Stakeholder analysis of well fargo company

Business, Company

Wells Fargo opened in 1852 as a banking and express firm, providing a wide variety of services to pioneers, including the operation of stagecoach lines, the transportation and safekeeping of gold and the delivery of the U. S. mail. In 1859, began to carry the army payroll, garnering great visibility and popularity for the bank. In 1905, the company's California banking business was separated from the express business in 1905, as the U. S. Government nationalized the country's express companies into a single federal entity.

Through the 1900s, Wells Fargo had continued to offer new and innovative products to its customers, providing a full range of banking services to small business, commercial, agribusinessand real estate customers, in addition to its traditional banking services. To expand all of these services and reach previously untapped markets, the bank took on a series of acquisitions and alliances through the 1980s and into the early 90s. One of the most significant was a cooperative agreement reached with The Hong Kong and Shanghai Banking Corp.

Ltd. (HSBC) in April, 1989. As of 1997, Wells Fargo employed approximately 33, 200 full-time employees and was the tenth largest bank holding company in the United States. The company was known for its efficiency, and it passed the rewards along to its customers in the form of innovative products and services. It operated one of the largest and busiest consumer banking businesses in the United States, serving as banker to more than 10 million households in the 10 Western states.

The bank provided a retail network of more than 1, 900 staffed service outlets, 4, 300 round-the-clock Wells Fargo Express ATMs, a 24 hour telephone banking service, and a popular online banking service. Wells Fargo was also one of the nation's leading managers and administrators of mutual fund and trust assets. In addition to managing more than $19 billion in mutual funds, the bank maintained personal and institutional trust assets of approximately $300 billion (Bak, Harrington, Leach, Attanasio; 2004).

2. Stakeholder Theory Stakeholder theory argues that businesses must balance the interests of all parties with a stake (stakeholders) in the firm. Freeman (1984) identifies a number of groups that have a " stake" in the corporation either because they are directly (or indirectly) affected by corporate decisions ; actions, or because they have an explicit contractual relationship with the firm. Such groups (stakeholders) typically include: shareholders, employees, customers, suppliers, theenvironment, and communities.

Freeman proposed a framework, which fits three levels of stakeholder analysis – rational, process, and transactional. At the rational level, an understanding of ‘ who are the stakeholders of the organisation’ and ‘ what are their perceived stakes’ is necessary. As a technique, Freeman uses a generic stakeholder map as a starting point. At the process level, it is necessary to understand how the organization either implicitly or explicitly manages its relationships with its stakeholders, and whether these processes fit with the rational stakeholder map of the organization.

According to Freeman, existing strategic processes that work reasonably well could be enriched with a concern for multiple stakeholders. At the transactional level, it is necessary to understand the set of transactions or bargains among the organization and its stakeholders and deduce whether these negotiations fit with the stakeholder map and the organizational processes for stakeholders. According to Freeman successful transactions with stakeholders are built on understanding the legitimacy of the stakeholder and having processes to routinely surface their concerns.

3. Stakeholder Analysis for Wells Fargo A comprehensive list of stakeholders includes (Elias and Cavana, 2000):

- Owners and stockholders, investors
- Banks and creditors
- Partners and suppliers
- Buyers, customers and prospects
- Management
- Employees, works councils and labor unions
- Competitors
- Government (local, state, national, international) and regulators
- Professional associations, Industry trade groups
- Media
- Non-governmental organizations
- Public, social, political, environmental, religious interest groups, communities.