Oxipouco - An Endangered Species Resource Negotiation (B): PharmaCaring - Confidential Instructions

Oxipouco - An Endangered Species Resource Negotiation (B): PharmaCaring - Confidential Instructions

nt relevance

group has
ts relationship
(Mitchel et al.,

6) Dependent: legitimacy and urgency
7) Definitive: power, legitimacy and urg

Definitive stakeholders require priority when managing stakeholders or developing stakeholder policy (Tracey, 2012).

Dominant, dangerous or dependent stakeholder are not to be overlooked (Tracey, 2012).

Stakeholders - why so important?

- It is essential to build a corporate reputation based on sustainable stakeholder practice (Jagersma, 2009).
- Effective identification and management of stakeholders is crucial.

What is effective stakeholder identification and management?

Look to stakeholder theory.

ccountability
e practice.

Stakeholder Theory

Anyone can be impacted by a firm (Mitchel et al., 1997).

A firms strategic goals are more easily achieved when they are engaged with stakeholders (Tracey, 2012).

Involving stakeholders leads to better managerial decision making (Donaldson & Preston, 1995).

Sensible and effective business practice.
It is ethical.

n, 1995).

sible and effective business prac

It is ethical.

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Stakeholder Salience

Different stakeholders have different relevance (Tracey, 2012).

The degree to which a stakeholder group has power, legitimacy and urgency in its relationship with a firm determines its salience (Mitchel et al., 1997).

Power: degree the stakeholder can attain influence in the relationship with the firm.

Legitimacy: degree of legitimacy the firm feels the stakeholder has in its influence.

Urgency: time sensitivity and criticallity of stakeholder's claims to the firm.

(Mitchel et al., 1997; Tracey, 2012).

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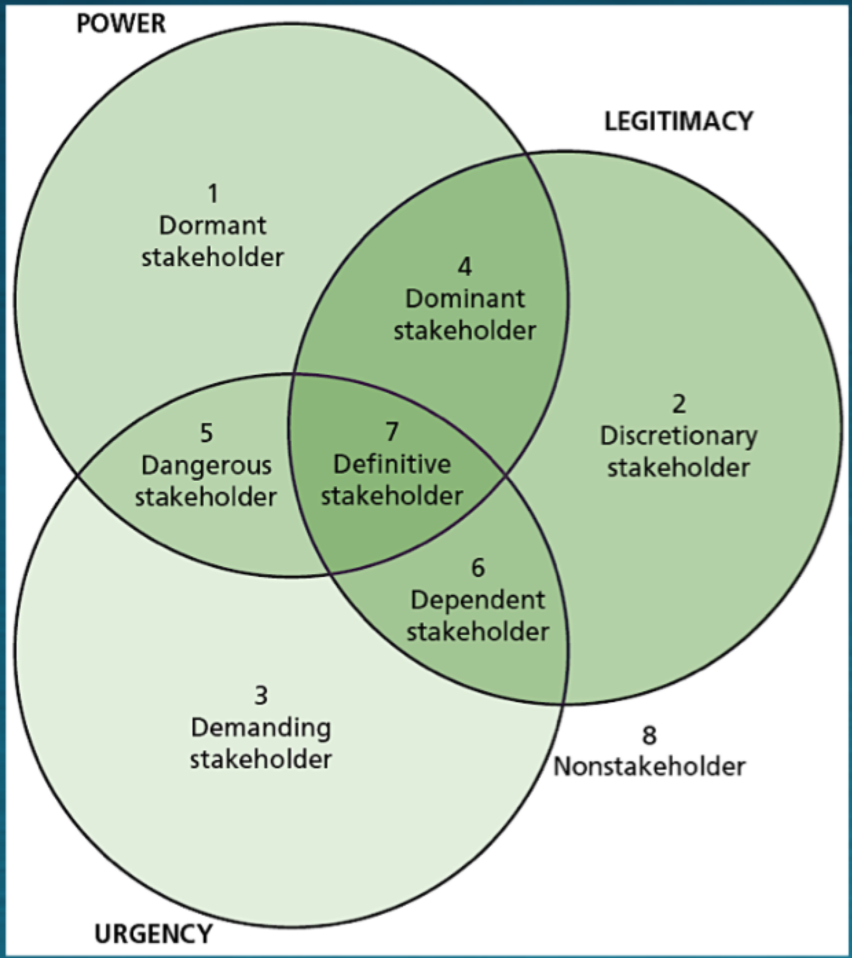

Figure 1 - Stakeholder Typologies

(Mitchel et al., 1997)

Tata Steels Stakeholders

- Indian Government
- Indians
- Global Community
- Indian/Global Economy
- Steel Industry
- Mining Industry
- Joint venture/associate companies
- Investors
- Customers
- Suppliers
- Tribal landowners
- The environment
- International Union for the Conservation of Nature (IUCN)
- Greenpeace and other environmental groups
- Tata Steel leadership (Vice President Mr Nerurker)
- Employees, their families and others within its region of operations

m

Stakeholder Salience Typologies

1) Dormant: power
2) Discretionary: legitimacy
3) Demanding: urgency
4) Dominant: power and legitimacy
5) Dangerous: power and urgency
6) Dependent: legitimacy and urgency
7) Definitive: power, legitimacy and urgency

! Definitive stakeholders require priority when managing stakeholders or developing stakeholder policy (Tracey, 2012).

! Dominant, dangerous or dependent stakeholder are not to be overlooked (Tracey, 2012).