Stakeholder salience in humanitarian supply chain management

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Abstract
Mitchell et al. (1997) developed a framework for assessing the salience of stakeholder groups based on their power, urgency and the legitimacy of their claim. This has been applied to illustrate the complexities of stakeholder interactions in humanitarian supply chains and to provide insights for their management and further research.

Keywords: Supply chain management, Humanitarian logistics, Stakeholder salience

Introduction
One of the most challenging areas of supply chain management (SCM) is humanitarian logistics (HL). The frequency of disasters, as well as their impact on the areas they strike has been rising constantly, both in terms of the people affected and the economic loss incurred, (Day et al., 2012). This creates a growing demand for disaster relief (Moe et al. 2007, Thomas and Kopczak 2005). According to the World Health Organisation’s Emergency Events Database EM-DAT, in 2011, 332 natural disasters killed 30,773 people and affected 244.7 million while causing economic damages of US$ 366.1 billion (Guha-Sapir et al. 2012). The number and impact of disasters is forecasted to increase five-fold over the next five decades (Thomas and Kopczak 2005). Consequently, goods and services will continue to be shipped all over the world to alleviate suffering and aid recovery.

HL involves various parties including governments, military, non-governmental and commercial organisations. These parties differ in their size, aims, structure and knowledge (Argollo da Costa et al. 2012, Van Wassenhove 2006). Despite high demand uncertainty, lack of infrastructure in the disaster zones and funding based on donations, a loss of lives is at stake (Day et al. 2012, Tatham et al. 2009, Thomas 2004). Coordination between stakeholders that makes SCM in the disaster relief sector particularly challenging (Chandes and Pache 2010). There are no shareholders stressing the importance of the bottom line, which makes the development of a strategic view of the supply chain more difficult.

While the core responsibility of humanitarian organisations is towards beneficiaries, they also face pressure from other stakeholder groups, most prominently the donors they are accountable to (Beamon and Balcik 2008). Due to the high stakeholder involvement and
diversity, any management tools and systems should be kept simple and user-friendly to avoid alienation of key customers (Schulz and Heigh 2009). The customers in a HSC are both donors and beneficiaries; the suppliers are both donors and actual paid suppliers (Charles et al. 2010, Oloruntoba and Gray 2009). This is a much more complex structure than in a commercial context where suppliers are being paid and customers pay for the good and services they receive. To preserve lives, stakeholders, and particularly the customers need to work closely with the organisation. This complex web of interactions makes a holistic approach to HL so important and leads to the adoption of a stakeholder theory based approach in this paper.

**Stakeholder Salience**

Stakeholder theory (ST) is based on corporate social responsibility, organisation theory, strategic planning and systems theory (Freeman 2010). ST states that each organisation has relationships with internal or external groups that either affect its decisions or are affected by them, i.e. the stakeholders. A stakeholder is “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman 2010). Attention is being paid to stakeholders not to maximise shareholder profit, but because of their own intrinsic value (Phillips et al. 2003). ST is concerned with the way stakeholders influence the processes and outcomes, both for the organisation and the each other (Jones and Wicks 1999). It is important to note that all the stakeholders’ claims are considered to be of value (Donaldson and Preston 1995). This is opposed to a strict shareholder view where the financial considerations of one group are the primary concern and other views are not considered.

A limited number of studies using ST have been conducted in HSCM. Three prominent ones focussed on stakeholders’ views of performance (Beamon and Balcik 2008, de Leeuw 2010, Schulz and Heigh 2009). Kovacs and Spens (2009) use stakeholder theory to identify challenges for humanitarian logisticians in Ghana. The authors stress the usefulness of ST for areas of SCM that are characterised by greater social embeddedness and less focus on profit. In categorising challenges by their stakeholder environment, the authors are able to identify other organisations facing similar issues that could become potential collaboration partners.

While ST is popular, it is often unclear who and what really counts, as there is no ranking of their priority which would make the theory more practical for managers and academics. One way to classify stakeholders is according to three attributes: their power, legitimacy of their claim, and its urgency as illustrated in Figure 1 (Mitchell et al. 1997). A stakeholder that possesses more of these attributes simultaneously is said to be more salient. The authors outline ways to interact with the eight different stakeholder types that can be identified in this manner. Balancing the demands of different stakeholder groups is an important role of the HSC manager, as it is with any other manager (Oloruntoba and Gray 2009, Schilling 2000). However, it is important to note, that the salience of a particular stakeholder group is not always the same. Stakeholder salience also depends on the issue under investigation and the reasons for applying ST (Phillips et al. 2003). Therefore, the typology given here can only be a general outline of the imbalances in salience in a typical HSC, but has to be adapted to specific circumstances, as the details would differ from organisation to organisation, in different disaster types, phases of disaster, location, time and the particular issue at hand.
Research methodology
A literature search was conducted using three databases, Business Source Premier, Emerald and Science Direct. To capture a broad range of topics such as prepositioning of materials, skills of humanitarian logisticians or performance measurement, only the general search term “humanitarian logistics” was used. The results were filtered to only include journal papers. This initial search yielded 224 papers. In a next step, the titles, key words and abstracts were read and papers who were found to be about research areas other than HL were eliminated. This reduced the number of papers to 119. After a cross-check between the results from the three databases, duplicates were removed, yielding a final number of 104 papers for further analysis.

<table>
<thead>
<tr>
<th>Database</th>
<th>Business Source Premier</th>
<th>Emerald</th>
<th>Science Direct</th>
<th>TOTAL</th>
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<td>100</td>
<td>67</td>
<td>224</td>
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<td>52</td>
<td>39</td>
<td>119</td>
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<td>Papers analysed</td>
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<td>93</td>
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The stakeholder groups were identified based on a discussion of actors in the humanitarian supply chain by Kovacs and Spens (2007). In addition, volunteers, field staff and headquarters were included to represent internal stakeholder relationships. The media, although
not mentioned in Kovacs and Spens’ paper, play a vital role in raising awareness and donations, however media can sometimes hinder HL operations (Van Wassenhove 2006). Finally, beneficiaries were added as a stakeholder group. These eleven stakeholder groups present broad categories, which might have further subgroups. For instance, military can be further categorised into national troops, UN peace keepers and insurgents.

Each of the 93 papers was then scanned for any mention of each of the eleven stakeholder groups. Search terms were truncated when necessary, for example “beneficiary” to find “beneficiar” and “beneficiaries”. Substitute search terms were also used, for example “press”, “journalist” and “news” instead of “media”. The results were only counted when reading the relevant passages revealed that they were indeed discussing this group as being affected by or affecting HL. Numeric results give an insight into the prevalence of this group in the literature and may enable estimation of the importance attributed to each of the groups. The qualitative part of the study then involved collecting quotes to capture the attributes assigned to each stakeholder group. Based on these quotes, the groups were then sorted into the stakeholder types described in the aforementioned framework (Mitchell et al. 1997).

Findings
93 papers were identified in 32 different journals. The highest amount in a single journal was 17 (International Journal of Physical Distribution & Logistics Management). This wide spread indicates that HL is an area that has been approached from many different directions, for example computer science, a socio-economic viewpoint and other specialised disciplines other than logistics. Even for the novelty of HL as a research area, the papers in this sample were published quite recently. The oldest papers dated back to 2006 and more than half of the papers were published later than 2010. Each paper discussed between one and eleven stakeholder groups, with 65% of papers discussing five or less. This indicates that many papers are highly specialised. This is particularly evident in two papers that discuss solely the field staff and focus exclusively on narrow operational issues.

![Figure 2 - Share of analysed papers (n=93) that referred to each stakeholder group](image-url)
Figure 2 depicts the percentage of papers that discuss each stakeholder group. Beneficiaries, as the raison d’être for humanitarian organisations are the most prominent group, appearing in 82% of the papers e.g. (Hilhorst 2002, Kovacs et al. 2010, Pettit and Beresford 2009). Articles that do not mention beneficiaries are usually highly quantitative studies, for example on vehicle routing. Unsurprisingly for publications on supply chain topics, suppliers feature in 60%. Due to their importance as the second customer group, donors are represented in 56% of papers (Charles et al. 2010, Oloruntoba and Gray 2009). Governments are the last group to appear in more than half of the papers. Among the internal stakeholder groups, field staff are by far the most prominent. They are most commonly discussed as part of specific logistical issues that occur in the field. Only a quarter of papers discuss the role of headquarters. However, they feature prominently when they are mentioned. Less notice was given to volunteers. This might be explained by the often unclear dividing lines between staff and volunteers at many NGOs. Other NGOs are discussed as partners, as well as competitors (Long and Wood 1995, Oloruntoba and Gray 2009, Pettit and Beresford 2009). The different roles they can play make this stakeholder group difficult to capture in the content analysis. 40% of papers feature them, ranging from a prominent discussion of potential partnerships, to casual mentions of the competitive environment. That only 36% of the articles discuss the role of the military in HL can be attributed to the reluctance of many NGOs towards working with the military (Heaslip et al. 2012, Tomasini and Van Wassenhove 2009). It also shows HL as an area that is quite separate from military logistics, despite their similarities. A third of the papers mention the media as a stakeholder group, most often in the context of their influence on donors. Among the external stakeholders, logistics providers are the ones that appear the least. The fact that only 30% of papers discuss their role could be down to the lack of close relationships in an area that often organises transport on an ad hoc basis (Balcik et al. 2010, Tomasini and Van Wassenhove 2009).

All the stakeholder groups were discussed in a significant portion of the papers. Therefore, they will all be used in the discussion section that will link them to the previously discussed stakeholder types and associated attributes. In the discussion, a selection of quotes will be used to describe the attributes of each individual stakeholder group. These quotes were collected from papers within the sample.

Discussion
In the following, the eleven stakeholder groups will be discussed from most to least mentioned. In the end, a stakeholder typology according to Mitchell et al. (1997) will be completed.

Beneficiaries
The recipients of aid, the beneficiaries are important, but often overlooked stakeholders (Beamon and Balcik 2008, Oloruntoba and Gray 2006). The relationship with them is often less clear and less carefully managed, as they have neither a voice nor a way to exit this non-contractual relationship (Pettit and Beresford 2009). In terms of stakeholder salience, they lack power. However, their desperate situation certainly gives their claims urgency. Their claims will evolve over time as their situation changes (Charles et al. 2010). At the core of humanitarian principles is the idea, that all affected people should be treated equally, which also challenges the quality and timeliness of supplies (Ertem et al. 2012). Beneficiaries have a legitimate claim to receive consistently good HL performance as far as the circumstances allow.

Suppliers
For a flexible and timely response, a humanitarian organisation has to cooperate with commercial suppliers, both on a local and a global level (Balcik et al. 2010, Maon et al. 2009).
Commercial stock-outs or long lead times can be a hazard to emergency responses (Lodree 2011). Suppliers therefore have the power to severely hinder HL. There is still very limited cooperation with commercial organisations, except for some large players that have strategic agreements with suppliers of commonly required items (Maon et al. 2009, Pettit and Beresford 2009, Schulz and Heigh 2009). There are some successful examples of close long-term partnerships, for example between TNT and the World Food Program, but it has to be recognised that there are fundamental differences between the sectors (Tomasini and Van Wassenhove 2009). Accordingly, legitimacy of claims towards HL is limited. Urgency was not implied in the analysed literature.

**Donors**

Despite being non-profit organisations, humanitarian organisations still have to closely monitor their finances, as donor funding is limited and can be withdrawn at any time (Chandes and Pache 2010). Apart from delivering aid, humanitarian organisations also have to ensure their income stream from donors remains stable. Successful aid delivery is therefore also an advertisement for potential donors, who supply HL, but are also customers expecting a positive action to be achieved with their money (Beamon and Kotleba 2006). An intense competition for donor funding has developed (Beamon and Balcik 2008). The dual role of donors as both customers and suppliers adds a marketing element to HL (McLachlin et al. 2010). A good relationships with donors is paramount for the continues existence of humanitarian organisations (Chandes and Pache 2010). Donors can also steer the types of operations that are possible, through their funding behaviour. Funding preparedness is a key challenge for HL (Sandwell 2011). From the literature it is clear, that donors possess all three characteristics, power, urgency and legitimacy.

**Governments**

Governments are major donors of goods and money to humanitarian missions (Baldini et al. 2012, Trestrail et al. 2009). In fact, all governments are involved in humanitarian aid as either donors, recipients or both (Kovacs and Spens 2009). As recipients, governments often need to call for international assistance before humanitarian aid missions can begin (Kovacs and Spens 2009). Governmental structures or the lack thereof can further complicate HL, or ease them (Banomyong and Sopadang 2010, Chandes and Pache 2010, Ertem and Buyurgan 2011, Kovacs and Spens 2009). Governments are involved on several levels, ranging from the global to the local structures (Chandes and Pache 2010, Trestrail et al. 2009). All this shows the great power that governments hold. As donors or recipients they also possess a high legitimacy of their claims, however their claims are less urgent that for example those of the beneficiaries.

**Field Staff**

Field staff are contact people for international, as well as local parties, ranging from the beneficiaries to suppliers (Blecken 2010, Martinez et al. 2011). In addition to logistics skills, field staff in HL also need very good relational skills when interacting with these parties (Kovacs et al. 2012). High rates of staff turnover, little knowledge transfer, and a lack of qualified staff further complicate the work of the field staff (Kovacs and Spens 2009, Sandwell 2011). Field staff handle very complex and critical tasks. Thus they possess both a legitimate and an urgent claim as stakeholders of HL. However, they hold relatively little power outside of their immediate sphere of influence.

**Other NGOs**

Coordination among humanitarian organisations is important for effective information flow (Baldini et al. 2012). Although they share similar goals, they are also in fierce competition for donations, media attention, as well as available resources (Beamon and Balcik 2008). This can
lead to strained, non-cooperative relationships (Oloruntoba and Gray 2009, Pettit and Beresford 2009). In the literature there were clear themes of competition, as well as cooperation. While other NGOs lack legitimacy to influence another’s supply chain, and usually do not hold significant power, they are demanding stakeholders whether in a positive way demanding improvement through cooperation, or negatively when engaging in fierce competition.

**Military**
The military’s ability to respond rapidly in emergencies leads to higher involvement during the initial response, as the situation stabilises, their importance declines (Banomyong and Sopadang 2010). Particularly in HL, the military can be both a benchmark and an important cooperation partner (Carroll and Neu 2009). However, there are issues of protecting the humanitarian space by remaining neutral, but at the same time not compromising on security (Heaslip et al. 2012, Tomasini and Van Wassenhove 2009). Therefore, while the military possesses the attributes of power and urgency, their legitimacy in a humanitarian context is questionable.

**Media**
The media play a very important role in facilitating information flows, as well as soliciting donations through reports (Charles et al. 2010). While they also keep the affected population informed and involved, they can also pose a threat to HL, as their reporting will be focussed on their audience’s preferences and not the needs of the humanitarian organisation. Smooth interactions on the other hand can enable HL to run much more efficiently and effectively (Heaslip et al. 2012). The media hold power over HL, but despite all their urgency, as they are following mostly commercial interests, they lack legitimacy of their claims.

**Logistics Providers**
Humanitarian organisations frequently work with commercial logistics providers, but these relationships are usually formed very quickly and disbanded once a particular mission is over (Tatham and Kovacs 2010). While closer cooperation would be beneficial, ad hoc transport is still most likely (Jahre et al. 2009). However, due to the power that logistics providers hold over HL, this situation is improving with more attention being paid to long-term cooperation (Balcik et al. 2010). As commercial organisations that provide a service to HL, logistics providers have neither urgent nor legitimate claims on the humanitarian mission.

**Headquarters**
In centralised supply chains, power can be concentrated in the headquarters of humanitarian organisations, leading the organisation of HL to be far away from the realities in the field (Gatignon et al. 2010, Martinez et al. 2011). This is a trade-off between cost efficiency and immediate, specific action (Jahre et al. 2009). As headquarters are the main line of contact to donors and many other international stakeholders, their power is very large. As the head of HL, they also have legitimate and urgent claims, making them definitive stakeholders.

**Volunteers**
Volunteers often have very different backgrounds, and commit for various amounts of time, making their involvement in HL challenging though highly welcome (Maon et al. 2009). It can be difficult to coordinate their input, at worst they could even hinder operations (Van Wassenhove 2006). The only attribute that can be ascribed to them is the legitimacy of their claim due to their volunteering.

Table 2 provides the full stakeholder typology as derived from the literature. There is at least one example of each stakeholder type. The definitive stakeholders are the donors and the headquarters of an organisation. Both possess power, legitimacy and urgency. However, beneficiaries as the other key customer group, as well as field staff as a crucial internal
stakeholder group, are of similar importance, even though they do not possess the power to enforce their claims, making them dependent stakeholders.

Table 2 - Stakeholder typology in humanitarian logistics

<table>
<thead>
<tr>
<th>Stakeholder type</th>
<th>Attributes</th>
<th>Stakeholder groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Dormant</td>
<td>P</td>
<td>Logistics providers, suppliers</td>
</tr>
<tr>
<td>2 Discretionary</td>
<td>L</td>
<td>Volunteers</td>
</tr>
<tr>
<td>3 Demanding</td>
<td>U</td>
<td>Other NGOs</td>
</tr>
<tr>
<td>4 Dominant</td>
<td>PL</td>
<td>Governments</td>
</tr>
<tr>
<td>5 Dangerous</td>
<td>PU</td>
<td>Military, media</td>
</tr>
<tr>
<td>6 Dependent</td>
<td>UL</td>
<td>Beneficiaries, field staff</td>
</tr>
<tr>
<td>7 Definitive</td>
<td>PLU</td>
<td>Donors, headquarters</td>
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Conclusion and further research

This research highlights the complexity of stakeholder interactions in HL. The large number of stakeholder groups with their often diverse interests and backgrounds, make the management of humanitarian organisations even more challenging than it is already, given the areas of operation and the unpredictable nature of demand. The data collected here stems from a structured literature review. The sample size is relatively small at 93, but captures a wide range of topics, journals and authors for this relatively new field of research. Both a quantitative and a qualitative analysis were conducted to assess stakeholder salience in HL.

It has been identified that the duality of customer groups is a key feature of and a major challenge for HL. Stakeholder salience is highest for donors, whereas beneficiaries do not have the necessary power to enforce their claims, but have a high moral legitimacy and urgency, making them dependent stakeholders. Within an NGO, the corresponding stakeholder groups are the headquarters that are closer to the donors and the field staff who are closer to the beneficiaries.

From the stakeholder typology that has been developed, the different attributes of the individual groups can be seen. While the original typology (Mitchell et al. 1997) provides some indication of its use in management and later studies apply it in different contexts (Agle et al. 1999, Elias et al. 2002), further research will have to be done to assess its usefulness in HL beyond the aforementioned customer duality and its effects on the management of HL.

References


