A stakeholder approach to strategic management pdf

Academia.edu uses cookies to personalize content, customize ads, and improve the user experience. By using our site, you consent to our collection of information using cookies. To learn more, check out our Privacy Policy.× 32 Pages Published: 16 March 2001 The purpose of this chapter is to outline the evolution of the idea of managing stakeholders as it came to be used in strategic management. Let's start by developing a brief history of the concept. We then propose that stakeholders' approach to strategic management should traditionally have several related characteristics that serve as characteristics. We review recent work on stakeholder theory and propose how stakeholder governance has influenced management practices. We end by proposing more research questions. This article is orphaned like no other articles link to it. Please introduce links to this page from related articles; try to find the link tool for suggestions. (May 2017) Internal and external stakeholders In the field of management, stakeholder approach is a practice for managers to formulate and implement processes that meet the needs of stakeholders to ensure long-term success. [1] Depending on the level of participation of different groups, the company can take advantage of market imperfections to create valuable opportunities. It emphasizes active management of the business environment, relationships and promotion of common interests. [2] This approach is based on the stakeholder theory, which arises as counterparty business practices and management that focus on shareholder satisfaction. [3] The introduction of this approach can strengthen solid values and create a competitive advantage. However, it has been criticised for overestimating stakeholders and its difficulty in reaching consensus. The Process of Managing Stakeholders Utility Competitive Advantage This approach can create a competitive advantage because it connects the company with the stakeholders. These perceive the coherent application of organisational values and relate to those values. In this way, society has information about stakeholders that it needs to treat them well and develop important initiatives. This strengthens the company's reputation and loyalty among customers and other stakeholders, creates stronger brand recognition and increases trust in the company. While there are limitations to loyalty and reputation can be damaged, these two key elements can make a big difference and create barriers for other companies that may want to have information about stakeholder features. Proponents argue that a company that follows the stakeholders' approach gets the information it needs to meet the needs of stakeholders, making it easier to develop expertise. These acquired skills can be transmitted, promoted and strengthened within the business management of the company, which creates key competencies. Over time, this approach can become an indispensable problem in organizational culture. [4] [5] Creating value through Companies Companies stakeholders are able to attract a better quality workforce. Employee satisfaction with work has an impact on the company's ability to support innovation. Workers who are satisfied with their work are more likely to engage in long-term thinking and create potentially valuable ideas. These companies can use stakeholder information to propose new ways to satisfy them. [6] Reciprocity is a key aspect of this approach: if stakeholders benefit, they are more likely to reveal information about their utility function. This is why companies and business managers can better meet the needs of consumers by understanding their customers and suppliers and using this information strategically and flexibly. [5] Limits divergent interests Efforts to satisfy a large number of players complicate governance and may make it more difficult to reach consensus. Taking into account so many different interests is likely to provoke divergent views[7], while individual interests and self-motivated actors can shout decision-making results. [8] Moreover, this approach has been criticised for meaning that all stakeholders negotiate on a level playing field and ignore potential differences between different stakeholders. [7] Overestimation of stakeholders It has been suggested that obtaining information on the public functions of stakeholders may lead to costs that may exceed the benefits. Therefore, in its intention to create value, management can ultimately allocate too many resources to stakeholders for stakeholders. Moreover, taking into account that the competence between the interested parties is not evenly distributed, some actors may be able to appropriate a greater profit for themselves than other stakeholders. This scheduled the distribution of value among shareholders instead of maximizing returns. [5] External references Bargaining power - Agenda of negotiations. Harvard Law School Innovation - Australian Government. Department of Industry, Innovation and Science. Reference ^ Post, James E.; Preston, Lee E.; Sachs, Sybille (2002-10-01). Enterprise Enhanced Management: New stakeholder view. California Management Review. 45 (1): 6-28. doi:10.2307/41166151. ISSN 0008-1256. JSTOR 41166151. S2CID 154482316. ↑ Freeman, R. Edward; McVea, John (2001-01-01). Stakeholder access to strategic management. SSRN 263511. Citing journal requires |journal= (help) ^ Freeman, R. Edward; Harrison, Jeffrey S.; Wicks, Andrew C.; Parmar, Bidhan L.; Colle, Simone de (2010-04-01). 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Strengths and limitations of stakeholder engagement methods. Agency for Research and Quality of Health Care (USA). ^ Risks of relying on stakeholder engagement to achieve sustainability (pdf available for download). Research gate. They were acquired in 2017-05-06. Obtained from SHOWS 1-10 of 40 REFERENCESSORT BYMost influenced papersRecencyStrategic management: an approach of stakeholders Business Ethics and interested analysisbusiness Ethics Quarterly1984A North American legal view of stakeholder management theoryF. Patfield, Ed. Views on Company Law, 2: 165-179.1997 R. Edward Freeman is Olsson Professor of Business Administration and co-director of the Olsson Center for Applied Ethics at darden school, University of Virginia. He is an adjunct professor of unit-share management at the Copenhagen Business School. Professor Freeman's new book Managing for Stakeholders, co-authored by Jeffrey Harrison and Andrew Wicks, was published in 2007 by Yale University Press. In 1984, he published a strategic management approach: a stakeholder, where he traced the origins of stakeholder ideas and suggested that businesses build their strategy around their relationships with key stakeholders. He was awarded an honorary doctorate, Dr. Honoris Causa, Universidad Pontificia Comillas, Madrid, and has a Ph.D. in philosophy from Washington University. © 1996-2015, Amazon.com, Inc. or its affiliates Staber, Udo and Schaefer, N.V. 1986. SMALL IS BEAUTIFUL AND RICH: IS IT ALSO SOCIALLY RESPONSIBLE?. Small Business & Business Magazine, vol. 3, issue. 3, p. 45. Čakravarthy, Balaji S. 1991. strategic adaptation to deregulation. Journal of Organizational Change Management, Vol. 4, Issue. 1, p. 22. McGRATH, JOHN C. 1991. Evaluation of national health communication campaigns. American Behavioral Scientist, vol. 34, issue. 6, p. 652. Appelbaum, Steven H. 1991. Strategic Management Model: Regulation (Rx) for CEO. 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