

Stakeholders' Centrality and Management

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1. Forward

Since the original work by Berle and Means (1932), the analysis of corporate governance has been affected by a series of developments that have implied an increasing complexity. The original separation between property and control has been progressively evolved into a network of multilateral interests and the concept of shareholder has been replaced with that one of stakeholder. From traditional industrial relations to stakeholder dialogue.

2. Problems in the definition of stakeholders

Stakeholders are those who hold a legitimate interest in the activity of a firm. The literature is not clear about a comprehensive list of stakeholders. The role of active and passive stakeholders. Stakeholders who are organized and represented and unorganized stakeholders. The role of the media in the organization of stakeholders. The increasing importance of Corporate Social Responsibility in giving recognition to stakeholders.

3. Interests at play in the recognition of stakeholders

Challenges and opportunities for corporations coming from their recognition. The organization of stakeholders' interests: collective movements, lobbying, pressure groups. The need for stakeholder management.

4. Stakeholder management

Traditional relations between the firm and the internal stakeholders: shareholders (different types of corporate ownership) and personnel (industrial relations and human resources management). The emerging importance of "responsible" customers and firm reputation. The supply chain and the emerging importance of quality control. The local and central government as stakeholder. The local community as stakeholder and its involvement in environmental problems.

5. Instruments of stakeholder management in practice

Stakeholder dialogue: bilateral, multilateral, stakeholder forums, stakeholder network. Accountability and transparency: social, environmental, sustainability reports and their use.

6. The management of crisis in stakeholders' relations

In this section a few examples are quoted and commented.