Societal Response to Harms: Advancing a Theory of Stakeholder Dynamics Samuel Allen PhD¹,

Problem

- Unfulfilled aspiration of a 'more dynamic' (and more behavioral) stakeholder theory (Mitchell et al, AOM, 1997)
- Underutilized value of stakeholder theory for research adopting it
- Unanswered targeted critiques of stakeholder theory in strident literature
- Untapped potential for synthesis between related literature streams and proposed solution

Approach

- Data: Descriptive text data in articles across literature streams describing related issues
- **Process:** Conceptualize with literature (conceptual model of topic, related organizational theories), simulate using the reasons described in theory, visualize model part with specific contribution to Stakeholder Theory.
- Research Question: How would the loop be closed in theory?
- Result: A precise theory of Stakeholder Dynamics which addresses critiques and advances systems thinking and theoretical synthesis for scholarly use and practical design of real-world multistakeholder initiatives

Theory Development

A change in	Is caused by change, all else being equal, in		Stakeholder Theory	*-Colonial Research	SSCM-CE	Supply Chain Dynamics
Pressure on a Company to Change its Ways (Issue Salience)	Stakeholders' Legitimacy		Legitimacy	Social imaginaries give communities deep knowledge of their place. Place gives legitimacy to people, who have a say when they understand it.	stakeholders, to	The past, present and future perspectives on a discrepancy are all given weights indicating how much attention to allocate them in a decision. The weight shows the power that perspective should have, given the system's complex response. A non-zero weight indicates a legitimate perspective.
	Stakeholders' Power		Power	There is simultaneously a totalizing power of those causing harm to harm, and a radical, wise, coordinated decision-making power of the harmed to hold them responsible and bring balance	except perhaps through institutional	
	Stakeholders' Urgency	Stakeholders' Predicted Desired Harm Adjustment (Future)	Criticality	Actions to reduce cumulative harm, end ongoing harm	Actions to regulate and protect from harms in the future	Derivative control, a forecast, ideally of an internal tracking variable
		Stakeholders' Estimated Desired Harm Adjustment (Present)		Actions to reduce ongoing harm	Actions in operations cause harm; showing respect	Proportional control viewing the present discrepancy from goal
		Stakeholders' Cumulative Desired Harm Adjustment (Past)	Time sensitivity	Actions to bring responsibility/balance	Actions which reduce harm as a remedy	Integral control, could use a real term entity like production staff level

Desired Harm Adjustmen

Theoretical Framework

Stakeholders'

Perceived Harms

Value of "Stakeholder Dynamics" in adequately endogenizing stakeholder response Stakeholders' Stakeholders' Stakeholders' **Cumulative Desired** Legitimacy Power Harm Adjustment Stakeholders' Stakeholders' **Estimated Desired** Framework: Harm Adjustment a Company to (Present) Change its Ways Stakeholders' **Predicted Desired** Harm Adjustment Stakeholders' (Future) **Expected Harms** Pressure on a Company to Change its Ways Stakeholders'

Stakeholders'

Perceived Harms

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Red, alarm. Yellow, aspirations; Blue, authority; Purple, privilege; Green, positive change.

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