Joint Seminar – A Participatory Approach to Stakeholder Engagement: Defining A Hierarchy of Strategic Action

Speaker: Professor Witold Jerzy Henisz  
The Wharton School, The University of Pennsylvania  

Date: 09 October 2013, Wednesday  

Time: 12.30 pm – 2.00 pm  

Chairperson: Dr Markus David Taussig  

Venue: Mochtar Riady Building Seminar Room, BIZ1 #06-01

Abstract  
Scholars of stakeholder engagement and corporate social responsibility have long grappled with the question of how to strategically engage stakeholders to obtain the strategic benefits of cooperation and reduce conflict with stakeholders. We use insights from the literatures on civic participation and participatory development to identify five strategic actions, and the mechanisms underlying these actions, that firms can use to strategically engage stakeholders to increase cooperation and reduce conflict. These strategic actions include announcements, meetings, payments, activity, and monitoring and evaluation (M&E). We find payment and activity have the greatest and similar impact, announcements and meetings have similar and lower impact, and M&E has the lowest impact. When we disaggregate these variables we further find that stakeholder-led strategic actions have a consistently greater impact than firm-led strategic actions, in-kind payments have a greater impact than cash payments, and that joint actions are not perceived as joint but as rather firm-led or possibly staged. Our context is an original dataset of roughly 52,000 media reported stakeholder events that we use to capture dyadic relations and engagement among stakeholders and firms associated with 19 gold mining companies operating 26 mines in 20 countries.

About the Speaker  
Witold J. Henisz is the Deloitte & Touche Professor of Management in Honor of Russell E. Palmer, former Managing Director at The Wharton School, The University of Pennsylvania. His research examines the impact of political hazards on international investment strategy including efforts by multinational corporations to engage in corporate diplomacy to win the hearts and minds of external stakeholders. In an ongoing National Science Foundation funded project he shows that markets value stakeholder engagement twice as much as the net present value of the gold ostensibly controlled by 19 publicly traded gold mining companies. He then assesses the contingencies that influence the choice of which stakeholder these firms should reach out to in order to positively influence valuation as well as how to best develop a cooperative relationship with that stakeholder. He draws upon these insights as well as examples from large scale construction management, sustainable tourism, development and military counterinsurgency in his book project Corporate Diplomacy: Building Reputations and Relationships with External Stakeholders. His earlier work analyzed (1) the political and economic determinants of government attempts to redistribute investor returns to the broader polity; (2) the strategic responses by organizations to such pressure; and (3) the determinants of the success of individual organizations in withstanding such pressure. His research has been published in top-ranked journals in international business, management, international studies and sociology. He served as a Departmental Editor at The Journal of International Business Studies.
**Enquiries**

For enquiries on our department seminars, please email Rasheeka at 6516-6723 or Woo Kim at 6516-4660.

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Please note that attendance is compulsory for ALL S & P Dept PhD students.

*Lunch will be served at 12.00 noon at Staff Lounge.*

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