

# Pragmatically Understanding Stakeholder Relationships and Action

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## ABSTRACT

Stakeholder research attempts to address the role and impact of stakeholder relationships in organizational life. Stakeholders act in response to an issue that arises in the relationship with the organization. Using the example of Bioereg, an organization that manages approvals for genetically modified organisms, we explore the role of the impact of an issue on stakeholder mobilization. Organizations are, in general, more adept at dealing with the 'rational' interest-based actions of stakeholders but are not well equipped for responding to identity-based stakeholder responses, yet the threshold for identity-based mobilization is lower than that for interest-based action. Based on the Issue-Impact-Action framework, suggestions are proposed for appropriate stakeholder management strategies for each mode of stakeholder response.

*Keywords: stakeholder theory; stakeholder interest, identity and mobilization.*

Corporate social responsibility and business ethics have achieved a high profile in organizational life of the early 21<sup>st</sup> century (Wicks & Freeman 1998, Donaldson 2003, Freeman 2000, Husted 2000), with calls for greater attention to be focused on the role of the corporation in society (Kochan & Rubenstein 2000). Stakeholder theory (Freeman, 1984), which “begins with the assumption that values are necessarily and explicitly a part of doing business” (Freeman et al. 2004: 364), has become central to the inclusion of ethical approaches in organizations (Whetten et al. 2002, Gibson 2000, Jones 1995). Stakeholder management, however, is more than an ethics tool for managers, but is a “neverending task of balancing and integrating multiple relationships and multiple objectives” (Freeman & McVea 2001: 194).

In our increasingly complex environment, organizations face a far wider range of stakeholders many of whom change from issue to issue (Husted 2000). Indeed, even the issue is not static and can change character over time (Mahon & Waddock 1992), as can the position of the stakeholder (Kochan & Rubenstein 2000). Like Wolfe and Putler, we believe that using a stakeholder lens can “facilitate our understanding of increasingly unpredictable external environments, thereby facilitating our ability to manage within these environments” (2002: 64). However, in order to do this, recommended stakeholder management strategies must reflect the inherent complexity of the organizational environment, recognising nuances in both the issue and the likely stakeholder response.

Stakeholder research is generally centred upon a focal organization and its dyadic relationships with stakeholders (Rowley 1997, Jawahar & MacLaughlin 2001, Sundaram & Inkpen 2004). The stakeholder research tradition has at its core the purpose to describe and categorize these organizational stakeholders using various frameworks (for example, Mitchell et al. 1997, Agle et al. 1999) with normative or instrumental intent underpinning the resultant strategies for managing seemingly unchanging stakeholders (for example, Donaldson & Preston 1995, Hillman & Keim 2001, Savage et al. 1991, Jones and Wicks 1999). Stakeholder descriptions, based upon questions such as “who are they?” and “what do they want?” (Frooman 1999) are often static snapshots in time of relatively passive stakeholders, and rarely take into account shifts in these relationships (Friedman & Miles 2002).

Mitchell et al. (1997) did state that their model, based upon a legitimacy-power-urgency stakeholder typology, is dynamic as stakeholders can shift from one class to another by acquiring another attribute. Jawahar & McLaughlin (2001) introduced the evolving importance of different stakeholders by superimposing organizational life cycle concepts onto stakeholder theory but the implication remains that at certain stages in an organization's evolution, stakeholder relationships are stable. From a pragmatic perspective (Gioia 1999), there appears to be little room in current conceptions of stakeholder theory for intermittent variation in relationships. In Mitchell et al.'s (1997) terminology, what factors might suddenly elevate the urgency dimension of the stakeholder relationship?

The purpose of this paper, then, is to explore how dynamic aspects of stakeholder interactions might inform current theory. Put simply, we want to better understand what makes a stakeholder act in a certain way? There is no doubt that stakeholder relationships have a 'steady state' for which much of the more static and descriptive elements of stakeholder theory are perfectly adequate as a basis for 'normal' stakeholder management strategy. However, there is a finer grain of stakeholder interactions that we believe is not adequately captured in the models and frameworks currently available for stakeholder management. As Jawahar and McLaughlin (2001: 400) also state, a key question is "how an organization's management deals with stakeholders who vary in terms of salience" and we would add, how and why does that salience vary with each interaction?

Based on observations of attempts by a public sector regulatory agency, Bioreg<sup>1</sup>, to balance its strategy for stakeholder management, we propose that introducing a focus on the impact of the issue that underpins an interaction between a stakeholder and the focal organization, provides a useful addition to stakeholder research. First, we introduce the stakeholder management dilemmas faced by Bioreg, a regulatory authority with a diverse range of stakeholders that the organization is mandated to serve. Second, we investigate aspects of stakeholder research that do exhibit dynamic aspects, such as the strand of stakeholder theory that addresses stakeholder group mobilization. We then suggest some propositions regarding the role of the issue impact in stakeholder mobilization theory and introduce an Issue-Impact-Action framework that can

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<sup>1</sup> The name of the organization has been disguised.

be used to identify and understand issue-based stakeholder action. To conclude, we make some suggestions regarding how the focal organization might respond with appropriate strategies to the different modes of stakeholder mobilization based on typical responses to the issue impact.

## **RESEARCH APPROACH**

The research reported in this article is derived from a much larger five-year study on the socio-cultural impacts of biotechnology in New Zealand funded by the New Zealand Foundation for Research Science & Technology (UoWX0227). This multi-disciplinary study has involved hundreds of interviews and focus groups with individuals and representatives of organizations involved with biotechnology as scientists, policy managers, entrepreneurs, consumers, members of ethnic, cultural or religious groups, environmentalists, and activists. The interview data was supplemented by a thematic analysis of Web sites, official documents, annual reports, promotional material, media material and other documents. They were also augmented by researcher observation of various events, such as conferences, seminars and workshops, staged by a wide range of actors with interests in biotechnology.

The limitations of data derived from participants' recollected accounts were discussed by Huber and Power (1985). We followed many of the procedures they recommended to minimise the motivational, perceptual and informational limitations they identify. For example, we sought factual information relating to past events, in addition to the interviewee's construction of them. Interviews were attended by at least two of the research team, drawn from different disciplines. In this way, we acquired multiple-researcher, multi-disciplinary perspectives on each interview (Eisenhardt 1989).

The catalyst for the line of enquiry reported in this paper was our meetings with Bioreg's Communications Manager, after a critical review of Bioreg's stakeholder management, about her efforts to develop a strategy to manage relationships with the wide range of stakeholders with which Bioreg was legally mandated to interact. We drew primarily on interviews with members of Bioreg and with representatives of typical 'applicant' and 'submitter' groups (see the Bioreg case to follow). We also gathered data from secondary sources produced by, or about, Bioreg and its stakeholders. Other secondary

data sources included on-line information about, and media coverage of, the GM approval applications made to Bioereg since 1996, when the organization began operating in its current form. The data was analyzed and categorised according to our interest in stakeholder mobilization around GM applications and Bioereg's approach to managing these stakeholders.

## **BIOREG AND STAKEHOLDER MOBILIZATION**

*“Even-handedness”, the CEO insists, “is part of the culture of Bioereg”*

Bioereg is charged with the oversight of biotechnology, new organisms and dangerous substances in New Zealand. It receives applications for approvals from ‘applicants’, which are usually scientific organizations, and, before making decisions, Bioereg receives and must take account of submissions made by ‘submitters’ who are individuals or organizations, such as advocacy groups, that are often opposed to aspects of the application, for example, the genetic engineering components of some biotechnology applications.

A 2003 review of Bioereg's capability to run the risk management process associated with new organisms carried accusations that a wide range of stakeholders perceived Bioereg to hold ‘pro-approval’ views, that is, that it favoured scientific ‘applicants’ over other stakeholders. In particular, Bioereg employees were perceived to disregard the beliefs of some submitters, for example, by expressing frustration with submitters’ repetition of personal beliefs in the wrongness of genetic engineering, even referring to submitters as “the enemy”. The report continued that it was the expectation of the public that Bioereg be even-handed in all its dealings even though it was understandable that many staff and applicants would rather focus on the more familiar and specific (scientific) issues raised by the application in question, and therefore turn a ‘blind eye’ to ethical and ‘alternative science’ considerations. Some staff and submitters had expressed concern that what they had thought were key issues in a particular application had been under-reported. The review recommended that each application report should open with a summary of key issues in the view of applicant, submitters and staff. In addition, it suggested that staff should be given training in dealing with conflicting information and with minority views.

At the centre of these concerns was the process for stakeholder relationship management around each application made to Bioreg. Alternative perspectives were being lost in the attempt by some Bioreg staff to control the process and outcome. As a result of the apparent pattern of bias towards applicants, submitters (including many non-governmental organizations) had developed a reluctance to engage with Bioreg and, in turn, Bioreg felt that it had been given ‘the cold shoulder’ by these stakeholder groups. The applicant community, however, felt that, in contrast to the disciplined process they had to follow, submitters could raise any issue they liked without being required to submit to a similar level of scrutiny. As their experience with the regulations improved, the applicant community also acted as submitters through representative bodies such as the Association of Scientific Organizations and the Biological Network<sup>2</sup>. It seemed to many staff that Bioreg could please none of its stakeholders!

## **THE DYNAMICS OF STAKEHOLDER INTERACTIONS**

The dilemma for Bioreg was, in essence, how to develop appropriate management strategies for responding to its dynamic relationships with stakeholders. ‘Steady state’ management strategies for the relationships were not necessarily appropriate for the times when Bioreg’s different stakeholders mobilized. For this sort of situation, in which the ‘normal’ stakeholder relationship is perturbed, the strand of stakeholder theory that is most relevant addresses stakeholder activism (Frooman 1999, Rowley & Moldoveanu 2003). In their attempt to answer the question “When do stakeholder groups attempt to influence the focal firm?”, Rowley and Moldoveanu (2003) provided a description of stakeholder group mobilization that centred around a distinction between two different stakeholder group types – interest-based and identity-based. They argued that most stakeholder literature carried a prevailing assumption that interest intensity drove mobilization. In other words, stakeholders reacted to protect their interests, a proposition which is consistent with a rational choice, utility maximization perspective. Wolfe and Putler (2002: 66) argued similarly that first, the stakeholder literature places undue primacy on the role-based self-interest of a stakeholder and that, second, even though it is difficult “for an organization to respond to

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<sup>2</sup> Disguised industry bodies that represented scientific organizations and/or pro-GE advocates.

the diverse needs and expectations of heterogeneous groups because a diverse set of actions is required”, assuming stakeholder homogeneity, with role-based self-interest as the collective rationale, can have “powerful, unanticipated, and undesirable consequences”.

Rowley and Moldoveanu (2003) identified a second stakeholder group that was characterized by identity-based action. “An identity is a set of logically connected propositions that a person uses to describe himself or herself to himself/herself and to others, it is socially constructed and is verified or falsified by experiences” (Rowley & Moldoveanu 2003: 208). For this stakeholder group, they argued, action was an expression of identity rather than a means to achieving more rational interests - the ‘act of acting’ was the main objective. By expanding the range of behavioural motives that drive stakeholders, the authors proposed that stakeholder action be examined from both an identity-based and an interest-based perspective. Wolfe and Putler (2002: 68) also observed that, for some issues, “the circumstances are unlikely to result in self-interest being a dominant concern” and that “symbolic predispositions will motivate individual’s priorities”. Symbolic predispositions are “learned affective responses to particular symbols that are acquired relatively early in life...but persist through adult life. These predispositions are central in forming basic values, feelings of nationalism, political party identification, racial prejudices, and other attitudes” (Wolfe & Putler 2002: 68, after Sears & Funk 1999a). We would argue that a stakeholder’s symbolic predispositions, which tend to be very stable over time (Sears & Funk 1999b), would be a major component of Rowley and Moldoveanu’s (2003) concept of stakeholder identity.

Despite this expanded conception of stakeholder intentions, the question remains as to what makes a stakeholder act. It can be assumed that a stakeholder group will only mobilize when something has spurred it into action and that whatever the trigger is, it is perceived to be a threat to their interest and/or identity. We refer to this stakeholder mobilization trigger as ‘the issue’.

## **INTRODUCING THE MOBILIZATION ISSUE**

The concept of the issue that mobilizes stakeholders and stimulates interaction with the focal organization seems to be mute in current stakeholder research with most research assuming homogenous or consistent

actions no matter what issue has stimulated action. Mitchell et al. state that “managers should never forget that stakeholders change in salience, requiring different degrees and types of attention depending on their attributed possession of power, legitimacy, and/or urgency, and that levels of these attributes (and thereby salience) can vary from issue to issue and from time to time” (1997: 879). However, this aspect of their descriptive theory seems largely to have been ignored in subsequent stakeholder research.

Issues do make an appearance in the strands of stakeholder theory that focus on social responsibility and environmental stakeholder management (Buysse & Verbeke 2003). Hillman and Keim (2001), for example, refer to ‘social issue participation’ but define this as falling outside of the direct relationships with primary stakeholders and argue that this is negatively related to value creation through stakeholder management. Husted (2000: 28), citing Wartick and Mahon (1994), defines a social issue as:

(i) a controversial inconsistency based on one or more expectational gap (ii) involving management perceptions of changing legitimacy and other stakeholder perceptions of changing cost/benefit positions (iii) that occur within or between views of what is and/or what ought to be corporate performance or stakeholder perceptions of corporate performance and (iv) imply an actual or anticipated resolution that creates significant, identifiable present or future impact on the organization.

Although Husted’s definition refers to social issues, the ‘expectational gap’, and other aspects described in the definition, would equally apply to any issue between an organization and its stakeholders. The presence of an ‘expectational gap’ is also in line with legal usage of ‘issue’ where it is defined as a matter of importance to be resolved; a matter or point in contention which remains to be decided, the decision of which involves important consequences; a choice between alternatives; a dilemma (OED Online, 2004). Translating this into a stakeholder framework we define ‘issue’ as a matter that is contentious to some degree (that is, there is an expectational gap) between the focal organization and the stakeholder, whether it be a decision, occurrence or event caused by, or that will affect, the focal organization and/or the stakeholder. When considering stakeholder mobilization, it is when an issue arises, even if that issue is only perceived as such by the stakeholder, that the stakeholder is mobilized into action.

***Proposition 1:*** *Stakeholder mobilization occurs in response to an issue that has arisen in the relationship with the focal organization.*



In the case of Bioereg, stakeholder action took place in response to an application for approval made by the applicants and notified by Bioereg to all stakeholders. When the application contained no GM aspects (such as applying to import a circus animal that is new to New Zealand) very little if any response from submitters was generated as the expectational gap between what the stakeholders expected Bioereg to do, and what Bioereg was likely to do, was insignificant. In Husted's terms, this is a 'nonissue', in that both the organization and the stakeholders "agree with the factual representation of a situation, especially cause/effect relationships, and share similar interests, goals, and objectives" (2000: 32). However, if the application concerned GM research, a raft of individual and group submissions was usually received. Thus the 'issue' that drives the intermittent changes in Bioereg's stakeholder relationships was the application to Bioereg and mobilization occurred as a result of that application. We propose, therefore that what is important for stakeholder management, is understanding the impact of the issue on the stakeholder and what type of mobilization response that impact is likely to generate.

## **THE IMPACT OF THE MOBILIZATION ISSUE**

The role of the issue in triggering stakeholder mobilization is inherent in Rowley & Moldoveanu's (2003) description but it is not made explicit that it is the impact of the issue that generates the interest or identity-based responses. In addition, Rowley & Moldoveanu (2003) state that either or both of interest or identity-based impacts may drive stakeholder groups to mobilization. Making explicit the role of the issue and combining this with interest or identity based impacts, brings us to the next research proposition.

***Proposition 2: Issues may have interest-based and/or identity based impacts on stakeholders.***

The next question regards how might we better understand which type of impact, identity or interest-based or both, a certain issue will cause. Rowley and Moldoveanu argued that the desire to act and actual mobilization are "separated by the cost of organizing for such action" (2003: 208). For identity-based stakeholders, mobilization may occur to affirm the identity of the stakeholder rather than to further rational interests. Thus, Rowley and Moldoveanu (2003) propose that the threshold for stakeholder mobilization with identity-based action is lower than that with interest-based action as the former do not have to go

through the added step of evaluating either the impacts of the specific issue on their interests or the expected outcomes from action, as the desired outcome is mobilization itself. Wolfe and Putler referred to research on symbolic politics, which found that symbolic predispositions were more important in forming attitudes and opinions than self-interest, and that self-interest “becomes a dominant factor only in very specific circumstances” (2000: 68). They stated that self-interest was likely to be an important factor when:

- “1) potential repercussions to an individual are large;
- 2) costs and benefits of different alternatives are clear and will result with a high degree of certainty;
- 3) there are feared negative outcomes as opposed to desired positive ones; and
- 4) individuals attribute responsibility for an issue to an external agent (eg. government, society at large, a firm) rather than to themselves.” (2000: 68)

A stakeholder’s likelihood to respond to an issue from either identity and/or self-interest based perspectives, therefore, will depend on the specific issue and the ability of the stakeholder to assess the likely impact of that issue. In the Bioreg example, the issue was the application for approval for research that includes a component of GM, particularly if it related to the food chain. As is evident in the following quotations, the applicants exhibited interest-based action in response to the issue as gaining approval has significant repercussions for the individual researcher and the (economic) costs and benefits were perceived by the applicants to be relatively clear if the research was successful. The applicants used scientific and economic arguments to support their applications as these benefits would accrue to the nation and were therefore perceived as the responsibility of the Government, through Bioreg, to support. Negative outcomes would be a loss to the economy and the nation, as well as potentially the applicant’s funding, if not livelihood. The applicants argued that their responses were ‘more rational’, with clear benefits (and costs of not doing the research) in relation to the critiques of submitters.

*We were also very clear that we weren’t advocating open slather [of GE] and that it’s not use of the technology without responsibility, it’s use of the technology on a cautious, selective, careful basis to deliver benefits to New Zealand as a whole.*

*GE is a good way to reduce humans’ impact on the environment by increasing yields of key food crops, thus reducing the amount of land required and freeing it up for forests.*

*We’ve got to take a strategic point of view on that and we’ve got to be informed by knowledge not by emotion.*

GM Researchers/Applicants

The submitters, on the other hand, reacted against applications that they perceived as an affront to their values and their belief in the inherent ‘wrongness’ of GM. While it was the particular application to which they were reacting, the submitters used similar arguments for each application no matter what the content as they had symbolic predispositions against the technology such that, for them, many of Wolfe and Putlers’s (2000) factors that would drive interest-based responses were reversed. They voiced concerns that the technology had potential negative repercussions for all humankind, not just the individual stakeholder, and that the degree of uncertainty was too high, so that costs and benefits could not be evaluated, to risk introducing the technology into the food chain. Typical responses from submitters, such as a group of concerned mothers and some indigenous Maori people, included:

*[I] fell in love with the clean, green image and thought it was a good place for children to grow up. [New Zealand] is like a little paradise, it is safe and relatively egalitarian. I don’t think it is known yet if GE is safe or not. [It] should not be released until we know the effects on both children and adults.*

*The mixing of human and animal DNA is culturally and spiritually offensive to most New Zealanders.*

*Maori disagree with anything which tampers with the food chain, and with the knowledge of what went into the food chain. Maori have a different relationship with the environment than a lot of other people. We have a different world-view over what is considered tikanga, or right.*

Submitters

Some Bioreg stakeholders exhibited a mixture of interest and identity based responses. In particular, indigenous Maori iwi (tribes) that farmed their own traditional land, and organic farmers, had both economic interests in the potential ‘contamination’ of the source of their livelihoods and identity-based arguments against the technology more generally. Thus the costs and uncertainties were multi-level for these groups, resulting in mobilization that combined self-interest and symbolic predispositions. The following quotations exemplify the submissions received by Bioreg from these groups:

*GE poses a risk to tribal gathering grounds...We have given a great deal of consideration to this issue and oppose the granting of any applications for GMO development until we have the opportunity to determine the impact such developments would have on our values and social and cultural well-being.*

Maori iwi /Landowner

*What is commercial and what is non-commercial/philosophical?..[We have] a passionate commitment to the ideal and to the practice...to authenticity and integrity of product.*

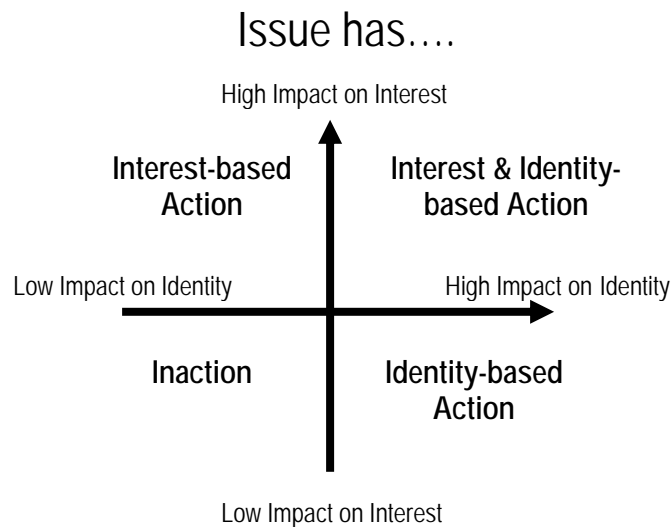
*They will always try to denigrate organics – I always say YES we are a bunch of long-haired hippy dope-smoking-on-the-Coromandel<sup>3</sup> [farmers] AND the suit wearing board members.*

Organic Farmers

## THE ISSUE-IMPACT-ACTION FRAMEWORK OF STAKEHOLDER MOBILIZATION

The impact of an issue and the resultant stakeholder mobilization can be represented graphically in order to delineate between the types of action that are caused by the issue (Figure 1). When an issue has either a high impact on the interests or a high impact on the identity of the stakeholder, the resultant mobilization mode will be either interest-based or identity-based, respectively. When the issue has a low impact on either stakeholder interests or identity, then inaction is the likely (non) response. When the issue has a high impact on both the interests and identity of a stakeholder, the action is likely to exhibit both interest and identity-based characteristics.

**Figure 1: Issue-Impact-Action Framework**



The impact of the issue on the relationship with stakeholders is central to the way stakeholders will mobilize with respect to the focal organization. Organizational strategies for responding to stakeholder mobilization need to recognise the variety of ways in which a stakeholder may respond to an issue and also

<sup>3</sup> The Coromandel is a region of New Zealand popular with those seeking 'alternative' life-styles.

that the response will not necessarily be static but may change as the dynamics of stakeholder mobilization evolves and interactions occur between the various stakeholders of the issue and organization. We propose that our Issue-Impact-Action framework is a useful way of identifying, understanding and following stakeholder responses to an issue that has arisen in the relationship with the focal organization, with the cautionary note that this impact and response can also be dynamic so revisiting the framework for each issue is crucial to managing the dynamics of stakeholder relationship.

How might focal organizations such as Bioreg respond to the different modes of stakeholder mobilization? One of the problems for Bioreg was that many of its staff (another stakeholder group) identified more strongly with the applicant's interest-based mobilization, in that they were scientifically trained and understood economic rationale. Hence the staff would understandably, from an interest-identity perspective, have been most comfortable highlighting those interest-based arguments to which they were most sympathetic, when preparing reports upon which decisions were made.

Savage et al. (1991) began to address issue-based stakeholder management when they asserted that the potential for stakeholder action is a function of how the focal organization acts on issues related to stakeholder interest. Their framework was based on the potential for a stakeholder to either cooperate or threaten the organization which resulted in a diagnostic typology with four categories of stakeholder; non-supportive (low potential to cooperate, high on potential threat), mixed blessing (high on both dimensions), supportive (high cooperation potential, low threat) and marginal (low on both dimensions). Savage et al. (1991) then suggested four strategies to match the type of stakeholder; defend, collaborate, involve and monitor, respectively.

Whilst Savage et al. (1991) constructed a typology of stakeholders rather than a typology of mobilization modes as proposed in the Issue-Impact-Action framework, appropriate stakeholder management response strategies could similarly be developed. The 'inaction' mobilization mode requires ongoing monitoring, as proposed by Savage et al. (1991) as a response to 'marginal' stakeholders, in case the impact of the issue on these stakeholders increases at a later stage, most likely along the identity dimension. Even though the strategy appears to be similar, the motivation for this management strategy

proposed here, is quite different to that described for marginal stakeholders by Savage et al. (1991: 66), as they suggested that “these stakeholders’ interests are narrow and issue specific” and should not have resources and effort “wasted” on them. In contrast we would suggest that the monitoring of “inactive” stakeholders is of prime importance for focal organizations given the likelihood that stakeholders that do not appear to be acting could mobilise with identity-based action quite rapidly if they perceive the issue to now generate an impact upon their identity.

Those stakeholders that respond from an interest-based perspective are probably the group that is most straightforward to manage and, as summarized earlier, the majority of standard stakeholder management techniques could apply, as organizations are most experienced in responding to interest-based concerns and mobilization. For our purposes, we use Savage et al.’s (1991) ‘collaborate’ terminology for this response strategy by which we mean ‘work closely with’.

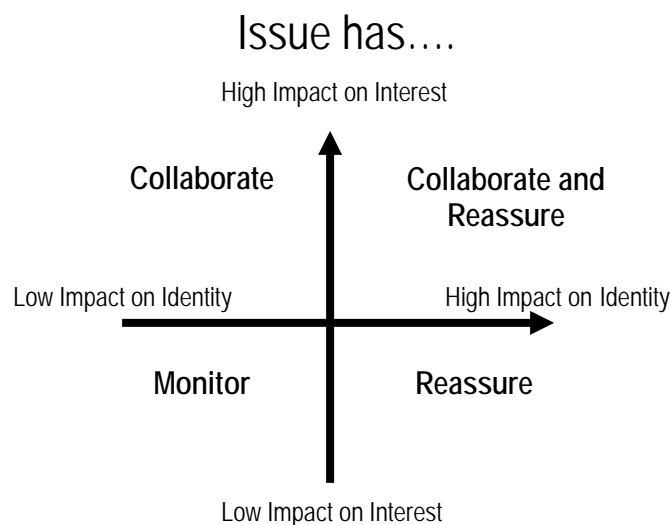
Appropriate response strategies for identity-based action pose more of a conundrum. For many organizations, these stakeholders would be classified as Savage et al.’s (1991) ‘non-supportive’ stakeholder type, for which a defensive strategy was proposed in order to reduce the dependence of the organization on that stakeholder, perhaps even to treating them like a competitor. Apart from the fact that many public sector organizations are not able to be defensive in that they are legally mandated to take these stakeholders into account, it is also not in the best interests of any organization to take stakeholders ‘for granted’ in that they may change their action mode. Thus the focal organization may need to respond in ways that reassure those stakeholders that mobilize in an identity-based mode that their concerns are being taken into account. Such a reassurance strategy is evident in the Bioreg example, when Bioreg’s reviewers’ recommended that the submitters’ concerns be reflected in reporting and that Bioreg staff be trained to deal more effectively with these types of stakeholders. It was also reflected in the fact that many submitters were satisfied (and some ‘demobilized’) when Bioreg staff visited the submitters personally and listened to their concerns, irrespective of whether or not Bioreg was able to act in response.

The most complex response strategies are required for stakeholders that mobilize when an issue impacts upon both their interests and identity. In such cases, the focal organization will need to collaborate

with the stakeholders in order to allay concerns that their immediate (usually economic) interests are not in danger but will also need to make reassurances regarding any perceived affront to the stakeholder's identity. For Bioereg, the types of stakeholders that responded in this mode included Maori iwi and organic farmers, whose economic viability as well as their deeply held convictions regarding the 'rightness' of their methods over conventional farming, were threatened by GM applications. For all of these stakeholders a simple response from Bioereg regarding the specific application was not enough. Reassurance was probably needed about the robustness of the regulatory approval and risk management processes that underpinned Bioereg's legal obligations, but also more generally about Bioereg's intrinsic mandate to protect New Zealand's economic, environmental and social interests (and identity!).

The appropriate response strategies for the four stakeholder mobilization modes are overlaid on the Issue-Impact-Action framework in figure 2. By carefully observing the range of stakeholder responses and also by monitoring the dynamics of the mobilizations modes, the focal organization may be better equipped to successfully manage stakeholder relationships when these are activated by an issue in that relationship.

**Figure 2: Responding to Stakeholder Mobilization Mode**



## CONCLUSION

Our intent in this paper has been to broaden discussions of stakeholder management away from stable ‘steady state’ interest-based models to investigate the dynamic aspects of stakeholder management when complex issues are introduced into the relationship. As Wolfe and Putler (2003: 76) stated, it is important to consider how assumptions inherent in “conceptual models channel thinking and what alternative perspectives are available”. As other researchers have identified, the inherent bias of much stakeholder research towards a role-based, self-interest, ‘one-size fits all’ perspective on stakeholder management is one that is ripe for reconsideration, particularly given the increasingly complex nature of the issues that underpin stakeholder relationships.

We propose that our particular contribution is that stakeholder management needs to consider the impact of the issue on a stakeholder group. We canvassed the role of the ‘issue’ in stakeholder theory and, in particular, built upon Rowley & Moldoveanu’s (2003) stakeholder mobilization description, coupled with Wolfe and Putler’s (2002) notion of symbolic predisposition, in order to understand the possibly sudden and intermittent changes that may occur in stakeholder relationships. Our research suggests that the impact of the issue will trigger four different modes of action depending on whether the issue has a high or low impact on either or both of the stakeholder’s interests or identity, as captured in our Issue-Impact-Action framework. The dynamics of the relationships between Bioreg’s staff and applicants and submitters have provided a useful context in which to illustrate the role of the issue impact in stakeholder mobilization and to make sense of the range of responses from Bioreg stakeholder groups over GM applications. By framing stakeholder mobilization in this way, we hope that the Issue-Impact-Action framework will not only stimulate further research into the dynamics of stakeholder management, but also help focal organizations better understand the possible underlying drivers of, and therefore be able to tailor more appropriate and targeted responses to, stakeholder mobilization over the arguably more complex issues that will challenge organizations in the future.



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