Business Skills and Performance Management

Lecture Title:
Influencing Mindset in Management and Stakeholder Interaction

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Human Resources Management

Learning Objectives

- Critically evaluate strategies for influencing and negotiating with stakeholders

- Apply stakeholder mapping and ethical influence principles in decision-making

- Develop communication and persuasion skills for effective conflict resolution

Group Debate

Is influence a skill anyone can learn, or is it a personality trait?

Defend your view.

The Concept of Managerial Mindset

Carol Dweck's Mindset Theory

Carol Dweck's Mindset Theory is one of the most influential frameworks in contemporary psychology and leadership development.

- Explores how beliefs about ability and intelligence influence behaviour
- It is based on two key mindsets: **Fixed** and **Growth**
- Critical for leadership, influence, and stakeholder engagement

Carol Dweck's Mindset Theory

Fixed mindset

Characteristic	Example in Management	Effect on Influence
Believes abilities are innate and static	"If I'm good at this, it should come naturally."	Relies on authority Avoids feedback
Avoids challenges	Delegates difficult tasks	Limited problem-solving and adaptability
Fear of failure	Avoids risk-taking	Stakeholders perceive rigidity

Carol Dweck's Mindset Theory

Growth Mindset

Characteristic	Example in Management	Effect on Influence
Believes abilities can be developed	"I can improve through effort and learning."	Builds trust through dialogue
Embraces challenges	Seeks solutions collaboratively	Encourages stakeholder engagement
Views setbacks as feedback	Adjusts strategy after resistance	Enhances long-term influence

Carol Dweck's Mindset Theory – Implications for Management & Influence

•A leader's mindset directly influences how they **motivate others**, **handle conflict**, and **respond to stakeholder resistance**

•Growth mindset leaders typically adopt a **coaching approach**, asking questions, seeking input, and adapting strategies. These behaviours enhance **ethical influence** and stakeholder trust.

•Fixed mindset leaders may unintentionally create a culture of fear, defensiveness, or blame, which can stifle innovation and reduce influence effectiveness.

“In leadership, your mindset shapes not only how you see your own abilities — but how you see the potential of those you lead.”
(Adapted from Dweck, 2016)

Group Exercise –
Understanding Fixed Vs. Growth Mindset

- Refer to your allocated scenario

- Identify the mindset type
- Provide evidence from the scenario
- Suggest how the person could adopt a growth mindset if currently fixed

- Share insights with the class

Authority Vs. Influence in Leadership

Aspect	Authority	Influence
Source of Power	Granted by position, title, or hierarchy	Earned through trust, credibility, and relationships
Type of Power	Formal / positional	Personal / relational
Key Driver	Compliance	Commitment
Basis of Effectiveness	Role, status, or control of resources	Expertise, empathy, and integrity
Typical Behaviours	Directing, instructing, enforcing	Persuading, guiding, inspiring
Impact on Others	Short-term obedience; limited engagement	Long-term alignment; intrinsic motivation
Used Most Effectively When…	Clear authority or urgent decisions are required	Collaboration, innovation, or stakeholder buy-in is needed
Leadership Implication	May secure results but can stifle initiative	Builds sustainable influence and shared ownership

Group Discussion

"Can someone with little formal authority still have strong influence?"

Give some examples

Stakeholder Mapping and Power–Interest Dynamics

Stakeholder Mapping and Power–Interest Dynamics

Every organization operates within a complex web of **stakeholders.**
Understanding **who these stakeholders are, what they care about,** and **how much influence they hold** is crucial for ethical and effective decision-making.

- **Stakeholder mapping** helps managers:
-Identify who stakeholders are
-Assess their **power** (influence) and **interest** (concern)
-Prioritize engagement and communication

- **Power–interest dynamics** reveal how influence and attention should be balanced

- Effective leaders **adapt influence strategies** based on stakeholder power and interest

- Goal: Act **strategically and ethically** — aligning organizational goals with stakeholder fairness

Mendelow's Power–Interest Matrix

Mendelow's Power-Interest matrix is a foundational tool for assessing who matters most in decision-making and communication planning.

Interest Level	Low Power	High Power
Low Interest	(Ex – Distant suppliers, general public, minor administrative staff) **Monitor (Minimal Effort):** Keep informed at a basic level.	(Ex – Senior govt regulators, large investors with diversified interests) **Keep Satisfied:** Provide selective engagement to maintain support.
High Interest	(Ex – Local community groups, frontline employees, customers with limited market voice) **Keep Informed:** Engage regularly; they can become strong allies.	(Ex – Key clients, board members, project sponsors) **Manage Closely:** Key players—build strong relationships, involve in key decisions.

The Salience Model

This model was created by Ronald K. Mitchell, Bradley R. Agle, and Donna J. Wood. It considers three key stakeholder attributes – **Power, Legitimacy, Urgency.**

Attribute	Definition	Example
Power	Ability to influence the organization or project outcomes	Regulators, major clients
Legitimacy	The perceived validity or appropriateness of their claim	Employees, local communities
Urgency	The degree to which their claim requires immediate attention	Crisis-affected groups, activist campaigns

Group Discussion

How do Mendelow's Power Interest matrix and the Salience Model help managers avoid bias or emotional reactions in stakeholder decision-making?

Mendelow's Power-Interest Matrix

How It Reduces Bias	Explanation / Managerial Value
Provides structure	Uses *power* and *interest* to classify stakeholders objectively, moving decisions from intuition to evidence.
Encourages fairness	Applies consistent criteria across all stakeholders, reducing favoritism and political influence.
Minimizes emotional reactions	Focuses on measurable influence and concern rather than personal opinions or relationships.
Supports ethical decision-making	Ensures proportional engagement — neither ignoring nor over-serving any stakeholder group.
Promotes transparency	Visual mapping sparks open discussion and collective reasoning within management teams.

The Salience Model

How It Reduces Bias	Explanation / Managerial Value
Adds ethical depth	Considers *legitimacy* and *urgency* alongside *power*, encouraging reflection beyond profit motives.
Encourages evidence-based reasoning	Requires managers to assess each attribute objectively, preventing overreaction to vocal but low-priority stakeholders.
Promotes balanced prioritization	Weighs multiple attributes to identify who "really counts" — reducing emotional or political distortion.
Improves ethical awareness	Highlights moral responsibility and fairness when allocating attention or resources.
Supports dynamic decision-making	Recognizes that stakeholder salience shifts over time, helping managers adjust thoughtfully rather than react impulsively.

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Ethical Dilemmas in Stakeholder Prioritization

- Stakeholder analysis involves ethical as well as strategic decisions.
- Managers must balance organizational goals with fair consideration of stakeholders.

Dilemma	Ethical Consideration
Profit vs. Sustainability	Environmental responsibility, long-term impact
Employee welfare vs. Cost-cutting	Fair treatment, wellbeing
Transparency vs. Competitive Advantage	Honesty, trust

- Ethical influence considers both means and ends — how decisions are made matters as much as outcomes.

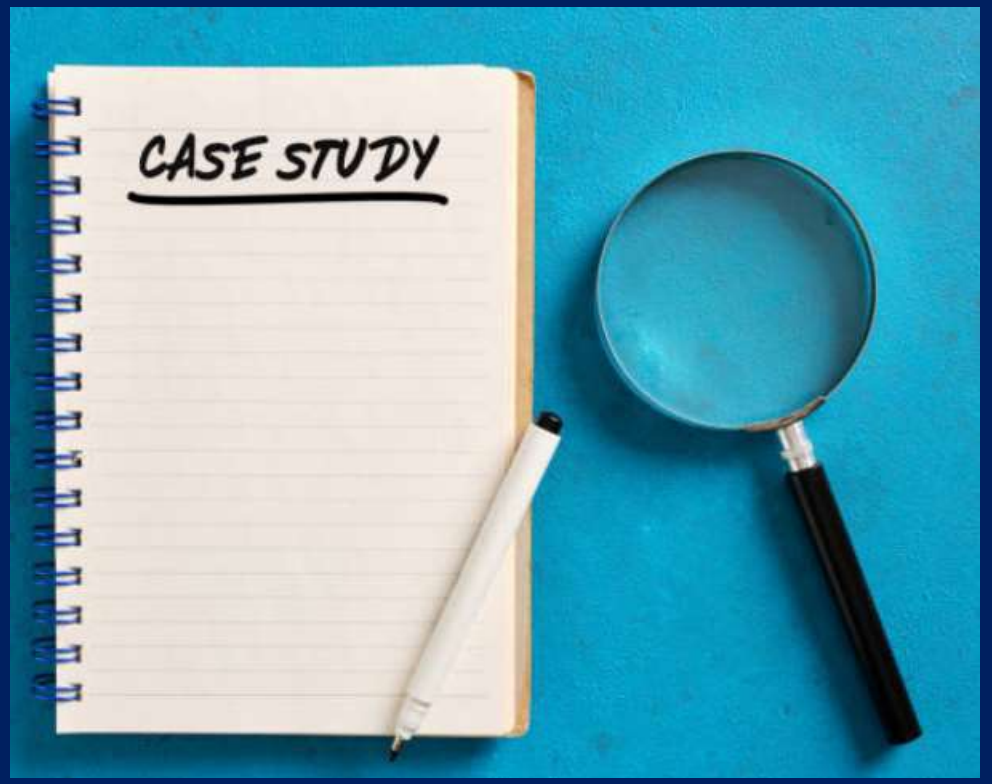
- Goal: Align stakeholder interests while acting responsibly, transparently, and fairly.

Case Study

1. Form into groups
2. Refer to you assigned scenario
3. - Apply stakeholder mapping tools (Mendelow's Matrix or Salience Model).

   - Identify ethical dilemmas in decision-making.

   - Develop influence strategies that balance organizational goals and stakeholder fairness.



Strategies of Influence and Negotiation

Influence Strategies

An influence strategy is a deliberate set of actions or techniques used to shape the attitudes, beliefs, or behaviors of others in order to achieve specific objectives, while maintaining ethical and relational integrity within a social or organizational context. (Yukl, 2013; Cialdini, 2006)

Key Features :

- **Deliberate:** Planned approach, not accidental.
- **Targeted:** Focuses on specific individuals or stakeholder groups.
- **Ethical:** Considers fairness, transparency, and relationship management.
- **Outcome-Oriented:** Designed to achieve organizational goals.

The Six Core Influence Strategies

- **Rational Persuasion** – Using **facts, logic, and data** to convince others of the merits of a proposal
- **Consultation** – **Involving stakeholders** in decision-making to gain commitment and build buy-in
- **Inspirational Appeal** – Linking requests to **values, ideals, or emotions** that motivate stakeholders
- **Personal Appeal** – Leveraging **relationships and trust** to influence someone to act
- **Exchange / Reciprocity** – Offering something of **value in return** for support or cooperation
- **Coalition Building** – **Gathering support from multiple stakeholders** to strengthen influence and credibility

Why Influence Strategies Matter

Reason	Explanation	Organizational Benefit
Enhances collaboration	Encourages open communication and shared understanding across teams and departments	Builds stronger relationships and improves teamwork
Increases stakeholder commitment	Engages stakeholders through consultation and inclusion in decision-making	Reduces resistance and fosters long-term buy-in
Promotes ethical decision-making	Encourages transparency and fairness in persuasion and negotiation	Builds trust, credibility, and organizational integrity
Improves negotiation outcomes	Helps managers balance competing interests and achieve win–win results	Leads to more sustainable agreements and reduces conflict
Reduces reliance on authority	Encourages influence through trust, credibility, and persuasion rather than hierarchy	Fosters a positive, empowering leadership culture
Drives change effectively	Supports adoption of new ideas, policies, or processes by addressing human dynamics	Increases success rates of change initiatives

Group Discussion

Can you give some examples how influence can be Ethical or Manipulative?

Ethical Vs. Manipulative Influence

Aspect	Ethical Influence	Manipulative Influence
Intent	Aims to achieve mutual benefit and align stakeholder interests	Seeks personal or organizational gain at others' expense
Transparency	Open and honest about goals, motives, and expected outcomes	Conceals true intentions or withholds key information
Respect for others	Values autonomy and informed decision-making	Exploits emotions, fears, or vulnerabilities
Outcome	Builds trust, credibility, and long-term relationships	Damages trust and creates resistance or resentment
Ethical foundation	Guided by integrity, fairness, and professional ethics	Driven by coercion, deceit, or self-interest
Examples	Using evidence and consultation to persuade stakeholders	Exaggerating data or making false promises to gain approval

Key Negotiation Frameworks

Concept	Description	Application
BATNA (Best Alternative to a Negotiated Agreement)	The best option if negotiation fails.	Before negotiating budget, identify what other resources or plans you could pursue if rejected.
ZOPA (Zone of Possible Agreement)	The overlap between what each party is willing to accept.	Understand the minimum budget reallocation acceptable to both your team and the executive.
Interest-based negotiation	Focuses on underlying needs rather than positions.	Discuss *why* the executive resists reallocating funds (e.g., strategic priorities) and find solutions that satisfy both parties.
Position-based negotiation	Focuses on fixed positions rather than interests.	Less flexible, often leads to deadlock; e.g., insisting on exact numbers without understanding concerns.

Group Exercise

Scenario:

"You need to negotiate a budget reallocation for your department, but a resistant executive is hesitant to approve it due to competing priorities."

Instructions for Groups:

1. Identify which **influence strategies** you would use and why.
2. Outline a **negotiation approach** (BATNA, ZOPA, interest-based vs. position-based).
3. Consider **risks** associated with different tactics.
4. Prepare a **2–3 minute summary** to share with the class.

Group Discussion

What do you understand by the term persuasive communication?

"Persuasive communication is a symbolic process in which communicators attempt to influence the attitudes, beliefs, or behaviors of others through the transmission of a message in an atmosphere of free choice."

O'Keefe (2002)

Key Principles of Persuasive Communication

Technique	Definition / Description	Example in Managerial Context
Framing	Presenting information in a way that highlights certain aspects to influence perception	Framing a budget cut as a "strategic reallocation to enhance impact"
Storytelling	Using narrative to make complex issues relatable and memorable	Sharing a client success story to justify a new process or initiative
Emotional Intelligence (EI)	Recognizing, understanding, and managing emotions (self and others) during communication	Remaining calm and empathetic when a stakeholder reacts defensively to change
Active Listening	Demonstrating attention, reflection, and validation of the other's viewpoint	Paraphrasing a stakeholder's concern to ensure understanding before responding
Message Clarity & Structure	Using concise, evidence-backed communication with a clear purpose	Structuring a proposal using the "Situation–Complication–Resolution" model

Managing Difficult Conversations & Resistance

Resistance is often a sign of **unmet needs, fears, or misalignment** — not just defiance.

Managers must use **structured communication** to address resistance constructively.

Steps for Managing Difficult Conversations

1. **Prepare:** Clarify purpose, desired outcome, and potential triggers.
2. **Open neutrally:** Start with shared goals ("We both want the project to succeed…").
3. **Acknowledge emotion:** Recognize concerns before defending your position.
4. **Explore interests:** Ask open-ended questions to uncover motivations.
5. **Collaborate on solutions:** Co-create next steps rather than imposing them.
6. **Close with commitment:** Summarize agreements and next actions

Managing Difficult Conversations & Resistance

The way a message is conveyed can either lead to a positive or negative outcome.

Example -

A project manager confronting a team lead delaying deliverables.

- Ineffective: “You’re not meeting deadlines again.”
- Effective: “I’ve noticed the last two deadlines slipped. What’s getting in the way of progress, and how can I support you?”

Individual Exercise

Transform the following phrases into effective communication examples.

Transform the following phrases:-

Scenario	Ineffective Phrase	Effective Phrase
1. Addressing performance issues	"You keep missing deadlines — this can't continue."	"I've noticed a few deadlines have slipped recently. Can we talk about what's been getting in the way and how I can help?"
2. Handling resistance to change	"This is the new process — you just need to get on board."	
3. Responding to defensive feedback	"You're overreacting — that's not what I meant."	
4. Managing stakeholder disagreement	"That's not realistic — we don't have the resources."	

Scenario	Ineffective Phrase	Effective Phrase	Why It Works Better
Handling resistance to change	"This is the new process — you just need to get on board."	"I know this new process is a big shift. Let's talk through what concerns you most and how we can make the transition smoother."	Acknowledges emotion, validates perspective, and builds trust through empathy.
Responding to defensive feedback	"You're overreacting — that's not what I meant."	"I can see that what I said didn't come across as I intended. Can we revisit that so I can clarify?"	Takes responsibility for communication and de-escalates tension.
Managing stakeholder disagreement	"That's not realistic — we don't have the resources."	"I understand your priorities. Let's look together at what we can achieve with our current resources and where we might need to adapt."	Keeps dialogue constructive by reframing limitations as shared problem-solving.

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