Synthesizing Stakeholder Management: Cutting Through the Jungle of Concepts

Fabienne Bünzli
University of St. Gallen

Abstract

Stakeholder management's popularity is a double-edged sword: while the approach has established itself in research fields such as business communication, the myriad of different definitions and frameworks makes it difficult to capture its essence. Based on a review of literature, we therefore provide a communication-oriented synthesis of stakeholder management in terms of its underlying assumptions and practical implications. We argue that developing an appropriate communication strategy tailored to the attitudes of an organization's relevant interest groups lies at the heart of stakeholder management. Drawing on a process perspective, we show that the reviewed stakeholder management concepts all converge regarding three core phases. Moreover, we discover that these concepts can be categorized into two different proceeding methods. We also state that communication is a critical factor for strategy implementation outcomes. Dealing with the application fields of stakeholder management, we further identify three lines of argumentation and their implications for organizational communication.

Introduction

Focusing on the rationale behind firms' value creation, the concept of stakeholder management has proliferated and become widely established in research fields such as corporate communications, public relations, or strategy. As a result, scholars increasingly rely on the approach to examine stakeholder communication in today's complex and interconnected business world (Yang & Bentley, 2016, p. 269). Stephens, Malone, and Bentley (2005), for instance, analyze how organizations use different message strategies to communicate to stakeholder groups during crises. Other studies, in turn, explore the stakeholders addressed in corporate press releases or the role of leadership communication in conflictive situations (Fortunato, Gigliotti, & Ruben, 2017; Lehtimäki, Kujala, & Heikkinen, 2011).

Stakeholder management's popularity is reflected by the large body of literature on the topic (Cornelissen, 2017; Crane & Livesey, 2003; Freeman, Harrisson, Wicks, Parmar, & De Colle, 2014; Lewis, 2007). The resulting multitude of different understandings and concepts, however, makes it difficult to capture the essence of the approach (Donaldson & Preston, 1995, p. 66). The risk inherent to this wide scope is that stakeholder management becomes blurred and meaningless or leads to misunderstandings. Hence, there is a need for an overview of stakeholder management that synthesizes and contextualizes the different strands, and makes their implications regarding communication visible.

Based on a thorough review of literature, we provide a synthesis of stakeholder management in terms of its underlying assumptions, roots, and implications for strategically communicating with stakeholders. Our aim is to make the approach more accessible and to offer a communication-oriented perspective on the process of stakeholder management. Since the scope of our research goes back to the 1980's when stakeholder theory had its academic breakthrough, our review includes some of the most popular and most widely used concepts from the last 30 years. In our literature screening, we particularly focus on the process and the application areas of stakeholder management as well as the related communication aspects. In this context, we concentrate on the relevance of supporting measures like mappings as a means to guide strategic decision making regarding stakeholder communication.

By differentiating between broad and narrow definitions, we first review the term “stakeholders”. To deepen our understanding of how to find out which actors matter, we also discuss stakeholder identification and prioritization criteria and ways to make them actionable. The second section focuses on the rationale and the process behind stakeholder management. Taking a closer look at specific strategies of communicating with stakeholders, we discover that the presented concepts all agree on stakeholder management being comprised of five core process steps that can be condensed into three main phases. Moreover, we state that the presented stakeholder concepts can be categorized along their proceeding methods. To thoroughly reflect on stakeholder management, we further deal with the criticism that has been expressed towards the approach. In the third section, we illuminate the application fields of stakeholder management. Tracing stakeholder management’s roots, we discuss its basic assumptions and the controversy around stakeholder theory. This provides us with the necessary background information to contextualize the current debate about whether business or nonprofit contexts are more suitable to study stakeholder management. Outlining the related perspectives, we identify three different lines of argumentation and their implications for the role of communication. Ultimately, we conclude by outlining stakeholder management’s theoretical and practical implications regarding communication.

Stakeholders – Capturing the Concept

Even though widely used in literature, scholars still don’t agree on what constitutes a stakeholder. Not surprisingly, there is a myriad of understandings that varies considerably. Dealing with the term “stakeholders”, we show that the presented understandings can be categorized into broad and narrow definitions. Yet, we find both types of definitions to be generic and therefore to provide few insights on how to identify relevant stakeholders. Hence, we also focus on stakeholder identification and prioritization criteria and ways to make them actionable.

Defining Stakeholders: A Myriad of Approaches

According to Mitchell, Agle, and Wood (1997), stakeholder definitions can be differentiated in terms of taking a broad or a narrow perspective. Narrow views are characterized by their focus on the practical reality of limited resources regarding financial, personal, or time-related constraints. Accordingly, these definitions tend to subsume stakeholders as groups with direct relevance to the organization’s core interests (Mitchell, Agle, & Wood, 1997, p. 857).

Some of these approaches put emphasis on the link between stakes and economic aspects. Cornell and Shapiro (1987), for example, argue that stakeholders are “*claimants*” who have a “*contract*” with a firm (p. 5). Clarkson (1995), in addition, holds that stakeholders "have, or claim, ownership, rights, or interests in a corporation and its activities" (p. 106). Other narrow views, instead, stress the normative component of stakeholder theory. In this perspective, managers ought to focus on those who have “legitimate” claims. However, narrow definitions are often criticized for having a crucial weakness: Many scholars assert that these understandings fail to provide a comprehensive foundation for stakeholder identification by only focusing on a limited range of actors (Mitchell et al., 1997, p. 857).

Broader definitions, in turn, are based on the fact that organizations can influence or can be influenced by almost everyone. Subsequently, these definitions attempt to include as many individuals, groups, or organizations as possible. In this context, Mitchell et al. (1997) note that broad definitions often emphasize the stakeholders' power to exert influence, independently of the legitimacy of their claims (pp. 856–858). The first documented definition of stakeholders, for instance, can be subsumed under this category. The term initially referred to the notion that stockholders are not the only group firms are responsive to. Therefore, stakeholders were defined as "those groups without whose support the organization would cease to exist" (Freeman, 1984). Thompson, Wartick, and Smith's (1991) understanding goes in the same direction. Yet, they rely on an even wider conceptualization of who is considered a stakeholder. According to the authors, stakeholders are regarded as those who are "in relationship with an organization" (Thompson, Wartick, & Smith, 1991, p. 209). Similarly, Freeman's (1984) understanding of stakeholders encompasses a very broad view, too. In his now classical definition, he describes stakeholders as "any group or individual who can affect or is affected by the achievement of the firm's objectives" (Freeman, 1984, p. 25). However, it is to note that broad definitions have often been subject to criticism. Due to their vague and ambiguous character, it is argued that broad understandings tend to generate exhaustive lists of potential stakeholders. In order to provide a more precise and clear definition, Mitchell et al. (1997) thus call for a specification of stakeholder identification criteria (pp. 862–863).

Identification and Prioritization Criteria: Knowing Who Counts

Given the presented definitions' generic character, finding out who stakeholders are and how their relevance comes about, has been one of the primary concerns of stakeholder theorists. Scanning through the literature, it becomes evident that there are various approaches – ranging from creating exhaustive listings to sophisticated mappings. Many scholars refer to groups such as customers, employees, suppliers, shareholders, government or the media when talking about a firm's stakeholders (Sheehan & Ritchie, 2005, p. 714). In this context, Clarkson (1995) proposes to differentiate between *primary* and *secondary* stakeholders. According to the author, firms could not survive without the participation of their primary stakeholders. Hence, the idea of primary stakeholders is based on the assumption that these actors may exert a considerable impact on the corporation. The author thus maintains that shareholders, investors, employees, customers, and suppliers are typically identified as primary stakeholders. Moreover, he states that governments and communities also fall into this category due to their ability to provide infrastructure and enacting legislation (Clarkson, 1995, p. 106). "Secondary stakeholders", in turn, refers to "those who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival" (Clarkson, 1995, p. 107). For example, the media and special interest groups that have the capacity to mobilize public opinion are often labeled as secondary stakeholders (Clarkson, 1995, pp. 106–107). Other scholars, in turn, identify stakeholders along the dimensions "internal" and "external". In this context, Stötzer (2009) asserts that management, employees, and members are often classified as internal stakeholders. The term "external stakeholders" thereby commonly refers to groups such as customers, shareholders, suppliers, the state or associations (Stötzer, 2009, p. 127).

While such listings may serve as practical heuristics in terms of naming specific stakeholder categories, they are considered reductionist and insufficient to address the heterogeneity within these groups. Furthermore, scholars assert that these classifications fail to provide a systematic method to find out who is a relevant stakeholder (Sheehan & Ritchie, 2005, p. 714). Stötzer (2009) thus emphasizes the importance of understanding how stakeholders can be identified and how they are prioritized (p. 126). In this context, Müller-Stewens and Lechner (2016) point out that every organization is confronted with a potentially unlimited number of stakeholders. However, considering their constraint resources, corporations are simply not able to take all stakeholders into account to the same extent. Organizations therefore need to prioritize some stakes over others (Müller-Stewens & Lechner, 2016, pp. 153–155). This necessity even accentuates given the fact that some stakeholder interests may be opposed to each other and may be conflicting (Freeman et al., 2014, pp. 23–24). Thus, organizations first have to identify their stakeholders and subsequently evaluate their relevance in order to decide which actors to consider. “The basic difficulty from the organization’s perspective consists in deciding which forces of influence (respectively stakeholders) are relevant. This is due to the fact that the environment can be imagined as being comprised of a potentially unlimited number of forces of influence, whereby the corporation is only able to capture and analyze few of them" (Müller-Stewens & Lechner, 2016, p. 155, own translation). What is thus needed is a sound approach that shows how stakeholders can be identified and prioritized (Müller-Stewens & Lechner, 2016, pp. 152–155).

According to Savage, Nix, Whitehead, and Blair (1991), stakeholders can be identified based on their ability to influence the organization’s decisions. As a consequence, the authors suggest that firms should scan their environment for those external, internal and interface stakeholders who are anticipated to have an impact on corporate decisions (Savage, Nix, Whitehead, & Blair, 1991, p. 63). While Savage et al. describe stakeholder identification from a rather generic perspective, Mitchell et al. (1997) developed a more encompassing mapping method. The authors present power, *urgency,* and *legitimacy* as the core attributes of their concept. It is important to note that power, urgency, and legitimacy are not competing aspects and that the presence of one aspect does not necessarily require the presence of another. For example, if an actor is powerful, doesn’t imply that his stake is also legitimate and urgent. Furthermore, the authors point out that each attribute is variable and that the presence or absence of an attribute is socially constructed and therefore perception dependent (Mitchell et al., 1997, pp. 865–872). Moreover, Mitchell et al. (1997) acknowledge that an “individual or entity may not be ‘conscious’ of possessing the attribute or, if conscious of possession, may not choose to enact any implied behaviors” (p. 868). Based on organizational theories such as agency and transaction cost theory they argue that power plays a crucial role in organization-stakeholder relations. Relying on Pfeffer’s (1981) approach, power is subsumed as “a relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not otherwise have done" (p. 3). Furthermore, they point out that urgency is another pivotal factor that is implicitly inherent to most organizational theories (Mitchell et al., 1997, pp. 863–864). Urgency refers to the “degree to which stakeholder claims call for immediate attention” (Mitchell et al., 1997, p. 864). Since this aspect is closely tied to temporal aspects, it ought to capture the dynamics of stakeholder relations. Referring to organizational theories such as institutional and population ecology theory, the authors state that individuals, groups, or institutions with “legitimate” claims are also considered stakeholders, even if they don’t have any power. Legitimacy is thereby defined as a “generalized perception or assumption that the actions or an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values and believes” (Suchman, 1995, p. 574). Based on these three core aspects, the authors provide a classification that categorizes stakeholders along the attributes power, legitimacy, and urgency. Yet, the concept goes beyond the mere identification of stakeholder as it also allows to prioritize the respective actors (Figure 1). “Stakeholder salience will be positively related to the cumulative number of stakeholder attributes – power, legitimacy, and urgency – perceived by managers to be present” (Mitchell et al., 1997, p. 873). Hence, by evaluating the (perceived) presence of these attributes, managers can assign actors to one of eight stakeholder types and thus determine who will receive their attention (Mitchell et al., 1997, pp. 870–871).

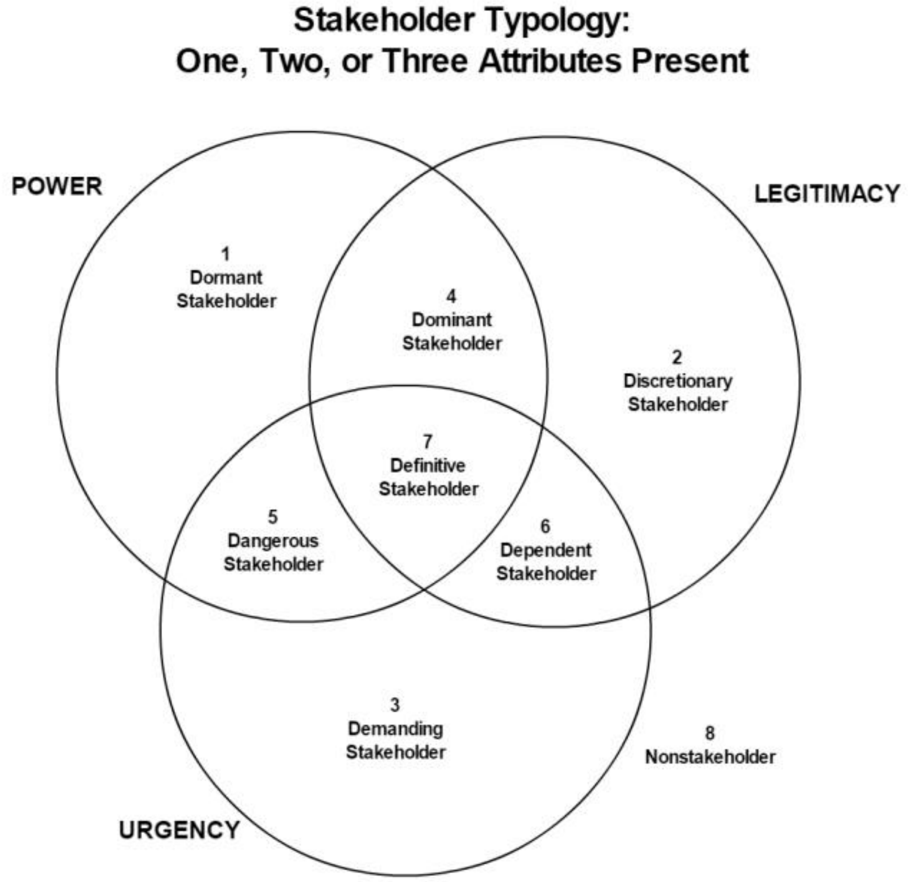

Figure 1: A stakeholder typology based on the identification criteria power, legitimacy, and urgency. Adapted from Mitchell, R.K., Agle, B.R., & Wood, D.J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, *22*(4): 874.

The mapping approach of Mitchell et al. belongs to the most popular when it comes to identifying and prioritizing stakeholders. Müller-Stewens and Lechner (2016), for instance, have adopted it into their "Relevance Matrix" which has also received broad attention in stakeholder literature. In order to identify stakeholders, the authors rely on the aspects power, legitimacy, and urgency. "In general, one could say that firms should particularly concentrate on stakeholders who might influence the firm, whose stakes are legitimate and have a certain urgency" (Müller-Stewens & Lechner, 2016, p. 155, own translation). The authors further deal with the question of how to define a stakeholder's relevance. In this context, they present the so-called "Relevance Matrix" that maps stakeholders along two dimensions (Figure 2). The first one refers to the stakeholder's impact on the firm. The second dimension depicts the ability of the firm to influence the stakeholder. Based on these two aspects, each actor can be positioned in the matrix and assigned to a specific stakeholder type. Thereby, Müller-Stewens and Lechner differentiate between four categories[1]: "Playmakers" are characterized by having a strong impact while at the same time being influenceable by the firm. "Jokers", however, have a strong influence on the firm but can only be controlled to a limited extent. In contrast, "Set Players" are highly dependent on the firm and thus more likely to be influenced by the organization. The last type describes the "Background Actors". These stakeholders have neither influence on the firm, nor can they be easily controlled. According to the authors, this categorization

[1] Own translation of the category labels (Playmakers, Jokers, Set Players, & Background Actors)

enables organizations to evaluate their stakeholders' relevance and prioritize them, as well as devise improvement plans (Müller-Stewens & Lechner, 2016, pp. 155–157).

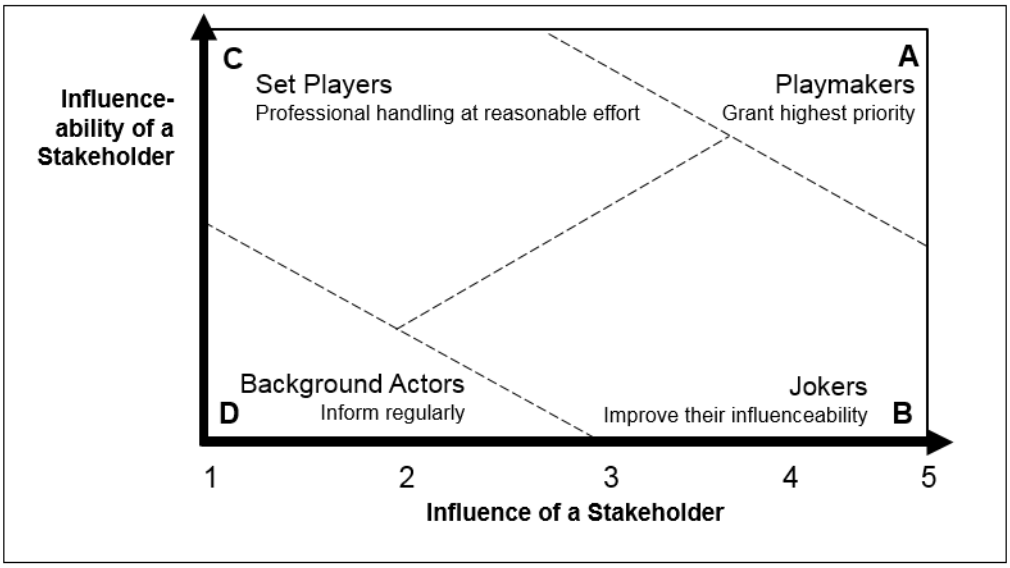

Figure 2: Stakeholder relevance matrix. Adapted from Müller-Stewens, G., & Lechner, C. (2016). *Strategisches Management. Wie strategische Initiativen zum Wandel führen* (p. 158). Stuttgart: Schäffer-Poeschel Verlag.

Despite their popularity, the mapping methods of Mitchell et al. and Müller-Stewens and Lechner have been exposed to substantial criticism. For instance, Yang, Shen, and Ho (2009) assert that these concepts treats stakeholder attributes (power, legitimacy and urgency) like constants and therefore ignore that they may change over time (p. 167). However, according to Stötzer (2009), this shortcoming can be outweighed by frequently repeating stakeholder analyses. Furthermore, she promotes to simultaneously conduct analyses on the current status of stakeholders as well as on the anticipated, future status of stakeholders (Stötzer, 2009, p. 136).

Nevertheless, Yang et al. (2009) suggest a different approach to identify and prioritize stakeholders. Relying on the social network theory (SNT), the authors state that every organization is surrounded by three types of people, visualized by three in-line circles. "The first circle are people we know well; the second circle are people we know but not well, but the first circle people know them; the third circle are people we do not know, but who are known by people in the first and second circle" (Yang et al., 2009, p. 167). The authors therefore propose a "snowball sampling method" to identify stakeholders. Already known stakeholders are thereby asked to name further persons and groups who they consider relevant in a particular context (Yang et al., 2009, p. 167).

Even though the presented approaches suggest different perspectives on the classification of stakeholders, they all share a common trait: These concepts are based on the notion that it's a firm's manager who identifies stakeholders and makes assessments about their relevance. Yet, it is exactly this premise that gives rise to what Freeman (1984) calls the "congruence problem" (p. 64). This term refers to the fact that identifying and prioritizing stakeholders is a subjective process that is not necessarily congruent with others' views. "When these perceptions are out of line with the perceptions of stakeholders, all the brilliant strategic thinking in the world will not work. The congruence problem is a real one in most companies for there are few organizational processes to check the assumptions that managers make every day about their stakeholders" (Freeman, 1984, p. 64). The author thus emphasizes the importance of a thorough understanding of how firms interact with stakeholders. This requires having a closer look at firms' strategic communication with their multiple constituencies. Accordingly, the whole process of stakeholder management should be focused (Freeman, 1984, p. 64).

Beyond Identifying and Prioritizing Stakeholders

Based on the presented approaches, we have shown how business organizations can identify and map relevant stakeholders. Yet, to better understand the role that strategic communication plays in interacting with stakeholders, it is important to go beyond the question of how to identify and prioritize stakeholders. We thus need to take a closer look at the concept of stakeholder management.

Stakeholder Management – A Matter of Strategic Communication?

After presenting the rationale behind stakeholder management, we focus on the underlying process, the resulting implications regarding strategic communication, and the categorization of the presented concepts. To get an encompassing overview of stakeholder management, we further discuss its shortcomings and conceptual weaknesses.

The Rationale Behind the Approach: Balancing Interests

According to Freeman (1984), stakeholder management refers to the necessity for organizations to manage the relationships with their stakeholders in an action-oriented manner (p. 53). The rationale behind stakeholder management is that firms are comprised of interdependent relationships with their stakeholders and that firms need to manage these relationships strategically in order to achieve their objectives (Galbreath, 2006, p. 1107). Thereby, Savage et al. (1991) highlight that organizations' strategies can only be successfully implemented when a majority of key stakeholders agrees on what and how things should be done (p. 61). Supporting this view, Clarkson (1995) describes the central concern of stakeholder management as follows: "The corporation's survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group, so that each group continues as a part of the corporation's stakeholder system" (p. 107). The author further adds that failure to ensure relevant stakeholders' participation leads to failure of the firm (Clarkson, 1995, p. 107). Thus, stakeholder management is grounded on the assumption that organizational success bases on satisfying relevant stakeholders' needs. This implies that organizations need to incorporate the perspectives of multiple stakeholders (Thomas & Stephens, 2015, p. 7).

However, responding to multiple stakeholders involves that stakeholder management goes beyond the mere prioritization of certain persons' or groups' needs. Stakeholder management accordingly puts an emphasis on the alignment of different needs and expectations (Hall, Millo, & Barman, 2015, p. 909). Yet, due to the broad and sometimes conflicting variety of different interests, interacting with multiple stakeholders represents a major challenge (Galbreath, 2006, p. 1108). Or as Freeman, Harrisson, Wicks, Parmar, and DeColle (2014) put it: "First and foremost we need to see stakeholder interests as joint, as inherently tied together. Seeing stakeholder interests as 'joint' rather than opposed is difficult. It is not always easy to find a way to accommodate all stakeholder interests. It is easier to trade off one against another" (p. 27). Developing communication approaches that allow for a targeted and effective interaction with stakeholders is thus considered a key competency. This, however, requires to thoroughly understand the nature of the relationships a corporation has with its constituencies. "Organizations operate in unstable environments where they must constantly evaluate how they will respond to stakeholders. They not only have to compete for limited resources with the outside environment, but they also have limited resources by which to react to external groups. The nature of the relationship between the stakeholder and the organization is important in shaping the response to stakeholder pressures" (Stephens & Malone, 2005, p. 393). Thereby, the relevance of having an in-depth understanding of what constitutes the firm-stakeholder relationship particularly shows in the context of organizational crises: critical stakeholders might propel or even initiate a crisis if a corporation is unable to "craft carefully designed messages that will resonate with diverse stakeholders" (Fortunato et al., 2017, p. 205).

Müller-Stewens and Lechner (2016) point at a further aspect that even increases the complexity of stakeholder management. According to the authors, managers not only have to balance different stakeholders' needs but also aligning them with organization's objectives. "The task of the executive organs consists in managing the expectations and interests of the stakeholders – against the background of the markets that are linked to them. Their expectations and interests have to be aligned with the ambitions and possibilities of the firm (respectively its sub-units)" (Müller-Stewens & Lechner, 2016, p. 153, own translation). It follows that managers may be required to do the splits between their organization's goals and their stakeholders' needs. Stakeholder management is thus considered a "never ending task" in order to consistently accommodate the multiple interests and relationships (Müller-Stewens & Lechner, 2016, p. 155). From this point of view, it follows that successful stakeholder management essentially bases on an organization's ability to clarify the needs of the different actors involved and improve communication among and with them (Yang et al., 2009, p. 160).

Communicating With Stakeholders – Proceeding Step by Step

Given the rationale behind stakeholder management that firms need to balance stakeholders' interests as a means to achieve organizational objectives, scholars have been concerned with the resulting implications regarding strategic communication. Lehtimäki, Kujala, and Heikkinen (2011), for instance, state that the stakeholder perspective provides organizations with revealing insights on how to gear communication towards the information needs of their constituencies (p. 447).

Even today, one of the most popular frameworks for stakeholder management is the one by Freeman. His model on strategic stakeholder management has gained, in the eyes of many researchers, the status of a "classic" (Elias & Cavana, 2000, pp. 3–4). According to Freeman, stakeholder management (1984) is comprised of three levels of analysis: the rational, the process, and the transactional level. On the rational level, organizations first have to identify their stakeholders. The central question hereby is who are the actors who can affect and are affected by the firm's achievements? In this context, Freeman suggests creating a stakeholder map in order to visualize the stakeholder constellations (Figure 3). He thereby depicts the firm as focal organization at the center. The stakeholders are grouped around and connected with the firm by dyadic relationships (Freeman, 1984, pp. 54–55).

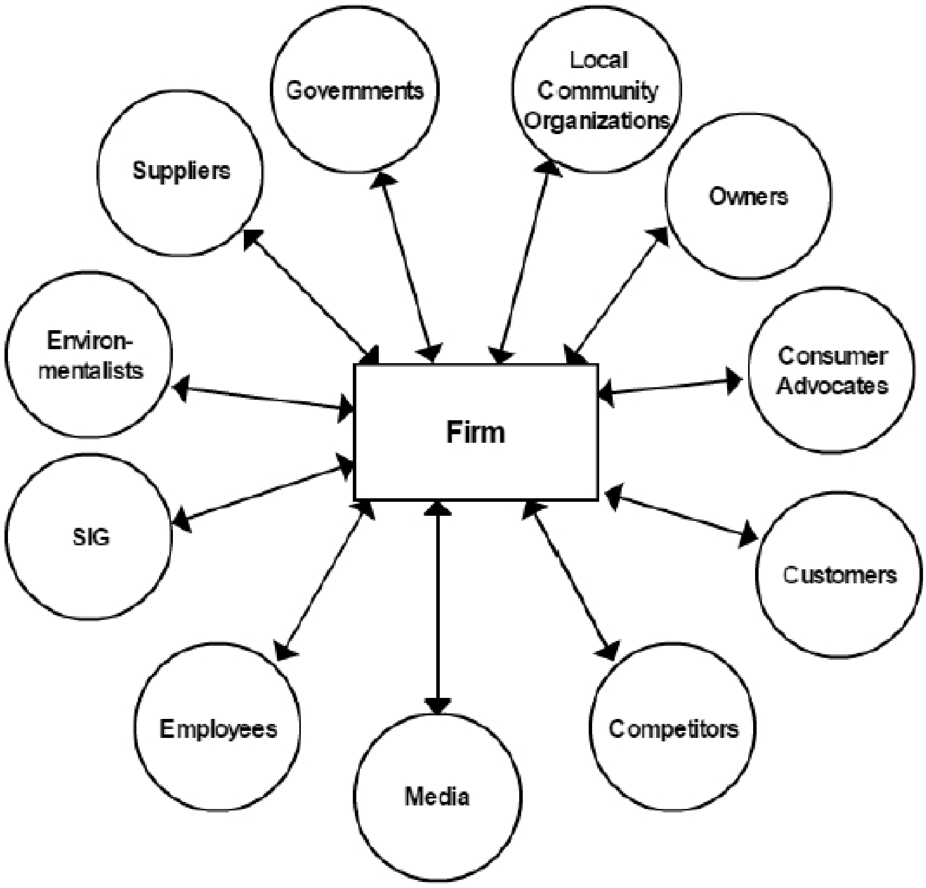

Figure 3: Stakeholder map. Adapted from Freeman, R.E. (1984). *Strategic Management: A Stakeholder Approach* (p. 25). Cambridge: Cambridge University Press.

In a subsequent step, the stakeholders have to be classified in order to capture the nature of their influence and their stake (Freeman, 1984, p. 54). Therefore, Freeman provides an analytical device that depicts a firm's stakeholders on a two-dimensional grid (Figure 4). One dimension refers to the power of a stakeholder in terms of the ability to use resources and make things happen (Freeman, 1984, pp. 59–60). "The three points of interest on this continuum are voting power, economic power and political power" (Freeman, 1984, p. 61). The other dimension deals with the classification of stakes. However, Freeman points out that defining what a "stake" is presents a major challenge. This is due to the fact that "stake" is a multi-dimensional construct that cannot solely be measured in financial terms (Freeman, 1984, p. 59). Although the author lists some examples such as having an interest in a firm's equity or having an interest in influencing decisions, he admits that there are no "hard and fast criteria to apply here" (Freeman, 1984, p. 60).

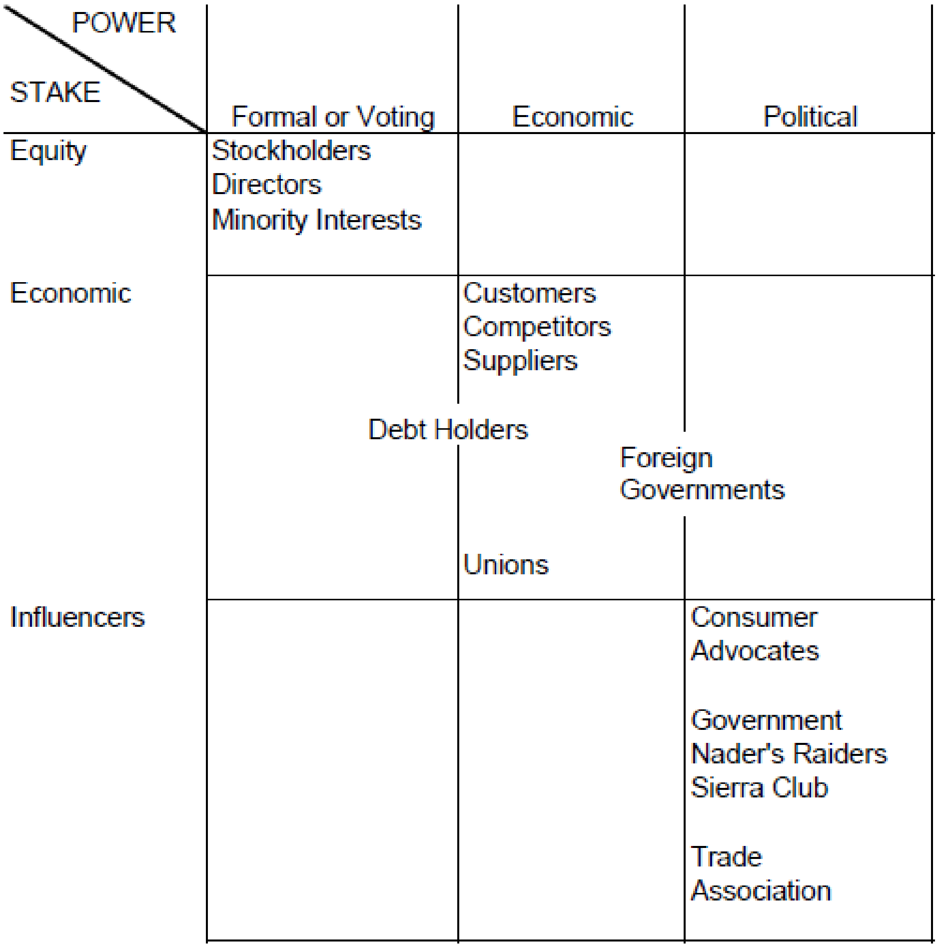

Figure 4: Stakeholder grid along the dimensions of power and stake. Adapted from Freeman, R.E. (1984). *Strategic Management: A Stakeholder Approach* (p. 62). Cambridge: Cambridge University Press.

Nevertheless, Freeman (1984) highlights that stakeholder management is not done by analyzing the perceived interests and the power of stakeholders. He argues that a thorough stakeholder management also involves implementing operating procedures that allow for routinely communicating with stakeholders (process level). Furthermore, on a transactional level, a firm has to tailor the bargains to the needs of its stakeholders (Freeman, 1984, pp. 54–77). Hence, the effectiveness of an organization's stakeholder management depends on its ability to link the three levels of analysis together. "For instance, an organization which understands its stakeholder map and the stakes of each group, which has organizational processes to take these groups and their stakes into account routinely as part of the standard operating procedures of the organization and which implements a set of transactions or bargains to balance the interests of these stakeholders to achieve organization's purpose, would be said to have high (or superior) stakeholder management capability" (Freeman, 1984, p. 53).

As Freeman shows, stakeholder management is a complex and multifaceted process that takes place on several organizational levels and that requires a thorough understanding of how to engage with stakeholders. Identifying different communication strategies has thus been of particular interest in stakeholder management literature. In this context, Savage et al. (1991) assert that firms, in a first step, have to find out who their stakeholders are by evaluating their likeliness to influence the organization's decisions. Subsequently, the authors propose to make two critical assessments about these actors: their potential to threaten and their potential to cooperate with the firm (Figure 5).

Thereby, the potential to threaten refers to a stakeholder's relative power and its relevance to a particular issue. The potential to cooperate, in turn, bases on the stakeholders' capacity and willingness to expand their interdependence with the organization. In order to provide a foundation for analyzing stakeholders and deriving communication strategies, these two dimensions are combined in a classification. Savage et al. (1991) thereby differentiate between the following four stakeholder categories: "Supportive Stakeholders", "Marginal Stakeholders", "Nonsupportive Stakeholders", and "Mixed Blessing Stakeholders" (pp. 63–67). Based on this typology, the authors formulate specific communication strategies for managing these stakeholder types. "Executives should involve supportive stakeholders, monitor marginal ones, defend against nonsupportive stakeholders, and collaborate with mixed-blessing stakeholders. As an overarching strategy, managers should try to change their organizations' relationships with the stakeholder from a less favorable category to a more favorable one" (Savage et al., 1991, p. 72). In this context, they argue that managers should try to minimally satisfy the interests of marginal stakeholders, while maximally satisfying the needs of supportive and mixed-blessing stakeholders. After defining appropriate communication strategies, organizations are required to implement their plans and evaluate the relating outcomes (Savage et al., 1991, pp. 71–72).

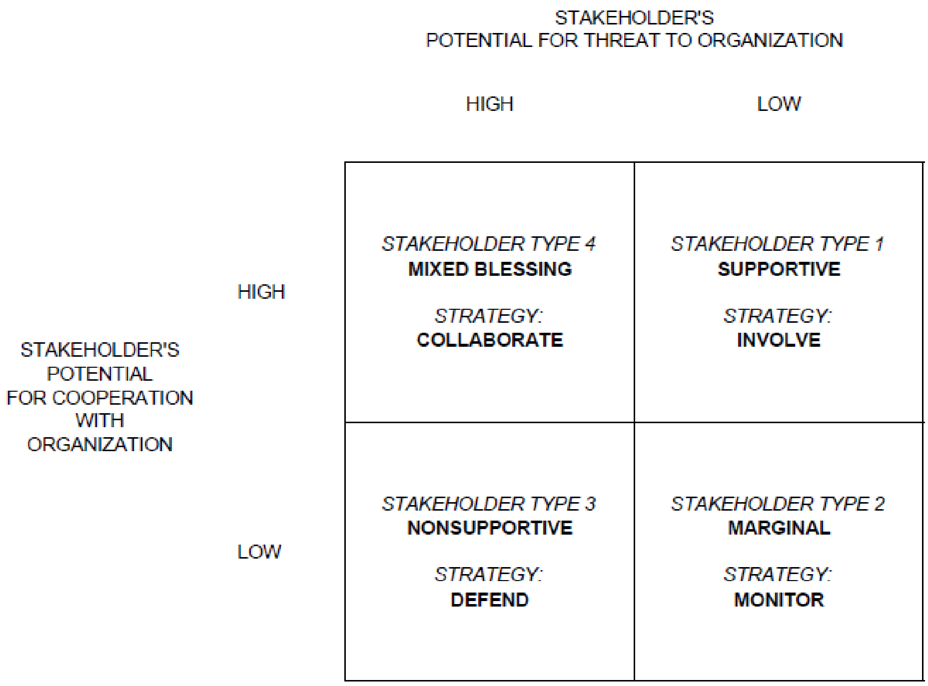

Figure 5: Strategies based on potential threat and cooperation. Adapted from Savage, G.T., Nix, T.W., Whitehead, C.J., & Blair, J.D. (1991). Strategies for assessing and managing organizational stakeholders. *Academy of Management Executive*, *5*(2): 65.

Post, Preston, and Sachs (2002) take a similar perspective on stakeholder management by differentiating between the following steps: (1) identifying relevant stakeholders and their potential to influence the firm, (2) specifying the objectives for each stakeholder relationship and analyzing factors contributing to or threatening the goal-achievement, (3) developing communication strategies and creating conditions for mutual benefit, (4) monitoring the stakeholder relationships, and ultimately, (5) attempting to align and balance the stakeholders as much as possible (p. 23) .

Müller-Stewens and Lechner (2016), however, address stakeholder management from a slightly different point of view. Since the authors consider the direction of influence – whether unidirectional or reciprocal – a vital component for developing strategies, their concept strongly focuses on this aspect. The authors distinguish between the following consecutive steps: (1) identifying stakeholders based on their power, legitimacy, and the urgency of their claims and subsequently (2) prioritizing these stakeholders based the so-called “Relevance Matrix”. As mentioned in section 2.2, this classification categorizes stakeholders along two dimensions (stakeholder’s impact on the firm vs. ability of the firm to influence the stakeholder). The resulting four stakeholder types (Playmakers, Jokers, Set Players, Background Actors) are linked to specific communication strategies on how to best deal with those actors. For instance, it is suggested to maintain personal, long-term relationships with “Playmakers” and initiate targeted lobbying when communicating with “Jokers” (Müller-Stewens & Lechner, 2016, pp. 158–159). In a next step, (3) the different expectations, ambitions and benefits have to be analyzed. These considerations, in turn, serve as foundation for (4) deriving goals and specific actions. In this context, the authors further point at the importance of observing and monitoring the stakeholder management process (Müller-Stewens & Lechner, 2016, pp. 156–163).

Stötzer (2009) proposes a similar approach. According to the author, stakeholder management involves (1) identifying stakeholders, (2) assessing their relevance based on Müller-Stewens and Lechner’s “Relevance Matrix” and subsequently use this typology to (3) evaluate stakeholders’ interests and benefits. Then, organizations need to (4) set up communication strategies that are aimed at informing, involving, cooperating with, or negotiating with the relevant stakeholders. Subsequently, organizations have to put their plans into action and (5) ensure constant evaluation of the ongoing process. However, in contrast to Müller-Stewens and Lechner, Stötzer’s approach also entails some considerations about visualizing the relationship network in which organizations are embedded. The author asserts that visualizing relationship networks might be a helpful tool to capture the complexity of stakeholder management in a more profound way and understand the influence that stakeholders might exert on each other (Stötzer, 2009, pp. 134–138).

Another concept that emphasizes the relevance of stakeholder communication stems from Kuiper and Thomas (2000). Developing a strategic consultancy model for establishing a center for business communication, the authors show how gathering stakeholders’ feedback leads to better decision making and eventually to successful project implementation (Kuiper & Thomas, 2000, p. 52). “Input from stakeholders can guide the organization's efforts and help it avoid opposition and threats” (Kuiper & Thomas, 2000, p. 54). Thereby, the authors propose to proceed as follows: (1) Identifying relevant stakeholders, (2) defining specific goals based on those stakeholders’ expectations, (3) conducting a SWOT analysis to evaluate strengths, weaknesses, opportunities, and threats of the identified goals and then deriving communication plans. Subsequently, managers should (4) consult stakeholders to collect feedback and develop solutions, and (5) analyze the results of the collaboration and the eventual outcomes (Kuiper & Thomas, 2000, pp. 52–56).

When it comes to managing stakeholder relationships, Karlsen (2002) also stresses the importance of communication. Yet, in contrast to the aforementioned approaches, the author puts a stronger emphasis on the role of internal communication. He thereby describes stakeholder management as a six-step process. According to the author, stakeholder management starts with (1) an initial planning of the process. Subsequently, firms must (2) identify their stakeholders. Then they have to (3) analyze their stakeholders’ interests as well as their anticipated contributions and deduce corresponding communication strategies. To do so, Karlsen proposes several methods – among others the above presented model of Savage et al. (1991) Firms then should (4) focus on communicating stakeholder assessments to the management and the involved project members. This is ought to ensure that they all have a shared understanding of who is considered a stakeholder and how these actors might affect the project. Next, firms need to (5) implement their strategies based on the typology of Savage et al. (1991) and the suggested strategies (involve, monitor, defend, and collaborate). The last step (6) involves follow-up in terms of providing reports about “lesson learned” (Karlsen, 2002, pp. 23–24).

Even though the presented approaches differ in terms of the suggested communication strategies and in terms of labelling the components of stakeholder management, there are some striking similarities. At their core, these concepts all agree on stakeholder management being comprised of the following steps: 1) identifying and prioritizing stakeholders, 2) analyzing their interests and attitudes, 3) deriving and 4) implementing communication strategies, and 5) monitoring the process. Moreover, these steps can be condensed into three main phases: the stakeholder screening phase (step 1 & 2), the interaction planning phase (step 3), and the engagement phase (step 4& 5). While the screening phase deals with choosing the relevant stakeholders and examining their standpoints, the communication planning phase focuses on the development of specific interaction and relationship building strategies. In the interaction planning phase, the actions eventually taken and the related outcomes stand in the foreground of the examination. In order to provide an overview of the stakeholder management process, the different steps and phases are visualized in figure 6. Reviewing the literature, an interesting aspect regarding this process meets the eye: Scholars not only emphasize the importance of deriving appropriate communication strategies, but also the crucial relevance of communication in the engagement phase. Due to the fact that communication shapes stakeholders’ perceptions and hence influences their understanding of and their reaction to a firm’s strategy and projects, it is considered the critical success factor for implementation outcomes (Aakhus & Bzdak, 2015, p. 190). "How stakeholders interpret and respond to implementation communication and how they interact with one another and with implementers are critical determinants of change outcomes and are also reciprocally predictive of implementers’ future strategy choices" (Lewis, 2007, p. 194).

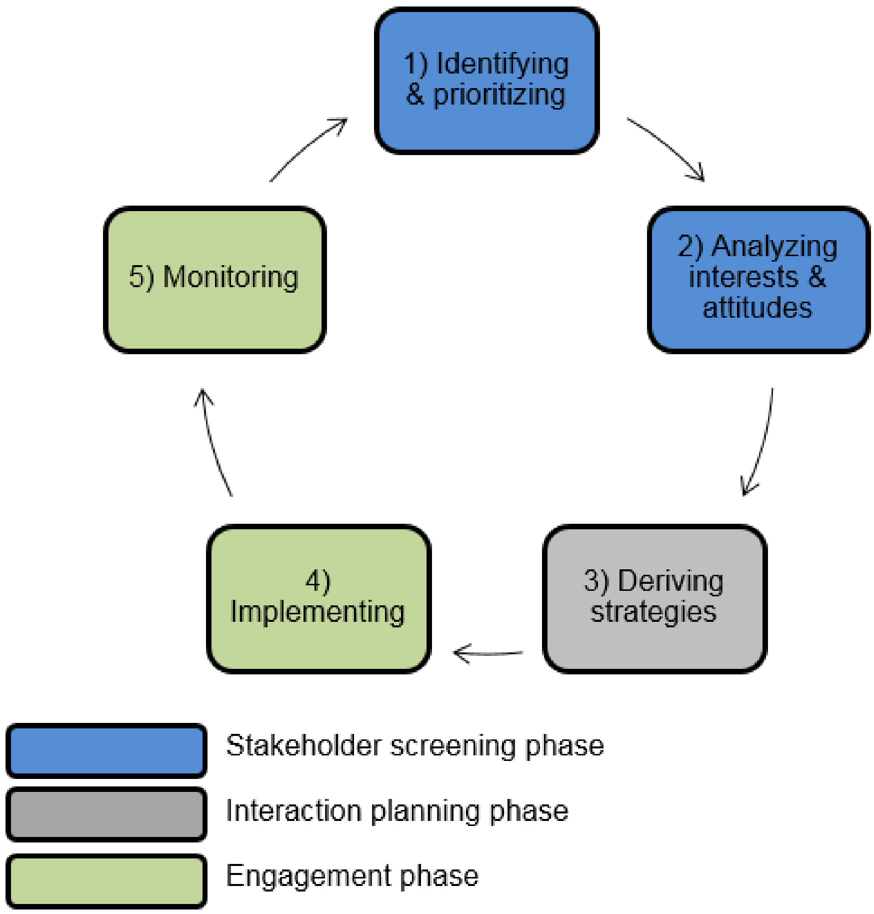

Figure 6: Stakeholder management process.

With reference to the paper's title, our aim is to "cut through the jungle of stakeholder management concepts" and show how the different concepts can be categorized. The aforementioned stakeholder management process therefore serves as foundation: examining the presented concepts along the three stakeholder management phases, two different types of proceeding methods can be identified: prescriptive and open proceeding methods. The former category comprises all approaches that link decision-making schemes to specific recommendations or behaviors. One example is Lechner and Müller-Stewens' (2016) "Relevance Matrix". Differentiating between two dimensions (stakeholder's impact on the firm vs. ability of the firm to influence stakeholder), their concept allows to assign actors to one of four stakeholder types and subsequently prioritize them (Stakeholder screening phase). By anticipating particular decisions and results, prescriptive proceeding methods accordingly help reducing complexity in managing stakeholders. However, they also tend to oversimplify stakeholder management and neglect context factors. We therefore consider prescriptive proceeding methods as particularly appropriate for routine stakeholder situations with only few actors involved. In contrast, the second category of proceeding methods adopt a more open approach. They also provide some guidelines on how to manage stakeholders. But instead of offering specific solutions, these proceeding methods primarily serve as "checklists" giving an overview of the most relevant aspects in managing stakeholders. One example herefore is Kuiper and Thomas' (2000) approach to developing communication strategies (interaction planning phase). Based on the relevant stakeholders' expectations, the authors thereby suggest conducting a SWOT analysis. Kuiper and Thomas thus indicate which aspects (strengths, weaknesses, opportunities, and threats) managers need to consider when planning interactions with stakeholders, but they do not link them to specific conclusions or decisions. Open approach hence remains on a more generic level than prescriptive proceeding methods. Due to their vagueness, they however allow to more thoroughly consider contextual factors and analyze stakeholder relationships more individually. Against this background, we contend that open proceeding methods are more suitable in non-routine situations or crises where a broad range of stakeholders with conflicting interests is involved and where "standard" solutions may fall short.

In table 1 we have categorized the presented stakeholder management concepts along the three process phases (stakeholder screening, interaction planning & engagement phase) and have indicated whether they base on a prescriptive or an open proceeding method. Interestingly, none of the concepts suggests a prescriptive approach in the engagement phase. An explanation for this could be the fact that prescriptive approaches are still struggling with adequately considering the context, the communication tactics, and the outcome measures in the engagement phase.

Table 1:

Categorization of the Presented Stakeholder Management Concepts Along the Suggested Proceeding Methods.

Phase	**Stakeholder screening**		**Interaction planning**		**Engagement**	
Proceeding method	**Prescriptive**	**Open**	**Prescriptive**	**Open**	**Prescriptive**	**Open**
Freeman, 1984		X		X		X
Savage et al., 1991	X		X			X
Post et al., 2002		X		X		X
Müller-Stewens & Lechner, 2016	X		X			X
Stötzer, 2009	X			X		X
Kuiper & Thomas, 2000		X		X		X
Karlsen, 2002	X		X			X

Stakeholders' Interconnectedness: The Achilles' Heel of Stakeholder Management

Despite its popularity, stakeholder management has been exposed to substantial criticism: in particular, the way the concept looks at relationship constellations has given rise to critical voices. In this context, Rowley (1997) is one of the most cited and influential authors. He holds that "traditional" stakeholder management approaches primarily concentrate on understanding how individual stakeholders affect firms' operations. As a result, each stakeholder's relationship with the organization is separately examined. Due to this focus on dyadic ties, stakeholder management concepts, however, neglect the "multiple and interdependent interactions that simultaneously exist in stakeholder environments" (Rowley, 1997, p. 887). Building on this argumentation, Yang et al. (2009) add that dyadic relationship conceptualizations imply that organizations have exhaustive information about stakeholders' interests and that their focal position provides advantage in decision making. Furthermore, the authors question the idea of the focal organization being at the center of a set of stakeholders. Instead, they highlight that the focal organization is also a stakeholder of lots of other focal organizations in its network. An aircraft company, for instance, may also be a stakeholder in the network of administrative bodies (Yang et al., 2009, pp. 168–169). In this context, Stötzer (2009) points at another important aspect. As stakeholders maintain multiple relationships among each other, it follows that an organization's interactions with one actor can cause "chain reactions" within the stakeholder web (Stötzer, 2009, p. 126). These may be intended as well as unintended.

Against this background, Rowley (1997) calls for theoretical concepts that reflect the complex, interconnected structures of stakeholder environments and their impact on organizations' behaviors. In accordance with Yang et al. (section 1.2), the author therefore proposes to use social network analysis: "I argue that social network analysis offers a worthwhile perspective, both as a theoretical contributor and a methodological tool, for advancing stakeholder theory" (Rowley, 1997, p. 888). The author develops a model that conceptualizes the simultaneous impact of multiple stakeholders and predicts organizational behavior. He identifies four approaches of how firms respond to stakeholder pressures: they might act as commander, compromiser, subordinate and solitarian (Rowley, 1997, pp. 887–888).

With regard to the process of stakeholder management, an important contribution stems from Ackermann and Eden (2011). Based on a research project, that spanned over 15 years and included 16 Top Management Teams, the authors examined how organizations can strategically manage the various demands of their stakeholders. Relying on the idea of social network analysis, they developed a method to systematically consider the multiple relationships between stakeholders and derive engagement strategies. The presented tool is comprised of the following three steps (Ackermann & Eden, 2011, pp. 179–180):

1. Identifying stakeholders based on their power and their interest in a particular issue;
2. Examining the multiple interactions between stakeholders and the related dynamics;
3. Elaborating a profound understanding of key stakeholders' goals and subsequently deriving strategies on how to engage with them.

Managing Stakeholders from a Communication-Oriented Perspective

Although a central weakness of "traditional" stakeholder management concepts lies in neglecting actors' interconnectedness, we have stated that the presented approaches all agree on stakeholder management entailing five process steps that can be condensed into three main phases. Moreover, we have shown that the presented stakeholder concepts can be categorized along their proceeding methods: that is, whether they suggest a prescriptive or an open approach. Furthermore, there is a broad consensus about the crucial role that communication plays in managing stakeholder relationships – not only in terms of deriving appropriate communication strategies, but also in terms of implementing those plans. As we have delineated, communication is considered the critical determinant for implementation outcomes.

Application Contexts – Development Beyond Business?

If we want to "cut through the jungle of stakeholder management concepts" and thus build a deeper understanding of what stakeholder management is about, outlining the underlying process and categorizing the concepts along their proceeding method is not sufficient. Instead, we also need to take a look at the application field of stakeholder management. Therefore, we have to move beyond the surface and examine its development within research and its theoretical backbone: stakeholder theory. This will help us to understand why stakeholder management concepts have strongly focused on the business context and (mostly large) corporations. There is, however, a controversial debate taking place about whether the nonprofit context is more suitable as application field for stakeholder management than the corporate context. We will hence outline the related perspectives and thereby identify three different lines of argumentation and their implications for the role of communication.

Origin and Development of Stakeholder Management

The business world of the twenty-first century has faced dramatic and profound change (Brown, Holtham, Rich, & Dove, 2015, p. 349). Against this background, stakeholder theory was developed as a reaction to the dominant economic approaches such as the shareholder value theory, the agency theory, or the transactions cost theory. Neglecting the extent to which companies are liable to a number of other actors than shareholders, these "standard accounts" were criticized for underestimating the complexity of nowadays' business world (Freeman et al., 2014, p. 9). Furthermore, traditional economic theories were rejected for failing to provide practical advice on how entrepreneurial success comes about (Freeman et al., 2014, pp. 21–22).

Thereby, the roots of the stakeholder theory go back to the 1960's, when the word "stakeholder" first appeared in an internal memorandum at the Stanford Research Institute (Elias & Cavana, 2000, p. 3). From its origin at the Stanford Research Institute, the stakeholder theory diversified into four research fields: strategy literature, systems theory, corporate social responsibility, and organization theory. Yet, it took another 20 years until the stakeholder theory had its breakthrough and gained a broad popularity. Most researchers agree that Freeman's book "Strategic Management. A Stakeholder Approach" marks a crucial landmark in stakeholder literature (Elias & Cavana, 2000, pp. 3–4). Based on his approach, Freeman (1984) criticizes previous stakeholder concepts in terms of focusing too strongly on strategic planning aspects instead of the implementation process. He thus emphasizes the necessity of action-oriented stakeholder management (Freeman, 1984, p. 53).

Since the 1980's, scholars have been extensively concerned with stakeholder management and have produced a large body of literature. However, the approach has for long struggled for acceptance within the strategic management literature. Given strategic managements' primary focus on economic performance as the most important dependent variable, outputs were typically measured by profitability or shareholder returns. This one-sided view on economic outputs however created a hard stand for stakeholder management since it promotes a more differentiated understanding of "value creation" that goes beyond financial outputs. As a consequence, many strategic management scholars have situated stakeholder theory within social responsibility literature arguing that business and ethics are two strictly separated areas. Against this background, there was only one way to convince strategic management scholars of stakeholder theory: demonstrating a link between stakeholder management and financial outcomes. Lots of research thus concentrated on stating a positive relationship between considering stakeholders' needs and enhancing economic output (Freeman et al., 2014, pp. 84–91). Interestingly, the skeptical attitude towards stakeholder theory has continuously decreased, "as strategic management scholars have 'rediscovered' stakeholder theory. This renewed interest has been led by scholars who have been able to see that a stakeholder approach to value creation is consistent with economic theories and may provide a more robust foundation for strategic management" (Freeman et al., 2014, p. 84). In addition, stakeholder management's growing acceptance within strategic management literature has also contributed to the concept proliferating and becoming established in research fields such as corporate communications, public relations, or business ethics (Freeman et al., 2014, pp. 195–196; Yang & Bentley, 2016, p. 269).

Stakeholder Theory: The Backbone of Stakeholder Management

Serving as theoretical backbone of stakeholder management, stakeholder theory addresses the underlying mechanisms of the turbulent and dynamic business environment of today. Thereby, it is „about value creation and trade and how to manage a business effectively." (Freeman et al., 2014, p. 9). From this point of view, business is regarded as a set of relationships among groups and individuals who have a stake in activities that make up this realm. Stakeholder theory thus focuses on the interactions and the value creation processes between managers' and their stakeholders. Correspondingly, stakeholder theory holds that the task of executives consists in managing and shaping these relationships according to the principle "the more value can be created for stakeholders, the more business is considered to be effective" (Freeman et al., 2014, p. 24; Hall et al., 2015, p. 907).

In contrast to the dominant mindsets about business, stakeholder theory doesn't reduce value creation to economic effects. Instead, stakeholder theory pledges to give up the dichotomous separation between "business" and "ethics" in order to capture the economic as well as the ethic dimension of value creation. This, in turn, allows for a more holistic and comprehensive view when it comes to analyzing how business works (Freeman et al., 2014, pp. 5–9). Furthermore, by showing *how* value can be created, stakeholder theory also has a managerial component (Donaldson & Preston, 1995, pp. 85–87).

Epistemic Status: A Heated Debate

Due the myriad of different stakeholder concepts and empirical streams, there has been a broad discussion on the epistemic status of stakeholder theory: The related debate revolves around the questions of which types of justifications are needed to classify the stakeholder perspective as a "theory" (Alston, 1989). In this context, scholars often lament the lack of consensus and the lack of testable propositions. For instance, Treviño and Weaver (1999) assert that stakeholder theory can be at best regarded as a research tradition (p. 224).

Lépineux (2005) partially supports this view, criticizing the low level of theoretical integration. „For instance, there is no agreement over the frontiers of the stakeholder set, and the spectrum is variable according to the authors, as well as the classification" (Lépineux, 2005, p. 100). Despite these shortcomings, he considers stakeholder theory a genuine theory – even though he labels it a "weak theory" (Lépineux, 2005, p. 99). In this context, Freeman (1994) notes that "there is no stakeholder theory but that stakeholder theory becomes a genre that is quite rich" (p. 409). In a later publication, however, he relativizes this point of view. Arguing from a philosophical pragmatist perspective, Freeman et al. (2014) consider stakeholder theory as a framework in terms of „a set of ideas from which a number of theories can be derived" (p. 63). The term "stakeholder theory" thus refers to the extensive body of literature relying on the centrality of the stakeholder idea (Freeman et al., 2014, p. 63). In addition, Lozano (2005) argues that there are three elements inherent to all stakeholder concepts and persisting over time: the organization, the other actors and the relationship between them (p. 60).

Donaldson and Preston (1995) point in a similar direction: even though stakeholder concepts are used by a variety of authors and often supported with contradictory arguments, the authors identify three aspects that constitute stakeholder theory (p. 65). First, stakeholder theory can be descriptive. For instance, it can be used to describe – and explain – specific characteristics and behaviors within the business realm such as the management of corporations or executives' mindsets. Second, it is also instrumental in terms of examining and predicting the connections between stakeholder management and organizational success. Third, the normative aspect builds the core of stakeholder theory. It includes the idea that organizations should pay attention to all groups who have a legitimate interest and that the interests of all stakeholders have an intrinsic value (Donaldson & Preston, 1995, pp. 66–67). "We conclude that the three approaches to stakeholder theory are mutually supportive and that the normative base serves as the critical underpinning for the theory in all its forms" (Donaldson & Preston, 1995, p. 66). In this context, Donaldson and Preston emphasize that the first two strands (descriptive and instrumental) are part of social sciences and encompass "evidence". The normative dimension, however, is explicitly moral and therefore considered the domain of ethicists. Against this background, the authors argue to sharply distinguish between these three branches since mixing them would lead to muddled research (Donaldson & Preston, 1995, p. 73). Freeman (1999) however rejects this idea asserting that each branch entails elements of the others. The different strands are therefore interdependent and mutually tied to each other (Freeman, 1999, p. 233). These considerations make clear that no stakeholder model is purely descriptive and free from any values. Lozano (2005) hence suggests that stakeholder approaches need to precisely outline their underlying normative assumptions (p. 60). Observing the debate around stakeholder theory, Berman and Johnson (2016) state that its basic assumption – that all organizations exist within a web of stakeholders – has become well-established and widely accepted (pp. 7–8). Accordingly, there is a certain consensus about the stakeholder approach being comprised of three different strands (descriptive, instrumental, normative) and revolving around the idea of organizations existing within a network of stakeholders. Despite the heated debate among scholars, we thus argue that stakeholder theory has the status of a theory.

There is, however, an important aspect worth mentioning in this context: the question of whether stakeholder theory constitutes an own research field. On the one hand, Berman and Johnson-Cramer (2016) state that the theory has certain features of a traditional academic field since it revolves around the above-mentioned idea and has its own scientific community. On the other hand, the authors maintain that stakeholder theory is rather underdeveloped in terms of institutionalization. Regarding the disciplinary level, the authors further assert that it is not as broadly known and universally understood as, for instance, institutional theory – even though the term stakeholder is used by scholars in different other scientific fields Thus, the authors conclude that stakeholder theory has not yet reached the status of a fully mature, traditional research field (pp. 1–8).

Stakeholder Management in NPO Contexts – Three Lines of Argumentation

As we've shown, stakeholder management emerged out of stakeholder theory. Moreover, as the concepts has its roots in the realm of business, it has primarily focused on examining corporations. Yet, there is a controversial debate taking place about whether the nonprofit context constitutes a more appropriate application field for stakeholder management than the business context. Scanning through the literature, we have detected three different lines of argumentation, which are all linked to specific implications regarding the role of organizational communication.

The first line of argumentation maintains that managing stakeholders is even more important in the NPO context than in the business context. The rationale behind this assumption is that nonprofit organizations (NPOs) are embedded in a more complex inter-organizational network than corporations. Furthermore, it is asserted that nonprofit organizations are more dependent on stakeholders for goal achievement (Gallagher & Weinberg, 1991, in Knox & Gruar, 2007, p. 116). Manetti and Toccafondi (2014) hence point out that the survival of organizations in the third and “quasi-public” sector strongly relies on satisfying a vast multitude of stakeholders (p. 39). “Because institutional aims are at the basis of accountability systems, multiple-stakeholder theory is stronger in this field" (Manetti & Toccafondi, 2014, p. 39). The authors further stress that a primary concern of stakeholder management lies in the prioritization of stakeholders since not all stakeholders have the same strategic relevance. This especially applies to NPOs as the identification and prioritization relies on statutory requirements and the NPO’s specific mission (Manetti & Toccafondi, 2014, p. 37). Bryson, Gibbons, and Shaye (2001) take a similar stance when stating that nonprofit organizations are externally justified: because their mission stands in center of their activities, NPOs are not ends in themselves, but instead receive their moral, ethical, and legal legitimacy from what they *do.* This dependence on external – meaning public – justification yet creates the necessity for nonprofit organizations to actively and thoroughly consider their constituencies’ interests. As a consequence, NPOs are forced to respond to their stakeholders to an even greater extent than “traditional” corporations (Bryson, Gibbons, & Shaye, 2001, p. 273). The imperative of being responsive to stakeholders further accentuates given the fact that the “resource donors” often are not congruent with those receiving the goods (Stötzer, 2009, pp. 130–143). The broad range of stakeholders in conjunction with the pressure for external justification are therefore the reasons why this line of argumentation puts a strong emphasis on communication: meeting stakeholders’ expectations by communicating targetedly and adequately is perceived as one of the most essential preconditions to secure organizational legitimacy and, as a consequence, to ensure NPOs’ survival over the long haul (Stötzer, 2009, pp. 142–145). Moreover, by emphasizing the relevance of stakeholder communication in the NPO sector, this perspective implies that the presented stakeholder management concepts can be adapted to nonprofit organizations.

The second line of argumentation, in turn, takes a more balanced stance holding that stakeholder management can be applied to the corporate as well as the NPO sector. In this context, Phillips and Freeman (2003) state that stakeholder management is appropriate for a variety of contexts, ranging from “small or family owned businesses, privately owned concern of any size, partnerships, non-profit and governmental organizations” (p. 495). According to scholars adopting this perspective, nonprofit organizations operate almost like for-profit organizations. This “approximation” towards business rationality is thereby considered a necessary precondition for adapting stakeholder management to the NPO context. “Amongst others, sponsors and donors demand value for their money, want proof that NPOs are fiscally responsible with their donations, and board members require measurable outcomes that must be supported through research” (Wiggill, 2011, p. 226). Wellens and Jegers (2014) support this point of view stating that nonprofit-organizations are increasingly expected to be effective. This is, among others, due to the growing consumer awareness, the recent economic crises, and several scandals that NPOs have been involved in (Wellens & Jegers, 2014, p. 224). Against this background, they regard stakeholder management as a helpful approach to address the challenges NPOs face nowadays. The authors thus maintain that “as the well-functioning of an NPO is influenced by the way in which diverse stakeholder relationships are managed, an important step in relation building is to become aware of the expectations with respect to governance of diverse stakeholder groups” (Wellens & Jegers, 2014, p. 224). In this line of argumentation, communication is primarily addressed under the aspects of efficiency and effectiveness – that is, how strategically and targetedly communicating with stakeholders helps NPOs to successfully implement their goals. Moreover, this perspective also implies that the "traditional" stakeholder management concepts can be used in NPO contexts.

However, there is a third line of argumentation contending that stakeholder management should only be applied to corporations. According to Donaldson and Preston (1995), nonprofit contexts differ significantly from the private sector. "Although stakeholder concepts have been applied in other settings (e.g., government agencies and social programs), these situations are fundamentally different, and simultaneous discussion of a variety of possible stakeholder relationships leads, in our view, to confusion rather than clarification." (Donaldson & Preston, 1995, p. 69). Interestingly, these differences are often traced back to the distinct orientations characterizing organizations in the NPO and the business sector: while firms are primarily focused on maximizing profits, NPOs' overarching point of reference is their mission. This is due to NPOs not being allowed to distribute profits to their members or owners. Accordingly, if NPOs make profits, they are obliged to reinvest it in the fulfilment of their mission (Lichtsteiner, Gmür, Giroud, & Schauer, 2015, pp. 17–19). Hence, when it comes to investigating the role of communication in nonprofit organizations, this line of argumentation implies that stakeholder management is not considered an appropriate foundation to explain how NPOs interact with their constituencies.

Application Field of Stakeholder Management

Examining the development and the theoretical backbone of stakeholder management, we have stated that its roots lie in the business context. However, picking up a current debate on the application fields of stakeholder management, we have identified three different lines of argumentation and their implications regarding the role of communication: the first perspective maintains that stakeholder management should be rather used in NPO contexts than in business contexts. Concepts promoting this point of view put a strong emphasis on communication as a means to ensure organizational legitimacy. The second perspective holds that stakeholder management can be used in business as well as in nonprofit contexts. The focus of those approaches lies on how communication contributes to effective and efficient goal attainment. The third line of argumentation, however, posits that stakeholder management should only be applied to business organizations. This implies that stakeholder management doesn't provide an appropriate foundation to explain NPOs' communication strategies or their interactions with their constituencies.

Overall Conclusion – A Synthesis of Stakeholder Management

To conclude, we synthesize stakeholder management in terms of its theoretical and practical implications for strategically communicating with stakeholders. By contextualizing the presented definitions and concepts, we also delineate an outlook for further research.

Picking up the title of this review, our aim was to provide an overview of stakeholder management by synthesizing its basic assumptions and making salient its practical relevance for strategic communication. To do so, we have shown how stakeholder management explains the functioning of today's complex and volatile business world. Although its underlying theoretical foundation – stakeholder theory – doesn't constitute a fully mature research field, stakeholder management is characterized by a commonly shared and established intellectual position. By thinking business and ethics together, it provides a sound theoretical perspective on how value is created: through satisfying stakeholders and aligning their interests.

To present a more in-depth synthesis of stakeholder management, we have examined some of the most common concepts. A broad consensus on the crucial role of strategic communication was evident. As we have shown, developing an appropriate communication strategy tailored to the attitudes and interests of the relevant constituencies lies at the heart of the stakeholder management process. In addition, communication not only plays a key role in planning how to interact with stakeholders, but also in implementing those plans. Communication is considered the critical determinant for implementation outcomes. Based on our literature review, we have further pointed at the presented concepts' commonalities on a process level. We have concluded that stakeholder management is comprised of five process steps that can be collapsed into the three following phases: the stakeholder screening phase, the interaction planning phase, and the engagement phase. With regard to these phases, we have further detected that the presented stakeholder management concepts can be categorized along their proceeding methods. That means, whether these concepts suggest a prescriptive or open approach to manage stakeholders along the three main phases of the process.

With regard to the presented concepts, the practical relevance of stakeholder management meets the eye: By showing how managers have to proceed to identify relevant stakeholders and to systematically develop communication strategies, stakeholder management demonstrates its benefit for firms' daily business. Moreover, we have tried to provide professionals with a useful categorization that helps them select stakeholder management concepts tailored to their organizational goals and the related actor constellations. Hence, with our synthesis we've also addressed a practice-oriented purpose.

However, considering the persisting dominance of stakeholder management concepts concentrating on dyadic relationships between an organization and its stakeholders, there is a clear need for more theoretical frameworks that take into account the interdependent relationships within stakeholder networks. In addition, tools and methods are required that show managers how to consider stakeholders' interconnectedness in decision making processes and in strategically interacting with their multiple constituencies. Moreover, we consider the lack of prescriptive proceeding methods in the engagement phase of the stakeholder management process as an interesting aspect for further research: it could be a fruitful idea to develop prescriptive concepts that serve professionals as decision-making matrix to define communication tactics and efficiently measure outputs.

To make good on our review's title, we've extended the scope of our synthesis in terms of looking at the application fields of stakeholder management to contexts beyond business organizations. Thereby, we've identified three different lines of argumentations and their implications regarding the role of communication. While one of these perspectives promotes to only use stakeholder management to examine corporations, the other two perspectives take a broader stance: both of them regard NPO context as (even more) appropriate application field. Accordingly, with regard to these two perspectives, one could assume that the presented stakeholder management concepts are also suitable for NPO managers to identify stakeholders and define communication strategies.

Yet, there are some caveats that need to be considered: anticipating that stakeholder management can be adapted to NPO contexts entails the risk of neglecting the specific aspects that differentiate nonprofit organizations from corporations: while firms are primarily focused on maximizing profits, NPOs' overarching point of reference is their mission.

Given these distant orientations, it is probable that there are fundamental differences between NPOs and firms – for instance regarding organizational structures, resource allocation, or communication behavior. Therefore, future research should examine the specific characteristics of nonprofit organizations' stakeholder management. This would strengthen stakeholder management in terms of providing a solid basis for theoretical concepts and practical tools that align with NPOs' daily business, their communication rationales, and the structures within the third sector.

To conclude, our purpose was to provide a communication-oriented synopsis of stakeholder management in terms of its underlying idea, the related implications for strategically communicating with multiple constituencies, and the identification of current research gaps. By offering different approaches to capture and categorize stakeholder management from a communication-oriented perspective, we tried to show how researchers and practitioners can "cut through the jungle of concepts".

References

Aakhus, M., & Bzdak, M. (2015). Stakeholder engagement as communication design practice. *Journal of Public Affairs*, *15*(2), 188–200.

Ackermann, F., & Eden, C. (2011). Strategic Management of Stakeholders: Theory and Practice. *Long Range Planning*, *44*(3), 179–196.

Alston, W. P. (1989). *Epistemic Justification : Essays in the Theory of Knowledge*. Ithaca and London: Cornell University Press.

Berman, S. L., & Johnson-Cramer, M. E. (2016). Stakeholder Theory: Seeing the Field Through the Forest. *Business & Society*, *published online first*, 1– 18.

Brown, A., Holtham, C., Rich, M., & Dove, A. (2015). Twenty-First Century Managers and Intuition: An Exploratory Example of Pedagogic Change for Business Undergraduates. *Decision Sciences Journal of Innovative Education*, *13*(3), 349–375.

Bryson, J. M., Gibbons, M. J., & Shaye, G. (2001). Enterprise Schemes for Nonprofit Survival, Growth, and Effectiveness. *Nonprofit Management and Leadership*, *11*(3), 271–288.

Clarkson, M. B. E. (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *The Academy of Management Review*, *20*(1), 92–117.

Cornelissen, J. (2017). *Corporate Communication: A Guide to Theory and Practice* (5th ed.). London: Sage Publications.

Cornell, B., & Shapiro, A. C. (1987). Corporate Stakeholders and Corporate Finance. *Financial Management*, *16*(1), 5–14.

Crane, A., & Livesey, S. (2003). Are you talking to me? Stakeholder communication and the risks and rewards of dialogue. In J. Andriof, S. Waddock, S. Rahmann, & B. Husted (Eds.), *Unfolding stakeholder thinking 2: relationships, communication, reporting and performance* (pp. 39–52). Sheffield: Greenleaf.

Donaldson, T., & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *The Academy of Management Review*, *20*(1), 65–91.

Elias, A. A., & Cavana, R. Y. (2000). Stakeholder Analysis for Systems Thinking and Modelling. *Operations Research Society Conference*.

Fortunato, J. A., Gigliotti, R. A., & Ruben, B. D. (2017). Racial Incidents at the University of Missouri: The Value of Leadership Communication and Stakeholder Relationships. *International Journal of Business Communication*, *54*(2), 199–209.

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Cambridge: Cambridge University Press.

Freeman, R. E. (1994). The Politics of Stakeholder Theory: Some Future Directions. *Business Ethics Quarterly*, *4*(4), 409–421.

Freeman, R. E. (1999). Response: Divergent stakeholder theory. *The Academy of Management Review*, *24*(2), 233.

Freeman, R. E., Harrisson, J. S., Wicks, A. C., Parmar, B. L., & De Colle, S. (2014). *Stakeholder Theory : The State of the Art* (4th ed.). Cambridge: Cambridge University Press.

Galbreath, J. (2006). Does primary stakeholder management positively affect the bottom line? Some evidence from Australia. *Management Decision*, *44*(8), 1106–1121.

Gallagher, K., & Weinberg, C. B. (1991). Coping with Success: New Challenges for Nonprofit

Marketing. *Sloan Management Review*, *33*(1), 27–42.
Hall, M., Millo, Y., & Barman, E. (2015). Who and What Really Counts? Stakeholder Prioritization and Accounting for Social Value. *Journal of Management Studies*, *52*(7), 907–934.
Karlsen, J. T. (2002). Project Stakeholder Management. *Engineering Management Journal*, *14*(4), 19–24.
Knox, S., & Gruar, C. (2007). The Application of Stakeholder Theory to Relationship Marketing Strategy Development in a Non-profit Organization. *Journal of Business Ethics*, *75*(2), 115–135.
Kuiper, S., & Thomas, M. W. (2000). A Strategic Consultancy Model for Establishing a Center for Business Communication. *Business Communication Quarterly*, *63*(2), 52–67.
Lehtimäki, H., Kujala, J., & Heikkinen, A. (2011). Corporate Responsibility in Communication: Empirical Analysis of Press Releases in a Conflict 2011. *Business Communication Quarterly*, *74*(4), 432–449.
Lépineux, F. (2005). Stakeholder Theory, Society and Social Cohesion. *Corporate Governance: The International Journal of Business and Society*, *5*(2), 99–110.
Lewis, L. K. (2007). An Organizational Stakeholder Model of Change Implementation Communication. *Communication Theory*, *17*(2), 176–204.
Lichtsteiner, H., Gmür, M., Giroud, C., & Schauer, R. (2015). *Das Freiburger Management-Modell für Nonprofit-Organisationen*. Bern: Haupt Verlag.
Lozano, J. M. (2005). Towards the relational corporation: from managing stakeholder relationships to building stakeholder relationships (waiting for Copernicus). *Corporate Governance: The International Journal of Business and Society*, *5*(2), 60–77.
Manetti, G., & Toccafondi, S. (2014). Defining the Content of Sustainability Reports in Nonprofit Organizations: Do Stakeholders Really Matter? *Journal of Nonprofit & Public Sector Marketing*, *26*(1), 35–61.
Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *Academy of Management Review*, *22*(4), 853–886.
Müller-Stewens, G., & Lechner, C. (2016). *Strategisches Management. Wie strategische Initiativen zum Wandel führen* (5th ed.). Stuttgart: Schäffer-Poeschel Verlag.
Pfeffer, J. (1981). *Power in organizations*. Marshfield, MA: Pitman Pub.
Phillips, R., & Freeman, R. E. (2003). What Stakeholder Theory Is Not. *Business Ethics Quarterly*, *13*(4), 479–502.
Post, J. E., Preston, L. E., & Sachs, S. (2002). Managing the Extended Enterprise: The New Stakeholder View. *California Management Review*, *45*(1), 6–28.
Rowley, T. J. (1997). Moving beyond Dyadic Ties: A Network Theory of Stakeholder Influences. *The Academy of Management Review*, *22*(4), 887–910.
Savage, G. T., Nix, T. W., Whitehead, C. J., & Blair, J. D. (1991). Strategies for assessing and managing organizational stakeholders. *Academy of Management Executive*, *5*(2), 61–75.
Sheehan, L. R., & Ritchie, J. R. B. (2005). Destination Stakeholders: Exploring Identity and Salience. *Annals of Tourism Research*, *32*(3), 711–734.
Stephens, K. K., & Malone, P. C. (2005). *Communicating with stakeholders During a Crisis: Evaluating Message Strategies*. *Journal of Business Communication*, *42*(4), 390-419.
Stötzer, S. (2009). *Stakeholder Performance Reporting von Nonprofit-Organisationen: Grundlagen und Empfehlungen für die Leitungsberichterstattung als stakeholderorientiertes Steuerungs- und Rechenschaftslegungsinstrument*. Wiesbaden: Gabler Research.
Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review*, *20*(3), 571–610.
Thomas, G. F., & Stephens, K. J. (2015). An Introduction to Strategic Communication. *Journal of Business Communication*, *52*(1), 3–11.
Thompson, J. K., Wartick, S. L., & Smith, H. L. (1991). Integrating corporate social performance and stakeholder management: Implications for a research agenda in small business. *Research in*

Corporate Social Performance and Policy, *12*, 207–230.
Treviño, L. K., & Weaver, G. R. (1999). The Stakeholder Research Tradition: Converging Theorists - Not Convergent Theory. *Academy of Management Review*, *24*(2), 222–227.
Wellens, L., & Jegers, M. (2014). Effective governance in nonprofit organizations: A literature based multiple stakeholder approach. *European Management Journal*, *32*(2), 223–243.
Wiggill, M. N. (2011). Strategic communication management in the non-profit sector: a simplified model. *Journal of Public Affairs*, *11*(4), 226–235.
Yang, A., & Bentley, J. (2016). A balance theory approach to stakeholder network and apology strategy. *Public Relations Review*, *43*(2), 267–277.
Yang, J., Shen, Q., & Ho, M. (2009). An overview of previous studies in stakeholder management and its implications for the construction industry. *Journal of Facilities Management*, *7*(2), 159–175.

FABIENNE BÜNZLI, M.A., is a Research Associate at University of St.Gallen. Her research focus lies in the field of stakeholder management and strategy implementation. She holds a master’s degree in Media Studies and Communication Science at the University of Zurich.