Wicked Global Leadership Block 5

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Key themes

Content
Block 1 Complexity, Complex Adaptive Systems, System Change Theories, and Wicked Problems = the new reality of global leadership **Block 2** Simulation
Block 3 System Dynamics, McClelland Motives, System Archetypes, and System Mapping (causal loop diagrams and connection circles) **Block 4** Collaborative and Systems Leadership, Dilemmas and Paradoxes, Effective Dialogue. Introduction to the challenge to work on (SCQ framework) and stakeholder allocation.
Block 5 Work on challenge (problem definition, position statement, stakeholder map) = stakeholder teams **Block 6** Work on challenge (system map, develop a social innovation concept, stakeholder value) = mixed teams
Block 7 Work on challenge (prepare final presentation, make landing page) = mixed teams **Block 8** Final Presentations Discussion, Personal Change, Servant leadership (Case Study), Final leadership reflection

MSP Initiative

- Your goal is to launch an initiative through a multi-stakeholder partnership to tackle your chosen challenge.

Steps:

- Part 1 (Context): Choose a sector. Define the SCQ. Select Challenge and stakeholders (Voting).

- Part 2 (Stakeholders): Attribute Stakeholders. Position Statement. Study partnering stakeholders. Part 3 (MSP Design): Multi-stakeholder teams. System Map. Devise logic model and fill in MSP CANVAS. Map the value of your MSP.

- Part 4 (Presentation): Prepare your storyline and pitch. Make a landing page. Record presentation.

Position Statement

1. Study your stakeholder as much as you can

2. Discuss what your position would be in relation to this topic

   - Who are your main "customers"?

   - What are your services/products?

   - Who are your current partners?

   - How important is this challenge for you?

   - What are your claims and needs?

   - What is your history (past initiatives, etc.) concerning this challenge?

   - What do you expect from other stakeholders?

- Make a public position statement (one-pager)… to present to other stakeholders.

Stakeholder analysis

1. Study other stakeholders' **claims and needs**

2. Map the **relationships** between stakeholders (Kumu.io)

3. Study their **salience** and **position** (stakeholder map)

Stakeholder Salience

Stakeholder salience

The degree to which you give priority to competing stakeholder claims, based on the extent to which you perceive stakeholders to possess **power, legitimacy, and/or urgent claims**

Mitchell et al (1997)

Defining power, urgency and legitimacy

- **Power:** The stakeholder has the ability to apply a high level of direct economic reward or punishment and/or coercive or physical force and/or positive or negative social influence to obtain its will.

- **Urgency:** The stakeholder is active in pursuing claims, demands or desires which it feels are important.

- **Legitimacy:** The claims of the stakeholder group are viewed as being proper or appropriate.

Note: Legitimacy can include qualitative aspects (e.g. the credibility of those involved) and quantitative aspects (e.g. the level of representativeness of the population, the actual impact of the claims)

Adapted from Agle, Mitchell and Sonnefeld (1999)

Defining leadership...

"The process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives" (Yukl 2013, p.7)
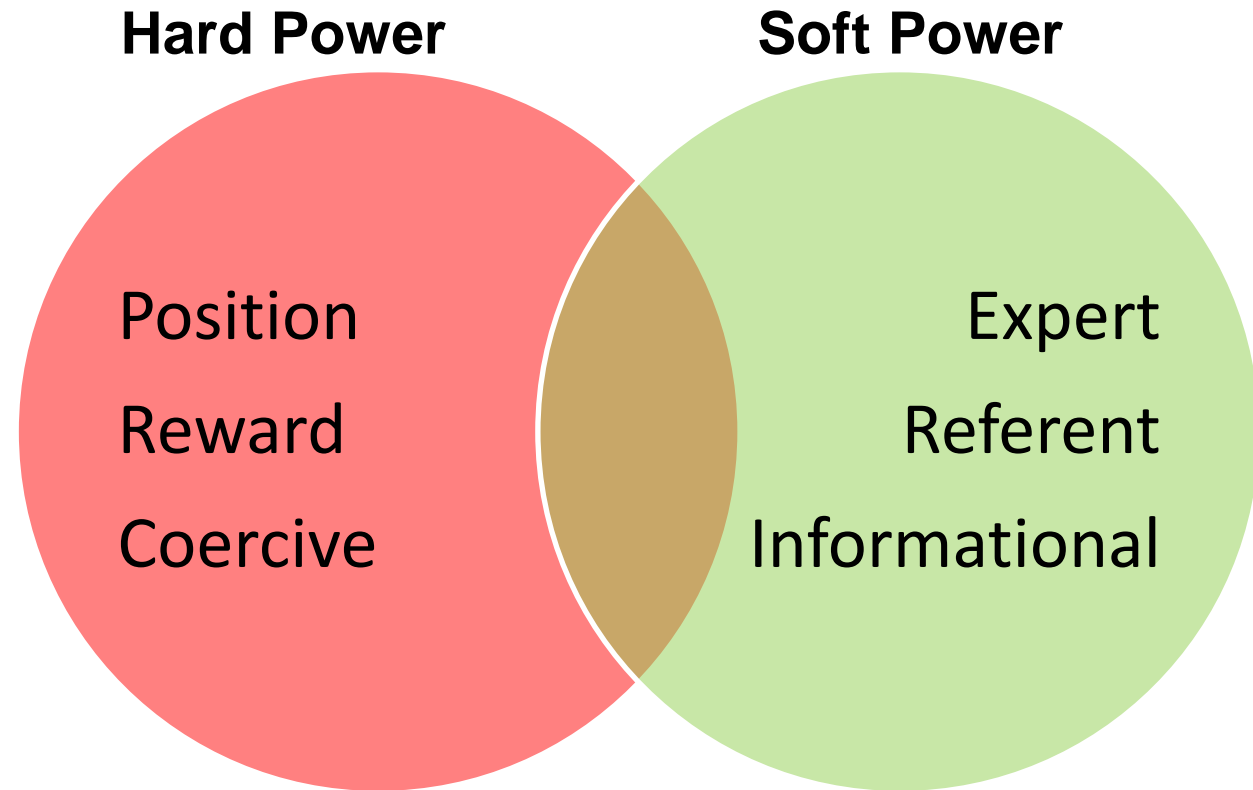
Leadership vs Power?

- Power is a measure of potential to influence
- Leadership is the ability to use (and gain) power to influence

Power bases

Hard Power — Position, Reward, Coercive

Soft Power — Expert, Referent, Informational

French, J. R., Raven, B., & Cartwright, D. (1959). The bases of social power. *Classics of organization theory*, 7, 311-320.
Podsakoff, P. M., & Schriescheim, C. A. (1985). Field studies of French and Raven's bases of power: Critique, reanalysis, and suggestions for future research.

Stakeholder power

- Voting power

- Economic power

- Political power

- Legal power

- Informational/influencing power

Preble (2005), Dill (1975), Freeman (1984)

Salience typology

- **Latent stakeholders**: Have only one attribute

  - Dormant stakeholders: power;

  - Discretionary stakeholders: legitimacy;

  - Demanding stakeholders urgency;

- **Expectant stakeholders**: have two attributes

  - Dominant stakeholders: power and legitimacy,

  - Dependent stakeholders: legitimacy and urgency,

  - Dangerous stakeholders: power and urgency;

- **Definitive stakeholders** – have the three attributes;

- **Non-stakeholders** – have none of the attributes;
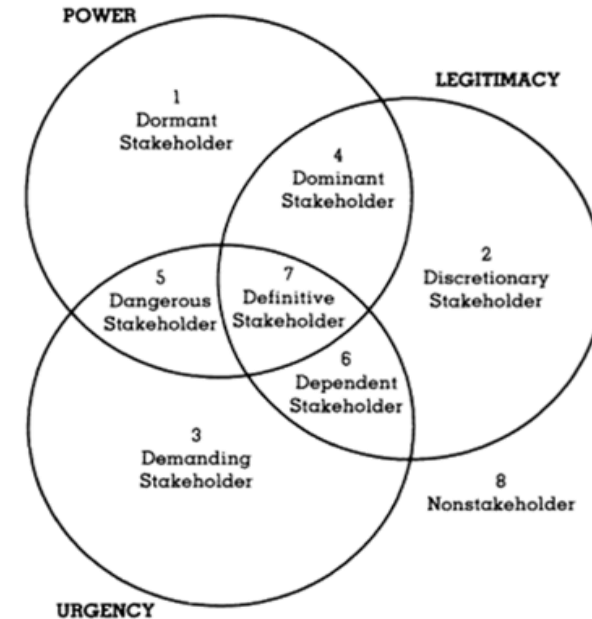
Stakeholder position and response strategy

How are stakeholder coalitions likely to form?

- Stakeholder groups often have common interests and will form temporary alliances to pursue these common interests

- Coalitions are very dynamic (can change at any time)

- Coalitions are increasing international

- Internet has enabled coalitions to form quickly, across political boundaries

- International alliances, coupled with media interest, can be a very powerful strategic force for companies
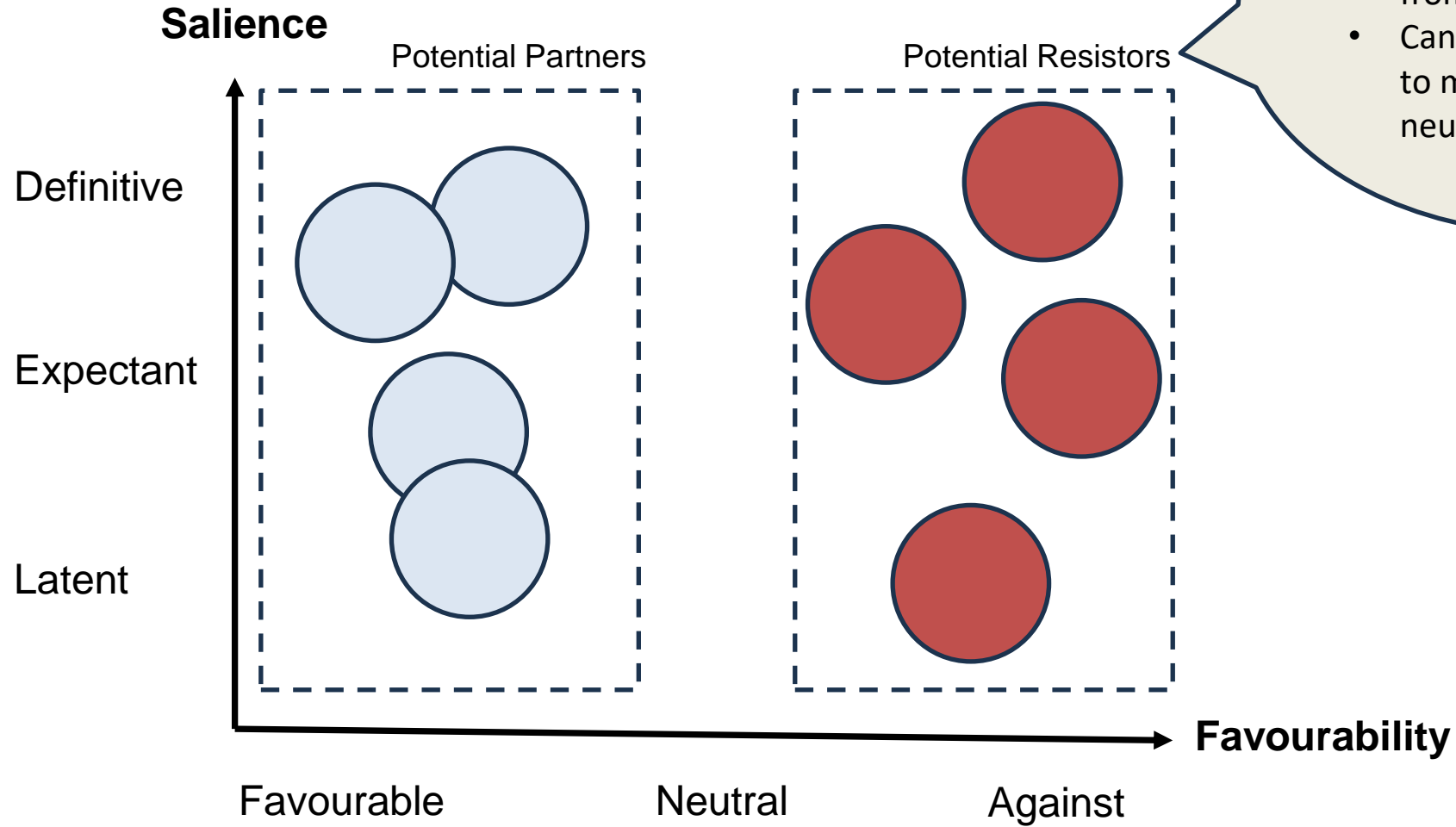
Responses to stakeholders – Broad Strategies (1)

- Incorporate stakeholder concerns in the **"statement of purpose" or "mission statement"** (Campbell, 1997; David, 1999)

- **Direct communication or open dialogue** (recommended for definitive, strategically important stakeholders, dangerous stakeholders, and stakeholders who aren't clearly understood).

- Mediated conflict negotiation (when conflicts arise)

- **Collaboration or partnering:** joint ventures, cooperative product development efforts with suppliers, and collective lobbying campaigns. Particluarly for **"mixed blessing stakeholders"** (Savage et al.,1991)

Responses to stakeholders – Broad Strategies (2)

- **Strategic programs**: advocacy advertising, negotiating with activist groups, lobbying for deregulation, labor–management cooperation, stockholder interviews, etc. (Freeman, 1984)

- **Traditional stakeholder management tactics:** customer service departments, long-term contracts with suppliers, competitive price cutting, government relations departments, community relations officers, financial donations to activist groups, etc. (Harrison and St. John, 1996)

Responses to stakeholders – Direct Strategies (1)

- **Adaptation strategy:** Obeying the demands and rules that are presented by stakeholders. It is considered that in order to cope with the demands and to achieve the objectives of the project it is better to adjust to the external stakeholder pressures.

- **Compromising strategy:** Negotiating with the stakeholders, listening to their claims related to the project and offering possibilities and arenas for dialogues. Making reconciliations and offering compensation. Opening the project to the stakeholders.

Adapted from Aaltonen and Sivonen (2009)

Responses to stakeholders – Direct Strategies (2)

- **Avoidance strategy:** Loosening attachments to stakeholders and their claims in order to guard and shield oneself against the claims. Transferring the responsibility of responding to the claims to another actor in the project network .

- **Dismissal strategy:** Ignoring the presented demands of stakeholders. Not taking into account the stakeholder related pressures and their requirements in the project execution

- **Influence strategy:** Shaping proactively the values and demands of stakeholders. Sharing actively information and building relationship with stakeholders

Adapted from Aaltonen and Sivonen (2009)

Stakeholder Value

Stakeholder value from your initiative

Based on the general idea/governing thought of your initiative…

- Who are the stakeholders you want to partner with?

- What value could your initiative add to them?

- What risks could they perceive with your initiative?

- What are the three main arguments to convince them to join you?

Stakeholder value from your MSP

Stakeholder	Value added	Perceived risks	Role	Three arguments to join

Preble (2005), Dill (1975), Freeman (1984)

You can also use a value proposition canvas per stakeholder…