

“STAKEHOLDER WORK” AND STAKEHOLDER RESEARCH

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Abstract: As important stakeholder research streams have built their own silos over time, it has become increasingly difficult to visualize a full picture of stakeholder management. To begin to address this gap, we synthesize five distinct stakeholder research streams, which include stakeholder identification, stakeholder understanding, stakeholder awareness, stakeholder prioritization, and stakeholder action. We juxtapose each of these five stakeholder research streams with Scott’s framework consisting of participants, socials structure, environment, technology, and goals of an organization, respectively. What emerges from this analysis of the literature is the notion of “stakeholder work” defined as *the purposive processes of an organization aimed at identifying, understanding, being aware of, prioritizing, and acting with respect to stakeholders.*

Keywords: stakeholder; organization; stakeholder work

INTRODUCTION

Organizational research can be viewed in its various dimensions by using the term “centric” as a point of focus. Some major research lenses are thus goal-centric (technical-rational systems) and others are participant-centric (natural systems); yet still others are environment-centric (open systems) (c.f. Scott, 1987). Each focus reveals research opportunities for a variety of fields. For example, in a goal-centric view business policy and strategy theory allows scholars to examine management by objectives or goal-setting. A prominent example of a participant-centric view is found in research on leader-member exchange, as it is approached by leader-member exchange and organizational behavior theory. For an open systems view, resource dependence theory (Pfeffer & Salancik, 1978) explains the phenomenon of resource-environment exchange. In addition to these areas of research focus, another possible focus can be stakeholder-centric research. Against this backdrop, in this discussion paper, we explore what kinds of activity – specifically what kinds of “work” – are associated with a stakeholder-centric view of organization. Thus, herein we explore the concept of “stakeholder work” as a unifying notion in stakeholder research.

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WORK AND ORGANIZATION

Work refers to activity involving mental or physical effort expended to achieve a purpose or result (Oxford English Dictionary, 2011). Work is linked to organization because organizational structures are descriptions of and templates for ongoing patterns of action (Barley & Kunda, 2001). Indeed, work has long been researched as a central topic of scholarly concern (see Barley & Kunda, 2001). In the early 20th century, advocates of Scientific Management studied and altered specific work practices in factories and offices. The Hawthorne studies (Roethlisberger & Dickson, 1939), which began as an experiment in environmental design, provided detailed observational data on work practices. Industrial sociology of the 1950s built on situated observations of routine work in organizations. During the 1960s and 1970s, however, organization studies gradually drifted away from the study of work, and this drift persisted through the remainder of the 20th century. Barley and Kunda (2001) lament that lack of attention to work hampers scholarly efforts to make sense of post-bureaucratic organizing. Hence, the past decade has witnessed a return to the study of work, specifically new forms of work that involve individuals and organizations purposefully and strategically expending effort to affect their social-symbolic context (Phillips & Lawrence, 2012). In particular, boundary work (Gieryn, 1983; Kreiner, Hollensbe, & Sheep, 2009), identity work (Snow & Anderson, 1987; Ibarra & Barbulescu, 2010), and institutional work (Lawrence & Suddaby, 2006) have emerged as important areas of recent scholarship. With this renewed interest in work and organization, we explore another type of work that is commonly observed in the stakeholder management process (Freeman, 1984), where organizations are engaged in stakeholder-centric activities to manage stakeholder challenges and opportunities. Such efforts are subsumed under the definition of “stakeholder work.”

A MODEL OF STAKEHOLDER WORK

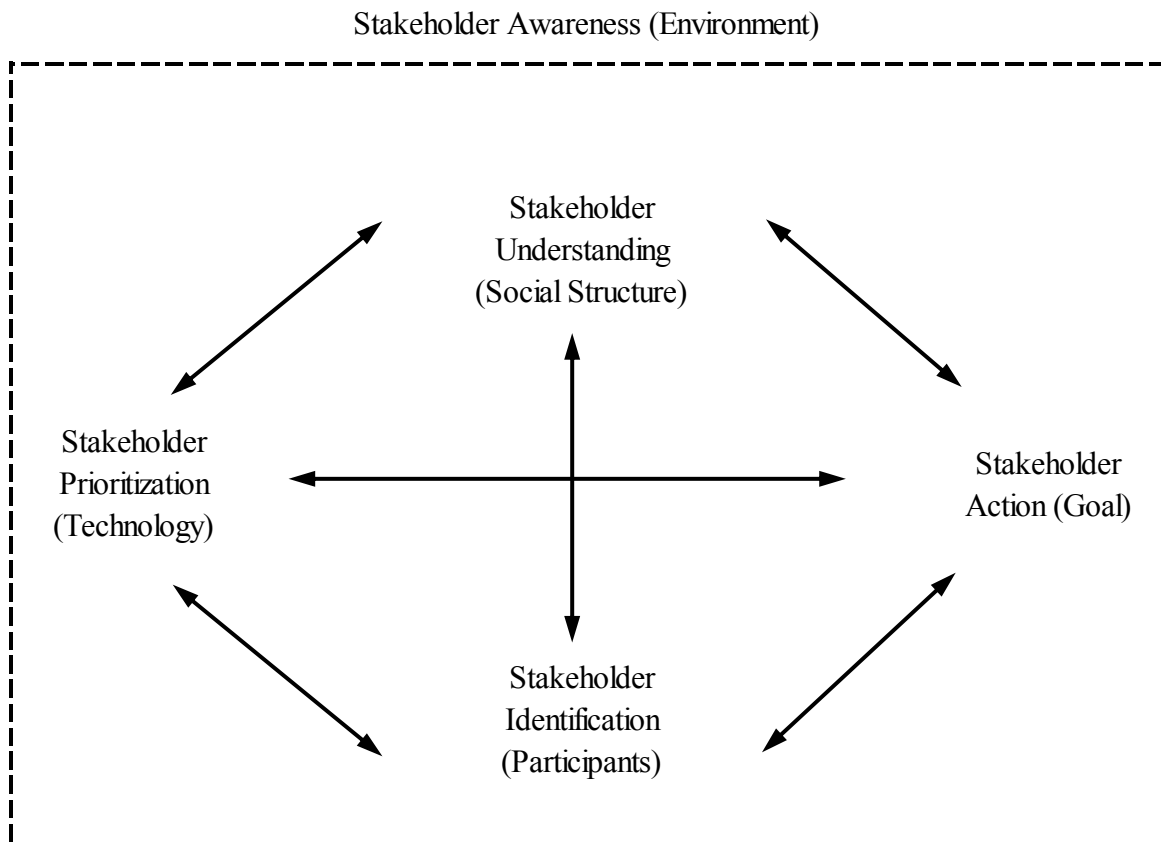
Leavitt (1965) views industrial organizations as complex systems in which at least four interacting variables loom especially large; task variables, structural variables, technological variables, and human variables. Leavitt explains these four variables in greater detail as follows (Leavitt, 1965: 1144-1145): Task refers to industrial organization’s *raison d’être*: the production of goods and services, including the large numbers of different but operationally meaningful subtasks that may exist in complex organizations; Actors refers chiefly to people, but with the qualification that acts executed by people at some time or place need not remain exclusively in the human domain; Technology refers to direct problem-solving inventions like work-measurement techniques or computers or rill presses. Both machines and programs may be included in this category; Finally, structure means systems of communication, systems of authority (or other roles), and systems of work flow.

Scott (1987) proposes a model of organization adapted from Leavitt (1965), where in addition to the four internal elements, the environment is regarded as an indispensable ingredient in any organizational model. Hence, Scott (1987) identifies five interacting variables: goals, social structure, technology, participants, and environment. Scott (1987) details each variable as follows: Goals are conceptions of desired ends – conditions that participants attempt to effect through their performance of task activities; Social structure refers to the patterned or regularized

aspects of the relationships existing among participants in an organization. The social structure of any human grouping can be analytically separated into the normative structure and the behavioral structure (Davis, 1949: 52); Technology is what allows the organization as a place where some type of work is done, as a location where energy is applied to the transformation of materials, as a mechanism for transforming inputs into outputs; Participants are those individuals who, in return for a variety of inducements, make contributions to the organization (Barnard, 1938; Simon, 1976); Environment refers to what every organization must adapt to in order to exist, whether physical, technological, cultural, or social. All organizations depend for survival on the types of relations they establish with the larger systems of which they are a part, and are systems of elements, where each affects and is affected by the others (Scott, 1987).

Drawing upon Scott’s (1987) model described above, we organize the five components of stakeholder work noting how each of stakeholder identification work, stakeholder understanding work, stakeholder awareness work, stakeholder prioritization, and stakeholder action work comports with their model counterparts: participants, social structure, environment, technology, and goals of an organization (Scott, 1987), respectively (see Figure 1).

Figure 1. A Model of Stakeholder Work



Adapted from Leavitt (1965): 1145 (as reprinted in Scott, 1987: 15)

STAKEHOLDER WORK

The concept of stakeholders was first introduced in the Stanford memo (1963), suggesting that stakeholders are those groups without whose support the organization would cease to exist (see reference in Mitchell et al., 1997). Contrary to this narrow view of stakeholders, a broader view includes as stakeholders “any individual or group who can affect or are affected by the achievement of the organization’s objectives” (Freeman, 1984: 46). This stakeholder definition has subsequently gained wide popularity in the stakeholder literature (see Laplume, Sonpar, & Litz, 2008). Since Freeman’s (1984) definition, various definitions have been proposed in the literature (see Mitchell, Agle, & Wood, 1997 for a review). We adopt Freeman’s (1984) broader stakeholder concept as it fits our research purpose to theorize about stakeholder work, which conceptualization requires a comprehensive view on organizational interactions with all possible stakeholders. In this paper, we thus ground our research in the premise that an organization performs work aimed at stakeholders, primarily: stakeholder identification work, stakeholder understanding work, stakeholder awareness work, stakeholder prioritization work, and stakeholder action work (cf. Agle et al., 2008; Laplume et al., 2008; Parmar et al., 2011).

Knowing who or what really matters (Freeman, 1994; Mitchell et al., 1997) has been a topic of focal interest to stakeholder scholars for decades (Laplume et al., 2008). This stakeholder research is known as stakeholder “identification” research (Mitchell et al., 1997). We define stakeholder identification work to be *an organization’s activity aimed at recognizing stakeholders that matter to the organization*. Another type of stakeholder work research pertains to the study of organizational commitments to understand what stakeholders need and expect, in particular corporate social responsibility (CSR) research (Carroll, 1979; Wood, 1991). Research on topics such as CSR can be construed to be one stream of stakeholder “understanding” work as it attends to how organizations fulfill responsibilities to them (Freeman et al., 2011). Based on the assumption that organizations and stakeholders interact with each other, we define stakeholder understanding work to be *an organization’s activity aimed at knowing the needs and expectations of stakeholders*. The third type of stakeholder work research is stakeholder “awareness” research, which concerns the evaluation of stakeholders’ action toward organizations in such contexts as stakeholder influence (Frooman, 1999) and stakeholder mobilization (Rowley, 1997). We define stakeholder awareness work as *an organization’s activity aimed at evaluating stakeholders’ action toward the organization*. Along with stakeholder identification, understanding, and awareness work, the scholarly attention to the question of to whom (or what) do managers pay attention has led to the development of the concept of stakeholder salience, defined as the degree to which managers give priority to competing stakeholder claims (Mitchell et al., 1997). This theory posits that stakeholder salience will be high where all of the stakeholder attributes – power, legitimacy, and urgency – are perceived by managers to be present. Turning this into a work-related concept, we define stakeholder “prioritization” work to be *an organization’s activity aimed prioritizing competing stakeholder claims*. The last type of stakeholder work research we note in this paper, is stakeholder “action” research, which appears, e.g., in such contexts as value creation stakeholder theory research (Freeman et al., 2011). We define stakeholder action work as *an organization’s activity aimed at taking action with respect to stakeholders*.

Thus, as a result of synthesizing the foregoing literature, and doing so according to a logic which asserts that the emergence over time of these five primary research streams in the stakeholder literature is not coincidental, and is therefore highly indicative; we define stakeholder work as *the purposive processes of organizations aimed at identifying, understanding, being aware of, prioritizing, acting with respect to stakeholders*. “Stakeholder work” is not a new idea *per se*, but it is a new conceptualization of compatible ideas to better connect the five previously distinct stakeholder-centric research streams, and to therefore empower stakeholder researchers with a stronger theoretical basis for inquiry. In service of this objective, we present three foundational assumptions regarding the use of the stakeholder work as a research concept. First, we assume that all organizations, because they are social actors, perform stakeholder work, albeit in a variety of forms and through a variety of processes. Second, we assume that the five suggested components of stakeholder work are not exhaustive; but may nevertheless occur either sequentially or independently. That is, some organizations may engage in all or some of the five (or other) components of stakeholder work. Third, stakeholder work operates within what might be termed the stakeholder workspace, where organizations and stakeholders interact with one another. Helpfully, each of these assumptions presumes that some type of gauging or regulating occurs as organizations undertake the various identifying, understanding, awareness, prioritizing, and/or acting processes of interaction in the stakeholder workspace.

CONTRIBUTIONS

We intend to make three contributions in this paper. First, we introduce the idea of stakeholder work research, under which we suggest that the five predominant stakeholder research streams may be organized: stakeholder-identification, -understanding, -awareness, -prioritization, and -action work. Second, we explain how the five emergent components of the stakeholder work process are intertwined in Leavitt’s (1965)/Scott’s (1987) diamond model of organization. Third, we contribute to the body of research on work in general, and on organization in particular, by proposing the notion of stakeholder work as a focal point of “centricity” in organizational research; and we thereby introduce this idea of a more-unified stakeholder research stream into the stakeholder literature.

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