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Relational Leadership in Global Multistakeholder Groups

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ABSTRACT

This article explores processes of leadership within a global multi-stakeholder group. A model of relational leadership within a global multi-stakeholder group is presented. I used grounded theory to develop a model of relational leadership within a global multi-stakeholder group. This study uses grounded theory (Glaser and Strauss, 1967) methodology to examine the context, form and dynamics of relational leadership, and consequently develop an explanatory account of its construction and deconstruction. Data was collected through participant observation using diaries for every ISO 26000 meeting attended. Findings show a significant relationship. There is though a significant limitation of this study which is the difficulty of applying or generalizing it to other settings and circumstances.

Keywords: stakeholder theory and analysis, shared and distributed leadership, cross-cultural leadership, sustainability.

INTRODUCTION

This study is presented as a contribution to the debate on leadership and the way it is studied, measured and perceived in groups and networks of individuals and organisations. A relational approach to leadership considers a wider perspective and goes beyond the manager-subordinate relationship (Rost, 1991; Sjöstrand et al., 2001). In order to study leadership, instead of looking at traits and characteristics of leaders, this research mainly focuses on exploring relational processes through which leadership is constructed, sustained and deconstructed in a global multistakeholder group which was composed of experts representing different stakeholders and organisations from different countries.

Specifically, the empirical study focuses on organising acts and activities contributing to the emergence, preservation and disbandment of leadership in the International Organization for Standardization’s Working Group on Social Responsibility (ISO 26000 WGSR). Moreover, it analyses how leadership relationships are mediated by consensus-building, legitimacy, and delegation to groups within the ISO 26000 WGSR. In the current thesis, leadership is identified as a modified form of status
(Dachler and Hosking, 1995). From this perspective, relational processes are leadership when the social influence that is generated contributes to the emergence of social order (Hosking & Morley, 1988) and new approaches, attitudes and goals (Hogg, 2005).

**LEADERSHIP IN GLOBAL MULTISTAKEHOLDER GROUPS**

The concept of relational leadership is comparatively recent (Murrell, 1997; Drath, 2001; Uhl-Bien, 2003). Uhl-Bien (2006: 654) defines relational leadership as a ‘social influence process through which emergent coordination such as evolving social order and change are constructed and produced’. Academic work in relational leadership has been arguing for an expansion of relationship-based approaches beyond the manager–subordinate dyad, which is the case in most entity-based theories (Offstein et al., 2006), as well as for greater recognition that leadership can occur in any direction (Rost, 1991) and that leadership is a relational property of groups (Hogg, 2001). Both Hosking (1988) and Dachler (1992) have argued that leadership can be understood as processes of organising that challenges the traditional distinction made between ‘leadership of people’ and ‘the management of organisations’.

**Consensus**

Consensus has been theorized in philosophy and politics for several thousand years and Aristotle’s treatise on ‘Politics’ is one of a long line of theories. Although it was articulated in some depth by the time of Rousseau, subsequent democratic theories of social consensus in the social sciences are often traced back to Parsons (1960) and Lipset (1959). In Lipset’s work, instrumental means to attaining a group’s goal become legitimate if there is consensus on the group’s goal (Kelman, 2001; Linz, 1978). For Schwartz (1989: 29), consensus requires the agreement and support of all actors involved, so the disagreement of one person breaks the consensus (Schwartz, 1989: 29).

Gray (1989: 25) contends that consensus can be attained even when the outcome is not their preferred one. Some approaches integrate concern for both process and outcome (Bradford, 1976). Consensus as a process focuses more on interpersonal interactions and on members’ analysis and intuition.
(Schuman, 2005: 2). There is evidence in the research literature that not all actors in the interaction need to agree to achieve a consensus. Moreover, norms have been shown to play a considerable role in fostering consensus-building and enforcing compromise.

**Legitimacy**

Legitimacy has long been recognised as a cornerstone of organisational theories attempting to explain organisational action (Scott, 1995). Most of the well-known theories of legitimacy concentrate on legitimacy in politics and sociology and these have to be attended to along with those fewer studies which concentrate on legitimacy in organisations (Zelditch, 2001). Zelditch (2001: 33) contended that ‘something is legitimate if it is in accord with the norms, values, beliefs, practices, and procedures accepted by a group’. This view is evocative of Parson’s (1958: 175) understanding of legitimation as ‘a process by which acts in specific, concrete situations are ‘appraised’ in terms of pre-given values, norms, and beliefs. Kelman (2001) described legitimacy as an issue that arises in an interaction or relationship between two individuals and a group, organisation, or larger social system. Kelman (2001) observed that legitimacy can happen in a context of authority relations as well as in non-hierarchical relations.

Modern theories of legitimacy conceptualize it at different levels of analysis including micro, meso and macro (Lipset, 1959; Dombusch and Scott, 1975; Meyer and Rowan, 1977; Berger et al., 1998; Ridgeway and Berger, 1986; Zelditch, 2001). Thus, legitimation encompasses acts, persons, roles, and rules, hence the structure of relations and groups themselves (Zelditch, 2001: 40). Legitimation plays a role in mediation between the structures of groups and the actions of individuals and vice versa (Zelditch, 2001: 51). According to Weber (1968), legitimacy can at least be evaluated on the levels of the claimant as well as the claim itself. Weber’s theory is a multilevel theory that distinguishes legitimacy of individuals from that of groups in his typology of rational, legal, traditional, and charismatic bases of legitimacy. Validity in Weber’s theory implies that legitimation processes are primarily collective rather than individual (Zelditch, 2001: 44).
Delegation

Delegation is a process that involves assigning important tasks to subordinates, giving them authority and responsibility to make decisions with or without getting prior approval (Yukl and Fu, 1999). It involves delegating new tasks to subordinates (Yukl and Fu, 1999). This gives subordinates more power and authority in taking action without getting approval from their direct manager (Yukl and Fu, 1999). It is though clear that delegation from a manager to a subordinate in a hierarchical organisation is not the same as delegation to individuals and groups in multistakeholder groups where the manager-subordinate relationship does not exist through an overarching organizational hierarchy.

Many practitioner-oriented books and articles have been written about delegation for over four decades (Engel, 1993). Nevertheless, research on delegation and its determinants, conditions and outcomes is scarce (Hackman and Dunphy, 1990). Moreover, it has been noticed that most of the research on delegation in organisations focuses on delegation to individuals and mainly has been conducted on delegation between a manager and an individual subordinate. The most comprehensive study on the determinants of delegation was conducted by Leana (1986, 1987). However, she only studied one type of manager-subordinate relationship in one organisation. Yukl and Fu (1999) noted Leana’s results were all based on a homogeneous sample of supervisors in one company. Interestingly, when using a heterogeneous sample of managers, they were able to replicate most of Leana’s key findings. Moreover, some positive outcomes such as greater motivation and improved decision speed and quality were found to be linked to delegation (Yukl and Fu, 1999).

METHODOLOGY

This study used a grounded theory (Glaser and Strauss, 1967) methodology to examine the context, form and dynamics of relational leadership within a global multistakeholder group. Data was collected through participant observation using diaries for every ISO 26000 meeting attended. The objective was to develop an explanatory account and grounded theory of the processes of construction
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and deconstruction of leadership. Acts and activities of consensus-building, legitimacy and delegation to
groups were investigated as the organising processes contributing to the construction and deconstruction
of leadership. The analysis of the three main categories and other sub-categories, adopted here as acts of
organising, served to build up a theory of relational leadership.

I adopted participant observation as a data collection strategy. I followed the protocols of
grounded theory and participant observation as set in the writings of Glaser and Strauss, Spradley and
Wolcott and others (Glaser and Strauss, 1967). I collected data via diaries which I reviewed and organised
through time. I encoded my data manually and did not use any software for that purpose. Data analysis
commenced soon after it was collected (Glaser and Strauss, 1967). I used diaries from the meetings of the
ISO 26000 WGSR of Vienna (November 2007), and IDTF meetings in Paris (January 2008), Cape Town
(April 2008) and Bahrain (April 2009). Being a member of the working group and of the integrated
drafting task force, I did not experience any considerable problems of access.

ISO 26000 WG Social Responsibility

The research setting was within the ISO 26000 Working Group on Social Responsibility
(WGSR); a global multistakeholder group that operated for six years as a platform for developing the ISO
26000, a new ISO standard on social responsibility. More than 90 countries and 42 international and
regional organisations divided into six stakeholder groups negotiated the drafts of the new ISO 26000
standard. The different stakeholder groups were mainly Industry, Government, Labour, NGO, Consumer
and SSRO (Support, Service, Research and other). I joined the group in January 2006 as a complete
participant and observed its dynamics till the standard was published in November 2010. The nature of
the WGSR and actors that contributed to the social interactions made it a convenient setting for studying
leadership from a relational perspective.

The idea of creating international standards in the field of social responsibility within the ISO was
proposed by the ISO Council and supported by the ISO Committee on Consumer Policy (COPOLCO) in
2001. A Working Group on social responsibility was created in June 2004 during a conference organised
by the Swedish Standards Institute (SIS). The Integrated drafting Task Force (IDTF) was created at the WGSR meeting in Vienna, Austria in November 2007. IDTF was made up of two representatives of each stakeholder group in addition to representatives of Task Groups, language groups, the International Labour Organisation and the United Nations Global Compact. The IDTF also communicated through teleconferences and email exchanges. The last meeting of the ISO 26000 WGSR was held in Copenhagen (May 2010) and negotiated the final comments on the Final Draft International Standard (FDIS). The guidance was published as an International Standard (IS) in November 2010. The WGSR decided to monitor the application of the ISO 26000 guidance standard by setting up a Post Publication Organisation (PPO).

RESULTS

Data analysis revealed a substantial relationship between actions and institutional activities of consensus-building, legitimacy and delegation to groups on one side, and leadership as a continuous process of organising on the other side. The participants played their roles of enacting or destabilising leadership which can be understood as a social construction of members during the interaction. Consensus-building was used as a tool for legitimising and reaching an agreed social order in the group and therefore highlighted change in group and leadership processes. Legitimacy had been deployed at different levels and by different actors to promote some individuals and groups while disqualifying others. Delegation to groups also served as processes of legitimisation and resolution of conflicts in the ISO 26000 WGSR process and therefore empowered some individuals and groups while it weakened others.

A major theme that surfaced from the data is related to legitimation of positions, decisions, stakeholder categories and individuals. Legitimacy had a considerable role in relational leadership processes within the ISO 26000 WGSR. Theoretically, each stakeholder category had equal status compared to others. However, some stakeholder groups’ standpoints were given greater consideration
than others. Therefore, they benefited from a privileged position compared to others in terms of voicing their consent or resistance. From these activities and contexts, it was clear that legitimation could not be exclusively related to specific entities within the setting. Rather, it was a relational process that influenced the construction and disbandment of leadership.

The data also showed the importance of consensus-building in maintaining or destabilising the social order within the setting. Observations revealed that conflicts and confrontations put the whole group’s work at risk during some stages. Moreover, consensus was also used to legitimise or delegitimise the outcome and dispositions of the different groups. Consensus or conflict in this setting had a significant influence on the emergence and legitimacy of leadership within the presence of contradictory interests and values and intentions expressed and operating at many levels of analysis including individual and organisational. Lobbying and other similar activities were widely used to reach objectives.

Delegation to groups was a common practice in this stakeholder process. Intensive recourse was made to delegation to groups for most of the critical or sensitive issues. Indeed, delegation to stakeholder balanced groups could be considered as a process of consensus seeking. The consensus reached within small stakeholder balanced groups also strengthened the legitimation of text produced as well as the social order. The level of consensus achieved or conflict occurring among group members had an influence on the processes of delegation to groups.

The following table gives an overview of the main consensus-building, legitimacy and delegation to groups and sub-categories recognised within each main category extracted from the data. All of the sub-categories, as well as the main categories, are grounded in the data.

| Insert Table 1 about here |

Consensus-building in a Global Multistakeholder Group

The study within the ISO 26000 WGSR has shown that acceptance of a social order is not always voluntary (Parsons, 1960). Social order is reached whenever consensus has been obtained among most
parties forming part of the group. It is obvious that not all parties agree all the time. Therefore, some
groups or individuals may be constrained to follow the consensus of the majority when they see no other
way out. Some individuals or groups may fear social reprisals or rejection encouraging them to accept
consensus.

Consensus is generally reached by following some prescribed norms and values which enlighten
the way for attaining that purpose. However, in a global multistakeholder group, norms and values might
change according to the situation and to the needs of consensus. Norms and values may be formerly
prescribed by the management of the organisation or the setting. However, some norms and values are
created on the spot. Norms and values for a multistakeholder group are based on consensus. Legitimacy is
then defined according to the degree of consensus reached. In other circumstances, group interest makes
norms and values legitimate (Rousseau, 1948). In those cases group interest, which is in reality often
defined by an elite set of individuals or groups, is advanced as being a legitimate reason for maintaining
social order.

Enforcement mechanisms of compromises previously reached in global multistakeholder groups
constitute a prerequisite for successful consensus-building in global multistakeholder groups. Evidently
the influence of members plays a vital role in rejecting attempts to re-open and review the resolved
compromise. Stakeholder balance is therefore one of the criteria for accepting or rejecting a revision to a
compromise that was reached. The current study has shown that both process and outcome need to be
agreed upon to reach consensus in a multistakeholder group. It is important that group members feel that
they have had some influence on the final decision even when they do not completely agree with it
(Bradford, 1976).

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Legitimacy in a Global Multistakeholder Group

The current study has shown that legitimation is a process (Parsons, 1960) where certain acts, processes, individuals and groups are appraised for their legitimacy. Some values and norms were privileged because they were highlighted or supported by influential individuals or groups. The current study has also shown that processes of legitimation in a global multistakeholder group also comprise of aspects of de-legitimation (Kelman, 2001). Legitimation and de-legitimation have run in parallel with the processes of construction and disbandment of leadership. Lack of fairness in a group can lead to a process of de-legitimation which may create pressures for reform or rebellion (Kelman, 2001).

As Bourdieu (1996) described the field of power as an arena of struggle among different capital holders, this study showed that different capital holders attempted to justify their decisions and actions by referring to the scientific realm (Astley and Zammuto, 1992). In some other cases, they sought to justify acts and decisions by referring to the legitimacy of individuals or groups involved in a specific situation. There is frequent use of statements about the competence and reputation of a person, group or document as a basis for including them or their initiatives into the field of construction of knowledge in the setting (Bourdieu, 1996: 291).

Insert Figure 2 about here

Delegation to Groups in a Global Multistakeholder Setting

Delegation to groups in a global multi-stakeholder group may be defined as the process of assigning some general or specific tasks from a larger group (delegating group) to a smaller group (delegated group). Authority and responsibility assigned to the delegated group could be either conditional or open. Delegated groups are created as a means of reaching consensus when it is considered harder to achieve in a larger group; smaller sub-groups are sometimes created specifically to facilitate the process of consensus-building. Delegation to groups is also used for conflict management purposes. In some situations, the delegating group further delegates some tasks or issues whenever the group fails to
reach a consensus. Delegation to groups is used as a way of reducing tension among members and groups. Delegation was also used and justified simply due to time constraints.

In this global multistakeholder group, the mandate of a delegated group is commonly defined through pre-given agendas and rules in addition to delegating group members’ expectations. The mandate may be defined in writing usually coming from the leaders to ensure that all participants are informed about the remit of their work. Comments and suggestions from different participants are therefore taken into consideration before they become a mandate. Clearly, varying interests combined with vague mandates can lead to confusion. This way some or all members would sometimes have the impression that the group had no specific mandate. The confusion resulting from the ambiguity of the mandate of a delegated group often leads to a continuation of custom and practice and expression of institutionalized pre-established norms. In general, the extent of the mandate of a delegated group is less energetically questioned so long as the outcome does not contradict members’ expectations particularly whenever there is was an absence of any acknowledged crisis. In global multistakeholder groups, nomination of members of delegated groups is based on stakeholder balanced representation.

Insert Figure 3 about here

**Model of Relational Leadership in a Global Multistakeholder Group**

Relational leadership focuses on leadership as a process (Hosking, 1988). The focus is more on acts which contribute to the structuring of interactions and relationships. In this study, the acts of legitimacy and consensus-building and delegation to groups contribute to the structuring of leadership relationships. Leadership processes are understood as an outcome of those acts. Acts of legitimacy, consensus-building and delegation to groups are a reflection of a social order achieved at a certain time. The values and interests of the social order highlight the kind of leadership relationships and processes perceived significant at a certain time in the setting. Leadership relationships and dispositions change according to the social order in place.
A global multistakeholder group may be considered as a system of interacting individuals and groups. Leadership is a reflection of a context of leadership relationships sustained through interactions among members (Sayles, 1964). A multistakeholder group is not held together by hierarchy nor by its policies which are mostly informal but as a result of the process of interactions of its members. The interactions which are substantiated through consensus, legitimacy and delegation to groups keep a balance within the group and prevent it from disbanding. Leadership is not solely about individuals interacting with each other but also concerns the creation and maintenance of a shared sense of responsibility and sense of belonging among members of the group (Murell, 1997). The multistakeholder nature of the working group makes it more likely to see phenomena of group leadership. For reasons of stakeholder balance, the processes do not allow single individuals to appear as stars without them showing due consideration of others around them. The process of leadership is often made up of the interaction of different individuals and groups constructing the leadership image.

Leadership is not necessarily played where the main actors in the working group and other sub-groups interact but also in all other levels of the setting. Similarly, leadership roles of support or resistance from a stakeholder group have an impact on the outcome. There may be some individuals who play leading roles in those organisations or sub-organisations. However, what members of the group make sense of in those cases is the group as a leader in either directions; positive or negative. Therefore, relational leadership in a multistakeholder group explores the relational dynamics of leadership and organising in a group made up of different stakeholder groups. Leadership occurs at all levels and directions including at individual, group and shared levels.

**Insert Figure 4 about here**

The current research has shown that the stability of social order, which is the leadership relational processes in this study, requires consensus and is attributed to possess legitimacy, support consensus-building and necessitate delegation to groups. There is a process of interdependence between processes of
consensus-building and legitimacy and delegation to groups. Leadership as a socially constructed social order would be maintained as far as the conditions of consensus-building and legitimacy are met. Otherwise, the current social order, or leadership construction, would give place to an adjusted or new social order. This study has considered leadership as a relational process socially constructed through acts of organising. The study does not reject the focus on organisations as ‘organised’ sets of activities or structures but adopts a different perspective on organisational phenomena. The current study is proposed to complement the other perspective by looking at different angles and by using different or alternative methodologies. The current study looked at processes that required more time and interaction opportunities using grounded theory.

**LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

The current study has raised many issues which could be further researched. For example, relational leadership in global multistakeholder groups could be studied in a different setting and then have the results compared with the current study. Some studies could focus on the value and potential of developing standards in global multistakeholder groups compared to other settings of standards’ development. This type of study could also compare the relational dynamics produced in the two types of settings. There is also possibility of further study of leadership in social responsibility. Another issue of leadership relates the asymmetry of information in consensus-building and its impact on leadership processes.

From my observation in the group, there were some groups and individuals who had crucial and new information to contribute more so than did others. Thus, it helped them to dominate processes of consensus-making than those who did not have that specific information. There could also be further research on sensemaking and relational leadership. There are many other issues which could be further studied such as delegation to groups in other settings and its relationship with leadership. Future studies could also look at the impact of adjusting text for global consumption produced specifically to English
language requirements. Another issue for research is the influence of English native speakers on the orientation of text produced.

CONCLUSION

The main contribution of this research is on relational leadership in a global multistakeholder setting which has not been addressed before. The study has also contributed in further enriching theoretical approaches to the study of leadership as a process. Leadership adopted as organising is found to be influenced by processes of consensus-building, legitimacy and delegation to groups. The study thereby fills a gap in the leadership literature insofar as there is no substantial body of academic literature on leadership processes within an informal global multistakeholder setting. There are only a few studies about the processes of disbandment or collapse of leadership, about consensus-building and delegation to groups within global multistakeholder groups. Therefore, this study has focused on collective dynamics rather than the individual dynamics addressed in most leadership studies.
References


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FIGURES

Figure 1: Consensus-building Process
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Figure 2: Legitimating Process
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Figure 3: Delegation to Groups Process
Figure 4: Relational Leadership in a Global Multistakeholder Group
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Table

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Table 1: Sub-categories grounded from data