

Be intelligent—  
identify the  
stakeholders



**ASSIGN  
BUSTER**

You've identified the issue, and your ultimate goal is to take an action that will solve or address that issue. But we can't skip right to the end just yet! Before thinking about the solution, consider the other people in the situation. Your decision—even if that decision is to do nothing—will have an effect on some people. We call these people the stakeholders.

Like a pebble hitting the water, our actions have consequences that ripple out from the center. Primary stakeholders are those closest to the center—those for whom the waves will be the largest. As we continue outward, there are other stakeholders who are less affected or who have more control.

Say you've witnessed a robbery and you decide to report it. The thief is a primary stakeholder—they could go to jail. The victim is also a primary stakeholder, as your decision made a difference in protecting their property. Your decision also resulted in the police having to investigate, but the police are not primary stakeholders because the only consequence they face is work that fits in their normal routine.

For this exercise, you are looking for the primary stakeholders—the ones affected the most. Here's a method you can use to find them. For each stakeholder, ask yourself:

1. What would happen to this stakeholder if I did nothing?
2. What would happen to this stakeholder if I tried to help them in this situation?

If the second scenario represents a significant change from the first, that means this person is probably a primary stakeholder. The Shareholders(Correct) The stakeholder theory acknowledges the importance

of shareholders and that maximizing shareholder value is one of the company's primary purposes. However, it is important to remember that shareholders should not be considered the only stakeholders of any consequence. The Shareholders(Correct) The stakeholder theory acknowledges the importance of shareholders and that maximizing shareholder value is one of the company's primary purposes. However, it is important to remember that shareholders should not be considered the only stakeholders of any consequence.

The Board of Directors(Incorrect) Excluding the Board of Directors may seem odd. However, they have delegated the responsibility for managing the company to the CEO and other officers. Therefore, they are not directly involved.

Carson Nelson, Chief Executive Officer(Incorrect) Excluding the CEO follows the same logic as excluding the Board of Directors: the CEO has delegated responsibility for minimizing legal liability such as this to the VP of Human Resources.

Carol Tempest, VP of Human Resources(Correct) You don't yet know that Gayle wants to report that she feels harassed by the anonymous flowers or that Bill is the one sending them. Even if this is not what Gayle wants to talk with you about, the likelihood that you will need to involve HR at some point is high.