

International business essay example

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Stakeholders Theory is valuable to international business, but people are confused about how to apply it in operation and management. The internal impulse to commercial profit makes company want to escape from the application of Stakeholders Theory. Even though it is too early to say that Stakeholders Theory must be the future of international business, it is valuable to explore how to use Stakeholders Theory.

Firstly, enterprises who engage in international business could neglect the definition of scholars about stakeholders. And then they could ascertain who should be included in stakeholders according to themselves conditions (Ektewan, M & Stephen, O., 2010). After all, so-called affecting or affected by activities of organizations is really hard to define. The easiest way is to define who is stakeholder of organizations. The stakeholders of multinationals are very many, it is better to define stakeholders of each subsidiary. Obviously this way is easy to practice.

Secondly, companies should take different strategies to different stakeholders. After all, different stakeholders have different affects to the activities of company, or they are affected differently by company. To some extent, even though stakeholders have interests to entity, the size of interest is different. For example, if competitors are viewed as stakeholders of company, competitors will be different in different terms. In addition, the importance of stakeholders is different for different companies.

Thirdly, company should pay more attention to corporate social responsibility. No matter who are defined as stakeholders of company, corporate social responsibility should be fulfilled. Even though commercial profit is the

internal impulse of commercial organization, as a part of the society, social responsibility can not be neglected (Jeff, F., 2010). Company can not survive without the support of society, let alone profit. However, company also should realize corporate social responsibility is not the burden of company. Society does not ask company to undertake excessive responsibilities, or the interests of the whole society will be damaged finally.

Fourthly, customers should be played in a very important place. As the saying goes that customer is king, the management and operation. One purpose of Stakeholders Theory is to stakeholders could affects the decision of company or the company should take account into the interests of stakeholders. In addition, a company only can pursue profit after the services or products are purchased by customers. Therefore, company should explore the needs and wants of customers. If there is new service or product to be public, the suggestions of customers should be pay attention.

Fifthly, Stakeholder Theory is not contradictive with other theories or strategies. Enterprises could use Stakeholders Theory along with other theories. For example, supply chain management and customer service management are relative to Stakeholders Theory. As a matter of fact, some companies do not realize they are applying Stakeholder Theory. Stakeholders Theory does not ask to be written into the articles of incorporation. Enterprises could apply Stakeholders Theory in practice unconsciously. Therefore, it should not be rigid to view Stakeholders Theory.

Conclusion

The theory of stakeholder has been an important part of international business. As the development of globalization, Stakeholders Theory will play a more important role in international business. Stakeholders Theory is still in the developing phase. The correctness of theory needs to be checked in practice. As a matter of fact, the development and application of Stakeholders theory depends on the choice of enterprises. After all, theory is from practice, and it only can be developed in practice. Even though there are many companies realize the importance and value of Stakeholders Theory, it is another thing to apply it.

Moreover, companies have to consider the cost of Stakeholders Theory when they use it. For example, it is well known that corporate social responsibility is important, but if a company can not survive, how it can fulfill corporate social responsibility. The application of Stakeholders Theory should be placed into a right and suitable place, or the consequence will be not good. In addition, the range of stakeholders could be large and small.

It can not be denied that some companies are confused about how to apply it. Maybe the shortages of Stakeholders theory will limit the application of it, or the shortages could be overcome in the practices. Many problems need to be explored in practice not just in theory. No matter how the future of Stakeholders theory is, its value has been seen. Therefore, people also should not be negative to the development of it. Stakeholders Theory should be together with other theories in order to overcome its shortages.

Reference

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