

Stakeholder analysis



1. Briefly describe the seven steps of stakeholder analysis

A. map stakeholder relationship

Before the stakeholder relationship has been made, there are some questions that will be asked for analysis and identifying major stakeholder. The stakeholder to be selected must knowledgeable, current and close to the source of the issue at hand. The stakeholder analysis is only as valid and reliable as the sources and the processes use to obtain the information. For example, if the Mattel's recalls, you would place the Mattel Inc. in the centre stakeholder box and then continue identifying the other groups involved with that issue.

B. map stakeholder coalitions

After identify and make a map of the stakeholders who is going to involved in the firm in the incident addressed, this step is to determine and map any coalitions that have formed. The coalition among the stakeholder is important. Interest groups and lobbyists sometimes join force against a common ' enemy'. If the numbers of the advantages is seeing by, the competitor may join force. Mapping actual and potential coalitions around issues can help the CEO anticipate and design strategic responses toward these groups before or after they form.

C. assess the nature of each stakeholder's interest

There are four types of stakeholders the CEO may face in the company. That is supportive, non-supportive, mixed blessing and marginal. The supportive and the non-supportive will against the CEO. While the mixed blessing and

the marginal, the CEO are less sure for their support for the strategy. The opening example like Mattel, if you are the CEO, along with his staff, you might determine that the support of Mattel would be many. Non-supportive stakeholders or those who may include some shareholders and their lawyers, the Chinese government, members of the U. S. government, the victims and their families, consumers, competitors and the media. The interest of these stakeholders is varying. By systematically, completing this audit, as a CEO in facing the crisis, it can create a broader or more objective picture in the situation faced.

D. assess the nature of each stakeholder's power

There are eight types of power that different stakeholders exert, first, voting power, the ability of stakeholders to exert control through strength in numbers. Second, political power where the ability to influence decision making processes and agendas of republic and private organizations and institutions. The third is economic power, which the ability to influence by control over resources either monetary or physical. Forth, the technological power where the ability to influence innovations and decisions through uses of technology. The fifth is the legal power by the ability to influence laws, policies and procedure. The sixth is the environment power, where the ability to impact the nature. The seventh is the culture power, the ability to influence values, norms and habit of people and organizations and the last one is the power over individuals and groups. This is the ability to influence particular, targeted persons and groups through different forms persuasions. For instances, the Mattel suggests that shareholders, number of congress and individual constituent have voting power over the Mattel policies and <https://assignbuster.com/stakeholder-analysis/>

officers jobs and responsibilities. In that case, the Chinese contractors and government representatives the economy power over the Mattel expenses and profit. While the U. S. government also use the political power for the Mattel's operating and manufacturing polices and the process.

E. construct a matrix of stakeholder moral responsibilities

This step is to determine the responsibilities and moral obligations for company have to each stakeholder. A matrix of stakeholder has their own responsibilities. For example, the Mattel's CEO may see the firm's economic responsibility to the owner to preventing as many costly lawsuits as possible. Legally, the CEO may want to protect the owners and the executive team from liability and damage. This would entail proactively negotiating disputes outside the courts. Ethically, the CEO may keep the company's stockholders and owners current regarding his or her ethical thinking and strategies to show responsibility toward all stakeholders. To complete the matrix in this stage, the ethical principles can be referring to follow as: utilitarianism (weighing costs and benefits), universalism (showing respect and concern for human beings), rights (recognizing individual liberties and privileges under laws and constitutions), justice (observing the distribution of burdens and benefits of all concerned). In this stage, the CEO might advise shareholders to show responsibility by publicly announcing their plans for resolving the problem.

F. develop specific strategic and tactics

After get the result from the preceding steps, it can continue to outline specific strategies and tactics that wish to use with each stakeholder. Firstly, <https://assignbuster.com/stakeholder-analysis/>

a CEO should consider whether to approach each stakeholder directly or indirectly. Secondly, need to decide whether to do nothing, monitor, or take an offensive or defensive position. Third is determine whether to accommodate negotiate, manipulate, resist, avoid or ' wait and see'. Finally, the CEO can decide what combination of strategies those want to comply to achieve the goal.

G. monitor shifting coalitions

In this stage, the time and the event can change the stakes and the stakeholders and their strategic. Tracking external trends and events and the resultant stakeholder strategies can help CEO and his or her team act and react accordingly. This dynamics process that occurs over time and is affected by the strategic and action that a CEO and the team direct with each stakeholder group as events occur. Decisions of a CEO are influenced by how effective the stakeholders respond and the CEO team strategic and action. A CEO would typically follow the utilitarian ethic of weighing costs and benefits of all your strategies and actions toward each major stakeholder group. If the CEO neglecting the public, the company ' bottom line' can be affect. By following the Mattel case, when you see the child who is harmed or may be at risk, you might have attempted to take care of each child. You may recall the manufacture at China, then plan meeting with the person in charged and pay a visit to the victim families to show the concern about the case and to protect the company image and reputation going forward.

2. Explain the diagnostic typology of organizational stakeholders

The diagnostic typology of organizational stakeholders can be separate into two classes and four types. For the classes, the low class is the supportive and the marginal while the high class is mixed blessing and non-supportive. The diagnostic typology of organizational stakeholders shows two dimensions, that is potential for threat and potential for cooperation. The type one is the ideal strategic for the focus corporation. Type 1 is the supportive stakeholder with a low potential for threat and high potential for cooperation. Here the strategy of the focus company is to involve the supportive stakeholder. In contrast, there is a non-supportive stakeholder who shows the high potential for threat and a low potential for cooperation. The type four stakeholder is mixed blessing. The mixed blessing is with a high potential for threat and cooperation. In this situation, the stakeholder could become the supportive or non-supportive. And the last one is the type two, the marginal stakeholder. This stakeholder has a low potential for both threat and cooperation. This kind of stakeholder may not be interested in the issue of concern.

3. Discuss the 7-phase issue development process using an example

Seven phase issue development process are felt need, media coverage, interest group development and growth, leading political jurisdictions, federal government attention, legislation and regulation and litigation. The first is a felt need arises; this is for emerging events, advocacy groups. The second is media coverage. The media coverage is developing such as the television segment like news, internet, or the newspaper and other news and blogging sources. The third is the interest development gains momentum and grows. The fourth is the policies. These policies are adopted by leading

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political jurisdictions for cities, states and country. The federal government gives the attention to the issue occurred. The federal government have the responsible to hearing and the studies for the cases. The sixth is the issues and policies evolve into the legislation and regulation and the last one is issues and policies enter litigation. In the Mattel's company, the CEO and the top level team is use this framework to anticipate and prevent the recalls and also respond to the public about the cases. The Mattel toy recalls and its partnership with the Chinese contractors and subcontractors the outsourcing debate in general is related to the topic to analyse by using the second issue frame work that is media coverage. There is an article which is written by Christopher Clott's with the title " Perspectives on Global Outsourcing and the Changing Nature of Work". This article provided the excellent background information. These seven steps are useful in identifying and following the public issues like the Mattel's Inc. faced.

4. Describe the 4-stage issue life cycle approach

There are four stages in life cycle, which is social expectation, political issues, legislation and social control. The first step is social expectation and the awareness. In this process, it is about the social discussion and debate. The societal awareness is low at first and approached the highest at stage there that is legislative engagement and decrease when it reaches the stage four. The social awareness is like the emerging the events, advocacy books and so on. In the event, they will discuss about the problem occurred and debate about the problem. The interest group will pay the attention if the problem is related to them. The second of the stage of life cycle is the political awareness. The political awareness involved the media attention

and the hearing is held. In this stage, it includes the incorporation of the media coverage available in the country, the interest group development and growth and the leading political jurisdictions adopt policies. The third phase is the legislative engagements which are laws passed, legal involvement and regulations enacted. And the last stage is social control and litigation. This includes the compliance issues, legal conflict and court rulings.

5. Identify and explain the 4-stage approach to crisis management

Crisis management is a method that studies how corporations and leaders respond to the crisis faced. By using this method, it is essential for understanding and possibly preventing future fiascos because crises continue to occur year by year. There are four stages for crisis management: prodromal, acute, chronic, and conflict resolution. The prodromal or pre-crisis stage is also known as the warning stage. The second stage still can proceed although this stage is not recognized or does not actually occur, but it requires damage control. For example, Mattel experienced several recalls with its Chinese subcontractors. The first recall is given by sending a warning sign that issues existed. Represented from the Mattel let the subcontractor take blame at first. In the second stage, acute crisis which means the damage has been done. This stage is used to control the damage as much as possible. This is the shortest stage among the four stages. In 2005, a toddler died from ingesting a magnet from a Mattel toy that was manufactured in China. Since there are no laws governing this type of incident, Mattel had not considered the risk faced. The third stage is the chronic crisis. The chronic crisis also means clean up stage. This is a period of recovery, self-analysis, self-doubt and healing. In this process, the

congressional investigations, audits and interviews occurred. The final stage is crisis resolution. This stage is the goal of crisis management. In this stage, it is about what is the best solution for the problem occurred.