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Robert Boutilier: *A Stakeholder Approach to Issues Management*. New York: Business Expert Press, 2012

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Robert Boutilier is a Canadian organizational development consultant. His study, first published in 2011, combines traditional stakeholder management methodology with network analysis. Aimed rather at helping practitioners, *A Stakeholder Approach to Issues Management* is a well structured, clearly explained action research methodology on how to map organizational actors, how to measure their level of involvement, and how to assess their relationship patterns by using network analysis tools, for a more effective issues management.

With the rise of network theories and methodologies in the 21st century, a multiplayer approach to social reality is nowadays part of the mainstream theorizing. In the field of organizational studies, stakeholder theory – conceptualized by Freeman in 1984 – is the first systematic multiplayer approach with practical outcomes (Freeman 2010; Freeman, Harrison, Wicks, Parmar and De Colle 2010). Although stakeholder analysis is currently used by managers as a strategic planning method, the theory behind it does not lack controversy (Elias, Cavana and Jackson 2002; Fassin 2009; Simmons and Lovegrove 2005). The main area of clash has developed around the issue of business ethics: if stakeholders are defined narrowly as shareholders, the concept of business success jeopardizes an ethical approach to organizational actors' values.

Boutilier defines a stakeholder in a broader, more practical way as "someone who is either affected by a company or can have an effect on the company" as an individual, group or organization (2012, 4). The impact, either received or delivered, can be positive or negative, meaning that the best customer is just as much a stakeholder as a thief who empties the warehouse overnight. If we define stakeholders narrowly as shareholders, we leave outside the picture a whole range of organizational actors, such as competitors or civil society groups which oppose our initiatives.

The author broadens the concept of *focal organization* – the one whose key actors are under scrutiny – from companies to civil society groups and governmental agencies, as compared to most management literature approaches that restrict stakeholder analysis to the business world. Stakeholder analysis can be defined even broader, by zooming in or zooming out on more general or specific aspects, such as an organizational project or operation. The view of the focal organization as "possibly an emergent, self sustaining network contrasts with the corporate-centric view" (Boutilier 2012, 6).

Given the controversial nature of organizational issues, a stakeholder approach to issues management will necessarily involve value judgements on what is fair or unfair, legitimate or illegitimate, ethical or unethical. However, stakeholder theory is not a business ethics theory per se, Boutilier warns us: it states that focal organizations have responsibilities to their stakeholders, but "it does not say what those responsibilities might be" (Boutilier 2012, 8).

Chapter 1 addresses the relationship between stakeholder analysis and business ethics, and clarifies the key concepts of the study: what a stakeholder is, and why a stakeholder approach to issues management is productive.

Chapter 2 explains where issues come from, with an emphasis on stakeholder networks that convey issue legitimacy. It introduces the concept of social licence to operate, used in business ethics and environmental issues management to describe the agreement of affected communities.

Chapter 3 is focused on stakeholder network pattern analysis, a tool that can be used to diagnose the social dynamics of issue management. This is the most practical and useful part of the study.[1] The nine patterns of stakeholder networks help identify issue management strategies. *Chapter 4* deals with data collecting techniques on both organizational stakeholders and their issues, in an easy-to-grasp and practical manner.

Chapter 5 shows how data can be aggregated into meaningful sets of information by grouping stakeholders in relation to issues relevant to them. *Chapter 6* guides the reader towards applying stakeholder network and issue network information for strategic management in organizations.

Chapter 7 summarizes the benefits of a stakeholder network approach to global and local issues management.

Chapter 3 presents a practical guide to identifying key configurations of stakeholders, based on network analysis techniques. Measuring the social capital of an organization is a key factor in successful issues management. Boutilier integrates Nahapiet and Ghoshal's (1998) and Adler and Kwon's (2002) definitions of social capital into a broad scheme, as shown below (Boutilier 2012, 39).

1 Reviewer's opinion.

Table 1. An integrated definition of social capital, based on Boutilier's Figure 3.1.

Sources	Core	Manifestations
Structure of network	Goodwill	Influence in network
Quality of relationships		Solidarity, norm adherence
Shared understanding		Access to information

If we look at social capital patterns in networks on a two-dimensional model, the horizontal axis represents the core-periphery or bridging, whereas the vertical axis depicts the closure structure or bonding relationships between actors. The core-periphery dimension shows the extent to which a person has monopolized all the flows of influence and information, while the closure shows the level of connectedness between the actors (see Boutilier, figure 3.3., page 46, below).

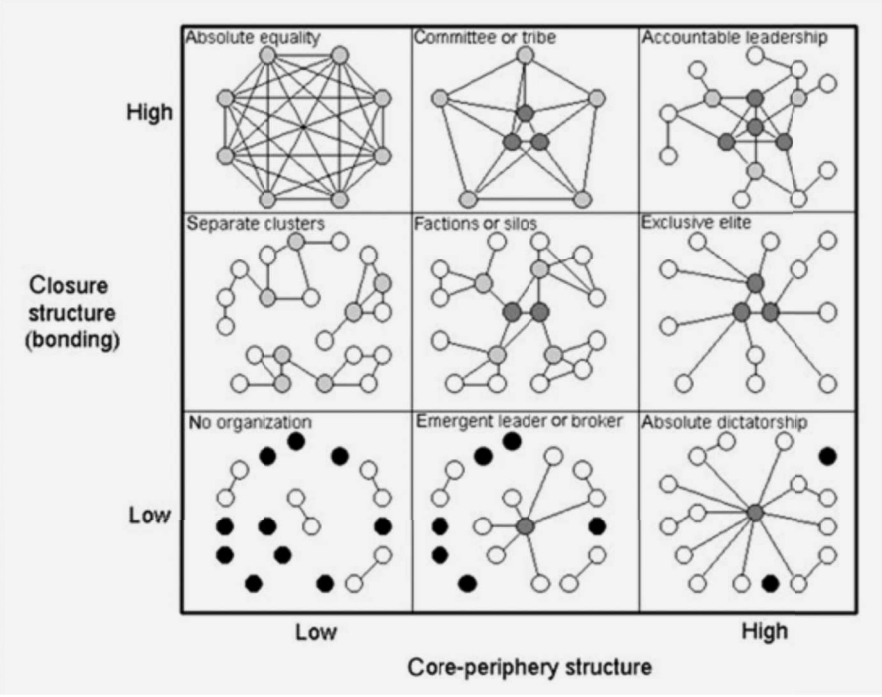

Figure 1. Stakeholder network patterns according to bonding and bridging social capital

An effective stakeholder network approach to issues management requires mapping key organizational actors, defining core issues they deal with, and visualizing relationships between actors and issues. The patterns presented in Figure 1 serve as guidelines to identify the closest configuration to the ideal-

type[2], in order to adopt the most appropriate strategy. *Absolute dictatorship* (low bonding, high bridging capital) is on one end of the scale, with a central actor monopolizing all the influence and having access to unfiltered information from multiple sources. It is a highly operational structure in terms of quick response, and a highly dysfunctional one in terms of resource allocation, solidarity and motivation. For issues management, a central figure is enough to be convinced, as s/he acts as an information filter, a gatekeeper in the network. Dealing with such an actor is always efficient, but not always ethical. On the other end of the scale, *absolute equality* shows quite the opposite, with an even access to resources, high solidarity, but total conformity, a lack of innovation due to strong normative pressures. It is hard to convince such a closely knit group from the outside. In-between patterns show different degrees of centralization and solidarity – key aspects when it comes to solving an issue and reaching agreement in a complex, fragmented social reality.

References

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2 Network patterns resulted by using specialized software, such as UCINET, are close to these patterns, but never similar, as the model in Figure 1 presents ideal combinations of structures (reviewer's note).