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## A Note from the SSIG Chair

**Doug Bosse**

Stakeholder Strategy Interest Group Chair

The Stakeholder Strategy Interest Group is expanding in multiple directions. We continue to draw a healthy and active membership, and we are expanding the number of ways our members engage with each other. The Berlin conference attracted a very competitive set of paper proposals, so we know the program this September will be a strong one. During the conference, we will be calling attention to the excellence of our members with a new set of SSIG Awards. We realize we have been blessed with your extraordinary contributions to our community, so now we want to broaden the recognition.

We also have a Saturday workshop in Berlin before the conference and a provocative “extension” event immediately after the conference in Zurich. This spring, Jeff Harrison donated quite a bit of time to the SSIG so that we could offer members and non-members a list of “Classics in Stakeholder Theory.” These are the most cited scholarly articles and books that have been out at least five years. We will be updating this list periodically so that anyone who wants

to enter our ‘big tent’ can quickly get familiar with the key concepts. We also want to promote new ideas before they become classics. Each time you publish something related to stakeholder strategy, please let us know so that we have the opportunity to market that piece for you in a future SSIG newsletter.

More information about all of these things can be found in this newsletter. Be sure to leverage everything here that can help you in your professional endeavors.

As always, do not hesitate to let anyone on your IG leadership team know how we can serve you better.

Warm regards,  
*Doug Bosse*

Chair, Stakeholder  
Strategy Interest Group



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## A Note from the SSIG Program Chair

**Don Lange**

SSIG Conference Program Chair

We've had a busy spring. Our plans for an exciting annual conference in Berlin (Sept 17-20) are coming together. The hard work and dedication of the submitting authors, reviewers, and leadership team in our IG are leading to a program that we are quite proud of.

If you will be attending the Berlin conference, here are some scheduling notes related to our IG:

- Saturday afternoon—a paper development workshop
- Sunday morning—three intriguing panels

See Flore Bridoux's note below for more on the Saturday and Sunday program.

- Sunday end-of-day (probably around 5pm)—Our IG's business meeting. Please come to share in the growth and energy of our interest group. Among the features of this meeting will be reviewer and author awards.
- Monday and Tuesday—the 'competitive' part of the SMS program, including our IG's paper sessions and common ground sessions.

Those sessions will include the following topics:

- Stakeholder engagement and the strategic use of CSR
- Relationships and management of stakeholders
- CSR leads to more CSR, reputation, and performance
- Stakeholders and social perceptions of the firm
- Value allocation to stakeholders
- Dealing with potential negative stakeholder perceptions
- Political strategy, political activity, and political tools

Also keep in mind:

- Wednesday and Thursday (Sept 21-22)—Conference extension in Zurich, 'Tensions in Stakeholder Research'

Please consider joining us for this valuable extension. For more information, see this link: <http://strategicmanagement.net/berlin/extensions/zurich>

Finally, let me leave you with some statistics:

- Competitive proposals submitted to Berlin conference = 1,395 (5% of which were submitted to our IG)
- Acceptance rate in our IG = 48% (similar to the other IGs)
- Number of reviewers in our IG = 90

Thank you for your continuing support of the Stakeholder Strategy Interest Group.

Warmest regards, and hoping I might see you in Berlin (and Zurich!) - *Don Lange*



## Berlin SSIG Sunday Sessions

**Flore Bridoux**

SSIG Associate Program chair

Our Interest Group will sponsor three Sunday sessions:

### ***Nonmarket social and political strategy – Integrative Perspectives and Interdisciplinary Borrowings***

This panel will bring together a group of scholars to explore the interactions between the political and the social aspects of nonmarket strategy, on the one hand, and to present novel ideas and approaches

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from outside business and management studies in order to inform nonmarket scholarship, on the other. Panelists will share how they have integrated insights and methodologies from political science, psychology, sociology, history and other related disciplines to advance research on nonmarket strategy.

**Chairs:** Jędrzej George Frynas (Middlesex University, UK), Shlomo Y. Tarba (University of Birmingham, UK)

**Panelists:** Prof. Andrew Barron (Toulouse Business School, France), Jonathan Doh (Villanova University, USA), Prof. Thomas Lawton (Open University, UK), Kamel Mellahi (University of Warwick, UK), Prof. Steven McGuire (University of Sussex, UK)

## ***Stakeholder Strategy and Ethics***

In 2015, there was an SMS extension workshop entitled "Stakeholder Theory at the Crossroads." Outcomes of this workshop included not only a call for a special issue of *Business & Society* of the same name (edited by Jay B. Barney and Jeffrey S. Harrison – submission deadline Dec. 1), but a list of what participants saw as the most pressing questions confronting stakeholder strategy. This Sunday session will open a space to discuss the role and pertinence of ethics and moral reasoning to these questions. The session will be highly interactive.

**Panelists:** R. Edward Freeman (University of Virginia), Robert Phillips (University of Richmond)

## ***Recent Work on Stakeholder Theory: What Do We Think We Know?***

Stakeholder theory is gaining popularity in the strategic management literature. Over the past decade a number of theoretical and empirical papers and books have been published that attempt to address questions that are important in the strategy literature. What have we learned over the past decade? Are there core elements of stakeholder theory upon which we can all agree? Can we draw any conclusions upon which future research can build?

**Panelists:** Jeff Harrison (University of Richmond), Doug Bosse (University of Richmond), Sybille Sachs (University of Applied Sciences Zurich)

I look forward to discussing these topics with you on Sunday September 18.

Warmest regards,  
*Flore Bridoux*



## **Call For Participants**

### **Berlin SSIG Saturday Research &**

### **Paper Development Workshop**

**Application Deadline: Aug 12<sup>th</sup>, 2016**

For the first time, our Interest Group will offer a research-focused workshop for advanced doctoral students and junior faculty. This workshop will include panel discussions and breakout sessions. For the panel portion, senior faculty members will discuss the state of the field and new research directions, as well as opportunities for publishing stakeholder, sustainability, and social issues in management research in top tier journals. Junior faculty members will also share their thoughts on these issues and discuss their research and publishing experiences to-date. We will then have time for Q&A for all panelists. In the remaining time, we will have a breakout session where participants can gain personalized guidance on individual research and career questions from participating faculty. The co-organizers of the workshop are Jennifer Oetzel (American University), Maurizio Zollo (Bocconi University), Sinziana Dorobantu (New York University), and Olga Hawn (UNC-Chapel Hill). Apply [here](#), selected participants will be notified by Aug 26<sup>th</sup>, 2016.

The senior faculty panelists will include:

- Tim Devinney (University of Leeds)
- Jonathan Doh (Villanova University)
- Ans Kolk (University of Amsterdam)
- Richard Priem (Texas Christian University)

## Stakeholder Strategy Advanced Doctoral Student and Junior Faculty Workshop Timeline

August 12: Application Deadline

August 26: Notification of Acceptance

September 17, 2016 **Advanced Doctoral Student/Junior Faculty Workshop**

Sept. 17- 20, 2016 **SMS Conference**

## SSIG Paper Awards

S. Dorobantu, O. Hawn & R. Krause

REPS-AT-LARGE

Starting this year, the Stakeholder Strategy Interest Group will recognize best proposals submitted to the Stakeholder Strategy track of the SMS annual conference with the following awards: Stakeholder Strategy Best Proposal; Stakeholder Strategy Best Proposal with a Student First Author; and Stakeholder Strategy Best Proposal for Practical Implications.

In anticipation of the 2016 SMS Annual Conference in Berlin, the following proposals have been selected by the Stakeholder Strategy awards committee comprised of Sinziana Dorobantu (NYU Stern School of Business), Olga Hawn (UNC Kenan-Flagler School of Business), and Ryan Krause (TCU Neeley School of Business).

The **Stakeholder Strategy Best Proposal** will be awarded to the proposal entitled “Stakeholder Strategy Patterns” submitted by Joao Mauricio Boaventura, Keysa Mascena and Greici Sarturi from University of Sao Paulo. In this proposal, the authors examine empirically the relationship between value allocated by a firm to stakeholders and the stakeholders’ attributes of power and strategic importance.

The **Stakeholder Strategy Best Proposal with a Student First Author** will be awarded to the proposal “Webs of Influence: National Stakeholder Networks and Corporate Social Performance” submitted by Kate Odziemkowska (Ph.D. student) and Witold Henisz from University of Pennsylvania. The authors explore the extent to which cross-national variation in corporate social performance (CSP) can be explained by differences in the structure of stakeholder networks across countries.

The **Stakeholder Strategy Best Proposal for Practical Implications** will be awarded to recognize the proposal “Covert Corporate Political Activity and Shareholder Value” authored by Timothy Werner from University of Texas-Austin. The author analyzes the financial market’s reaction to the revelation of a firm’s independent political expenditures through which the firm invests directly in the electoral process.

In addition, the Stakeholder Strategy Interest Group will recognize the following SMS Members as **Outstanding Reviewers**: Jonathan Bundy, Arizona State University; Aaron Hill, Oklahoma State University; Sharon James, Arkansas State University; Sven M. Laudien, University of Erfurt; Tazeeb Rajwani, Cranfield University; Christine Shropshire, Arizona State University; JW Stoelhorst, University of Amsterdam; Georg Wernicke, Copenhagen Business School; and Miles Zachary, West Virginia University.



## SMS Conference Extension in Zurich

September 21-22, 2016

### Tensions in Stakeholder Research

An exciting conference extension will be held at the University of Applied Sciences in Zurich right after the Berlin meeting. It was organized by Jay Barney and Jeff Harrison, and Sybille Sachs is serving as the local host. In addition to these three organizers, other panel participants include Maurizio Zollo, Ron Mitchell, Sinziana Dorobantu, Don Lange, Rob Phillips, and Andreas Scherer.

The extension grew out of a three day meeting of Stakeholder Strategy IG members and other prominent scholars in October last year. The theme was “Stakeholder Theory at a Crossroads.” One of the important takeaways from the research workshop was a list of “tensions” in the stakeholder research literature. The tensions are listed on the [extension website](#).

One of the purposes of this extension will be to expose participants to these and other tensions in the stakeholder research literature. A second, and equally important, purpose will be to help scholars explore ways to address these tensions in research, either through improving an existing research paper or developing a plan for tackling a tension in a new research project.

*Come join us! Space is limited, so register soon.*

## Classic Works in Stakeholder Theory

As last year’s business meeting in Denver, leaders of the Stakeholder Strategy IG agreed to create a short list of essential readings to doctoral students and oth-

er scholars new to the topic of stakeholder theory. Nominations were solicited in late 2015 and early 2016 from members of the Stakeholder Strategy Interest Group. Articles must have been published at least five years previous to 2016 in a journal that is widely available to scholars. They had to deal specifically with stakeholder theory as opposed to simply using stakeholder theory as a part of their narrative. Books had to satisfy the same age and focus criteria.

Citation counts for the books and articles we retrieved from Google Scholar on February 27, 2016. The number of citations was divided by the number of years since publication. The articles and books were then put in order by score. The original idea was to provide a list of 10 articles and 5 books. The list was expanded to 16 articles and 6 books after casual observation revealed natural breaks in citations/year after these points. Congratulations to Ed Freeman, whose classic book had 641 citations/year since publication and to Ron Mitchell, Brad Agle and Donna Wood for their article on stakeholder salience, with 427 citations per year since publication.

*The entire list is available at [this link](#).*

## Special Issue Call For Papers

### Business & Society

**Topic:** “Stakeholder Theory at the Crossroads”

**Guest Editors:**

*Jay B. Barney*, David Eccles School of Business,  
University of Utah  
*Jeffrey S. Harrison*, Robins School of Business,  
University of Richmond

More information available at [this link](#).

## Announcements

### Members' Publications

Bosse, D.A. & Phillips, R.A. 2016. **Agency theory and bounded self-interest.** *Academy of Management Review*, 41(2): 276-297.

*Abstract:* Agency theory draws attention to certain behaviors of CEOs and boards that, in aggregate, create losses for society. The empirical literature, however, characterized by contentious findings, suggests that the current form of agency theory is not supporting a clear understanding of these behaviors and their costs. We propose a change to one assumption, with potentially profound implications. Expanding on the assumption of narrow self-interest underlying agency theory, we apply an empirically well-established refinement that self-interest is bounded by norms of reciprocity and fairness. The resulting logic is that perceptions of fairness mediate the relationships derived from standard agency theory through positively and negatively reciprocal behaviors. This mediating variable provides a parsimonious new way to help explain extreme results found in prior studies. Rather than aiming to limit CEOs' self-serving behaviors, boards that apply these arguments improve social welfare by initiating positive reciprocity and avoiding unnecessary, welfare-reducing "revenge" behaviors.

Brown J.A., Gianiodis P.T., & Santoro M. 2015. **Following Doctors' Orders: Organizational Change as a Response to Human Capital Bargaining Power.** *Organization Science*, 26(5), 1284-1300.

*Abstract:* Organizational change is facilitated by both internal and external factors, yet little is known about how they might be linked. Through a case study of one hospital's change from a nonprofit to a nonprofit/for-profit organizational structure, we find that human capital bargaining power is a key mechanism that

integrates internal and external drivers of change. However, a paradox surfaces whereby the strength of the bargaining power can force structural changes that may be counterproductive. Our results show that human capital bargaining power is a "double-edged sword," shifting the governance structure to benefit those with power by providing additional rents, but creating challenges for the ongoing management and retention of such valuable human capital. Our findings have implications for the long-term survival of talent-intensive organizations where human capital bargaining power is strong.

Dorobantu, S., Kaul, A. & Zelner, B. A., **Non-Market Strategy Research through the Lens of New Institutional Economics: An Integrative Review and Future Directions.** *Strategic Management Journal*, Forthcoming (Special Issue on Reviews of Strategic Management).

*Abstract:* We use a novel theoretical framework to synthesize ostensibly disparate streams of non-market strategy research. We argue that faced with weak institutions, firms can create and appropriate value by either adapting to, augmenting, or transforming the existing institutional environment, and can do so either independently or in collaboration with others. We use the resulting typology of six distinct non-market strategies to provide an integrative review of non-market strategy research. We then extend this framework to examine the choice between non-market strategies, arguing that this choice depends upon whether the existing institutional environment is incomplete or captured, and discussing other drivers of non-market strategy choice, the relationship between these strategies, and their social impact, so as to provide an agenda for future research.

*Managerial summary:* The pursuit of competitive advantage often requires firms to operate in contexts where existing rules and regulations provide inadequate protection. Disruptive technologies open up new opportunities for value creation, but it takes years

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before appropriate regulations are introduced. Economic reforms open up new markets, but these are often regulated to favor incumbents and politically connected insiders. In such environments, managers must decide whether to adapt their strategies to the existing institutional environment, devote resources to improve it, or try to transform it altogether. In this article, we develop an integrative theoretical framework that connects and synthesizes research examining each of these options, and offers some preliminary thoughts on how managers may choose among these different approaches.

## A Note from SSIG Newsletter Editor

Ioannis Ioannou

Dear SSIG members,

As SSIG Newsletter editor, I am writing to ask your feedback on what you would like to see in your newsletter. This is *your* newsletter so, we need your news, announcements, publications, conversations etc.

Please do send me your thoughts for our next newsletter at: [iioannou@london.edu](mailto:iioannou@london.edu)

Looking forward to hearing from you, - *Ioannis*.

