakeholders felt aligned with what they considered as the core of the issue, which is the effect on the environment and the responsibility towards the burdens on the local level. The perceived engagement priorities which were not linked to the significance of environmental issues were seen as conditional and compensatory, contrary to showing that they were morally accountable. This should not imply that social investment is not welcome, but this commentary just serves to point out that in a scenario where the issue of the environment is the foundation of the community judgement of the distributive justice this can be considered in a larger moral context that demands coherence of the social act to the environmentally-concerned judgement. Together with the research questions, these conclusions show that engagement models affect the legitimacy and justice through applying some mechanisms: dispensing of voice and influence in decision-making, transparency and intelligibility of selection and evaluation criteria, a perceived fitting of engagement priorities and locally pertinent burdens. The closer the engagement was related to the arrangements of governance that rendered visibility, responsiveness and influence, the more perceptions of legitimacy were created in the case. Legitimacy was less firm in the spheres where individuals perceived it to be distant, mediated, or unclear, and the problems of justice were elevated.

6.3. Contributions of the study

The dissertation has both theoretical and practical contributions that are in line with the findings and research design. In theory, it contributed to the literature of legitimacy by enhancing the legitimacy as a reaction to corporate assertions or results, but by an agreed decision-making that is dependent on procedural organization and a sense of congruence between actions and duties. It also adds to the theory of engagement scholarship with demonstrating that the conceptualisation of the engagement models cannot be turned into governance architectures, but into independent clusters of initiatives. In this regard, it is not the existence of engagement, but rather the way it is structured, responsibility framed and feedback incorporated.

The value of the research is also worth mentioning, because it integrates both the legitimacy and justice perspectives in such a way that describes how the two are interrelated. The issues of justice were not peripheral, they were evaluative language on the basis of which legitimacy was either obtained or not. The procedural justice idea proved to be particularly decisive as it

turned the organisational architecture into the stakeholder experience. The recognition justice was achieved due to the intelligibility of the communication and the possibility of the stakeholders to define themselves as a legitimate interlocutor and not a recipient. Distributive justice, in its turn, was evaluated not only by such advantages, but also by a moral analogy with the perceived burdens, namely, the environmental ones. This compound conception increases the explanatory strength of the study as the judgement of justice is shown as mediating factors of legitimacy in the different dimensions and not to reduce the phenomenon to trust.

The dissertation empirically presents the evidence of a Portuguese setting and the outlook of multi-stakeholder, which is less pronounced in the international discourse taking the other regions and the corporate-only and the community-only narratives. Practically, there is a clear recommendation to the organisations that operate in the competitive industries, the research recommends that, the improvement of legitimacy will be more effectively accomplished through the improvement of procedural fairness, transparency of standards and feedback instead of the increase in the amount of communication or the multiplication of efforts that are social obscurities. Moreover, based on the establishment of community measurement on the impact of environment, the interaction methods that lack believable connections with environmental responsibility are likely to be limited to the degree of producing moral legitimacy, even though the social advantages of the methods are real.

6.4. Limitations

The research design is to be considered within the framework of the findings of this dissertation. The weakness of the former is related to generalisability. The research did not intend to make any statistical inference because it was a single case study and, as such, it attempted to explain analytically. These findings should therefore be viewed as contextual based processes that may be transitional to other similar situations and not as the generalisation of the oil and gas industry.

The second weakness is linked with the extent of the stakeholder representation. Although the study entailed multiple categories of stakeholders, qualitative interviewing might fail to accommodate the heterogeneity of all the stakeholder groups, particularly in the community where the people are affected by the proximity to the industrial sites, socio-economic status, the dependency on the employment in the sector, civic engagement and the history that the people have with the land. Therefore, even though the research indicates tendencies in the legitimacy and justice review procedures, it is unable to accuse itself of the reflection of the whole spectrum of attitudes of communities.

The third weakness is the weakness on temporality. The observations employed in the study are those perceptions at a given point in time and not the development of the legitimacy over time particularly in response to those events that may be transforming the trust within a short period such as industrial accidents, political transition, new investments or the noticeable betterment of the environment. The concept of legitimacy is a dynamic and negotiation process, and longitudinal data would be needed in terms of understanding whether the perceptions will stay the same, improve or deteriorate with the changes of engagement practices.

The fourth limitation is the internal organisational decision making. The study is grounded on the stakeholder accounts and published documents rather than real observation of the prioritisation processes, decisions related to allocations and internal evaluations. It suggests that the analysis lingers on the perceived transparency and equity as believed by the stakeholders which is right to the legitimacy research but does not allow the complete tracing of the organisational causality of the decisions. Importantly, but without negating the overall thesis of the dissertation, the fact that the core argument can be constrained in this manner only, does not impact negatively on the legitimacy and justice, because what can be seen, understood and influenced by stakeholders. In the event that internal processes exist, but cannot be accessed or read by the external world, the impact of legitimacy would therefore not be very influential.

6.5. Future research

The future research should be built on the mechanisms that were identified in this dissertation. The comparative study of different companies operating in the same areas would allow the researchers to examine the possibility that the same processes of governance always have a certain impact on the procedural justice, or legitimacy, or that it is predetermined by the local organisational cultures and histories. Comparing work with other sectors would be also helpful to determine both sector-related and general to industry-community relations dynamics.

Longitudinal research would be a major contribution to the field. The changing time response of the same territory and same stakeholder groups to the same governance of engagement would assist in elucidating how legitimacy changes in different conditions of the governance of engagement, different performance of the environment, and different salient events. It can be work like that which creates either the effects of lasting or short-term gains to legitimacy through reforms aimed at transparency and inclusion or it can be a reform that will be overturned by pressure.

In subsequent studies, more systematic sampling protocols and qualitative research methodologies should also be further developed in analyzing the community heterogeneity which can be used to compare the intra-community community, i.e., through focus group, participatory workshops or mixed-method surveys in accordance to the qualitative constructs. This would help to establish the priorities of the different segments between procedural, distributive and recognition justice, thereby reducing the theory and practice.

Finally, intermediaries as a concept should be subject to particular research. It is suggested by the current study that mediation is not a neutral process and it can form trust through coordination or ruin trust through obscurity, depending on how accountability is organized and the face-to-face communication is conducted. The second wave of research should therefore focus on intermediary governance arrangements as causal mechanisms in their own right and follow the implications of routing decision, criterion disclosure and communication design to the perceived fairness and legitimacy consequences.

6.6. Final reflection

The practical and theoretical problem which was taken on board at the start of this dissertation is: in an industry where the social acceptability of the community is always a controversial point, what will be provided by engagement to be socially plausible? The response that comes to the case of the Galp is that the participation is rated on more of a perception of fairness, as opposed to corporate will. In where engagement is conducted in a way to allow communities to feel what is decided, get involved in priority and observe responsiveness in the long term, then the legitimacy is more apt to be practiced as substantive. With remote engagement, irresponsible, and not central to the local central issues, and particularly in the context of environmental responsibility, legitimacy is conditional and the questions of justice are exacerbated.

The overall suggestion is that the programmes do not suffice to justify the high-impact industries. Communities can feel is fair that is done by government, by interpersonal connections that introduce accountability to the fore and priorities that demonstrate consistency in the relationships between social spending and liability and local liabilities.

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Appendices

Interview Guides:

A. Interview guide Galp Employees

1. Role and professional experience

- Could you start by describing your role at Galp?
- Does your work have any connection, direct or indirect, with the company's initiatives in the community?
- Have you ever taken part in or heard about activities promoted by the Galp Foundation or by sustainability teams?

2. Internal perception of "community engagement"

- In your opinion, what does it mean for Galp to "engage with the community"?
- Do you think this topic is discussed within the company, or is it distant from employees' day-to-day work?
- Do you feel there is an internal culture that values social impact?

3. Perceived motivation of the company

- Why do you think Galp invests in community programs?

(e.g., reputation, social responsibility, helping people, legal requirements, internal values...)

- As an employee, do you see these initiatives as something important, or more as something "institutional"?

4. Employee participation

- Are employees invited to participate in or give input on community projects?
- Have you ever participated in a volunteering activity, campaign, social action, or project run by the Galp Foundation?
 - o What went well?
 - o What could have been different?

5. Internal communication

- How do employees find out about community initiatives? (email, intranet, meetings, colleagues...)
- Do you feel you receive enough information about these initiatives?
- Do you think there is consistency between what the company communicates internally and what "actually happens"?

6. Perceived impacts on communities

- From what you've seen or heard, do you think Galp's initiatives make a difference in communities?
- Do you have any concrete example (even if you didn't participate)?

7. Fairness, transparency, and trust

- Do you think Galp manages community expectations well?
- Do you believe the initiatives are chosen using clear and fair criteria?
- In your opinion, does the company listen enough to communities before deciding on projects?

8. Organizational culture and limitations

- From an employee's point of view, what are the biggest internal difficulties in developing or supporting community projects?

(e.g., lack of time, lack of information, financial priorities, little integration with operational teams...)

- Do you think employees would like to participate more?

9. Recommendations

- If you could suggest one change in the way Galp relates to the community, what would it be?
- Do you think employees could play a stronger role in this process? How?

10. Open question

Is there any relevant aspect related to this topic that has not yet been addressed and that you would like to add?

B. Interview guide — Galp Foundation representatives

1. Role & programme portfolio

- o Can you describe the Foundation's mission and the types of community programmes you manage?(typical project sizes, sectors (education, health, environment), geographic scope.)

2. Project origination and co-design

- o How are project ideas developed? To what extent are local communities or partners involved in idea generation?(community needs assessments, proposals from NGOs/local authorities, corporate initiatives.)

3. Partner selection and role division

- o How do you select and manage partners? Who decides responsibilities and who is accountable for outcomes?(contract mechanisms, monitoring responsibilities, capacity building for partners.)

4. Implementation realities

- o Walk me through a recent project from planning to closure. What went according to plan? What didn't?(timeline delays, community participation, unexpected local dynamics.)

5. Measuring success and learning

- o Which quantitative and qualitative indicators do you collect? How often? How do you use this information?(beneficiary surveys, stories of change, third-party evaluations, cost-benefit considerations.)

6. Community engagement mechanisms

- o How do you ensure communities are heard (meetings, advisory boards, participatory workshops)? Are there examples where community input changed project design?(evidence of co-creation vs. one-way delivery.)

7. NGO intermediary dynamics

- o In your view, do some partners act more as contractors than community advocates? How do you manage potential conflicts of interest?(checks on partner legitimacy, audits, community validation.)

8. Sustainability and exit strategies

- o How do you ensure projects are sustainable after Foundation funding ends? What handover mechanisms exist?(capacity-building, local ownership, follow-up monitoring.)

9. Communication & expectation management

- o How is project information and results shared with communities? How do you manage expectations to avoid disappointment?(transparency practices, realistic communication on scope and timeline.)

10. Open Question

- o Is there any relevant aspect related to this topic that hasn't been addressed yet and that you'd like to add?

C. Interview guide — Institutional partners / NGOs / municipal authorities

1. Role & partnership history

- o Can you summarise your organisation's role in projects with Galp (or the Foundation)? How long have you collaborated?

2. Initiation and co-design

- o How are joint projects initiated and designed? Who proposes ideas and who refines them?(examples of genuine co-design vs. contractor-style implementation.)
- 3. Power dynamics and decision-making
 - o How would you characterise the balance of decision-making power between your organisation and Galp? (areas where your organisation led decisions vs areas where Galp dictated terms.)
- 4. Accountability & transparency
 - o What accountability mechanisms exist to track project results and funds? Are these mechanisms adequate?(reporting schedules, audits, community feedback loops.)
- 5. NGO dual roles and conflicts of interest
 - o From your experience, do local NGOs sometimes act primarily as implementers for corporate agendas rather than community representatives? How do you navigate that potential conflict?(examples, mitigation strategies, selection criteria.)
- 6. Impact and sustainability
 - o How do you assess longer-term impacts and local ownership after project closeout? What factors predict sustainability?(capacity building, institutional support, local funding.)
- 7. Communication and expectation management
 - o How are project goals and limitations communicated to communities? Are those communications usually understood?(particular successes/failures in expectation management.)
- 8. Policy and regulation interface
 - o How do regulatory frameworks and local policies influence project design and accountability?(any regulatory gaps or enablers that affect work with Galp.)
- 9. Recommendations
 - o What changes would you recommend to Galp (or foundations like it) to improve fairness, participation, and outcomes?
- 10. Open Question
 - o Is there any relevant aspect related to this topic that hasn't been addressed yet and that you'd like to add?

D. Interview Guide —Community Members

- 1. Relationship and Awareness
 - How would you describe your familiarity with Galp or the Galp Foundation?

(Have you heard about their activities in this area? From where?)

- What comes to mind when you hear “Galp” in connection with community initiatives?

2. Sources of Information

- Through what channels do you usually hear about Galp’s projects?

(e.g., local news, word of mouth, social media, municipal bulletins.)

- Do you think information about these activities is easy to find and understand? Why or why not?

3. Perceptions of Purpose and Credibility

- In your opinion, why does Galp invest in community projects?

(reputation, genuine concern, compliance, visibility, etc.)

- To what extent do you believe Galp’s efforts make a real difference for the community?

4. Inclusiveness and Representation

- Do you feel that people like you — who are not directly involved — have any opportunity to express opinions or provide feedback on these projects?

- Are there groups or neighbourhoods you think are overlooked?

5. Observed Impacts and Reputation

- Have you noticed any visible changes in the community that you associate with Galp’s presence or programmes?

(e.g., infrastructure improvements, education, employment, environment.)

- Do people in your area generally see Galp’s involvement as positive, negative, or mixed? Why?

6. Fairness and Justice Perceptions

- From your perspective, are Galp’s projects distributed fairly among communities and social groups?

- Do you think Galp listens to local concerns or acts mainly based on its own priorities?

7. Trust and Accountability

- How much do you trust Galp to act transparently and keep promises made to the community?

- If something went wrong with one of their projects, who do you think people could contact or hold accountable?

8. Comparative Views and Expectations

- Have you seen other companies or organisations working with communities in ways you find better or worse?

(What differences stood out?)

- What would you like Galp to do differently to strengthen trust and visibility in this community?

9. Closing

- Is there anything else you would like to share about Galp's presence here, or about what "good community engagement" should look like?

10. Open Question

- Is there any relevant aspect related to this topic that hasn't been addressed yet and that you'd like to add?