RESHAPING THE STAKEHOLDER MODEL: INSIGHTS FROM NEGOTIATED ORDER THEORY

Özgün Imre
Linköping University, ozgun.imre@liu.se

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Recommended Citation
Research Papers. 21.
http://aisel.aisnet.org/ecis2016_rp/21
RESHAPING THE STAKEHOLDER MODEL: INSIGHTS FROM NEGOTIATED ORDER THEORY

Research

Imre, Özgün, Linköping University, Linköping, Sweden, ozgun.imre@liu.se

Abstract

The need to complement the existing stakeholder theory with more dynamic perspectives has been acknowledged for some time. This article uses the insight from negotiated order theory to provide a more actor oriented and dynamic illustration of the stakeholder understanding by adapting the classic Freeman model, strengthening its pedagogical value. Adopting a hermeneutic approach, the model is built by drawing from the extant literature and applied in a case to highlight how particularities of the case can be presented differently. By providing some factors that influence the dynamic process and how the actors affected the negotiations, the model presents the dynamism in stakeholder management and the temporality of the situation, as well as how the roles the individuals play within stakeholder management should be kept in focus while conducting a stakeholder analysis.

Keywords: stakeholder theory, negotiated order, graphical representation, stakeholder model, IS adoption, hermeneutics

1 Introduction

Stakeholder theory has been a prevalent part of organizational and information systems (IS) research for some time. From the seminal work of Freeman (1984) that introduced it as a set of managerial principles, stakeholder theory has evolved and today is a widely used lens to analyse different settings – small firms, non-profit organisations, public sector – contrasting and combining it with different theoretical lenses – stewardship theory, stockholder theory, institutional theory (for a review see Laplume et al. 2008).

This paper falls into the latter category, trying to combine stakeholder theory with another lens, the negotiated order theory of Anselm Strauss (1978). Several reasons of why such a combination can be fruitful can be stated: inclusion of an actor oriented lens such as negotiated order can be useful to highlight that stakeholder management is not just the executives’ domain and that such negotiations can involve many different people from diverging roles within an organization. This point is further linked to the assumption of the stakeholders – “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984, p.46) – being a homogenous group in the stakeholder theory. This view of homogeneity, however, might be relaxed as our experience has shown that there are a myriad of voices within an organization, belonging to different social worlds involved with day-to-day negotiations. From another angle, the temporality aspect of the negotiated order can bring the dynamism to the forefront of the stakeholder theory that often times is presented as static.

The need to add more dynamism and actor orientation to the stakeholder theory stems from the general literature where such calls are already present (see: Beaulieu & Pasquero 2002; Lamberg et al. 2008; Fassin 2008; Flak et al. 2008) as well as from experience of using the theory myself. In two recent papers I have employed stakeholder theory and social worlds to investigate how a small international academic journal invests in various IS. In these papers the adoption of the IS was
investigated by employing (i) stakeholder theory to identify stakeholders and their salience (Imre, 2015a), and (ii) social worlds theory to investigate the learning process by highlighting how the implementation process is influenced by the different social worlds the actors were members of (Imre, 2015b). Whereas the first one was able to identify the stakeholders and how they affected the adoption, it was not able to provide a situated analysis of the actors involved and the power struggles that were present. This resulted in the second paper, where social worlds were used to reveal these struggles. Similarly, I have used stakeholder theory and the model provided by Freeman (1984) while teaching various courses to explain how IS adoptions take place, dynamically adapting the stakeholder analysis as the case presented in the course evolved. The problems around such implementations resemble the characteristics of a wicked problem (Camillus, 2008), where issues fall between and across boundaries (Goldfinch and Wallis, 2010) where the stakeholders have conflicting interests and their interactions are fluid. In such wicked issues, the need to identify stakeholders’ stake and salience and how these dynamically adapt to the environment has to be taken into account. The top-down assumptions underlying the stakeholder theory, and the treatment of stakeholders as homogenous within and having stable interests vis-à-vis other stakeholders can contribute to such problematic situations. With the focus on temporality and changing power relations and interests, how they are negotiated, and how the negotiations are influenced by the wider structural context, negotiated order can provide insight to overcome some of these shortcomings. This current paper is an attempt to bridge this gap identified in the previous papers and present a more coherent lens that might be able to provide a more dynamic and actor oriented understanding of stakeholder theory if we are to tackle these issues and problems.

To do so, the graphical representation of the classical Freeman model (1984) is adapted in various sequences to account for the criticisms raised against the model, first by drawing from the stakeholder theory itself and then by employing insights from negotiated order theory. After a brief section on method and approach, the model is built and then applied to the case used in the earlier papers to highlight how it might be used and what conclusions can be drawn by employing such a framework rather than the classical Freeman model in sections three and four. Section five closes the paper by providing a brief outlook of the model.

2 Method and approach

While the proposed model can be used for other fields, in this paper the focus is on a case of IS adoption. This paper is built on the earlier research of the author where the same case was investigated first by using stakeholder theory, and then by social worlds/arena theory (Imre 2015, a,b). To benefit from the experience gained through these investigations, the IS adoption is thus used to build and apply the model, and as such should be treated only as an example. This paper follows the interpretative qualitative roots of the earlier papers and draws from a hermeneutic approach. Modern hermeneutics mainly draw from the works of Heidegger and Gadamer, and has been used in various forms in IS research (among others see Boland 1991; Butler 1998; Klein & Myers 1999; Cole & Avison 2007; Flak et al. 2008; Lindgren 2013). Following ideas of Heidegger that “interpretation is not just a meaning; it is grounded in a whole set of background practices, a kind of preunderstanding that makes knowing possible” (Barrett et al., 2011, p. 187) experience with the case studies and the theoretical lenses used, and the linked literature form a basis of the author’s preunderstanding. A similar type of preunderstanding comes from the author’s experience in teaching various IS courses where stakeholder model is used to analyse enterprise resource planning system implementations.

This preunderstanding is the entry point to the hermeneutic circle, where the whole is understood from “the preconceptions about the meanings of its parts and their interrelationships” (Klein and Myers, 1999, p. 71). The prior case study was thus used iteratively to flesh out the ideas of the proposed model. In this iteration process negotiated order theory was used to answer some of the critiques found in stakeholder theory literature. By going back to the data provided by the case study, the probability of the negotiated order to provide an explanation of the issues found in the literature was investigated.
While creating the proposed model, the original stakeholder model proposed by Freeman (1984) was kept in focus and adapted in several steps in this iterative process: first using literature on stakeholder theory and then on negotiated order theory, with the aim of creating a graphical representation. During this phase a similar undertaking to refine the stakeholder model by Fassin (2010) was encountered, which served as a validation point due to the parallels between the models and the critiques raised against the original model. While similar to the model proposed by Fassin (2010), the addition of ideas from the negotiated order theory to the model proposed in this paper resulted in different final understanding of the issues. A similar standpoint was taken towards Beaulieu and Pasquero (2002), who used negotiated order to refine stakeholder theory, but haven’t provided a model. In several instances the research has been presented in internal seminars to get feedback, which in turn resulted in another set of iterations between the literature and the data from the case and the proposed model. These internal presentations were used as a reflection point and a ground for dialogical reasoning for the author to question own assumptions and involvement with the analysis (Gadamer, 2004; Klein and Myers, 1999), as well as a pragmatic validation point by gauging if others see potential in the proposed model (Worren et al., 2002).

3 Building the model

In this section the visual representation of the classical Freeman model is adapted in consequent steps to reflect the criticisms raised against it and to show how integrating it with negotiated order can alleviate these criticisms. As Worren et al. (2002) argues models that are visually represented are adopted more among practitioners, similar to stakeholder theory due to its simple representation (Fassin, 2009). By introducing negotiated order in this visual representation and grounding the arguments around them would then help as the model would be relatable to readers that are familiar with the original model. By conveying the situation through an alternative model, the visual representation would also help in discussion and reflection, as well as help in adoption of the insights from negotiated order theory. In the first part the stakeholder theory and several of the criticisms against it are briefly presented, followed by the second part introducing negotiated order theory into the picture, with the third part putting the separate pieces together to build the model.

3.1 Stakeholder theory

Stakeholder theory is first and foremost rooted in managerial thinking. Following earlier arguments - e.g. Jones (1980) who argued that being a stakeholder is more than just ownership - Freeman (1984, p.46) defined stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. This definition shifted the focus of the managers to consciously engage with the stakeholders - not just stockholders – while at the same time broadening the stakeholder concept when compared with earlier definitions, such as “those groups without whose support the organization would cease to exist” (SRI 1963; cited in Freeman 1984, p.31). Following the adoption of the stakeholder theory in this format, Donaldson and Preston (1995) categorized stakeholder theory to contain descriptive, normative and instrumental elements (also see Flak et al. 2008; Hendry 2001).

From another angle, attempts to identify stakeholders have been a part of the research around stakeholder theory, to some extent due to the use of various definitions of “stakeholder” in the literature (Kaler, 2002). Mitchell et al. (1997) have proposed a framework that tried to identify the stakeholders based on three attributes they possess: power, urgency and legitimacy. In this understanding, a stakeholder may possess the power to influence the organization. Stakeholders might also perceive that they have a legitimate influence on the organization. Similarly, some stakeholders might feel that their relationship is time sensitive and a delay is unacceptable, claiming urgency. Mitchell et al. (1997, p 869-870) argue that these attributes should not be taken separately and suggest that “power gains authority through legitimacy, and it gains exercise through urgency [...] legitimacy gains rights through power and voice through urgency [...] in combination with legitimacy, urgency promotes access to decision-making channels, and in combination with power, it encourages one-sided
stakeholder action”. In such a framework, the attributes overlap, and thus looking at these overlaps is important to identify stakeholder salience, which in turn would inform the managers on how to prioritise their various stakeholders.

Scholl (2004), following this thread, argues that identifying these stakeholders and their salience is one step towards managing them, and such an analysis should be complemented by also identifying the needs of the stakeholders, their stakes. As the stakeholder definition has moved from “those that the organisation can not exist without” to “those that affect and are affected by the organisation’s objectives” the needs that need to be satisfied have also grown. Furthermore, as Flak et al. (2008) argue such needs should also be conceptualized as potentially conflictual among the stakeholders and not just between stakeholders and the organisation – an issue that stakeholder theory is not particularly well equipped to deal with. In addition to their conflictual nature, stakeholders – and their analysis thereof - should also be conceptualised as fluid “any stakeholder at any time can move in or out of a different classification” (Tennert and Schroeder 1999, p.19). However, as Lamberg et al. (2008) argue, stakeholder theory, due to its structural underpinnings, often times loses the dynamic understanding of such fluidity, and though such call for dynamism was in the original writings, literature mostly ignores the dynamic character of stakeholders.

In IS research, stakeholder theory was used for various purposes: to analyse IS adoptions in healthcare (Boonstra and Govers, 2009; Boonstra et al., 2008), to account for project failures (Pan and Pan, 2006; Pan, 2005), to identify stakeholders (Pouloudi and Whitley, 1997), to identify IS requirements (Vidgen, 1997), for diffusion of broadband technologies (Choudrie et al., 2003). In addition to the research directly referring to stakeholder theory/model, several streams of research draw from a similar understanding without direct use of the theory: taking primary stakeholders into account for analysing the case (Sarker et al., 2012), in ethical information systems discussion by recognising different stakeholder having different views (Mingers and Walsham, 2010), by recognising the support of important stakeholders for organisation’s goals (Schonberger, 1980). Thus, similar to other other research streams (for a review see Parmar et al., 2010) the use of stakeholder theory shows great versatility in IS research, and similarly calls for a dynamic understanding of stakeholder theory have been present for some years in IS research (Flak et al., 2008; Kamal et al., 2011).

To some extent, these criticism against the stakeholder theory can be gleamed from the typical representation of the stakeholder view of the firm found in Freeman (1984, p.25). In the simplified version reproduced in Figure 1, the firm is situated in the centre with a distinctly different representation style. This, while serving the analytical purpose of putting the focus on the firm, also in some way signals the supremacy of the firm, elevating it from the stakeholders. The representation acknowledges the “can affect or is affected” by using bi-directional arrows between the stakeholders and the firm. As Freeman et al. (2007, p.64) argued, such representations are overall “enormously oversimplified, for they depict the stakeholders as static, whereas in reality they change over time, and their stakes change depending on the strategic issue under consideration.”

![Figure 1. Stakeholder view of the firm (simplified from Freeman, 1984, p25)](image)

To account for these criticisms, in Figure 2, a slightly modified representation is provided. Here, all the players are provided with the same representation style, with a circle. This serves the purpose of breaking the “manage the stakeholder” assumption, which called for the focus on the firm – and the manager within the firm – as well as representing the highly probable situation that the “firm” is a
stakeholder to some of these stakeholders. In addition to this style change, while some of the bi-directional arrows are left intact, some are now unidirectional representing the possibility of only affecting and being affected by the firm/stakeholder. The ability of the stakeholders to engage with each other as well as the ability of other actors that “can affect or is affected” without any direct involvement with the firm is highlighted, shown here in dashed arrows. Similarly of notice is the use of the bold circles and arrows used for some of the stakeholders that have a higher salience and thus are more influential, recalling how there might be a need to prioritise stakeholders in line with the tacit argument in instrumental view of stakeholder theory. For the sake of simplicity, the figure does not differentiate between different types of relationship among these actors; some might be more of a partnership type, whereas other might me more of a hierarchical mode of interaction, just as well as some types of relationships might be a more benevolent reaction towards another whereas others can be taken as an offense.

Figure 2. Stakeholder view of the firm reconsidered

3.2 Negotiated order

The criticisms brought against stakeholder theory and the model provided by Freeman are not new, and some of the issues are raised by Freeman (1984, p 55) himself in his original work, i.e. stakeholder are far from homogenous (also see Freeman et al., 2010). However, as can be seen in the visual representation there is no indication of the heterogeneous character, nor about the other criticisms levelled against the theory and model. To account for these criticisms this paper draws from negotiated order theory. Negotiated order is mostly based on the works of Anselm Strauss, and his work on small group collaboration settings in psychiatric hospitals, and is associated with other concepts of his: social worlds and arenas. In negotiated order perspective, the social order is attained by negotiations among different actors where the members of the team had to hammer out their own “line of action in relation to the team as a whole and to the operational philosophy that came to predominate the ward” (Strauss et al., 1964, p. 142).

In this negotiated order perspective, “social orders are in some way negotiated orders, understanding negotiating processes and their bearing on social orders might well provide important insights into how social orders are maintained, how they change, and how structural limitations interact with the capacity of humans to reconstruct their worlds creatively” (Strauss et al., 1963, pp. 101). Following this, looking at how the agreement among stakeholders is reached and how the actors negotiate, persuade, bargain and manipulate is an important aspect that negotiated order can bring into the

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1 Social worlds are, in line with the action orientation found in works of Strauss, spaces of “perceptions and action” and “groups with shared commitments to certain activities, sharing resources of many kinds to achieve their goals, and building shared ideologies about how to go about building their business.” (Soeffner, 1991, p. 363). Arenas are, in turn, “a field of action and interaction among a potentially wide variety of collective entities” (Clarke, 1991, p. 128) and are characterized with clashes between the social worlds, a “means of battle” (Soeffner, 1991).
stakeholder theory. By employing the insights gained from negotiated order theory, how the negotiation process evolves can be brought to the forefront in stakeholder management, capturing a more fine-grained picture than the Freeman model.

The social order in negotiated order is temporally bound: for one reason or another the social order can collapse, and a new order has to be established. As such, every negotiated order is a quasi-stable state, and will need to be re-negotiated as the circumstances change, thus “it is necessary continually to reconstitute the bases of concerted action, of social order” (Strauss et al., 1964, p. 312). Organisational rules which formed a corner stone of Strauss’ investigations are not exempt from this either, even though they are often thought as outside of negotiation context. As Modell (2006, pp. 222) argues “institutional rules at any specific point in time may be viewed as a product of past negotiations whilst these maybe re-negotiated if the negotiation context is amenable to change”. To achieve the order, once again, “various issues are debated, negotiated, fought out, forced and manipulated by representatives” of the participants (Strauss, 1991, p. 239), and a new negotiated order is attained through the engagement of the involved parties. This temporality, and how the order is dependent upon the negotiation context resembles the criticisms brought against stakeholder theory due to its static stance and not taking into account the fluid nature of salience of the stakeholders or their relations with each other. Negotiated order would assume an actor to be involved with different negotiated orders at the same time, and would investigate how these orders are created and how in return these orders affect the actor. Even naming an entity as a stakeholder would be a result of a negotiation and taken for granted assumptions found in a negotiated order. By taking the actor based assumptions of negotiated order theory, one can add more dynamism to the stakeholder theory, and delve deeper than the firm-level analysis that is often used in stakeholder theory.

Negotiated order perspective has structural elements in it, looking at both the wider social structural context and the negotiation context. Similar to structuration theory of Giddens, negotiated order and social worlds/arena theory suggests the co-creation of the structure and the agency. The agency of the individual is constrained by the structure, but the agents are still autonomous enough to affect the structure. Such similarities between these two theoretical lenses were noted by Carey (2002, p.202) who argued that the sociology promoted by social interactionism – Strauss being a member of this group – was “a sociology of structuration before Anthony Giddens invented the word”. However, it is the negotiation context that these perspectives focus on, the structural conditions that have a direct influence on the negotiation within an organisation or among organisations. In the negotiation context various factors affect the negotiation process, among them number and experience of negotiators, power and stake of the negotiators, their goals and ambitions, the options available and complexity of issues (Strauss, 1978). With this actor-focused perspective, the lack of attention paid to them in the stakeholder theory – even though they are recognised in the stakeholder definition – can be remedied to some extent, thus providing a more realistic picture of the environment the organisation operates in. Lamberg et al. (2008) argues that stakeholder theory does not account for changes in stakeholder-organisation relationships, and often assumes a dyadic relationship, while Crane and Livesey (2003) caution the organisation and stakeholders of identity crisis when faced with diversity. The basic tenets of negotiated order – the temporality of the order, focus on differences among the actors and how they negotiate, and how the negotiated order affects the actors – can also help in providing why stakeholders act in a certain way.

Similar arguments can also be raised from other theoretical streams. With its focus on different opinions within a system, one such perspective is soft systems methodology (Checkland and Poulter, 2010). While soft systems often uses other words, various participant in the system can be termed as stakeholder, and several attempts to combine soft systems and stakeholder theory were made (Vidgen, 1997; Vidgen et al., 1993). However as noted by Pouloudi and Whitley (1997), in soft systems the focus seems to be on the stakeholders whose resistance might result in abandoning the project, which might result in overlooking other stakeholders.

Another similar theoretical stream to negotiated order is actor network theory with its focus on creation and maintenance of networks made up by heterogeneous actors (Latour, 2005). Temporality of the networks and if they survive how they acquire characteristics of irreversibility (Callon, 1991), is
similar to negotiated order. However, as noted by Star (1991), it is possible that some actors become “invisible” within the network, and the whole network being attributed to an “executive”. With the differences among the actors submerged rather than highlighted as in negotiated order, the trade-offs among the actors would then be rendered invisible. (Clarke, 1998)

Following this discussion, the factors that affect the negotiations are presented in Figure 3.

**Figure 3. Factors influencing negotiations**

### 3.3 A refined stakeholder model

Building on Figure 2 and 3, Figure 4 adds insights from the negotiated order theory to the stakeholder view of the firm. At Figure 4, Figure 2 is reproduced, with some of the stakeholders enclosed within a rectangle, the issue arena. As most of the negotiations around the issues are tied with each other, issue arena is used instead of negotiations to group them together. This addition signifies that the negotiation does not have to engage all stakeholders at the same time, but that the stakeholders to be included in the negotiations - that are to be persuaded or manipulated - are those involved within an issue. It is in this issue arena that the stakeholders negotiate and “hammer out” their differences to come to a workable solution. As this model is created for general purposes, how such an issue can be identified or created is not discussed any further, however as the example case shows later on, the need to implement an IS was an issue that created such an arena, with the IS in particular playing the role of a boundary object in some instances. In one internal presentation, questions about the terminology were raised. Thus, rather than using just “arena”, *issue arena* is used to serve as an acknowledgement that most of the organisations have multiple issues that they work on at the same time, for example different projects, which would not necessarily be directly captured with the organisation’s general objectives.

Within the circles representing stakeholders, individual actors are presented as human figures to act as a reminder that these actors play an important role within the negotiations. While the individual actors are included in the stakeholder definition, the heterogeneity within the stakeholders is obscured by employing only one circle. As Fassin (2008) presents this multiplicity can be shown by employing circles within a stakeholder circle, however in the proposed model a human figure is employed. One reason to not use human figures to directly represent a stakeholder is to keep the graphical presentation clean and to not add complexity by creating a multiplicity of different “types” of stakeholders: organisations/groups vs individuals. Including the human figure inside a generic stakeholder is also a reminder that while individuals act as a representative of their stakeholder, they also have capabilities and goals that are independent of the stakeholders they represent. This is a notion well recognised in negotiated order and arena/social world theory (Clarke, 1991) with emphasis of actors taking different roles and can help in steering the firm level analysis often assumed in stakeholder analysis towards a more fine-grained multi-level one.

The factors that directly affect the negotiation are presented in Figure 4, bearing upon the issue arena, adding another level of dynamism. Any difference of the negotiation context – i.e. number and experience of negotiators, power and stake of the negotiators, their goals and ambitions – would
implicitly result in a different configuration of the stakeholders and individual actors involved. Similarly, any change to the issue arena would also mean that the negotiations would play out differently as the issue the negotiations would revolve around would change. To show this permeability, a dotted line is used for the issue arena.

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**Figure 4. A refined stakeholder model**

4 Applying the model

In this section the proposed model is applied to highlight how working with this model might highlight some of the issues that might not be captured with the original Freeman representation. To do so, a case of an international academic journal’s IS adoption is re-analysed. Previously the case has been investigated by employing stakeholder theory and social worlds (Imre, 2015a,b), thus providing an easy way of linking to the present paper’s aim of refining the stakeholder model. Drawing from these papers the case description is provided below and the Freeman model is used to map the stakeholders. This is followed by the proposed model to highlight how some particularities of the case are captured differently in the models.

The Business Journal began its story five years ago as an initiative of five junior researchers that were working at the same institution. They argued that they did not get enough support and opportunities from the institution to publish their research as the system was set up more favourably to those who had published previously. In response to that these junior researchers set up an academic journal that focused on business studies in emerging markets, their research interest. In this setting they involved personal networks to jumpstart the Journal and relied on mostly informal communication among themselves and using emails as the preferred communication method with others.

Several years after, the editors of the Journal are employed in various institutions and countries. This shift in employment had consequences on their communication with each other, as the possibility to have an impromptu chat over lunch or to pop up in the office to discuss the Journal is slim. Moreover, as the submissions and manuscripts under consideration have increased, the editors began to have difficulties in keeping track of the process. As they have a rotating chief position, but still consult each other for their opinion and to which reviewer the paper is most suited to, the editors argued that sometimes it is rather hard to figure out who is involved. Furthermore, there are several iterations of the submissions in the reviewing process, missing or late copyright forms, late reviewers that add to the stress of the editors.

The editors are primarily employed by their respective universities, and thus have to delegate their time to the activities involved with the university first and foremost, meaning the Journal work is usually interrupted by other activities.

One IS adoption that revolved around this increased workload was adoption of Google Drive. The editors reasoned that if they used a cloud system that they could use so that the manuscripts are kept...
updated, with copyright forms and information about review process kept available to all editors at the same time they would have less trouble. While it didn’t take a long time to decide on Google Drive, some of the editors preferred other options that they were more familiar with and allowed them to use the already familiar office tools by only uploading them to cloud. This was countered by the argument that Google Drive provides its own office tools – as well as the ability to edit the documents simultaneously – and offers more storage space. In this phase the editors also consulted the University if they can use University resources to strengthen their legitimacy. In this part of the negotiations there were no visible power struggles among the editors, as they were a rather tight-knit group that aimed to have a consensus among themselves. One aspect of these negotiations was to realise the need for an IT solution to the “knowledge mess”. On this issue, one editor in particular used the argument that by having the documents in the cloud the Journal would be more responsive to the authors and reviewers, as they would be able to identify the missing documents and contact the authors and reviewers promptly.

This is in contrast to the situation to the negotiations with the University. In these negotiations the editorial board asked the University for help – by using their own IT solutions instead of adopting a third-party cloud solution. This negotiation did not turn out to be fruitful as the University representative rejected the proposal, even though the editorial team thought Business Journal fits the goal of the University of increasing internationalisation and visibility. Instead of the consensus-building atmosphere within the editorial board, the formal power distance of the University meant that the decision was taken as a final one.

Some time after the adoption of Google Drive, the editorial team realised that some of the problems were left unsolved, and decided a more structured way of operating the Journal was needed. In this phase the editorial board asked one of the universities for help, as they would be able to attract more audience if they were able to put the Journal under the university. One part of this partnership was to have the Journal hosted by the university and then perhaps use the university resources to attempt a journal management system to supplement the cloud – which in time turned out to be not the optimal solution. The university however was not amenable to this initiative. Even though the editors have leveraged the fact that the Journal has been going on for some time and in their perspective fit the University’s call for internationalization and visibility, the University argued that the Journal was not a university project and rejected to help. While they thought that the Journal’s inclusion to various academic rankings/indexes would help their situation, the University seemed unaffected. In the rather static visualization provided by the Freeman model, such a rejection is hard to visualise, whereas by the first iteration following Mitchell et al. (1997) such a rejection can be better conceptualized as a diminished representation using thinner lining.

It is the change in the negotiation context as well as addition of other rival journals in the wider social structure that resulted in a different layout for the negotiations for the journal management system. When the Journal was trying to adopt a journal management system the experience from the University rejection resulted in them not favouring the University’s opinion as much and led them to pursue the IT department directly in a more informal and personal basis. The editorial board’s opinion over the University’s salience is a clear indication that the analysis should be taken as an iterative undertaking, and that there is a learning process involved with the adoption. When contacting the IT department the editorial board has gone not to the Head of IT, but to an IT worker that one of them had previous contact with. This shows that the negotiation context was different and that the negotiation is conducted with individual actors with different resources available while representing their organisations. This difference can be both explained by the different nature of the parties – asking help from the University was a formal undertaking whereas asking help from IT was done to test the waters – as well as the experience gained by negotiating with the University.

Similar to the situation in cloud adoption, several stakeholders have an indirect effect. As a young journal, Business Journal is still trying to establish itself in the wider academia, and thus faces increasing competition for authors, reviewers and readers from the other journals. The existence of similar journals was used in the editorial board negotiations as an impetus to have a more “professional” front for Journal, which a journal management system can help with. While effecting
the work-system of the Journal and the authors and reviewers, this choice is also reflected by the Journal’s inclusion into various indexes putting pressure on the Journal. Such pressure is also felt by other journals, as other stakeholders use the indexing/ranking systems as quality assurance. This mix of structural influences as well as existence of increased third party scrutiny is rather different than the cloud adoption phase.

These events and negotiations around them can be discerned from Figure 6 and 7, whereas the Freeman model shown in Figure 5 provides only a glimpse of the situation the Business Journal has found itself in. Due to space limitations, the negotiation context and how it affected the issue arena is only provided in Figure 6. Of notice is the more complex picture in Figure 7 depicting the journal management system negotiations. Whereas the management system affects various actors directly and is a visible artefact to stakeholders outside the editorial board, the cloud system is mostly an internal affair. As a result of this difference, some of the stakeholders that were taken into consideration by the editorial board for journal management system are not apparent in the cloud stage.

Figure 5. Business Journal’s Stakeholder Map – Freeman model

In the cloud adoption the first instance of heterogeneity of the editorial board becomes apparent where the views of the editors clash. While presented as the firm in the Freeman model, within this group some editors see the Journal as a career step, others claim a more emotional commitment to the Journal, showing multiplicity in how they view the Journal and their role within. A common argument used by one editor drew heavily from the benefits of a more timely and efficient manner of knowledge

Figure 6. Cloud system adoption – Proposed model

management, whereas this was countered by highlighting the limited financial and human resources the editorial board had.

A similar breakdown occurred when the editorial board has gone to a university representative within the institute to ask for help regarding the Journal. This negotiation was, in contrast to the informal ones among editors, was conducted in a formal manner with clear power relations apparent. While the editors argued that the journal helps the University to become more international and visible, the University argued that the Journal was not a University project, and did not provide help. With other projects at the time, the University did not have the urgency that the editorial board had. These formal power relations were broken down when the editorial board asked one of the editors to engage with the IT department when they began the journal management system adoption.

Needless to say, the issue arena of journal management system, though distinct from the cloud adoption has links to it, if not emerged from it. If the cloud system has provided the solutions to all problems identified, the need for the journal management system would have been minimal. This shows how issue arenas are to some extent path dependent, thus affected by the choices made before. Similarly, though the cloud adoption phase has ended, the core issue of changing IS has taken on a different shape in the journal management system phase. This shows how one issue arena can spawn others and thus highlighting the need to treat them as dynamic and mutable, rather than static. Though the objectives of the Business Journal have not changed, how the editors view the Journal as well as the general academia and publishing has changed. With the inclusion of the Journal in several indexes an indirect pressure became apparent, just as their learning process in academic publishing and their academic experience have changed their outlook and expectations of the Journal. This also shows that the stakeholder analysis in general has to be kept open ended. Tying such analysis to an issue arena would then serve as a ground to realise what might be missed if a top-down mapping was conducted as was done in Figure 5. By doing so, changes like the mentioned ones can be traced to the change in the negotiation context in the proposed model.

Figure 7. Journal management system – proposed model

5 Conclusions and outlook

At the beginning of this paper the aim was to present a more dynamic and actor oriented stakeholder model, adapting the original model provided by Freeman (1984). By adopting a hermeneutic
approach, and drawing from the calls from the literature and author’s own experience in stakeholder theory, a model was created by combining the Freeman model by the insights from the negotiated order theory.

Firstly, by drawing from stakeholder theory the salience of the stakeholders was used to highlight them in a stakeholder map. This was followed by using the concept of issue arena to tie the negotiations among the stakeholders to a more tangible situation, and introduce several factors that will influence the negotiation process. The proposed model was then used to analyse a case of IS adoption in an international academic journal, and was compared to Freeman model to highlight how the actor orientation and dynamism can be captured more concretely by the proposed model. By tying the changes that occurred in the negotiations to the negotiation context the model showcased the importance to keep the analysis open to other options and how such negotiations involve path dependency.

As mentioned, in this model building process a hermeneutic approach was adopted, and some of the insights brought up during various iterations can provide an outlook of the model. By showing how several factors influence the negotiations among stakeholders the new model can help the users to provide a more fine-grained understanding of the situation at hand. As these factors change they influence which stakeholders to include in the negotiations, which is hard to visualise in a stakeholder map. This is especially important when considering that most of the organisations we work in are involved with multiple projects at the same time. Even though the objectives of the organisation might be stable over time, how to achieve them can change in short term, which can be represented by employing the issue arenas to highlight these changes. While such an understanding of the need for dynamism can be found in the stakeholder theory, the original Freeman model fails to capture this dynamic potential of stakeholders to adapt and change. By employing cases from larger organisations, such applications of the model can be tested in the future.

In this paper, an IS adoption case used to drive the arguments for building a model. However, the model can have applications in other areas. The potential for the model to highlight the power struggles within and between the stakeholders would make it useful in areas where issues such as building alliances (Gray and Wood, 1991), corporate governance (Bird, 2001), crisis management (Alpaslan et al., 2009), where negotiated order might help overcoming the afore mentioned problems with the static view of stakeholder theory. While the analysed case in this paper had an editorial board – with members of equal standing and worked on consensus – as its focal organisation, it is widely accepted that organisations are not conflict-free. By putting the potential of the actors to act independently even while they represent their stakeholders such conflicts can be analysed deeper. In addition to this, employing individual actors within stakeholders also brings the possibility to highlight how these individuals might have different roles within different organisations. Especially in large organisations where actors are involved with several issues at the same time, not taking their ability to act differently, as well as how their involvement with these issues influences the power balance within the organisation can be highlighted by employing the proposed model.

In this way, such adaptation to the Freeman model provides insights to stakeholder analysis, highlighting issues of dynamism and actor orientation. As the models application in the case has shown, such an adapted model can contribute by illustrating of a more dynamic understanding of stakeholder management and provide some factors that will bear upon the negotiations, as well as act as a reminder of the importance of individual actors within the stakeholders, who negotiate on behalf of their respective stakeholders.

Acknowledgements

This study was funded by the Swedish Research School of IT and Management (MIT). Grateful for the comments by the editors and the reviewers, as well as participants of MIT and EIS, Linköping University seminars. Special thanks to Ida Lindgren and Anne-Fleur van Veenstra for their comments.
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