Course: Strategic Management

1. South Korean automotive major Kia motors is exploring the possibility of shifting its automotive plant from Andhra Pradesh to Tamil Nadu, India. Assuming that this shift does indeed happen to Sriperumbudur near Chennai, perform a Stakeholder analysis comprising of 3 steps & outline all the processes that you shall follow as a consultant to Kia Motors to satisfy the needs of all stakeholders..

Ans) Stakeholders are the backbone of the corporate or company they are the real owners of the company. Any person who have stake in the company is known as stakeholder of the company or business. There are n numbers of stake holders in the company or corporate and they own the share of the company’s according to their purchase value. The internal regulations of the company are affected or regulated according to the stakeholders. Without Stakeholder company will be like a body without backbone that cannot function without it.

Stakeholders can be any person like Individual, Corporate, any business entity, Society or trust etc. Who invest the sum of money in the company and get the stake are stakeholders of the company. The stakeholders rule the company and market as well , Profit and losses both are shared with the stakeholders and they also rule the company.

Stakeholder analysis is like cherry on cake it helps to company to predict the possibilities and interest of the companies whether to shift the plant anywhere else or not if yes then which will be better place to shift and what will be the pros and cons of shifting .

In the case of South Korean Automotive is shifting from Andhra to Chennai, Sriperumbudur so **Let’s perform a stakeholder analysis for Kia Motors:**

1. Stakeholder Identification: Before the analysis we should or company should identify its stakeholders. Or we can also say the identification of primary identification of the stakeholders. They have the direct connection with company or who direct affect the company are the primary stakeholders of the company and their identification is the first thing company will analyze. Primary stakholders includes employees, suppliers, creditors, customers , shareholders of the company. It is very important for the company to identify the real stakeholders of the company who will be with the company in the difficult times and in bad times .There are primarily two variables which defines stake holders and their influence :

* Power
* Interest

These are the two utmost factors that deicide the loyal stakeholder of the company and in the market. The identification is not at all the easy process it takes so much time, energy and investment to decide the real stakeholders of the company. For example, a government regulatory approval agency might have very high power, but very low interest in the project.  They must be kept satisfied or they might withhold permits.  Likewise, an environmental protester might have very low power, but high interest.   