Stakeholder Salience and Types

# To do

* Read up on whether people have studied the dynamics of stakeholder salience, i.e., how which stakeholder groups matter changes over time and requires firms to adapt different strategies (see Mitchell, Agle, & Wood, 1997 for the theory).

# Theoretical frameworks of salience

Stakeholder salience is "the degree to which managers give priority to competing stakeholder claims" (Mitchell et al., 1997, p. 854).

Most firms have limited resources for stakeholder management and must prioritize which stakeholders' needs to address. Stakeholder salience has been explained in four ways:

1. Stakeholder power, legitimacy, and urgency
2. Organizational lifecycle stages,
3. Stakeholder-related culture and commitments, and
4. Organization-stakeholder fit.

Arguing these past explanations focus either on stakeholder or firm characteristics but not both simultaneously, Bundy et al. (Bundy, Vogel, & Zachary, 2018) argue an alternative explanation for stakeholder salience is organization-stakeholder fit. In this view, firms prioritize stakeholders (and vice versa) who share important values and the ability to satisfy strategic needs.

## Power, legitimacy, and urgency

Firms can characterize a stakeholder group by its power, legitimacy, and urgency (Mitchell et al., 1997).

One question then is whether these stakeholder characteristics are objective or subjective dependent on the firm. It seems more likely that they are subjective, such that a stakeholder group could have more power over one firm than another, more legitimacy to one firm than another, and more urgency to one firm than another.

## Organizational lifecycle stages

See cites in (Bundy et al., 2018)

## Stakeholder-related culture and commitments

See cites in (Bundy et al., 2018)

## Organization-stakeholder fit

(Bundy et al., 2018)

## Dynamics over time

Mitchell, Agle, and Wood (1997) theorize that stakeholder importance is relative, can change over time, and is primarily driven by issues.

# Empirical studies of salience

Henriques and Sadorsky (1996, 1999) studied which stakeholders affect corporate environmental practices and, especially, the content of environmental action plans:

* Government regulators,
* Primary customers,
* Shareholders, and
* Local community groups.