

Figure 2 - Stakeholder Management Strategy (Tracey, 2013).



**Stakeholder Salience Thecasesolutions.com**  
 Differs stakeholders have different relevance (Tracey, 2013).  
 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).

**Stakeholder Theory Thecasesolutions.com**  
 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, 2013).  
 Involving stakeholders leads to better managerial decision making (Donaldson & Preston, 1992).  
 Sensible and effective business practice. It is ethical. Thecasesolutions.com

**Stakeholder Salience Analysis**  
 Dormant: Indian/Global Economy  
 Discretionary: Indians  
 Demanding: Government, Mining Industry, Investors, IUCN  
 Dominant (cont.): Joint venture/associate companies (Corus), Customers, Suppliers, Tata's Leadership  
 Dangerous: Environmental groups  
 Dependent:  
 Definitive:

**Stakeholder Salience Evaluation Thecasesolutions.com**  
 Agree:  
 Current, strategic goals and Tata's business excellence model  
 Corporate Social Responsibility (CSR) and Environmental Policy  
 Tata's evident current and financial commitment to social and ethical responsibility.

**Employees and others in the region Tata operates**  
 CSR is key to Tata's strategic goals as a business and therefore this groups claims have power and legitimacy (Sahay & Staib, 2009).  
 Specifically, traditional landowners have concerns over pollution, communities, compensation and livelihoods (Sahay & Staib, 2009).  
 Evidence of legitimate, powerful and urgent claims against Tata Steel

**The Environment**  
 Tata operates in an industry dependent on the environment and its preservation  
 Global, political and social landscape determines the environment to have powerful, legitimate and urgent claims to Tata Steel's sustainable management (Tracey, 2013).  
 Criticisms over reactive policy (Sahay & Staib, 2009).

# Thecasesolutions.com Stakeholder Management and the Endangered Wildlife Trust

- Key Points**
- 1 Stakeholder salience is based on power, legitimacy and urgency
  - 2 Definitive stakeholders are the key stakeholders to Tata Steel
  - 3 Stakeholder analysis was conducted against fundamental principles and core policies of Tata Steel
  - 4 Tata's employees and others in Tata's operating region and the environment are the key stakeholders to Tata Steel
  - 5 Tata Steel must establish a Sustainability Stakeholder Group

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**Stakeholder Salience**  
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 Different stakeholders have different relevance (Tracey, 2013).  
 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).

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

Specifically, traditional landowners have concerns over pollution, communities, compensation and livelihoods (Sahay & Staib, 2009).  
 Evidence of legitimate, powerful and urgent claims against Tata Steel

**Stakeholders - why so important?**  
  
**Thecasesolutions.com**  
 It is essential to build a corporate reputation based on sustainable stakeholder practice (Jagersma, 2009).  
 Effective identification and management of stakeholders is crucial.

**Stakeholder Salience Analysis**

- Dormant:**
  - Indian/Global Economy
- Discretionary:**
  - Indians
- Demanding:**
  - Government
  - Mining Industry
  - Investors
  - IUCN
- Dominant (cont.):**
  - Joint venture/associate companies (Corus)
  - Customers
  - Suppliers
  - Tata's Leadership
- Dangerous:**
  - Environmental groups
- Dependent:**
- Definitive:**

**The Environment**  
  
 Tata operates in an industry dependent on the environment and its preservation  
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**Stakeholder Theory**  
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 Anyone can be impacted by a firm (Mitchel et al., 1997).  
 Strategic goals are more easily achieved when they are engaged with stakeholders (Tracey, 2012).  
 Engaging stakeholders leads to better managerial decision making (Donaldson & Preston, 1995).  
 Sustainable and effective business practice is ethical.  
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What is effective stakeholder identification and management?  
 Look to stakeholder theory.

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nt relevance  
group has  
ts relationship  
(Mitchel et al.

6) Dependent: legitimacy and urgency  
7) Definitive: power, legitimacy and ur  
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?



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

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# Stakeholder Theory

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# Stakeholder Salience

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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 criticality of stakeholder's claims to the firm.

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





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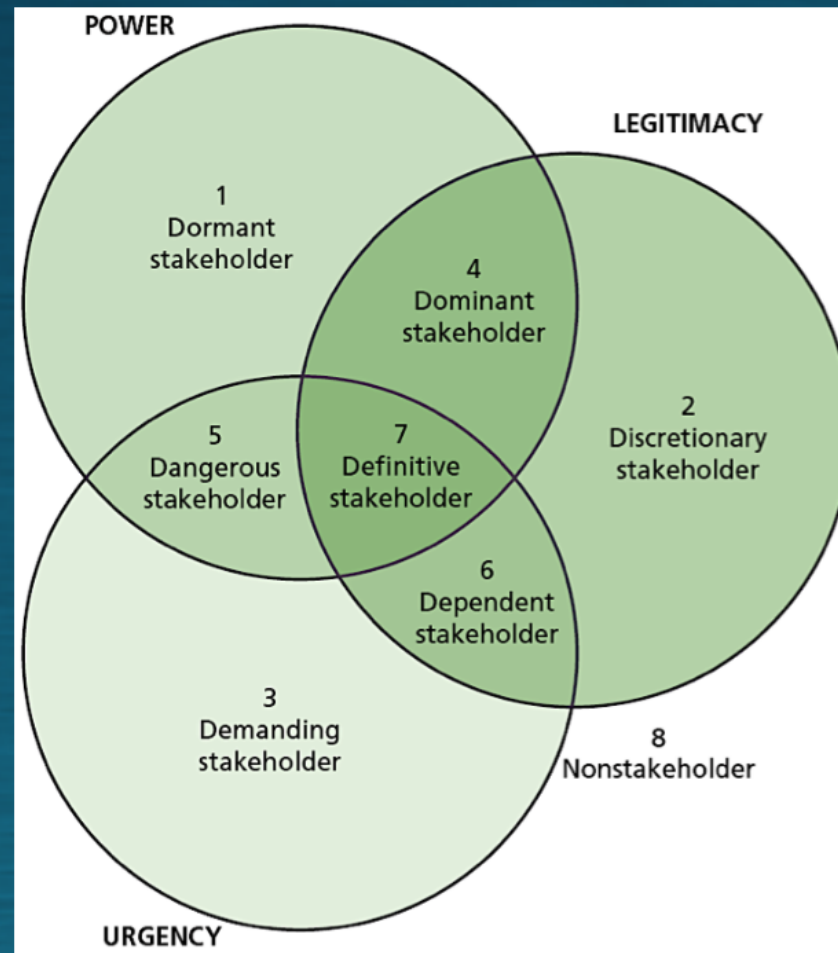


Figure 1 - Stakeholder Typologies  
(Mitchel et al., 1997)

# Tata Steel's Stakeholders

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- 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



# Stakeholder Salience Typologies

## Thecasesolutions.com

- 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

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