

# **Rethinking the Purpose of the Corporation: Challenges From Stakeholder Theory**

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*Abstract:* In this essay, the Authors move from a review of management literature on, and reflections on the importance of, the purpose of the firm, to the analysis of four challenges posed by Stakeholder Theory to the Shareholder Primacy View. Stakeholder theory poses (1) entrepreneurial; (2) legal; (3) ethical; and (4) human complexity challenges to the standard account of business. The Authors conclude by acknowledging the emerging view on business not as merely aimed at profits.

*Keywords:* Purpose of the corporation, Stakeholder theory, Shareholder primacy view.

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