

Leading Large Scale Change Readings on Stakeholder Management

Agranoff R, McGuire M. (1999) Managing in network settings. *Policy Studies Review*, 16:1 pp18-41.

The most pertinent part of this article is the section entitled “Skills for Effective Network Management” which describes a skill set that enables managers to function effectively when they have to work in a setting with multiple stakeholders (e.g. a network setting). It describes what is important (such as identifying key stakeholders) and the skills needed to accomplish the goals of the coalition (such as tools and approaches needed to bring stakeholders into the coalition and how to manage those stakeholders). It is not so much a how to, but a checklist of strategies needed to have successful partnerships, which according to the article are a defining and constant feature of today’s public sector.

Alvord SH, Brown LD, Letts CW. Social entrepreneurship: Leadership that facilitates societal transformation – an exploratory study. Accessed June 2004
<http://www.ksg.harvard.edu/leadership/workingpapers.html>

This paper provides academic/theoretical support for the real-life notion that successful large-scale change efforts require someone in a leadership role who is able to build bridges between key stakeholders, and facilitate successful negotiation among the various groups. It is a comparative analysis of seven cases of social entrepreneurship (sometimes an innovative program, sometimes an overhaul of an existing program) that have been widely recognized in the literature as successful. These are often public ventures that have some tie to local government. They are located across the globe. The section on leadership and bridging capacity is most useful.

Bate P. (2000) Changing the culture of a hospital: From hierarchy to networked community. *Public Administration*, 78:3 pp485-512.

This article is a case study of a large-scale change program within a National Health Service (NHS) hospital (UK). The health care sector in Great Britain is public, unlike that of the United States, so many lessons learned from this article are applicable to our public sector. One of the main goals of the hospital under study was to change its organizational culture and to work together, across multiple professions and departments. A similarity can be found in government, where several agencies need to work together on a project across professions, hierarchical levels and expertise. Willingness to embrace change was at a low level, again a situation that government sometimes faces as well. Starting on page 503 of the article, it explores the way a network was created between various levels/professions in the hospital, and what factors facilitated this process. It describes the stakes that each stakeholder had, and the ways in which the various

groups were managed to create a new vision for the hospital, and essentially a new organization with a new mode of operation. It also emphasizes that organizational culture plays a role in how groups are managed and how they respond to each other when undergoing change.

Briggs X. (2002) *The will and the way: Local partnerships, political strategy and well being of America's children and youth*. John F. Kennedy School of Government, Harvard Faculty Working Papers Series. <http://papers.ssrn.com/abstract=295572> Accessed July 2004.

In this case, the abstract accurately sums up the paper. The paper is a great combination of theory and how to, which most practitioners should find very accessible.

Abstract – In an era of devolution in much social policy, a growing number of initiatives aim to improve the well-being of children, youth, and their families through locally governed, data-driven “partnerships” of various kinds. Broadly stated, the aims of these partnerships are not limited to savvy technical reform of policies or programs. Their aims target “systems of change” of a much more daunting variety – a change in political will, policy agendas, and policy implementation arrangements, all driven by broad and sustained local movements on behalf of our children. Part of a larger research project on how community problem-solving is evolving around the globe, this paper takes a critical look at what such locally-based efforts actually do and at the key strategic challenges they confront. It emphasizes the distinct dimension of political work implied in an era of partnership-driven problem-solving, explores the roles of coalition building in local politics, and analyzes the special challenges that partnerships face when they are, at once, interest-driven coalitions that ensure political support and operational alliance through which players seek to jointly produce the better outcomes they seek. Special attention is given to the roles of intermediary players that help other players navigate these challenges and to the multiple demands made of “grassroots” and “grasstops” (elite) stakeholders.

Bryson JM. (2004) *What to do when stakeholders matter: Stakeholder identification and analysis techniques*. *Public Management Review*, 6:1 pp21-53.

This article provides tools and methods for identifying important stakeholders along the dimensions of power, interest and influence and crafting common ground to facilitate multiply stakeholder buy-in. This is a strong article because the analysis techniques are clear. It even describes materials needed and step-by-step instructions for how to complete the analyses. He also points out that hybrid techniques may need to be invented along the way, to customize the analysis for particular projects. After detailing the techniques, he eloquently concludes, calling for more research to understand which techniques work best under which circumstances and why.

Bryson JM, Cunningham GL, Lokkesmoe KJ. (2002) What to do when stakeholders matter: The case of problem formulation for the African American men project of Hennepin County, Minnesota. *Public Administration Review*, 62:5 pp568-584.

This article, though written before the previous one, is useful because it puts into practice the techniques described in the 2004 article. It therefore provides a concrete example of how these techniques are successfully used in real work challenges and provides guidance on which tactics work best for certain situations.

Abstract – We propose a series of stakeholder analyses designed to help organizations, especially governments, think and act strategically during the process of problem formulation in order to advance the common good. Specifically, we argue that at least five sets of analyses are necessary, including the creation of (1) a power versus interest grid; (2) a stakeholder influence diagram; (3) bases of power-directions of interest diagrams; (4) a map for finding the common good and structuring interests to pursue the common good. What the analyses do is help to transform a seemingly “wicked problem” for example, how to produce better outcomes for African American men aged 18-30, into something more tractable, and therefore amenable to collective action. In other words, stakeholder analysis can be used to link political rationality with technical rationality so that support can be mobilized for substantive progress.

Carmin J, Darnall N, Mil-Homens J. (2003) Stakeholder involvement in the design of U.S. voluntary environmental programs: Does sponsorship matter? *The Policy Studies Journal*, 31:4 pp527-543.

The environmental arena is one in which there have traditionally been a wide array of stakeholders involved in nearly every program design initiative. This article covers the stakeholder issues that arise when organizations attempt to engage in voluntary environmental programs (VEPs) intended to reduce the organization’s environmental impacts beyond compliance thresholds. In the environmental arena, there has been a movement toward including diverse groups of stakeholders in all phases of decision-making. Establishing the means for diverse groups and individuals to participate in the VEP design process has been a challenge, and the article presents several case studies to examine how this challenge is being met. It also focuses specifically on government sponsored VEPs and the challenges those organizations face when they are completely located in the public sector.

Elms H, Berman S, Wicks AC. (2002) Ethics and incentives: An evaluation and development of stakeholder theory in the health care industry. *Business Ethics Quarterly*, 12:4 pp413-432.

This is a theoretical discussion of stakeholder management. It suggests that ethics should be incorporated at the point when managers begin to decide who should be included as key stakeholders when an initiative begins. It also suggests that ethics

should and do play a role in stakeholder prioritization. This article also includes a basic description of stakeholder theory, which might prove useful when examining the “why” of what happens with stakeholders during large-scale change. Stakeholder theory attempts to create a link between ethics and strategic decision-making by highlighting relationships between the firm and its stakeholders. The authors suggest that ethics and incentives interact during the stakeholder prioritization process. By examining this interaction they hope to add to stakeholder theory’s power as a tool for predicting managerial behavior in such situations. The methodology used is that of a qualitative case study of the health care industry and a recent legal case (*Ching v. Gaines and Engeber, 1995*). Page 425 contains useful discussion concerning organizations and how these entities deal with stakeholders from various groups.

Jones R. (1999) Implementing decentralized reform in local government: Leadership lessons from the Australian experience. *The International Journal of Public Sector Management*, 12:1 pp63-76.

This is a longitudinal case study of methods used by managers of two Australian local authorities to introduce decentralized reform into organizations. He charts each of their reform efforts and concentrates on the nature of the relationships cultivated with key stakeholders in order to overcome resistance to change and remove obstacles to their visions. He then outlines the mistakes made and lessons learned in their attempts to implement change in local government. This is a case study that highlights both what the managers did right and where they went wrong in their management of key stakeholders. It also discusses the strategic process of choosing stakeholders, an important first step in the process of managing stakeholders during a large-scale change.

Maddock S. (2000) Managing the development of partnerships in Health Action Zones. *International Journal of Health Care Quality Assurance*, 13:2 pp65-74.

This is an instructive description of large-scale change in England’s Department of Health. The Department wanted to create Health Action Zones (HAZs), designed to reduce health inequalities and streamline processes within the Department. This process involved identifying and managing various stakeholders between and within each HAZ. The study found that there was a focus on monitoring instead of development of new programs and new connections to stakeholders that were important in the health care environment. This hampered the partnerships created within each HAZ in addition to the overall functioning of each HAZ. Also, internal blame cultures, poor change management and differential thinking among policy makers hindered the partnerships. This article provides an excellent example of “what not to do” when trying to engage multiple stakeholders to achieve a common, large-scale change in the government. It also identifies several key barriers to change, such as rigidity and institutionalism, outdated or inflexible internal management systems

and a lack of focus on long-term implementation of the program after a successful piloting of innovative ideas for change.

Malvey D, Fottler MD, Slovensky DJ. (2002) Evaluating stakeholder management performance using a stakeholder report card: The next step in theory and practice. *Health Care Management Review*, 27:2 pp66-79.

This article offers a systematic method used to evaluate the effectiveness of stakeholder management. An example of a physician report card based on this methodology is presented.

McGuire M. (2002) Managing networks: propositions on what managers do and why they do it. *Public Administration Review*, 62:5 pp599-609.

This article asks why and how public managers are able to garner support for initiatives, and how they go about managing the networks they create for such projects. It gives four categories of behaviors undertaken by network managers (framing, mobilizing, synthesizing and activation) that they use in different parts of their work to organize and define stakeholders, facilitate interactions with stakeholders, develop support for a project among stakeholders and create an environment to enhance conditions for productive interaction among stakeholders (and keep the project on track). It gives several hypotheses for the environmental conditions (resources, program objectives etc.) under which each of the four behaviors takes place and how effective managers are at each of these behaviors. Overall, the article sets out hypotheses that seek to predict the daily activities and behavior of public managers. It offers a theoretical basis for the daily actions of public managers.

Mitchell RK, Agle BR, Wood DJ. (1997) Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22:4 pp853-86.

A theoretical paper, that describes both the basics of stakeholder theory and seeks to contribute to current theory by proposing a theory of stakeholder identification and prominence based on stakeholders possessing any of three relationship attributes: power, legitimacy and urgency. The paper generates a typology of stakeholders that may be useful for organizations undertaking a change process, who are in the process of trying to identify their key stakeholders and their salient characteristics. It is rooted in the business literature, but its applications extend to the public sector as well. The article adds to the methodologies described by Bryson for determining stakeholder salience with respect to the fact that the authors argue that to achieve certain ends, managers pay certain kinds of attention

to certain kinds of stakeholders. The methodology here may allow managers to determine what types of stakeholder exist but also attempts to clarify why managers respond to stakeholders the way they do (which the Bryson article does not address).

Roberts NC, King PJ. (1989) The stakeholder audit goes public. *Organizational Dynamics*, 17:3 pp63-79.

This article shows how a stakeholder audit, a tool formerly used in the corporate world, can be adapted for use in the public sector. It uses the example of a state commissioner of education to go through the steps of a stakeholder audit and show how it can be effectively used. The article defines stakeholder management as a model in which a firm needs to take into account its relationship with specific stakeholder groups as it sets direction and formulates strategy. It says that there are four steps to stakeholder management including: identification of stakeholders, determining stakes for each stakeholder, assessing how well the firm is currently meeting the needs of its stakeholders and readjustment of priorities to bring the organization in line with stakeholder interests. This article applies these steps to the commissioner's agenda which included massive, fundamental statewide changes in the educational system. The article concludes with lessons learned and gives the reader a solid understanding of the time involved in doing a stakeholder audit, and the potential benefits of going through this process. The stakeholder audit described in this article goes a step beyond Bryson's stakeholder identification and analysis techniques. The authors suggest that it is useful, especially in a politically charged environment, to assess how well the firm is currently meeting the needs of stakeholders and to subsequently readjust the priorities of the agency to bring it in line with stakeholder interests. The goal of this process is to produce a good "fit" between the agency and the external environment. This will hopefully continue any change that has been achieved and foster an environment receptive to future changes.

Rowley TJ. (1997) Moving beyond dyadic ties: A network theory of stakeholder influences. *Academy of Management Review*, 22:4 pp887-910.

This moves away from looking only at the influences of individual stakeholders on an organization. Instead, it uses social network analysis to identify the multiple, interdependent stakeholder demands and predict how organizations respond to the simultaneous influence of multiple stakeholders. It provides a theoretical base for the complex challenges of how different agencies respond to the multiple demands of diverse stakeholders when trying to undertake large-scale change. Again, this article is rooted in the corporate world, but can be applied to the public sector as well.

Trader-Leigh KE. (2002) Case study: Identifying resistance in managing change. *Journal of Organizational Change Management*, 15:2 pp138-155.

An additional element in stakeholder analyses, this article explores stakeholder attitudes about change and resistance to change in a management initiative within the U.S. State Department. It recognizes that resistance to change may be an obstacle to successful implementation of initiatives in government. The study suggests that improved identification and understanding of underlying factors of resistance may improve implementation outcomes. While more of an academic paper because it uses a case study, it may have very practical applications. The findings suggest different attitudes or cultures within an organization can affect how change is perceived and how ready an organization is to adopt change. Identification of these factors, combined with a stakeholder analysis might be a useful tool for public managers, especially when they need to deal with both internal and external stakeholders.