

# What Would the Field of Management Consider if We Took Stakeholders Seriously?

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# Our focus

The relationship between **organizations** (both for-profit corporations and others) and the **stakeholders** that are involved and affected by their actions



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What if the field of **strategic management** took stakeholders **seriously**?



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# Our goal

Integrating **stakeholder considerations** into **core frameworks** in the field of Strategy



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# The new stakeholder theory (NST)

- Both **descriptive** and **instrumental**
- **Ethical and moral** but the theory is descriptive
- Accommodates stakeholders grounded in **varying more frameworks** that can't be reconciled
- Generate **measurable predictions** for empiricism



# Two canonical questions in the NST

- Which stakeholders are **enfranchised**?
- **How is value distributed** among stakeholders?



Q1

Who or what are stakeholders?

What is stakeholder **enfranchisement**?

How do stakeholders define **value creation**?



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# Q1

- “Who is in”? and “what is value?” must be **answered together**
  - Answers to these questions are **co-determined**
    - **What is value**, really?
- How do we deal with **heterogeneity** in stakeholder groups?





Q2

What are the implications of treating **organizations as tools** for accomplishing stakeholder aims?



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# Q2

- Team production **problematically** puts the organization at the center instead of in the hands of governing stakeholders
- How do prevailing political and social **institutions** shape the available organizational arrangements?
- How do we think about the **dynamic, serial enfranchisement over time** of stakeholders?



Q3

How does the pursuit of **aspirational goals** through an organization give rise to and/or destroy the **value** that proximate stakeholders experience?



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# Q3

- How is **organizational purpose** tied to enfranchisement?
- What is stakeholder **access**? Is enfranchisement itself ever valuable?
  - How does the institutional environment shape **governance**?
  - What are the implications of **risk of failure**?
    - What's the right **level of analysis**?



Q4

What are the **tradeoffs** involved in different forms of organizing, and what is the **role of organizational governance in shaping organizational purpose?**



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# Q4

- How does aspiration interact with the **fitness of an organization's legal form** for its pursuit?
- How do **legacy** characteristics cast a shadow of **suboptimal fitness to purpose**?
- What are the implications of attempts to preserve **flexibility** for **distribution** of value?
  - What values are **universal**?
- How does **adaptation** in purpose and org design unfold, and what are the implications?



Q5

What do we miss by ***not*** taking stakeholders seriously?



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# Q5

- How do we deal with **competition vs. cooperation**?
- What's the **feedback loop** between an organization's enfranchisement and value distribution for the institutional environment?
- When do **public "bads"** emerge from effective stakeholder management?
  - What is the unit of **accrual of value**?





# Conclusion

- The NST is in its **infancy**
- We don't have full agreement on the **core tenets of strategy**, including understandings of value, distribution, and enfranchisement
- The agenda we've outline is the **tip of an iceberg**

