Casting roles to stakeholders – a narrative analysis of reputational storytelling in the digital public sphere

Abstract

This article presents a narrative study of stakeholder positions, storytelling agency, and power in the digital public sphere as seen by organizational actors. According to the institutional approach, corporations and their reputations are enacted, sustained, and altered by their external stakeholders. This article posits that, in the online public sphere, corporate reputations are formed by narratives, in which stakeholders take different positions on intended actions. Using a qualitative data set derived from seventeen interviews with communication and risk management professionals, these positions were analyzed using a Burkean pentadic analysis combined with the Stakeholder Saliency Model. Using pentadic ratios, seven different narrative stakeholder positions were identified: Information seeker, Influencer, Pressurer, Communicator, Mender, Monitor, and Intermediator. These positions were taken by different actors, such as individual users, communities, online media and the organization itself. Analyzing the attributes of power, legitimacy and urgency related to these positions three transformations were identified: mobilizing crowds, issue recognition, and scene transformation. The proposed model helps to identify the different stakeholders in the digital communication sphere and to understand their agency through their narrative positions.

Keywords: organizational reputation; internet; social media; stakeholders; narrative; Burkean pentad
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The complexity of the modern world forces organizations to pursue the attention and acceptance of their different constituents in a communication environment characterized by increasingly fragmented audiences and multiple delivery platforms (Hallahan et al. 2007). One important part of this environment is the online public sphere, ranging from social networking services to blogs and traditional media, which is awash with stories about organizations. The online communication platforms offer channels for organizations to express their views, employ strategic communication activities (Macnamara & Zerfass, 2012) and to create two-way relationships with stakeholders (e.g., Briones, Kuch, Fisher Liu, & Jin, 2011). In addition, however, they also create space for the airing of stories by individual stakeholders who previously had no means of influencing corporate publicity (e.g., De Bussy, Watson, Pitt, & Ewing, 2000; Tampere, 2011). Such facility for interactivity is the reason that, in the online public sphere, the formation of corporate narratives has become an increasingly social and complex process. This is not to say that people did not, heretofore, narrate tales about organizations. Rumor and word-of-mouth communication can now, however, reach larger and unanticipated audiences. Furthermore, the forms as well as the channels of such communication are becoming increasingly difficult to differentiate; in this regard, the changes in communication taking place are partly shaped by technology or media economics (e.g., Hallahan et al., 2007; Lievrouw, 2014, 23).
A profound change relates to the ability of different actors to participate in communication. The creation of meaning in online communication is inherently a collaborative process supported by technology, characterized by de-institutionalized, interactive and networked communication between users (e.g., Gulbrandsen & Just, 2011; Bechmann & Lomborg, 2012; van Dijck, 2009). Technologies such as social networking services often allow organizations and individuals the same facility to post content, and, consequently, customers and other stakeholders are willing to use such facility to express their views, concerns, and demands—to create reputational hearsay from their own experiences with the organization (Gotsi & Wilson, 2001). This new role of stakeholders in social media has been the subject of debate in communication and organizational research (e.g., Bechmann & Lomborg, 2012; Sedereviciute & Valentini, 2011; Macnamara & Zerfass, 2012). In their seminal article, Hallahan and colleagues (2007) present a call for strategic communication studies to pay more attention to understanding the process of communication whereby meanings are created. An increasingly important part of this communication process takes place online between the external stakeholders of the organization.

Essentially, online communication enlarges the number of people who can contribute to the public sphere, and who can thus potentially gain communicative agency (Couldry, 2008; Lambert, 2006). In the context of reputation, such agency means the ability to tell stories that concern organizations, their products or services, or their business activities in general. Emanating from stakeholders situated outside the organization, these stories may be defined as reputation narratives. Reputation narratives are texts that are relevant for the reputation formation of an individual organization or business industry (e.g., Aula & Mantere, 2008). In the online context,
these narratives of reputation emerge in various arenas—news commentaries, wikis, the blogosphere, personal web sites, and personal discussion, in open, closed or semi-closed social interaction sites, such as Facebook or Twitter.

From this perspective, reputation emerges as a continuously developing set of narratives, beliefs, evaluations and expectations, which is built and modified in communicative action between different categories of publics over time (e.g., Chun, 2005; Smythe, Dorward, & Reback, 1992; Aula & Mantere, 2008). Reputation is, thus, the result of a collective and discursive process arising in the context of business-society relationships necessarily involving input by stakeholders outside of the organization (Rao, 1994; Aula & Mantere, 2008; Deetz, 1986; Fombrun, Gardberg, & Sever, 2000; Hall, 1992). This approach to reputation builds on the institutional theory of organizational research, according to which organizations are required to adapt to the rules and belief systems that prevail in their operating environments (DiMaggio & Powell, 1983; Sandhu, 2009; Rindova, Williamson, Petkova, & Sever, 2005). The institutional approach also stresses the importance of individuals, who are seen to enact, sustain and alter organizations in concrete social situations (Powell & Colyvas, 2008, p. 276). This perspective points to the manner in which individuals, as external stakeholders, contribute to the creation of reputation narratives and, further, how organizations see the role of the stakeholders in the social environment of the organization—the specific social environment in this context being the online public sphere formed by social media.

The purpose of this article is thus to study how organizational actors perceive the positions of external, individual stakeholders and depict their storytelling agency in the online public sphere. Furthermore, this research investigates what types of attributes
of power are attached to these positions. The study builds on stakeholder theory and, more specifically, applies the Salient Stakeholder Model (SSM) developed by Mitchell, Agle & Wood (1997), a dynamic model that allows for the study of the different power attributes. Stakeholder theory, according to Reinhardt Steurer (2006), can be approached from three different perspectives: corporate perspective (stakeholders perceived as a management issue); stakeholder perspective (focusing on the viewpoint of the stakeholder and typologies of stakeholder groups); and conceptual perspective (searching for a theoretical basis for stakeholder relations based on a certain concept such as CSR). This study combines elements of all three perspectives; the focus of the study is to describe the characteristics of stakeholders in a certain setting (online public sphere) related to a certain concept (reputation), from a corporate viewpoint. It is maintained that, in a novel setting such as that presented by social media, a broad perspective such as this is necessary, as many of the traditional classifications of stakeholders are difficult to apply to social media. For example, the division between stakeholders inside and outside of the organization or the distinction between monetary or non-monetary connections is no longer valid in the digital communication arenas, where agencies and positions are easily changed or even disguised.

Empirically, this is a qualitative study based on interviews with seventeen communications and risk management professionals, who were asked to consider the role of the Internet as it impacts on reputation, reputation risk, and their reputation management practices. Interpreting the data collected through a narrative analysis, this article posed two questions: how did the interviewed professionals identify a stakeholder, and, what kind of agency was such stakeholder reported to have? Conceptualizing the text of the interviews as narratives of the professional field, agency
emerged as a form of power, which the interviewees perceived to be held by the stakeholders; the interviewees’ stories were accounts of the reality they saw in their professional activities. In this regard, the agency of the stakeholders was mediated in the form of texts and discourses, both of which have recently been seen as a more important means of representing—and even constituting—organizations (e.g., Cornelissen et al., 2015; Putnam & Cooren, 2004; Schoeneborn et al., 2014).

The methodological starting point for this research is the thinking of narrative theorist Kenneth Burke (1945/1969), who developed formalist ways to study the structure of a narrative. Burke (1945/1969, p. xxii) treats “language and thought primarily as modes of action”, and, for him, drama is the genre best suited to explore the relationship between language and action that constitutes social life. Narratives, in this sense, are a way to mediate information and meanings in a social context, and, simultaneously, a tool for of positioning different actors, such as stakeholders (also Lissack & Roos, 1999; Czarniawska, 2004; Davies & Harre, 1991). Moreover, for Burke, language is never neutral but rather a purposeful form of action that reveals the complex nature of human interaction. His theory of language as symbolic action, thus builds upon a critical approach to reality and language. Following that, this study undertakes a critical evaluation of the manner in which the interviewees characterize the online environment as a context for reputation formation and also attribute power and agency to the external stakeholders.

The article proceeds as follows. First, the literature on narrative reputation and stakeholder identification is briefly reviewed and different stakeholder definitions and classifications are discussed. Secondly, theories of stakeholder power and salience are connected to the perspective of digital reputation narrating. The dramatistic pentad
model of Kenneth Burke (1945/1969) is used to examine the rhetorical elements through which the agents and their acts are narrated by the professionals. Based on this analysis, in the second stage, seven different stakeholder positions are identified—narrative positions that the professionals give to stakeholders who act as storytelling agents in the digital public sphere. These positions are analyzed using Stakeholder Salience Model (SSM)—proposed by Mitchell, Agle and Wood (1997) as a typology to address the ways stakeholders in these positions gain power, legitimacy or urgency. Finally, the findings are discussed in relation to the theories of narrative reputation and reputation risk.

**Stakeholders as narrators of reputation**

The introduction of the term stakeholder is related to gaining deeper understanding of the different connections between organizations and firms—in particular, in the society beyond their shareholders. The literature on stakeholders has developed both definitions of the concept of stakeholder as well as several different ways of classifying the concept. The classical definition comes from Freeman (1984, p. 46): he defines a stakeholder as any group or individual who can affect or is affected by the achievement of the organization’s objectives. Subsequently, several studies tried to further clarify who should be actually considered as a stakeholder (e.g., Mahon & Wartick, 2003, Clarkson, 1994), and in what ways to classify or categorize such a stakeholder (e.g., Mitchell, Agle, & Wood, 1997; van Woerkum & Aarts, 2008). Thompson, Wartick and Smith (1991) define stakeholders in terms of relationships, stating that they are groups that are in an active or existing relationship with the organization. As a particular form of relationship, stakeholders have been defined with reference to their economic liaisons
with the organization (e.g., Carroll, 1993; Clarkson, 1994; Evan & Freeman, 1988), or, alternatively, by virtue of moral claims they allege to have against the firm (e.g., Hosseini & Brenner, 1992; Evan & Freeman, 1988; Langtry, 1994). Some studies focus on ways of identifying stakeholders in certain environments, such as in social media (Sederevicute & Valentini, 2011).

Mitchell and his colleagues (1997, p. 854) suggest that, in reality—following Freeman’s original definition—virtually anyone can be classified as a stakeholder. As an environment for organizational action, it could be claimed that the Internet and social media open possibilities for more interaction than previous forms of media, as individuals themselves have the initiative to start a relationship with a company, and therefore potentially affect the organization. A company encountering a reputation crisis can suddenly find itself confronted with an active group of newly emerged stakeholders, vocally communicating about its misdeeds via online communication platforms such as Twitter or Facebook, thus creating reputation narratives (also, Sederevicute & Valentini, 2011). These groups of people, aroused by a certain topic, can be called latent stakeholders (Mitchell et al., 1997), who remain passive until situational factors, such as certain issues, awaken them (e.g., Savage, Nix, Whitehead, & Blair, 1991).

Therefore, in social media, an organization might be forced to engage in discussions with people beyond its intended target audiences. However, as reputation is defined as the external representations of an organization, then, in the context of reputation narratives, the most important and most powerful external stakeholders are those who play a key role in writing the stories that contribute to the formation of these narratives. Applying the terminology of Romenti and Valentini (2011), some stakeholders are in possession of narrative capacity. Similarly, Vasquez and Taylor
(2001) posit that some individuals have enough narrative strength to create plausible narratives regarding an organization. This premise may be juxtaposed with the conception of environment-shaping power—the ability to narrate to modify the norms, standards, shared rules, and beliefs behind our behavior that create the social reality in which organizations act (see e.g., DiMaggio & Powell, 1983; Czarniawska, 1997). Stakeholders with narrative power are those who have the communicative skills, means, and position to articulate changes in the organizational environment and its reputation story.

Another perspective from which to observe stakeholder power are the resource dependent theories of organizations (e.g., Pfeffer & Salanick, 1978). From the resource perspective, stakeholders own critical resources relevant for the survival and performance of the organization: they have the capacity to influence the organization’s decisions and even its behavior. They have the capacity to punish the firm financially for its executive decisions, not only by their power over certain crucial resources, but also by their ability to resort to more intangible means (e.g., Neville, Bell, & Mengüç, 2005). Thus, stakeholders matter because they create and alter reputation. Even before the advent of social media, stakeholder conversations and opinions had an impact on corporate reputation, but it can be argued that, given that social media make the conversations more public, the impact is more profound. This means that the online public sphere is populated by stakeholders, who, by their activities, are able to influence the organization’s decisions, and also to change the opinions and behaviors of other stakeholders. Therefore, there exists a strong need to identify and categorize the most dominant stakeholders with power over reputation narratives.
Stakeholder relevance typologies

Several stakeholder studies focus on the different ways of classifying stakeholders. The traditional classification focused on identifying different stakeholder groups based on their relationship with the organization—such as customers, employees, and shareholders. Other classical categorizations of stakeholders reflected diametric opposites e.g. primary versus secondary, internal versus external, proprietary versus non-proprietary, performing versus non-performing, or voluntary versus involuntary (for reviews see e.g., Mitchell et al., 1997; Steurer, 2006). Scholars have, however, been moving away from considering stakeholders as isolated entities. Instead, stakeholders are being assessed by reference to their relevance and criticalness to the organization; furthermore, regard is being had not only to their current—but also to their future—stances. Such revised approaches will likely impact on whether such stakeholders play a prominent role in the future of organizations. For example, Savage, Nix, Whitehead, and Blair (1991) suggest that it would be beneficial to assess stakeholders in terms of the relational attitude they express: are they supportive, non-supportive, a mixed-blessing or just of marginal significance. Freeman (1984) originally proposed that after recognizing the stakeholders, an organization should 1) assess whether the stakeholder has the potential to threaten the organization and 2) consider the potential for the stakeholder to cooperate with the organization. Similarly, Savage and colleagues (1991) identify stakeholders based on two attributes: having a claim in the firm, and, the ability to influence a firm.

In a prominent situation-aware example, Mitchell, Agle and Wood (1997, p. 854) propose that all classes of stakeholders can be identified by their possession of the
following attributes: 1) their power to influence the organization, 2) the legitimacy of their relationships with the organization, and 3) the urgency of their claims on the organization. This model is known as the Stakeholder Salience Model (SSM, see Figure 1). In this framework, power is defined as the extent to which a party “has or can gain access to coercive, utilitarian, or normative means, to impose will in the relationship” (p. 865). Mitchell et al also remind that power is transitory; it can be gained or lost. In defining legitimacy, their model follows the definition of Suchman (1995), who defines the term as “a generalized 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” (p. 574). This broad definition acknowledges that legitimacy is evaluative, cognitive, and socially constructed in nature. Finally, urgency is defined by two conditions: time sensitivity and criticality. Time sensitivity refers to the degree to which an issue should be assessed before it becomes unacceptable to the stakeholder, and, criticality refers to the relevant importance of the claim, or of the relationship, to the stakeholder.

[FIGURE 1 here]

In this classification, stakeholders in possession of urgency and legitimacy are called dependent stakeholders; they are dependent because they are lacking the attribute of power and thus are dependent on others in order to get their claims answered. The stakeholder in possession of urgency and power are called dangerous stakeholders. These stakeholders enjoy a powerful but illegitimate status, which may cause them to use coercion or violent acts to proceed with their claims. Furthermore, Mitchell and colleagues (1997) emphasize that stakeholder attributes are variable and socially constructed and, thus, not objectively assessed. For example, latent power exists in
stakeholder relationships, and it can be triggered by suitable conditions. The writers further observe that the three attributes are intertwined: power gains authority through legitimacy, legitimacy gains rights through power, power is exercised through urgency, and, urgency gives voice to legitimacy. Thus, the model they propose is a dynamic model for understanding and managing stakeholder relations. The present article combines the SSM with the dramatistic analysis of Kenneth Burke to analyze how organizational actors comprehend the reputation-narrating stakeholders in the online public sphere.

**Data and method**

Thematic interviews were conducted with seventeen leading communications and risk management professionals in 13 reputable Finnish organizations, most of which were corporations (see Appendix 1). The organizations were selected based on their consistently positive ranking in the reputation rankings of 100 public listed companies conducted yearly by a Finnish consultancy agency. With the focus on good reputation companies, it was expected that they would have incentives to guard their reputation and, hence, existing practices for reputation management. Furthermore, to ensure diversity in experts’ views, organizations and firms were selected from different fields and domains. In addition, two prominent reputation risk specialists from consulting companies were enlisted to add expertise on the subject matter. Industries represented were aviation, banking, energy, government administration, insurance, machinery, telecommunications, and consulting.

A theme interview technique was used to capture the interviewees’ topics of reputation, risk to reputation, and the role of the Internet and social media in reputation
management. The thematic interview outline remained the same for all interviewees. However, the interviewees were allowed to depart from the outline whenever they chose, and pose ad hoc questions when relevant topics were raised. The interviews, conducted face-to-face, lasted one to two hours each and were transcribed verbatim.

In the analysis, the interview data were constructed as narratives reported by the professionals, describing the field of action in which they conducted their organizational routines—accounts of the reality they saw in their professional activities. The aim was to understand more about the dynamics of reputation formation in online environments, with particular stress on the methods used by the professionals to create constructions of symbolic acts and agency. Thus, their narratives were acts of sensemaking, used for constructing world views, emotions, characters, and events in a way that increased the coherence of the particular situation (see e.g., Weick, 2000; Phoenix, 2008). In this sense, the target of the analysis was to extrapolate both from how the interviewees depicted intentional characters and from their actions in order to make sense of reputation formation online.

Burke’s dramatistic approach was applied by using his pentadic model of narrative analysis, a tool created to better understand human motives. The pentad model has been widely used as a tool for qualitative data analysis such as, for example, to study news content (Lule, 1988), political speech (Ling, 1907), technical communications (Fox, 2002), organizational talk (Meisenbach, Remke, Buzzanell, & Liu, 2008), and disease risk situations (Elwood & Greene, 2005). The pentad operates through five principles or components: the agents (who?), their agencies (how?), their acts (what?), purposes (why?) and scenes (where?). Later Burke included a sixth element of Attitude to the model, thus developing it into a hexad (Burke, 1972; 1945,
236-252), which has also inspired further reflection by narrative scholars (e.g., Boje, 2002). In this analysis, attitude is omitted for two reasons. First, Burke does not systematically explicate the conduct of hexadic analysis, and it has been shown that, in the original pentad, attitude is already included under act, agent, or agency (see Anderson & Althouse, 2010). Second, attitude describes a tendency to action or an incipient act and reflects the ways in which an actor relates himself to the circumstances. Such insights are difficult if not impossible to explicate using data that represent the interviewed professionals’ responses that reflect actual dramas taking place online and thus does not allow for the study of the stakeholders’ minds. Therefore, the analysis in this study relies on the original pentad.

Following Burke’s critical conception of language as action, it has been argued that the point of the analysis is not to unravel the reality or the truth, but rather to understand human actions in a setting (Crusius, 1999) and human relations in terms of action (Burke, 1968; Overington, 1977). According to Burke (1945/1969), a story always involves characters in action, with intentions or goals, in defined settings, using particular means. Hence, through this analysis, it is possible to chart not only the actors and their activities, but also the rhetoric used to describe their activities, intentions, settings and means.

“In any rounded statement about motives, you must have some word that names the act (names what took place, in thought or deed), and another that names the scene (the background of the act, the situation in which it occurred); also, you must indicate what person or kind of person (agent) performed the act, what means or instruments he used (agency), and the purpose.” (Burke, 1945/1969, p. xv).

This procedure was followed in this study to uncover the narrative structure behind the interview discourse, to unravel the narrated system of stakeholder-agent, and
to penetrate the actions and motives of both these actors in the digital communication arenas. What needs to be noted is that all these components were hence analyzed and explicaded using the stories relayed by the professionals. Therefore, they cannot be taken as depictions of reality in any comprehensive sense, but rather as narrations of the interviewees’ professional, ideological and experiential positions.

The interviews were analyzed using Atlas.TI software in three distinct rounds of qualitative analysis. In the first stage of the analysis, all parts of the interviews focusing on reputation and reputation risk formation online were recognized. To illustrate the point, in all of these passages, the interviewees narrated how online encounters had threatened or were capable of threatening their organizations. From these narratives, all the different agents (people, organizations) mentioned by the interviewees were identified and grouped into a number of general agent categories such as individuals, groups, or organizations. In the second stage of the analysis, the acts, agencies, scenes and purposes narrated to these agents by the interviewees were further conceptualized using Burke’s pentad as a tool for the classification. For instance, online communities (agent) were described as founding organized groups (act) in social networking services (scene) where the purpose of the organizing was to influence other stakeholders using means such as personal communication or creating groups (agency).

In the third stage, after identifying the different components of a story the pentadic analysis proceeded by reading the narrative through different ratios formed by conjunctions of the components; e.g., act-scene, scene-agency, agency-purpose (Burke, 1945/1969, pp. 15-20). Following Burke’s emphasis on the motivational aspects of action and language, a special focus was put on the category of purposes as explanatory motivations for stakeholder actions, and, in the interview narrative, the created act-
purpose ratios were identified as act-purpose-oriented stakeholder positions. In the final phase, to follow the trajectory of the agent development, the transformations between these purposes were analyzed using a power-legitimacy-urgency framework for stakeholders (SSM, Mitchell et al., 1997).

**Analysis: Agents and their agency in online reputation narrative**

The results of the pentadic analysis, categorizing interview content under agents, agencies, acts, purposes and scenes are presented in Table 1. After refining the repeatedly mentioned agents identified during the narrative analysis, five different categories emerged. The agents in the online reputation narrative could be classified into individuals, communities formed by individuals (often around a certain issue), faceless groups formed by individuals (i.e., the mass), the organization itself, and the (traditional) media. Some fragmentary mentions were also given to consultants, to non-governmental organizations, and to the firm’s own employees. Some actions performed by NGOs were also mentioned as community actions; thus, NGOs as agents could be categorized under organized communities.

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<th>TABLE 1. Agents, purposes, agencies, acts, and scenes as narrated by the interviewees.</th>
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The scene for the reputation narrative was partly predefined by the interview setting as the focus was explicitly on the Internet and social media. Nevertheless, the interviewees mentioned specific services and differentiated parts of the digital public sphere. For instance, social and traditional media services stood out as distinct yet interconnected scenes. Furthermore, when the interviewees talked about communities or groups of individuals who formed around an issue, they mentioned specific social
networking services as the forum where this organizing took place. Another scene for organized action were websites dedicated to a certain issue, such as boycott sites or websites of NGOs. On balance, it was clear, however, that the boundaries between these different scenes were rather blurred and reputation narratives easily traveled from one scene to another.

Different acts and agencies in the process of narrating reputation online could best be described by the purposes the interviewees cited to different stakeholders. First, the most prominent purpose for an individual action in the online public sphere was information seeking; a need that made individuals use all different scenes from social media to traditional media sites. This purpose became clear especially through the meaning the interviewees gave to the Internet as a medium; it was seen as the most central information source for people, and even more central for young people:

Opening the newspaper and checking, what happens in the world and who’s a bad guy and who’s dumb. What is a good company and what is a bad company, these things are distributed in online arenas especially among young people. [P9:12]

Influencing and pressuring were identified as purposes related to acts that aimed to trigger a change in other people’s opinions or, in the case of pressuring, in the behavior of other people or the target organization. For example, with the purpose of influencing a particular company, an individual consumer was described as complaining about the company’s handling of a complaint about a defective product by directly contacting the company or by publishing information online.

It might be the case that an individual consumer has a relevant point, just a little thing maybe, something to fix for example on our stations, and if the point is well argued and it can be fixed, then I don’t see any reason why we couldn’t put it into effect. [P11:87]
Pressuring, then again, was often seen as a rather negative act with a more hostile approach than that of influencing. The interviewees cited instances of the creation of boycott groups and sites and attempts to create a collective to support the critique. Thus, there are two routes to accomplish the purpose of effecting change: either by trying to alter the behavior of other stakeholders and thus create more pressure on the organization, or, by directly pressuring the organization to change its actions or procedures.

Three different purposes were attributed to the organizations themselves. Two of the most prominent were monitoring and communicating. Monitoring relates to the act-agency ratio of following conversations online and establishing the content relevant for the organization as well as identifying weak signals. Communicating was related to the aim of spreading organization-related information with facts and tone that were beneficial for the organization—getting their own message through and “bringing out their own viewpoint there” [P15:28]. When confronted with the individual purpose of influencing or pressuring, the organization’s purpose will translate into mending, where the aim is to correct false information and to fix the potentially harmful narratives circulating in the online public sphere.

The corporate world increasingly has to follow these new dimensions of the media and these tools and through them take part in the writings. Take part in the communication, maybe specify some thoughts and opinions there. To bring out their own viewpoint there. [P15:28]

Finally, traditional media were also recognized as agents in the online public sphere, with two specific purposes: monitoring and intermediating. The media also has a need to follow the conversations and communications from both the organizations and
the individuals, and—where it sees appropriate—to transmit relevant information from one source to another or to make it public.

Seven different overarching purposes were identified in the analysis, which, together, constituted a prominent axis through which to look at the data. By defining stakeholders as relevant actors, whose relationship with the organization is postulated through the reputation narrative, the act-purpose ratios identified through the pentad were translated into narrative positions. As a result, seven different positions were distinguished: non-organizational stakeholder positions of information seeker, influencer, and pressurer; and organizational positions of communicator, mender, monitor, and intermediator. The purposes of the action described by the interviewees were clear but, at the same time, constantly fluctuating. The same agent could take different positions on action depending on the issue and even depending on the situation and the phase of the narrative. Metaphorically, the positions were the spots for pawns on a game board, and to stand in a certain spot there was a script the agent was expected to follow. Next, the transformations between the positions attributed to prominent non-organizational stakeholders (information seeker, influencer, pressurer) were analyzed using the SSM model (Mitchell et al., 1997).

**Stakeholder power and agency transformation trajectories**

Of particular interest—reflecting the changed role of publics in the online public sphere—are the actions of individuals, whose agency is revealed by searching for power attributes and trajectories of transformation in stakeholder positions. How are the attributes of urgency, legitimacy or power related to these positions? How do different positions become more powerful? In this regard, the suggestion made by Mitchell et al.
(1997) is followed: stakeholder salience goes beyond the question of stakeholder identification. In other words, more profound is, not the question of how various stakeholders are identified, but the question as to whether an identified stakeholder should be addressed and prioritized. In this sense, the agency of the stakeholder is more important than the actual agent committing the act, even though different agents can influence how powerful the current act is or the nature of its consequences. The degree to which each stakeholder group should be addressed or not is always also context-dependent and situation-dependent—this is why the Burkean pentad is well suited as a framework for analyzing stakeholders in a novel context.

The organization’s interest is mostly related to whether the monitored stakeholders have power or legitimacy, or, most favorably, both. This is the reason that stakeholders, acting as information seekers, influencers or pressurers, with the sole relevant attribute of urgency, are, as Mitchell and colleagues (1997, p. 875) put it, “mosquitoes buzzing in the ears”. The managers also note that there are conversations related to completely non-significant issues for the organization. Such latent stakeholders are potential influencers, but, in their current position, are not perceived as urgent from the organization’s perspective. The position of information seeker, however, is always seen as legitimate.

Of course that’s another thing then, if in those discussion forums a discussion takes place, how much does it actually carry meaning, do we ever happen to follow that exact conversation and will we ever know about it at all, does he get any other people along with his thoughts... [P1:13]

Following the SSM model, the interviewees place the individual stakeholder positions of influencers and pressurers first in the circle of urgency; they are demanding
stakeholders, who have urgent claims but neither power nor legitimacy. Thus, in a way, the speed, reach, and ubiquitousness of social media make all stakeholder groups urgent. When identified in online arenas, they are already raising claims against the organization; however, whether they become legitimate and/or powerful depends on the particular situation (cf. Sederevicate & Valentini, 2011).

I believe it’s partly random. And then that affects sort of like the current situation in the operation environment. Are there any other interesting issues at hand? Is the information released in a right place, at right time, does there happen to be some interest for that currently, does is relate to a current context? [P7:21]

When further analyzing how the interviewees attach attributes of urgency, legitimacy and power to the stakeholders, two different position transformations were identified: acquiring the attribute of power or the attribute of legitimacy. Next, I will scrutinize the elements that cause these transformations. Following the conceptualization of Mitchell and colleagues (1997), legitimacy is deemed present when the claims of an entity are seen as desirable or socially accepted—in this context within a social system of norms, values and beliefs that is exhibited inside the organization. Similarly, power is designated as a salient attribute of a stakeholder when the stakeholder has the means to impose its will on the other party in the relationship.

According to the interview data, the transformation from urgency to urgency-power occurs in digital communication arenas through change in actors when individuals form a mass. Thus, the power an individual can have online is made manifest by inviting other people to join his claim. The interviewees note how gaining power and thus collecting masses requires influencer skills and communication skills or acknowledged status in the online world. The mechanism of mobilizing crowds can thus
operate faster if the individual has power to build and reconfigure the structure of the network (see also Castells, 2009; Boster, Kotowski, Andrews, & Serota, 2011; Sedereviciute & Valentini, 2011).

Absolutely, since several boycotts get started from there, they are reinforced, and if an individual... Of course he already has to be in possession of some sort of network, to have some kind of a status. If somebody writes there something, somebody who does not actually have a status in social networks, nothing necessarily happens, but if he is like, a well-known person there, then absolutely it is possible to make a lot of things happen. [P2: 5]

A stakeholder can possess the attributes of urgency and power, but be without legitimacy. This means the concerns of such stakeholder are not relevant for the company. Again in line with the SSM model (Mitchell et al., 1997), online stakeholders with urgency and power—but without legitimacy—are regarded as stakeholders who deliberately spread disinformation. Often a powerless position in the narrative relates to claims and justifications that are over-pronouncedly emotional from the organization’s point of view. Emotional perspective and reactions make the interviewees regard the stakeholders as less legitimate, even though, at the same time, emotions are seen as a powerful factor in delivering and disseminating the message. Further, they act as shields, strongly resisting the organizational purpose of mending.

It is difficult to get through, the good message, what we maybe have to give. You can see for example when you read these, partly blogs and partly message boards of different newspapers, very rarely there is any positive feedback. The people, who are angry about something, are gathered there. [9:11]

Second, a transformation from urgency to urgency-legitimacy happens if the claim is valid; thus the stakeholder is not motivated by mischief and has connections to legitimate issues such as product safety or corporate social responsibility. In this case, if
the message is delivered in a discreet and constructive manner, the interviewees seem willing to negotiate with the stakeholders and—in face of a valid claim—to change the firm’s operations. Hence, we can posit that emotional claims trigger a transformation from urgency to power where a mass is involved; but, rational, justifiable claims can transform an urgent individual stakeholder influencer or pressurer into more legitimate positions. This is the transformation trajectory of issue recognition.

I see no other reason except that, there it is tremendously easy, as I’m in Facebook myself, just to send somebody some sort of bee-type flaming on an issue, like for example, say that this firm is acting wrong, join the group where we are against it and support something else. Absolutely, because it helps to recruit people behind an issue, for corporations, it’s a potentially dangerous thing. [P3:13]

In addition, a third trajectory is formed, not on an act-purpose ratio, but on a scene-act ratio, and relates to gaining both power and legitimacy—a transformation between different scenes that defines the power attributes related to the agency. This transformation follows two patterns: agency moving, firstly, from social media to traditional media, and, secondly, from social media to organization’s websites or other official arenas. The transmission of issues from one scene to another reflects the stakeholder’s attribute of power, and partly also the attribute of legitimacy. Thus, even though social media and its individual actors can be considered as powerful, the traditional media as a scene, regardless of the stakeholder position, bestow stakeholders with power and legitimacy—and agency is acquired through the involvement of an issue brought up by an individual online stakeholder. This is where traditional media and social media interlace in terms of stakeholders relationships and reputation dynamics.
In Figure 2, the three attribute-related transformations of influencers and pressurers are depicted using the basic stakeholder typology of Mitchell et al. (1997) as a base. Here, the process of mobilizing crowds refers to the acquisition of power by individuals’ forming a mass, or by transforming the scene from social media to traditional media. The process of issue recognition refers to acquiring legitimacy and it can occur two ways: either by the organization recognizing the issue as valid and significant, or, by the issue’s gaining attention by coverage in traditional media.

[FIGURE 2 here.]

Conclusions and discussion

This study aimed to contribute to the research on reputation formation, stakeholder management, and strategic communication planning in the online public sphere. The article started by acknowledging stakeholders as storytellers of organizational reputation and then proceeded to consider how organizational actors caricature their stakeholders in managerial talk, thereby giving such stakeholders the possibility of narrative agency. The analysis above presented a way of recognizing and classifying online stakeholders based on the descriptions of motivated action that organizational actors give to stakeholders when narrating their observations of the organization-related communication in the online public sphere. Based on a pentadic analysis (Burke, 1945/1969), seven different purposes of stakeholder action were identified, and these purposes were further translated to narrative positions of stakeholders and the organizations. The stakeholder positions and their transformations in the narrative were analyzed using the Stakeholder Salience Model, i.e., employing the attributes of power, legitimacy and urgency (Mitchell et al., 1997).
According to the analysis, the most relevant chain for reputation formation within the online arenas consists of circles of spreading activity among the first three agents: individuals, communities, and masses. The chain starts with an individual influencer, whose opinions gain higher visibility. First, a community is created, then the issue starts spanning wider to larger audiences. When a “critical mass” is reached, the issue becomes so important and powerful it is likely to gain coverage in traditional media as well. According to the interview data, this is the most profound form of reputation risk involved in online environments, as the practitioners still see traditional media as the way of reaching large audiences. This process of publicizing is seen as happenstance, but it is also possible to achieve this by deploying specific skills of online influence. What is interesting, however, is that even influencing is seen as a purpose for the organization as well, the acts are seen to be prominently in possession of the stakeholders, not the practitioners themselves or their companies. Based on the interviews, the most dominant role of the organization was that of mender, correcting false information and aiming to replace it with correct, positive information.

What is notable is that, in the interview data, mentions of classical stakeholder groups such as investors or business partners were missing. This implies that the online arenas were strongly seen as scenes for B2C and C2C communication, i.e., for conversations between the organization and non-institutional stakeholders such as customers. Respectively, the dominant purposes of influencing and pressuring, attributed to individuals and their groups indicated that the demands of the participatory online publics are a topic of interest in modern organizations—even though the interviewees mostly agreed that the power of individuals is realized only when greater publicity is achieved and when the cognitive representations of reputation become
aggregated in the public sphere (cf., Rao, 1994; Brown & Dacin, 1997, Hallahan et al., 2007). On the other hand, some of the interviewees conceded that a direct contact from a customer, via e-mail for example, could be much more effective than any online narratives or movements.

Two mechanisms of dynamic transformations emerged within the narrative stakeholder positions. First, movement occurs between the different act-purpose ratios in the pentad. The stakeholders can take different positions depending on the issue, on the situation, and, on the phase of the narrative. For example, a stakeholder-influencer can turn into a pressurer (e.g., because of changes in relevant issues, in general atmosphere or in expectations), an information seeker can turn into a stakeholder-influencer, or, an organization-influencer can turn into a mender when confronted with a stakeholder-pressurer. Second, the identified stakeholder positions move in the dimensions of urgency, power and legitimacy, in a process where issues, scenes of action, and network positions, play prominent roles. A stakeholder becomes powerful when it mobilizes a crowd of people or moves the issue to a more significant arena (i.e., traditional media). Similarly, a stakeholder becomes legitimate where the issue is recognized as meaningful and timely for the organization (also Sederevicute & Valentini, 2011). Freeman (1984) suggested that, after recognizing the stakeholders, an organization should assess whether the stakeholder has potential to threaten the organization or, alternatively, to cooperate with the organization. Scenes and network positions are means to apply this assessment.

Theoretically, the results broaden the theoretical bases of the conceptualization of narrative reputation, as well as those of stakeholder management and strategic communication practices ultimately culminating in better understanding of the
dynamics of online environments such as social media. Modern organizations use a variety of methods to understand and influence the behavior of their constituents, and to pick up on weak signals before they develop into explosive issues or reputational crises (Sandhu, 2009; Hallahan et al., 2007). By understanding the roles stakeholders play in this new online public sphere, organizations can strategically plan their communication activities. Thus, in the field of strategic communication, this research contributes by shedding light on the narrative structures deployed by stakeholders as well as on the view practitioners have of social media as a narrative environment for strategic communication.

From a practical perspective, both the narrative stakeholder positions and power transformations help practitioners to better grasp the dynamics of organizational reputation in the online public sphere. The produced stakeholder positioning model can be employed as a way of classifying online stakeholders when the organization is confronted by a reputational threat online. Previous research has shown that the use of social media in organizations often follows an emergent—rather than a planned—strategy (Macnamara & Zerfass, 2012). Different systematic models for analyzing stakeholders’ activities are one way to overcome the ad hoc nature of this practice. Further, in order to plan reputation management strategically and in a consistent manner, it is important to not study the stakeholder positions only, but also the networks and relationships between different agents and their mutual relationships. Following the words of Burke (1966, p. 84): “A character cannot ‘be himself’ [or herself] unless many others among the dramatic personae contribute to this end, so that the very essence of a character’s nature is in a large measure defined, or determined, by the other characters who variously assist or oppose him [or her].” This study shows that the relationships are
complex, not only between the organizations and stakeholders, but also between the different scenes of the narrative (cf. Hallahan et al., 2007). However, the scene alone cannot be used to determine the power attributes of the stakeholders. This is also emphasized by Burke, who sees that a common focus on technology reduces the terminology used to circulate only around scenes and agencies. Instead, a focus on agents and agency invites us to see different people and other actors in terms of instruments and means (Burke, 1945/1969, pp. 286-287; Anderson & Prelli, 2001).

Some limitations regarding the empirical goal of the study can be stated. First, the analysis is based on the perspective of the organizations gained from a small set of interviewed professionals, who evaluated the online public sphere from their own perspective and context. Despite the notion emphasized by Mitchell and colleagues (1997) of stakeholders’ attributes being variable, socially constructed, and not objectively assessed, future research on the power of online stakeholders as narrators of reputation should also examine the power/legitimacy perceptions of “the counterpart”, i.e., the stakeholder groups themselves. In addition, research should use actual web content, narrative trajectories, and social networks forming around reputation risk cases, to empirically test the narrative model created in this study. Finally, in addition, the focus on reputation risk issues recurrent in the interview themes produced a perspective inherently more negative and risk-aware. Thus, views related to more positive consequences of stakeholder activities in the online public sphere were not well captured in this study.

On a final note, conversations about user participation, especially in the media context, easily degenerate into a discussion about the positive and negative effects of a certain medium (see Slot, 2011, p. 146), which most likely is related to the fears and
Uncertainties related to the new environment. However, it would be short-sighted to say that the effects of non-strategic invocation of reputation narratives are limited to only certain media environments. Usually, no matter the context, organizations in their communications seek to eliminate or reduce the number of discontinuities and ruptures that are likely to impact on their activities (see Gabriel, 2000). This is a pattern visible in the interview data too. However, even negative stories can have different interpretations and they can carry important implications for the organization’s future actions. Therefore, negative reputation stories, if taken and acted upon strategically, can be used as a learning point for an organization. The monitoring of on-going acts on different scenes should be a regular practice within the organization; similarly, cultivating stakeholder relationships wherever possible and necessary will support the organization’s reputation management.

References


