Change, Institutional Theory, and Business Legitimacy

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Abstract

This chapter brings together and discusses the implications of neo-institutional theories about organizational change as translation for the implementation of stakeholder management and the legitimate business organization. It suggests that – according to these theories – being a legitimate business organization is not something that the organization is but rather something that the organization does. First, the organization needs to institutionalize stakeholder management as the way the business organization organizes its management processes. Then it needs to negotiate and develop its identity as a socially constructed boundary object that is interpreted, theorized, and viewed as legitimate across stakeholders

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J. D. Rendtorff (ed.), *Handbook of Business Legitimacy*,
https://doi.org/10.1007/978-3-030-14622-1_13

intersecting social worlds. Then as more and more humans and stakeholder groups become interested and mobilized, exercise their roles, and start acting on the basis of the assumption that the particular business organization as a boundary object is to be interpreted and viewed as legitimate, the legitimate business organization is becoming constructed as a social fact.

Keywords

Legitimacy · Stakeholder management · Translation · Implementation · Neo-institutional theory

Introduction

Researchers agree upon the importance of business organizations being legitimate (Suchman 1995; Deephouse and Suchman 2008). A lot of research have thus been done, and a lot of efforts have been put into showing how and why this is the case and into finding out ways in which organizations may obtain such an aim (Suchman 1995; Deephouse and Suchman 2008; Freeman 2010; Mitchell et al. 1997; Schrempf-Stirling et al. 2016; Waddock et al. 2002). As a consequence, many management ideas have developed that present themselves as means to helping organizations become a legitimate business organization. Such management ideas include management approaches with many different labels: corporate social responsibility (Schrempf-Stirling et al. 2016), ethical management (Peale and Blanchard 1988), stakeholder management (Freeman 2010), and total responsibility management (Waddock et al. 2002). Becoming a legitimate business organization however does not happen by itself. It depends on such ideas being carefully translated and thus implemented in the organizations that adopt them (Czarniawska and Joerges 1996). In other words, it depends on organizational change. If the organization does not change as a consequence of introducing such management ideas, nothing will happen, no change will occur, and no effects on stakeholders' legitimacy assessments will be produced.

Change management may be defined as "the process of continually renewing an organisation's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers" (Moran and Brightman 2001: 111). Change management is about an organization's ability to identify where it needs to be in the future and how to manage the changes required getting there (By 2005: 369). In this chapter we will explore the implications of neo-institutional theories about organizational change for the introduction of a popular management idea, the idea of stakeholder management in organizations attempting to change into or becoming legitimate business organizations.

The concept of translation is central to neo-institutional theories about organizational change (Wæraas and Nielsen 2016). It focuses upon and accentuates the exact types of work that needs to be done to make organizational change happen. Czarniawska and Joerges (1996) draw upon Bruno Latour's definition of the concept of translation who claims that "... The spread in time and space of anything-claims, orders, artefacts, goods -is in the hands of people; each of these people may act in many different ways, letting the token drop, or modifying it, or deflecting it, or betraying it, or adding to it, or appropriate in it" (Latour 1986: 267). The concept thus implies that people need to do something with an idea for it to move, become institutionalized, and change the organization. The fate of new ideas and concepts and their ability to produce organizational change thus literally lies in the hands of the receivers of these ideas each of whom may react to it in different ways as the idea is moved between humans and groups of humans within the organization as well as in the organization's environment.

The chapter is organized in the following subsections.

The first section explores and gives an overview over different ways to theorize and define the concept of organizational legitimacy. It is suggested that it is the socially constructed interpretations and theories stakeholders have about organizations as social entities with certain structures, actions, and ideas that are being assessed and subjected to legitimacy judgments.

The second section presents stakeholder management as an approach to management based on certain ideas and implying use of certain types of tools that may be used to becoming a legitimate business organization.

In the third section, two types of (organizational change) work that need to be done to realize the intention of becoming a legitimate business organization through the use of stakeholder management are identified using translation theory as a lens:

(a) Stakeholder managers need to translate the idea of stakeholder management in a way that assures that the idea becomes institutionalized in their organizations.
(b) Stakeholder managers need to negotiate and socially co-construct the organization as an appropriate and legitimate boundary object in collaboration with the organization stakeholders.

The fourth section asks when the legitimate business organization has become constructed as a social fact. It is suggested that the legitimate business organization becomes materialized, powerful, and socially constructed as a social fact as more and more humans and stakeholder groups become interested and mobilized, exercise their roles, and start acting (Callon 1986) on the basis of the assumption that the particular business organization as a boundary object is to be interpreted and viewed as legitimate.

The fifth section focuses upon the practical consequences of the analysis for stakeholder managers wanting to introduce stakeholder management as an approach to becoming a legitimate business organization. The specific question discussed is what stakeholder managers should consider in such a situation.

In the sixth section, some conclusions are drawn about using stakeholder management to becoming and performing the legitimate business organization. It is emphasized that in the view of the translation perspective, being a legitimate business organization is not something that the organization is but rather something that the organization does.

Gaining Organizational Legitimacy

Deephouse and Suchman (2008) have reviewed and given an overview over how legitimacy has been theorized in organizational institutionalism: Weber (1978) suggests that legitimacy can result from conformity with both general social norms and formal laws. According to Meyer and Rowan (1977), organizational survival may result not only from being efficient but also from conforming to institutionalized myths about appropriate organizing from an organization's environment. They point out that organizational legitimacy can result from suppositions of rational effectiveness, legal mandates, and collectively valued purposes, means, and goals. They highlight that legitimacy protects the organization from external pressures and protects it from having its conduct questioned. As pointed out by Pfeffer and Salancik (1978), comments and attacks will occur when activities of an organization are considered illegitimate (Pfeffer and Salancik 1978: 194). In a political and interest group perspective, legitimacy may thus be defined as "the acceptance by the general public and by relevant elite organisations of an association's right to exist and to pursue its affairs in its chosen manner" (Knoke 1985: 222).

In 1995 Suchman defined legitimacy as "a generalised perception or assumption that the actions of an entity are desirable proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman 1995: 574). He identified two approaches to obtaining organizational legitimacy: a proactive approach based on resource dependence theory and a reactive approach based on neo-institutional theory. The approach based on resource dependence theory suggests that one element of competition and conflict among social organizations involves the conflict between systems of belief or points of view (Pfeffer and Salancik 1978). It theorizes legitimacy as an operational resource that organizations extract – often competitively – from their cultural environments and that they employ strategically in pursuit of their goals (Schuman 1995: 576). In contrast the institutional approach downplays both managerial agency and manager-stakeholder conflicts and depicts legitimacy not as an operational resource but as a set of constitutive field-related beliefs about what characterizes an appropriate organizing of organizations in a given field. Thus according to Suchman (1995) in this view, a manager's decisions are constructed by the same belief systems that determine audience reactions because they are all embedded in a strong and constraining symbolic environment. This is in accordance with Oliver's (1991) view that managers in organizations may choose to react to external pressures and contests of legitimacy by reactively adapting to institutional pressures from socially embedded (Granovetter 1985) stakeholders or by proactively trying to influence them. Managers may thus choose to adapt to external pressures by habitually following taken-for-granted norms, imitating legitimate institutional models, and complying with rules and accepted norms. Alternatively, they may choose to try to proactively influence stakeholders that exert these pressures and question the legitimacy of their organizations. This is by trying to make compromises with, avoiding, defying, or manipulating, these stakeholders. In their analysis of legitimacy in organizational institutionalism, Deephouse and Suchman (2008) identify the different dimensions of legitimacy. Legitimation and delegitimation is the process by which the legitimacy of the subject changes over time. Subjects of legitimation are defined as "those social entities, structures, actions and ideas whose acceptability is being assessed." The sources of legitimacy are "the internal and external audiences who observe organisations and make legitimacy assessments." They are those entities who have the capacity to mobilize and confront the organization.

As proposed by Tost (2011), whether a subject of legitimation is assessed as legitimate or not depends on individual-level legitimacy judgments. Because individuals' judgments and perceptions constitute the micro motor that guides their behavior, they thereby influence interactions among individuals, which in turn coalesce to constitute collective-level legitimacy and social reality. Tost (2011) identifies three dimensions of content underlying legitimacy judgments: instrumental, relational, and moral. When a social entity is viewed as legitimate on instrumental grounds, it is perceived to facilitate the individual or group attempts to reach self-defined or internalized goals or outcomes, for instance, perceptions or beliefs concerning the effectiveness, efficiency, or utility of the entity. An entity is viewed as legitimate on relational grounds when it is perceived to affirm the social identity and self-worth of individuals or social groups and to ensure that individuals or groups are treated with dignity and respect and receive outcomes commensurate with their entitlement, for example, as when an entity is perceived or believed to be fair, characterized by benevolence or communality. Thirdly, an entity is perceived as legitimate on moral grounds when it is perceived to be consistent with the evaluators' moral and ethical values. This includes perceptions or beliefs related to morality, ethicality, or the integrity of the entity.

As implied above organizational legitimacy is a socially constructed phenomenon. It is produced, reproduced, and changed by internal and external audiences/groups that are separated in time and space who observe organizations and make legitimacy assessments and judgments and thus interpretations of the appropriateness of organization's structures, actions, and ideas. During this process, those subjects of legitimation whose acceptability is being assessed are organizations as "social entities, structures, actions, and ideas" as the stakeholders interpret and theorize them. It is thus the interpretations and theories stakeholders have about organizations as social entities with certain "structures, actions, and ideas" that are being assessed and subjected to individuals and stakeholders' instrumental, relational, and moral legitimacy judgments. In such a view, a completely legitimate organization would be one about which no question could be raised. Every goal, mean, resource, and control system would be necessary, specified complete, and without alternatives. The perfect legitimate organization would thus be based on a perfect interpretation and theory about that organization, complete without uncertainty and confronted by no alternatives (Meyer and Scott 1983: 201). Such an organization would be perceived as efficient and effective, as pursuing its affairs in a socially acceptable way and in a way that is in accordance with generally accepted beliefs and values of the groups of stakeholders that affect or are affected by the organization's activities.

From Profit to Triple Bottom-Line and Stakeholder Management

Milton Friedman (Friedman 1970) once suggested that the social responsibility of the firm is to increase its profits. The Brundtland report later defined sustainability as "... economic development that does not compromise the ability of future generations to achieve and enjoy the same level of welfare or standard of living as the present generation" (Brundtland 1987). Since then things have changed further. Today firms and corporations are expected to behave responsibly toward their employees as well as in relation to the environment. In their global compact initiative, the United Nations has even broadened the social responsibilities of business organizations to also include principles related to human rights and anti-corruption (https://www.unglobalcompact.org/sdgs/17-global-goals). As a consequence being a legitimate business organization has increasingly become associated with behaving responsibly and ethically. It has become associated with triple bottom-line slogans like "profit, people, planet" (Elkington 1994) rather than Milton Friedman's more narrow claim and focus upon only profits. As pressures on business organizations for behaving in sustainable and socially responsible ways have grown, different ideas and concepts have developed suggesting how an organization may organize and use different approaches to obtain such a goal. These include ideas and concepts like "corporate citizenship" (Matten and Crane 2005), "corporate social responsibility" (Schrempf-Stirling et al. 2016), "sustainability and total ethical or total responsibility management" (Waddock et al. 2002), and "stakeholder management" (Freeman 2010). In the following sections, it will be looked into how a fashionable idea related to corporate social responsibility (CSR) and ethical management, namely, "stakeholder management," may travel between and into organizations in organizational fields. It will be discussed how translating the idea of stakeholder management and thus changing the organization may lead to business organizations being interpreted and theorized as legitimate by stakeholders in instrumental, relational, as well as moral ways. However, before we do that, the content of and types of recipes (Røvik 1998) related to this theory and approach to management will be analyzed.

Stakeholder Management as an Idea

In an interview, Freeman (Freeman and Moutchnik 2013) points out that stakeholder theory changes the unit of analysis of business. He notices that business is not just about economic transactions. It is about relationships with customers, suppliers, employees, communities, and financiers. And it is about how these relationships are dependent on each other. Stakeholder theory is thus about how we cooperate with each other. He explains that as a consequence, there is no need for a separate CSR approach since the stakeholder perspective has a wide definition of stakeholders and integrates their concerns into the business processes. It may be suggested that a similar type of argument may be applied to business ethics. Since stakeholders that are influenced by or have the ability to influence the business organization are included in a dialogue and discussion of the business organization's activities, their different types of interests and values are taken into consideration and dealt with pragmatically during the stakeholder management process. What is or should be considered ethical (and thus legitimate) in relation to a business organization is thus socially constructed, contested, negotiated, and decided upon pragmatically as part of the stakeholder management process.

According to Rendtorff (2005), stakeholder management theory is the strategic basis for business ethics and CSR. Instead of theorizing humans as actors rationally pursuing their economic self-interests in the marketplace, stakeholder management theory builds on institutional theory that theorizes humans as embedded in social groups and networks. In such a view, the responsibility of the business organization is not only to increase its profits and shareholder value. Rather profits and increased shareholder value as well as long-term survival are viewed as dependent on a business organization's ability to serve and manage different stakeholder groups with different beliefs, values, and interests in relation to the organization's activities. In the sections that follow, we will shortly describe the content of stakeholder management as an idea and some of the tools or recipes related to practicing stakeholder management.

The Content of Stakeholder Management

The stakeholder approach builds on active management of the business environment, relationships, and the promotion of shared interests (Freeman and McVea 2001). The central task is to identify, manage, and integrate the relationships and interests of shareholders, employees, customers, suppliers, communities, and other groups in a way that ensures the long-term success of the firm. The interests of key stakeholders should be integrated into the very purpose of the firm, and stakeholder relationships should be managed in a coherent and strategic fashion. It offers a single and flexible strategic framework making it possible for the business organization to adapt to its environment in a flexible way. According to Freeman and McVea (2001), the content of the stakeholder approach (as a theory/an assembly of ideas) may be characterized in the following manner:

1. It is a strategic management process rather than a strategic planning process. Managers should not plan but set a direction for the organization while considering how the firm may affect the environment as well as how the environment may affect the firm.
2. To survive and achieve the organization's objectives, management must direct a course for the firm rather than just try to optimize current outputs. To successfully change course, management needs the support of stakeholders who can affect the firm, and management needs to understand how the firm will affect others. Management focuses upon balancing and integrating multiple relationships and multiple objectives.

3. Stakeholder management develops strategies by identifying, and investing in, all the relationships that will ensure long-term success. To be successful it incorporates values of the different stakeholders as a key element of the strategic management process. It assumes that different stakeholders can only cooperate over the long run if, despite their differences, they share a set of core values.
4. The stakeholder approach builds on concrete facts and analysis, and is thus descriptive, but it must also recommend a direction for the firm, given its stakeholder environment. The strategic stakeholder management process thus helps management plan and affects stakeholders in a way that helps to create the future environment of the firm. It enriches management's understanding of the strategic options they have.
5. Stakeholder management builds on developing an understanding of the stakeholders who are specific to the firm and the circumstances in which it finds itself. It is assumed that it is only through this understanding that management can create options and strategies that have the support of all stakeholders. And it is only with this support that management can ensure the long-term survival of the firm. Rather than only understanding how customers react to a price, it is important to understand why customers as well as other stakeholders react as they do.
6. Finally, stakeholder management builds on an integrated approach to strategic decision-making. Rather than deciding upon a strategy for each stakeholder, managers must find ways to satisfy multiple stakeholders simultaneously. Successful strategies thus integrate the perspectives of all stakeholders rather than offset them against each other.

The Tools of Stakeholder Management

Stakeholder management is not just based on certain ideas and principles but also implies that certain tools are used. As managers move from a theory of strategic planning to a theory of strategic stakeholder management, Edward Freeman thus suggests that managers need to assure that the organization's relationships with its stakeholder groups are managed in an action-oriented way (Freeman 2010: 53). Processes and techniques are needed that enhance the strategic management capability of the organization defined as "the organisations understanding or conceptual map of its stakeholders, the processes for dealing with the stakeholders, and the transactions which it uses to carry out the achievement of the organisations purpose with stakeholders" (Freeman 2010: 73). Edward Freeman identifies three things that a stakeholder manager needs to do in order to manage the relationships with its stakeholders. Firstly, the stakeholder manager needs to analyze who the stakeholders in the organization are and how they perceive their stakes. Secondly, he/she needs to understand the organizational processes used to implicitly or explicitly manage the organization's relationships with its stakeholders and whether these processes fit with the stakeholder map of the organization (identified by the stakeholder manager). Thirdly he/she needs to understand the set of transactions or bargains among the organization and its stakeholders and deduce whether these negotiations fit with the stakeholder map and the organizational processes for stakeholders (Freeman 2010: 53). An organization's stakeholder management capability will now depend on the organization's ability to put these three levels of analysis together. The tools used to analyze the abovementioned three processes are described in detail by Freeman (see Freeman 2010: 54–79).

He suggests that stakeholder managers start with using the generic stakeholder map and different types of grids as a tool to analyze and map who the stakeholders of the organization are, how they perceive their stakes, and what their roles, relationships, power, values, and interests are. This analysis has to be supplemented with an analysis of the organization's strategic and operational processes, that is, the organizational processes that are used to achieve some kind of fit with the external environment including formal standard operating procedures as well as more informal assumptions about "the way we do things around here." Examples mentioned are portfolio analysis processes, strategic review processes, and environmental scanning processes. This analysis is followed by an analysis of the interactions and transactions between stakeholders. Questions focused upon are how do the organization and its managers interact with stakeholders? What resources are allocated to interact with which groups? The aim is to create a better fit between the organization's stakeholder map and the organization's transactions and processes with stakeholders identified by that map. Successful transactions with stakeholders are assumed to be built on understanding the legitimacy of the stakeholder and having processes to routinely surface their concerns (Freeman 2010: 73). Transactions must be executed by managers who understand the currencies in which the stakeholders are paid. They need to think about how to assure that the stakeholder and the organization win at the same time. Or put differently the relationship between the organization and its stakeholders needs to be built on voluntarism – that is, a willingness to satisfy the organization's key stakeholders (Freeman 2010: 74).

Edward Freeman suggests that the abovementioned analysis should be followed by three types of strategic management processes and suggests a number of tools that might be used in each of them. The three processes are (1) setting strategic direction, (2) formulating strategies for stakeholders, and (3) implementing and monitoring stakeholder strategies (Freeman 2010: 83–192). The tools used to setting strategic direction include tools aimed at making stakeholder analysis, values analysis, and social issues analysis. Moreover, stakeholder audit is suggested as a tool to setting the strategic direction at the corporate level just as a typology of enterprise and stakeholder strategies is provided. The tools related to formulating strategies for stakeholders include a standard process for formulating strategic programs for stakeholders and a model of the stakeholder strategy formulation process consisting of six major tasks: (1) stakeholder behavior analysis, (2) stakeholder behavior explanation, (3) coalition analysis, (4) generic strategy development, (5) specific programs for stakeholders, and (6) integrative strategic programs. The tools related to implementing and monitoring stakeholder strategies include grids, an implementation matrix, and some concepts that may be used to implement strategic programs and a number of concepts and methods that may be used to monitor progress with stakeholders as well as control the implementation process.

As demonstrated above then, a management idea as stakeholder management does not only consist of assemblies of certain internally related ideas and principles but also of a number of more specific tools and recipes (Røvik 1998) describing how such an idea may be realized. The stakeholder management process is thus described as a process consisting of not only ideas and principles but also of certain steps, activities, and tasks that have to be performed if the idea of stakeholder management (and thus the legitimate business organization) is to be realized in practice.

Two Tasks when Constructing the Legitimate Business Organization

We have now analyzed and discussed different views on the legitimacy of business organizations. And we have identified the subjects of legitimation whose acceptability is being assessed as organizations as "social entities, structures, actions, and ideas" as the stakeholders interpret and theorize them. We have moreover shown how researchers in the area of stakeholder management theory have theorized the stakeholder perspective and how they interpret this strategic management perspective as a way to realize the idea of the legitimate business organization. In the following sections, we will analyze the different types of work a business organization needs to do to introduce the idea of stakeholder management. The analysis takes its point of departure in theories about organizational change developed in neo-institutional theory. In this stream of research, ideas like stakeholder management are not implemented but rather translated when they are introduced in organizations (Wæraas and Nielsen 2016). It will be suggested that according to these theories of organizational change as translation changing your organization into a legitimate business organization will depend on how you as a stakeholder manager handle two important tasks:

1. Your ability to translate and institutionalize the idea and practices of stakeholder management in your organization
2. Your ability to negotiate, translate, and co-construct the organization as a legitimate boundary object with each stakeholder group as well as across stakeholder groups

First Task: Translating Stakeholder Management

In neo-institutional theory, organizational changes have been theorized as translation processes (Czarniawska and Joerges 1996). The translation perspective focuses upon how an object or token changes from one state to another as it "travels" within and across organizational settings (Wæraas and Nielsen 2016). In this view an approach to obtaining business legitimacy like stakeholder management is theorized as a management idea that circulates and travels between and into organizations in organizational fields.

According to Czarniawska and Joerges (1996), ideas may be defined as images which become known in the form of pictures or sounds (words can be either one or the other). They suggest that the ideas and concepts that circulate in institutionalized organizational fields, for instance, "stakeholder management," are abstract, symbolically mediated, and communicated entities that travel by being translated into an object (for instance, a book about stakeholder management, some recipes or tools related to practicing stakeholder management, a PowerPoint presentation, or other types of publication) that is then dis-embedded from one social group and context and later translated and re-embedded in another social group and context. The idea of stakeholder management is thus viewed as an abstract and symbolic object that literally "travels" among and between humans and groups of humans that are situated differently in time and space.

The authors suggest that in order to become implemented, an idea or assembly of ideas as those related to stakeholder management need to be institutionalized. They claim that an idea or assembly of ideas will be translated into an object and then into actions which if they are repeated as routines become institutionalized. The concept of translation is central to this theory. Czarniawska and Joerges (1996) draw upon Bruno Latour's definition of the concept of translation which claims that ". . . The spread in time and space of anything-claims, orders, artefacts, goods -is in the hands of people; each of these people may act in many different ways, letting the token drop, or modifying it, or deflecting it, or betraying it, or adding to it, or appropriate in it" (Latour 1986: 267).

The concept of translation thus suggests that people need to do something with an idea for it to move and become institutionalized. The fate of new ideas and concepts literally lies in the hands of the receivers each of whom may react to it in different ways. It follows that new ideas have to resonate with the local interest in order to be taken up and that the way in which they will be attributed meaning will depend on local conditions. The successful translation of an idea and concept thus proceeds along an uninterrupted chain of translations where the energy that makes the idea or practice move in time and space is provided by each new human who takes up and starts acting upon it. At each step, the idea or practice is somewhat reinterpreted and modified in order to fit the interests of the new imitators. Thus instead of a process of transmission, the process of translation is characterized by continuous transformation (Nicolini 2010).

Second Task: Constructing the Organization as a Legitimate Boundary Object

Another phase in the work of becoming a legitimate business organization unfolds after the organization has institutionalized stakeholder management as the way the organization organizes its management processes. At this point in time, the business organization needs to identify who the stakeholders of the organization are and which types of legitimacy assessments and judgments and thus which types of interpretations of the appropriateness of the organization's structures, actions, and ideas the different stakeholders have. At this point in time, the subject of legitimation whose acceptability is being assessed becomes the organization as characterized by certain structures, actions, and ideas as the stakeholders interpret and theorize them (as explained above). Or put differently the organization becomes socially and symbolically constructed as an object whose appropriateness and legitimacy are being assessed and judged by the stakeholders. Following Star and Griesemer (1989), such an object may be theorized as a boundary object:

> Boundary objects inhabit several intersecting social worlds and satisfy the informational requirements of each of them. They are both plastic enough to adapt to local needs and the constraints of the several parties employing them, yet robust enough to maintain a common identity across sites. They are weakly structured in common use, and become strongly structured in individual site use. They may be abstract or concrete. They have different meanings in different social worlds but their structure is common enough to more than one world to make them recognisable, a means of translation. (Star and Griesemer 1989: 393)

In accordance with stakeholder management theory, Star and Griesemer (1989) address the problem of common representation in diverse but intersecting social worlds and suggest that the creation and management of boundary objects is a key process in developing and maintaining coherence across intersecting social worlds. According to stakeholder management theory, stakeholder managers have a similar aim. They want to socially construct and negotiate a version of the business organization (characterized by certain structures, actions, and ideas) that is perceived as appropriate and legitimate by each stakeholder group as well as across these groups. In order to succeed with that, the organization as a perceived and interpreted boundary object needs to satisfy the informational and legitimacy requirements of each stakeholder group. It moreover needs to maintain a common identity as a legitimate organization across sites and stakeholder groups. As a consequence interpreting, negotiating, and co-constructing the organization as a legitimate boundary object with each stakeholder group as well as across stakeholder groups is a key activity and (the second important) task for stakeholder managers working with turning their organizations into legitimate business organizations. It is an important means to making stakeholders translate the organization as a legitimate entity.

An organization as a boundary object will be assessed and judged as being legitimate if it is perceived as efficient and effective, as pursuing its affairs in a socially acceptable way and in a way that is in accordance with generally accepted beliefs and values of the groups of stakeholders that affect or are affected by the organization's activities. In order to socially construct and maintain stakeholders' perception of the organization as boundary object as a legitimate business organization, stakeholder managers must be able to confront and find legitimate answers to any attack, question raised, uncertainty, or alternative communicated by the stakeholder groups that may question the legitimacy of the organization as a boundary object in the eyes of each stakeholder group as well as across stakeholder groups.

When Has the Legitimate Business Organization Become a Social Fact?

An obvious question that arises when constructing the legitimate business organization is how you evaluate when the idea of the business organization as a stakeholder organization and a legitimate boundary object has been realized? As pointed out by researchers in actor-network theory, the more people and objects that are mobilized and start acting and doing work that realizes an idea or practice, the more powerful it becomes (Latour 1986; Callon 1986). The successful translation of an idea like stakeholder management thus depends on the number of managers and employees that take up, start acting, and mobilize objects in accordance with the ideas, concepts, and recipes related to that management approach (Røvik 1998). Secondly the legitimacy of the organization as a boundary object depends on the number of external stakeholders that are mobilized and agree upon interpreting the organization as boundary object as legitimate (despite they may have different reasons for doing so). Translation thus has a political meaning, referring to the political struggle related to the translator's pursuit of interests or specific interpretations, involving acts of persuasion, power plays, and strategic maneuvers (Nicolini 2010) (Wæraas and Nielsen 2016). Or as Michel Callon and Bruno Latour point out: "by translation we understand all the negotiations, intrigues, calculations, acts of persuasion and violence, thanks to which an actor or force takes, or causes to be conferred on itself, authority to speak or act on behalf of another actor or force" (Callon and Latour 1981: 279). The idea of the business organization as a legitimate boundary object is thus first realized when stakeholder managers have done the work – that is, all the negotiations, intrigues, calculations, acts of persuasion, etc. – making solving the two types of tasks mentioned above possible. First then managers and employees as well as other stakeholders will have been mobilized and made to do the practical work that realizes the idea of the organization as a legitimate boundary object. And first then a stakeholder manager will be able to become a spokesperson for and a representative of the will and acts of all those who do work and thus in practice realizes the idea of stakeholder management and the idea of the business organization as a legitimate boundary object.

Discussion: What Should Stakeholder Managers Consider?

In relation to the first task mentioned above, stakeholder managers should consider and be aware of the following: If the idea of stakeholder management and the recipes and tools related to it are not just implemented but rather translated. And if that which is translated depends on what the next human in the translation chain does with these tokens, what the outcomes may be of this translation process becomes uncertain. As pointed out by the Norwegian translation researcher Kjell Arne Røvik (2016), the idea of stakeholder management and the recipes and tools related to it may be copied and thus translated as intended. It may be modified, that is, cautiously adjusted to the local context. Something may be added to it or something may be omitted and thus toned down or some elements abstracted from it. As a consequence managers need to be aware of what is translated in relation to the idea of stakeholder management by whom and where in their organizations since these translations will eventually produce the concrete outcomes of the introduction of these ideas and recipes in these organizations and thus affect the organization's ability to become a legitimate business organization. And that however only if researchers in stakeholder management are right when they assume that this management approach may help realize such an aim.

In relation to the second task, stakeholder managers should consider the following:

It should be noted that stakeholders are separated in time and space. Some stakeholders like managers and employees are close in time and space, while other stakeholders like suppliers, customers, competitors, policy makers, investors, communities, the media, etc. are more remote in time and space. Therefore, the level of information a stakeholder may have about an organization when making legitimacy assessments of it as a symbolic boundary object may vary and be asymmetric. Organizations may participate and communicate symbolically about their engagement in programs such as the United Nations Global Compact program to obtain legitimacy in the eyes of stakeholders without practicing or living up to the standards suggested by these programs. Managers and employees of an organization may publicly talk and communicate about CSR, business ethics, and their stakeholder management program without translating these ideas into actual decisions and actions without other stakeholders noticing it (Brunsson 1992). Another similar situation may occur when an organization boasts about its CSR and ethical and stakeholder-based approach to business while at the same time using child labor in the production of their products or polluting in third world countries situated far away from other stakeholder's view and the Western markets where they sell their products. Or they may write up contracts with their suppliers where the suppliers promise to follow the organization's ethical standards, which are then not followed by the suppliers nor controlled by the organization making the contract, thus making it possible for the organization to claim that it did not know and that it was a fault if a stakeholder as the media finds out.

In all of these situations, stakeholder's perceptions of the organization as a legitimate boundary object will be affected if the organization is found out and attacked and questions were raised about the legitimacy of the activities of the business organization (perceived as a boundary object). As a stakeholder manager, thus you need to decide whether you want to take the risk and rely on the asymmetric level of information between stakeholders who are situated close compared to those who are situated far from your organization and continue the potentially illegitimate activities of your organization. Or whether you will adopt and translate stakeholder management effectively through all chains of translation and negotiate one or more versions of the organization as legitimate boundary objects as honest as possible with stakeholders who affect or are affected by the organization's activities. This either because you/the stakeholder manager truly believes in stakeholder management as a way to practice ethical management and to obtain legitimacy in the eyes of your organization's stakeholders. Or because you assess that the risk (and potential costs) of your organization being found out and your organization as a boundary object being judged not legitimate by stakeholders has become too high. For instance because, local and global societies have become more connected and transparent than before because of the development of global news media as well as global media such as the Internet, Facebook, Twitter, etc.

Finally a stakeholder manager needs to remember that becoming recognized as a legitimate business organization depends on the number of managers and employees who take up and translate ideas and recipes of stakeholder management in appropriate ways in their organizations as well as on the number of external stakeholders who are mobilized and through different methods made to agree upon interpreting the organization as boundary object as legitimate. Only then the stakeholder manager will have become a spokesperson for the wills and acts of all these people, and only then the aim of becoming a legitimate business organization will have been realized as a social fact!

Conclusion: Becoming and Performing the Legitimate Business Organization

It follows from what was mentioned above that being a legitimate business organization is not something that the organization is but something that the organization does. First, the organization needs to institutionalize stakeholder management as the way the business organization organizes its management processes. Then it needs to negotiate and develop its identity as a socially constructed boundary object that is interpreted, theorized, and viewed as legitimate across stakeholders' intersecting social worlds. Then as more and more humans and stakeholder groups become interested and mobilized, exercise their roles, and start acting (Callon 1986; Latour 1986; Callon and Latour 1981) on the basis of the assumption that the particular business organization as a boundary object is to be interpreted and viewed as legitimate, the legitimate business organization is becoming constructed as a social fact. Or put differently, the idea of the particular organization as a legitimate entity is becoming materialized and powerful.

The legitimate business organization is thus first realized when stakeholder managers have done the translation work – that is, all the negotiations, intrigues, calculations, acts of persuasion, etc. – making the construction of such a social fact possible. First then managers and employees as well as other stakeholders will have been mobilized and made to do the practical work that realizes the legitimate business organization. And first then a stakeholder manager will have become a representative for and a representative of the will and acts of all those who do work and thus in practice realizes the legitimate business organization.

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