UDC 334

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DOI: 10.32702/2306-6792.2023.3-4.118

STAKEHOLDERS IN ENTREPRENEURSHIP: MANAGEMENT PRINCIPLES, STANDARDS, TOOLS

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СТЕЙКХОЛДЕРИ В ПІДПРИЄМНИЦЬКІЙ ДІЯЛЬНОСТІ: ПРИНЦИПИ, СТАНДАРТИ, ІНСТРУМЕНТИ УПРАВЛІННЯ

The article discusses the benefits of business obtained on the basis of active interaction with stakeholders. It shows the change in the key benefits of interaction as cooperation deepens: from risk management, pooling resources and market analytics to the formation of business reputation and social development. The correspondence between the key principles of building relationships with stakeholders and the closeness of interaction was carried out. It is noted that in the case of situational interaction, the principles of entry-exit and agents of involvement play a decisive role. At the level of systematic interaction, the principles of distribution of powers and costs are of key importance, and at the level of complex interaction — the principles of survival and externalities are.

Special attention is paid to the stages of building effective interaction between business and stakeholders. In particular, networking is defined as a phase of preliminary information preparation and includes inventory, expansion and organization of business relationships. The article examines the possibilities of using project management standards to manage stakeholders. Based on the systematization of standards, the process of developing cooperation with stakeholders is divided into successive stages from identification and planning to management and monitoring. Each stage is characterized by relevant stakeholder engagement goals, communications, and interaction tools. It is drawn that at the identification stage, communications are carried out mainly in a one-way direction based on the use of such tools as a survey, information resources and open events. It is noted that at the planning stage there is a need for negotiations and consultations, and the management stage is characterized by holding joint events, making joint decisions and implementing joint projects. It is emphasized that at the monitoring stage, the relations "business-stakeholders" are formalized based on the expansion of powers and the formation of non-financial reporting.

The article discusses the main problems that each stage of mutual integration may encounter, both in the field of finance and infrastructure, as well as in the field of knowledge, communications and culture. The ways of solving the identified problems with the maximum involvement of the internal human potential of the enterprise on the basis of skills, qualifications, education, motivation, experience of personnel are proposed.

У статті розглянуті вигоди бізнесу, одержувані на основі активної взаємодії зі стейкхолдерами. Показано зміну ключових вигід взаємодії в міру поглиблення співпраці: від управління ризиками, об'єднання ресурсів і ринкової аналітики до формування ділової репутації та соціального розвитку. Проведено відповідність між ключовими принципами побудови відносин із зацікавленими сторонами та тіснотою взаємодії. Відзначено, що в разі ситуативної взаємодії вирішальну роль відіграють правила входу-виходу і агентів залучення. На рівні систематичної взаємодії ключового значення набувають принципи розподілу повноважень і витрат, а на рівні комплексної взаємодії — принципи виживання і зовнішніх ефектів.

Окрему увагу приділено стадіям побудови ефективної взаємодії бізнесу та стейкхолдерів. Зокрема, нетворкінг визначається як фаза попередньої інформаційної підготовки та включає інвентаризацію, розширення та організацію ділових зв'язків. У статті вивчено можливості використання стандартів проєктного менеджменту для управління стейкхолдерами. На основі систематизації стандартів процес розвитку співпраці зі стейкхолдерами розділений на послідовні стадії від ідентифікації та планування до управління та моніторингу. Кожна стадія характеризується відповідними цілями залучення стейкхолдерів, комунікаціями, інструментами взаємодії. Простежено, що на етапі ідентифікації комунікації здійснюються переважно в односторонньому напрямку на основі використання таких інструментів як опитування, інформаційні ресурси і відкриті заходи. Відзначено, що на стадії планування виникає необхідність в переговорах і консультаціях, а для стадії управління характерним є проведення спільних заходів, прийняття спільних рішень і реалізація спільних проєктів. Підкреслено, що на етапі моніторингу відносини "бізнес-зацікавлені сторони" формалізуються на основі розширення повноважень та формування нефінансової звітності.

У статті розглянуто основні проблеми, з якими може стикатися кожен етап взаємної інтеграції, як у сфері фінансів та інфраструктури, так і в галузі знань, комунікацій та культури. Запропоновано шляхи вирішення означених проблем з максимальним залученням внутрішнього людського потенціалу підприємства на основі навичок, кваліфікації, освіти, мотивації, досвіду персоналу.

Key words: benefits of interaction, networking, project management standards, joint decision-making, advisory groups, non-financial reporting.

Ключові слова: вигоди взаємодії, нетворкінг, стандарти проектного менеджменту, спільне прийняття рішень, консультативні групи, нефінансова звітність.

INTRODUCTION

The external environment for small and large enterprises is becoming crucial. In the conditions of a pandemic, natural disasters, economic and social upheavals, external factors begin to play a major role in the company's success. The predominance of external influence over internal determines the change of priorities in business and causes the need to adapt to new changing conditions. In this regard, the stakeholder approach of R. E. Freeman is becoming relevant, manifested in special attention to the policy of the company's interaction with various stakeholders. Thus, at the present stage, it is important for a successful business to understand how to properly build relationships with stakeholders, which management tools are better to use, how to build an engagement strategy, which stages need to be passed.

LITERATURE REVIEW

Researchers note the many benefits that interaction with stakeholders can bring [1], [2]. Nevertheless, the question of the correspondence of the benefits received and the level of interaction with stakeholders requires clarification. In his basic work, R. E. Freeman cites the key principles of building relationships with stakeholders [3], [4]. These principles define the rules of interaction with stakeholders. At the same time, the study of the issue of updating the proposed principles at various stages of the company's interaction with stakeholders has additional scientific and practical value. Despite the presence of many methods, tools and forms of interaction proposed by researchers [5], [6], [7], [8], the systematization of management techniques in accordance with the stages and levels of interaction offers a conscious and measured approach to the formation and implementation of strategic business interaction with stakeholders.

PURPOSE OF THE ARTICLE

The purpose of this article is to study, organize and systematize management approaches, principles and tools for building relationships between business and stakeholders in accordance with the criteria of phasing and multilevel interaction.

RESULTS

Effective and coordinated interaction with stakeholders can bring many benefits to enterprises, ranging from situational (problem solving) to strategic issues (scaling, strengthening competitive positions, sustainable development). The main business benefits are the following:

1) Risk management. Collecting and organizing an information base within the framework of interaction with stakeholders allows to identify and assess risks. This increases the effectiveness of risk management processes.

2) Pooling resources. Often, representatives of small and medium-sized businesses lack operational capabilities both for the strategic solution of the most acute problems and for the long-term development of the company. The search for effective solutions through interaction with partners, competitors, and the local community ensures a more profitable allocation of resources (knowledge, personnel, finance, technology) and obtaining additional opportunities for small companies.

3) Market analytics. The organization of communication processes allows enterprises to receive information from stakeholders that can be used to improve the corporate product and increase the efficiency of business processes. The information obtained during the interaction can become the basis for a comprehensive assessment of the external business environment, including the development of markets and the identification of new strategic opportunities.

4) Trust (goodwill). Exchange of opinions, empowerment, transparency of business processes and other ways of close interaction with stakeholders allow building trust between the company and stakeholders, which in turn strengthens the market position of the business.

5) Social development. Regular communications with external stakeholders (non-profit organizations, local community) provide an opportunity for those who have the right to be heard to become participants in the decision-making process. This process integrates business into society, creating conditions for the formation of social value and long-term sustainable development of the enterprise.

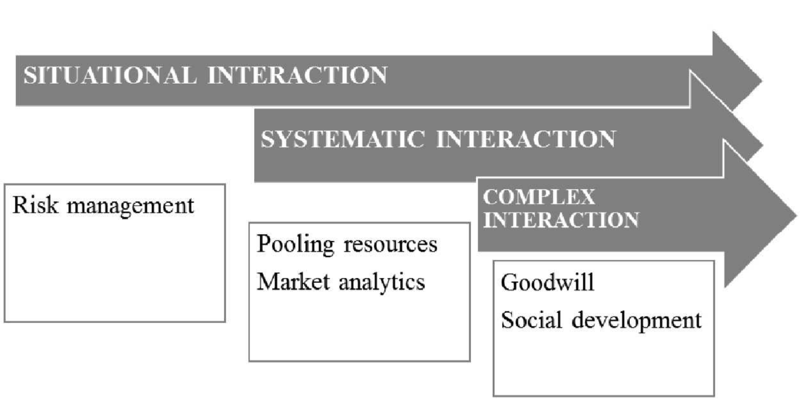

Figure 1. The sequence of formation of business benefits from interaction with stakeholders

Source: built by the author based on [1], [2].

Obtaining these benefits for business is subject to the logic of strengthening the relationship and depth of interaction between the company and key stakeholders. The chain of stakeholder value formation is shown in Figure 1.

Figure 1 shows that at the stage of situational interaction with stakeholders, the company gets the opportunity to improve the effectiveness of risk management and solving operational issues. In the case of systematic interaction, conditions are created for companies to attract the necessary resources, adjust business processes, and up-to-date tactical planning. The result of complex interaction can be the formation of a positive image of the company, the development and consolidation of competitive positions, the creation of social business value.

Before starting to organize interaction with stakeholders, it is necessary to understand the basic rules for the effective implementation of this area of activity. R. E. Freeman, in his basic work on the theory of stakeholders, outlined six principles that should regulate relations between business and stakeholders (see Table 1).

As shown in Table 1, each of these principles becomes crucial at a certain stage of interaction "business-stakeholders". As in the case of the issue of benefits received by the enterprise from interaction with stakeholders, the increasing role of the principle at a certain stage of interaction does not negate the importance of this principle in closer cooperation. The entry-exit rules and the agency principle are important both in the case of situational interaction and in complex cooperation. The principles of management and cost allocation play a role in both systematic and complex interaction. However, the principles of externalities and survival should be taken into account only when developing a comprehensive cooperation strategy.

Awareness of the principles of interaction with stakeholders leads business owners to the question of what steps it is necessary to start activities to involve stakeholders. A kind of pre-phase of this activity is networking — the activity of forming and organizing the base of business contacts of the enterprise. Networking is necessary to prepare and create an information basis for planning and managing interaction with stakeholders. Networking involves several steps:

1) The inventory of business relationships involves the collection of business contacts characterized by positive relationships and the ordering of this information.

Table 1. Principles of interaction with stakeholders

PRINCIPLE	RULE	LEVEL OF INTERACTION
Input and output	There is a clear transparent procedure for involving stakeholders and terminating interaction.	Situational interaction
Agents	The manager of the firm is an agent of the firm and, therefore, is responsible to both stakeholders and business owners.	
Management	As the interaction intensifies, the rules governing the relationship between stakeholders and the firm change in a certain way.	Systematic interaction
Costs	The costs of each interested party should be proportional to the advantage that stakeholders have in the firm (taking into account that not all costs are financial in nature).	
External effects	The one who bears the expenses of the interested parties also has the right to become an interested party.	Complex interaction
Survival	The firm must exist for a long time, so it is necessary to ensure its survival.	

Source: built by the author based on [3], [4].

Table 2. Stakeholder management standards

PMBOK		P2M	
Stages of interaction	**Key business processes**	**Stages of interaction**	**Key business processes**
Identification of stakeholders	Identification of project stakeholders, as well as analysis and documentation of relevant information about their interests, involvement, interdependence and potential impact.	Building relationships	Drawing up a list of stakeholders and determining how to work with them.
Engagement planning	Developing approaches to stakeholder engagement.		
Engagement management	Activities aimed at meeting the needs and expectations of stakeholders.	Maintaining relationships	Regular activities to maintain the satisfaction of stakeholders.
Engagement monitoring	Monitoring of stakeholder relationships; adaptation of strategies for stakeholder engagement.	Reorganization of relations	Adjustment of established relationships in the event of changes in the business environment.

Source: built by the author based on [8], [10].

2) Replenishment and expansion of the base of business relations is carried out with the help of such tools as:

— exchange of business cards during meetings;

— dating at business events;

— mailing letters;

— creation of various associations and alliances: clubs, public associations, unions, holdings, financial and industrial groups, as well as partnerships, the purpose of which is to unite the efforts, intellectual potential and business ties of participants to solve a common task.

3) Organization of business relations. At this stage, it is advisable to include in the compiled database the information necessary for the subsequent breakdown of data into segments. The more detailed the coordinates are, the easier it is to sort the data in the future and search in the general information base of the stakeholder in the right direction [9].

The completion of the preparation of the information base opens up opportunities for planning further activities to involve stakeholders in business processes. Managing interaction with stakeholders is often considered as an element of project management. Table 2 shows in comparison two standards of stakeholder management widely used in the practice of business administration.

The presented directions of project management are characterized by a similar logic of building relationships with stakeholders: from identification to involvement and adjustment (adaptation) of strategies. Such a system can be quite applicable not only for individual projects (situational interaction), but also for the purposeful activity of the enterprise (complex interaction). At the same time, each stage of building long-term relationships with key stakeholders is characterized by certain interaction goals, communications and a set of appropriate management tools (see Table 3).

As can be seen from Table 3, a certain direction

Table 3. Mechanisms of interaction with stakeholders

ENGAGEMENT STAGE	ENGAGEMENT GOALS	COMMUNICATIONS	INTERACTION TOOLS
IDENTIFICATION	Monitoring the views of stakeholders.	One-way communication: from stakeholders to the company.	Surveys, questionnaires, focus groups, online blogs and other interactive services, responses to queries.
	Informing (educating) stakeholders	One-way communications: from the company to stakeholders	Reports, participation in discussions; bulletins and information sheets; speeches, conferences and public presentations; "Open days" of the enterprise; press releases, press conferences and advertising in the media.
PLANNING	Exchange of opinions (dialogue), receiving information and feedback from stakeholders used for decisions made within the company.	The company asks questions, and stakeholders answer.	Negotiations, consultations, round tables, focus groups, job evaluation, one-on-one meetings, public meetings, online feedback.
MANAGEMENT	Work together on a contract basis.	Determination and monitoring of indicators in accordance with the terms of the contract.	Public-private partnerships; grant provision.
	Joint activities.	Studying, negotiating and making decisions on both sides. Stakeholders are working together on concrete measures.	Programs, projects, promotions, forums with the participation of many stakeholders, advisory groups, joint decision-making process.
MONITORING	Delegation of decision-making by stakeholders on certain issues.	New organizational forms of reporting: stakeholders have a formalized role in management.	Press releases, non-financial reports, corporate website sections, informational letters.

Source: built by the author based on [5], [6], [9].

of communication is characteristic for each stage of involvement: from one-sided communications at the initial stage of identification to formalized communications at the stage of monitoring and deep interaction. Depending on the type of stakeholders and the capabilities of the enterprise, various engagement tools are offered at each stage: from surveys and internet blogs to press releases, joint projects and non-financial reports.

Nevertheless, at each stage of the development of business interaction with stakeholders, various problems may arise that hinder the involvement of stakeholders. Table 4 presents both the most common barriers to interaction and possible solutions.

Table 4. Problems of interaction with stakeholders and possible solutions

ENGAGEMENT STAGE	AREAS	PROBLEMS	POSSIBLE SOLUTIONS
IDENTIFICATION	Knowledge	Level of knowledge of specific problems	Providing timely information
	Education	The level of ability to use information technology (IT)	Using different communication channels (print and online press, local radio, local theater)
		Literacy rate	Conducting trainings
	Communication	Language	Providing information in different languages
		Limited access to the media	Open Days
PLANNING	Finance	Travel and accommodation expenses	Compensation for transportation and accommodation costs
	Working hours	Working time costs	Compensation of the working time spent
MANAGEMENT	Infrastructure	The degree of accessibility of modern information and communication technologies	Providing, if necessary, information and communication equipment, conducting appropriate trainings.
		The degree of transport security	Available places and assistance with transport.
MONITORING	Socio-cultural context	Social hierarchies	If necessary, ensuring anonymity.
		Lack of a common understanding of the most important customs, family and other obligations	The choice of time and place for interaction should be adjusted to the needs of stakeholders.

Source: built by the author based on [7], [8].

Based on the data in Table 4, most of the potential problems of interaction are intangible, such as the level of knowledge, language, working time, social hierarchies. The solution of the indicated type of problems can also be carried out on the basis of intangible resources, in particular, conducting trainings by employees of the enterprise, compensating for the working time spent with additional days off, ensuring anonymity through the use of modern digital technologies. In this regard, effective interaction with stakeholders is available of for both large corporations and small businesses. At the same time, for small companies, the relevance of developing intangible human resources in the form of advanced training of employees, combining functions performed, developing and strengthening digital skills increases.

CONCLUSIONS

An effective system of relations between stakeholders and business, as cooperation deepens, can provide benefits for companies: from risk management at the stage of local interaction to the integration of resources and opportunities for an objective assessment of the situation at the stage of systematic interaction, as well as the formation of a positive image and value-oriented development within the framework of integrated interaction.

The principles of building relationships with stakeholders, as well as the benefits of cooperation, are focused on the level of interaction. Depending on how tightly integrated the "business-stakeholders" collaboration is, certain rules of interaction are updated. In the case of situational cooperation, the key role belongs to the principles of entry-exit and agent managers. If the interaction is systematic, the principles of distribution of powers and costs become of primary importance. At the level of complex interaction, the issues of the long-term existence of the company and work with external effects are actualized.

Preparation for the implementation of strategies and plans for effective interaction with stakeholders requires an inventory, expansion and organization of business relationships. Further activities to build mutually beneficial work with stakeholders can be based on the developed project management standards for managing stakeholders. At the same time, the process of developing cooperation goes through successive stages from identification and planning to management and monitoring. Each stage is characterized by certain goals of stakeholder involvement and corresponding communications with interaction tools. At the identification stage, mainly one-way communications are carried out using surveys, information resources and open events. At the planning stage, there is a need for negotiations and consultations. The management stage is characterized by holding joint events, making joint decisions, and implementing joint projects. At the monitoring stage, the relationship "business-stakeholders" is formalized on the basis of empowerment and the formation of non-financial reporting.

Each stage of mutual integration may encounter problems in the field of education, knowledge, communications, finance, infrastructure, socio-cultural context. Nevertheless, overcoming these barriers is possible based on the active use of the internal human resource of the organization (knowledge, skills, qualifications, motivation of personnel).

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Стаття надійшла до редакції 10.02.2023 р.