



# INTEGRATING STAKEHOLDERS: A STRATEGY CONTINUUM

Over the last 30 years, increasing societal pressure has been brought to bear on business. This is because business, with government’s support, is responsible for the economic globalization, which, notwithstanding its many benefits, has contributed to growing social and natural systems crises and instabilities. The negative effects of economic globalization must be mitigated, as they threaten the biosphere, human societies and business itself.

As social and environmental crises have deepened, civil society has grown into a potent third force. Civil society has agitated, educated and influenced to convince business and government that new approaches are needed to prevent the earth’s natural and social systems, now in a declining mode, from failing catastrophically. Issues such as air and water pollution, poverty, public health, and job creation can be truly impacted only through the cooperation of business, civil society and government.

Fortunately, mainstream progressive business agrees with the analysis and prescription. Through its own Corporate Responsibility movement, busi-

ness is developing guidelines and practices that help companies restore natural and social systems to sustainability while making business more secure.

Companies are learning that their own health is in question until all of the stakeholders that they impact are sustainable. When companies address issues of externalized costs with stakeholders, market value can improve as new cost solutions are developed. Studies show that many of the most financially strong and innovative companies have Corporate Responsibility strategies and practices.

Many companies, however, are still learning about the path of Corporate Responsibility. They do not yet understand the full impact of their operations on each stakeholder or how their current stakeholder strategies may increase or inhibit their company’s growth and value.

The continuum below outlines six corporate strategies that impact stakeholders. The chart can be used to assess a company’s strategy by comparing its response on key issues to the stakeholders’ expectations.

<b>Selective Compliance</b>	–Selectively obeys laws, standards or ethics that impact a stakeholder –Actively or unknowingly externalizes costs to a stakeholder
<b>Compliance</b>	–Complies with laws and regulations affecting stakeholder –Makes no response to company’s other impacts on stakeholder
<b>Public Relations</b>	–Enhances image by highlighting some of stakeholder relationship benefits –“Uses” stakeholder opportunistically to enhance reputation
<b>Business Case</b>	–Connects stakeholder to ROI; initiates business projects –Stakeholder concerns do not impact core business processes
<b>Partnership</b>	–Develops strategic projects with stakeholder to build mutual value –Redesigns business processes to address value conflicts with stakeholder
<b>Visionary</b>	–Designs projects to produce system-change to benefit all stakeholders –Implements multi-stakeholder partnerships on systemic, societal issues