PUBLIC RELATIONS JOURNAL
Volume 9
2015
www.prsa.org/prjournal
ISSN 1942-4604
An open-access electronic research journal focusing on the fields of public relations and communications.

Exploring a Process Model for Stakeholder Management

Hyun Soon Park and Yun Hee Lee

ABSTRACT

This paper expands stakeholder management practice by incorporating concepts from the issues management process model. Based on Jones and Chase's issues-process model, this study provides a comprehensive three-step stakeholder management process: (1) stakeholder identification and analysis, (2) development and implementation of stakeholder management strategies, and (3) stakeholder management evaluation. From a practical point of view, the stakeholder identification step helps organizations picture what types of reactions or attacks will occur in the near future. In addition, stakeholder analysis allows organizations to enlist salient stakeholders and offers a practical initiation into stakeholder management. The criteria for stakeholder identification and analysis in this model can provide practical guidelines for ongoing brainstorming drills within organizations to determine which stakeholders should be engaged. Furthermore, an organization's stakeholder management strategies are created and selected according to stakeholder categories on the basis of types and priorities. This cyclical process can motivate organizations to continue their implementation and evaluation, which will lead to an effective and efficient issues management process that can result in the construction of a better society.

Keywords: Communication Strategy, Issues Management, Public Relations, Stakeholder Management Theory

As public participation in an organization's issues management process increases and public opinion becomes crucial to the organization's management, it is helpful to consider the power of stakeholders when managing and anticipating issue dynamics. This paper expands stakeholder management practice by incorporating concepts from the issues management process in the communications arena (Hallahan, 2001; Jones & Chase, 1979).

This paper focuses on issue-oriented stakeholder management, taking the perspective of the issue-process model rather than that of the issue-attention cycle. The issue-attention cycle (Downs, 1972; Peters & Hogwood, 1985) deals with public attention according to issue salience and is decided mostly by the media's agenda-setting activities. Because the issue-attention cycle is less likely to focus on how issues are socially defined and is constructed in many different ways by various stakeholders, issues undergo a dynamic developmental process in which various stakeholders struggle to derive social significance from social conditions, publically shape the salience of the problem, and guide the direction of the public policies related to their social problems (Mahon & Waddock, 1992). Unlike the issue-attention

To cite this article
Park, H.S. and Lee, Y.H. (Winter 2015). Exploring a Process Model for Stakeholder Management. *Public Relations Journal, 9*(4). Available online: http://www.prsa.org/Intelligence/PRJournal/Vol9/No4/

cycle, the issue-process model focuses on the ways in which various stakeholders frame an issue and influence the activities or policies of related organizations (Zyglidopoulos, 2003). The issue-process model is supposed to compensate for one of the stakeholder theory's weak points: that the theory inaccurately assesses the environment as static (as suggested by Key, 1999; Mainardes, Alves, & Raposo, 2011). Thus, this paper uses the issue-process model because it provides a more dynamic framework for stakeholder management than the issue-attention cycle.

As suggested by Key (1999), one critique of stakeholder theory is that it does not provide an adequate explanation of the process that links an organization to its stakeholders. This study integrates fragmented pieces of the stakeholder management literature by incorporating the issues-management process model into stakeholder management. Thus, based on Jones and Chase's issues-process model (1979), this study provides a comprehensive three-step stakeholder management process: (1) stakeholder identification and analysis, (2) development and implementation of stakeholder management strategies, and (3) stakeholder management evaluation.

This paper also proposes a detailed interest-based definition of stakeholders and stakeholder analysis suggested on the basis of Mitchell, Agle, and Wood's (1997) stakeholder salience framework. Stakeholder management strategies and implementation are elaborated from the perspectives of resource dependence and relationship management. This study also elaborates the dynamic features of the stakeholder and issues management process by incorporating various theoretical frameworks from different arenas, thus contributing to the enrichment of stakeholder management theory and practice.

First Step: Stakeholder Identification and Analysis

Stakeholder Identification

The word *stakeholder* was first coined in an internal memorandum at the Stanford Research Institute in 1963 (Freeman & Reed, 1983) to describe groups crucial to the survival of an organization. It is further used to describe key individuals or groups of individuals who have direct or indirect influence over corporate decision making or implementation (Grundy, 1997) and groups or individuals who have a stake in or an expectation about a project's performance (Newcombe, 2003). A definition of stakeholders, a chronology, and rationale for stakeholder identification are well described in several papers (e.g., Key, 1999, p.319-320; Mainardes, Alves, & Raposo, 2011, p. 227-231; Mitchell, Agle, and Wood, 1997, p. 858-862). Among various definitions of stakeholders, Freeman's (1984) is the most popular: any group or individual who affects or is affected by the attainment of company goals.

However, a theory of stakeholders based on this definition lacks a normative rationale and criteria for identifying stakeholders and allocating their rights (Argandona, 1998). Stakeholders have not been discussed in terms of strategic issues management; rather, they have been examined in terms of descriptive and normative corporate ethics (Argandona, 1998; Carroll, 1989, 2000; Clark, 2000; Derry, 2012; Donaldson & Preston, 1995; Jones & Wicks, 1999; Kaler, 2002, 2003; Mainardes, Alves, & Raposo, 2011; Phillips, Freeman, Wicks, 2003; Steurer, 2006), financial performance (Hillman & Keim, 2001; Waddock & Graves, 1997), project management (Bourne & Walker, 2005), and their relationship with an organization (Bourne, & Walker, 2005; Garces-Ayerbe, Rivera-Torres, & Murillo-Luna, 2012; Mainardes, Alves, & Raposo, 2012). Even though various concepts and classifications of the term exist, no consensus has thus far emerged (Mainardes, Alves, & Raposo, 2012), possibly because no single set of stakeholder interests prevails, and organizations must work to reconcile the interests of various stakeholders at any given time.

Few studies of stakeholders have examined their role in the process of issues management, even though an organization's management of issues is crucial to its existence in society (Rowley & Moldoveanu, 2003; Sternberg, 1997). As Sternberg (1997) suggested, stakeholder theory provides no clues as to how to reconcile the conflicting interests of stakeholders or how to manage the power of stakeholders for issues development.

Communication and business managers should recognize the need to analyze stakeholders and develop an understanding of their needs and wants as a crucial part of an organization's existence (Clark, 2000; Kaler, 2002). Accordingly, it is important to identify multiple stakeholders and prioritize them on the basis of variables critical to an organization's existence and growth.

The public relations literature has identified the following variables for segmenting publics: nominal, internal and external, geographic, demographic, and psychographic (Cutlip, Center, & Broom, 2000; Newsom, Turk, & Kruckeberg, 2004; Wilcox, Ault, & Agee, 1998). According to Grunig's situational theory (Atwood & Major, 1991; Grunig, 1983; Grunig & Ipes, 1983; Grunig & Stamm, 1979; Major, 1998), four basic situational publics can be created by the cross-tabulating problem and constraint recognition. Situational theory holds that active information-seeking and passive information-processing vary as a function of membership in the four opinion publics, namely, constrained, problem factors, fatals, and routines. Even though the theory implies that publics can be created and repositioned according to the situation, Grunig's situational publics theory does not specify the degrees of power and resources they possess in influencing public opinion and issues management.

Although Hallahan's (2001) issues-process model explains that an issue can be either activated or recessed by organizations, it did not elaborate on what characteristics or mobilizing power publics can use to activate issues or formalize public opinion to pursue their own interests. A public's power in forming public opinion about issues of interest can be referred to as their *usable resources*. Power resources do not exist equally between publics and organizations, which creates conflicts of interest among them that can be better understood in the frame of stakeholders than in that of publics. Furthermore, the distribution of unbalanced resources among publics and organizations results in the formation of various relationship patterns, which are well explained by resource dependency theory and relationship management theory.

The definitions of stakeholders mentioned above are role-based and relatively homogeneous. However, according to Wolfe and Putler (2002), a role-based definition of stakeholders complicates the conventional understanding of organization–stakeholder relationships. Moreover, a role-based definition of stakeholders does not offer guidance on the selection of appropriate individuals or groups as stakeholders or on the ranking or reconciliation of stakeholders' conflicting interests (Sternberg, 1997).

Organizations such as corporations cannot be equally accountable to all stakeholders (Sternberg, 1997). An organization that is accountable to everyone is accountable to no one (Phillips, Freeman, & Wicks, 2003). Organizations must therefore choose among multiple stakeholders with competing and, in some cases, conflicting interests (Jensen, 2001). Balancing the demands of multiple stakeholders, each with different interests and demands, is a major challenge for organizations. Senior management must seek to prevent the inappropriate demands of stakeholders from dominating other interests. Thus, strategic issues management is essential if an organization wants to influence the outcome of policy issues to its own benefit (Rakich & Feit, 2001).

Therefore, this paper proposes an interest-based definition of stakeholders: persons or groups that have, or claim to have, ownership, rights, or interests in an organization and its activities. Managers need to list every possible stakeholder who might claim interests against their organization.

According to Freeman and Reed (1983), stake-based publics are divided into three categories: equity, economic, and influence. An equity stake refers to the degree of ownership of shares, participation in an organization's policy-making process, and position in the organization. An economic stake is how a public affects the economic gains or losses of organizations. An influence stake refers to the power of a public to influence the organization's process of policy making or issues development.

Defining what kind of stake a public has in an organization is important because stakeholders' needs, communication strategies, and other actions in relation to an issue depend on the public stake at risk. For example, stakeholders whose economic stakes are at risk tend to act aggressively toward an organization, such as through demonstrations, boycotts, picketing, and sit-ins, whereas stakeholders who exert influence on an organization use key opinion leaders, third-party endorsements, and media relations strategies to obtain a favorable outcome in the court of public opinion.

Because every organization has numerous stakeholders, often with competing interests, it is not possible to meet the needs and demands of all stakeholder groups. Furthermore, organizations do not and cannot treat all stakeholders equally or communicate with them with the same intensity (Podnar & Jancic, 2006). Thus, it makes sense to identify and prioritize groups of stakeholders. In addition, organizations must analyze the potential power stakeholders have over a particular issue and realize that the powers of stakeholder groups vary over time and according to context and environment. Analyzing the potential resources held by stakeholders is important for organizations because stakeholders use resources to influence organizations, mobilize public opinion in their favor, and activate issues they support (Lee & Chu, 2013). Thus, the next step is stakeholder analysis, the systematic identification of key stakeholders and an appraisal of their influence on an organization with regard to particular issues.

Stakeholder Analysis

To implement stakeholder analysis (see Mainardes, Alves, & Raposo, 2012, for several stakeholder classification criteria), this study builds upon Mitchell, Agle, and Wood's (1997) stakeholder salience framework, which predicts that stakeholders who have power, legitimacy, and urgency are most salient to companies. Stakeholder salience refers to the perceived importance of internal and external constituencies in organizational performance (Kuratko, Hornsby, & Goldsby, 2007). According to Mainardes et al. (2012), this stakeholder salience model provides three advantages: it is political, by taking conflicts and unequal interest into consideration; it is operationally practical, by qualifying the stakeholders; and it is dynamic, by considering changes in interests.

Mitchell, Agle, and Wood (1997) proposed that stakeholders can be categorized into low salient, moderately salient, and highly salient stakeholders according to their possession of the following attributes: (1) the stakeholder's power to influence the firm, (2) the legitimacy of the stakeholder's relationship with the firm, and (3) the urgency of the stakeholder's claim on the firm. Highly salient stakeholders who possess all three attributes are defined as *definitive stakeholders* to whom the company must give first priority.

Of the three attributes, this study focuses on power and legitimacy because they concern resources with a great range of variation, which means they play critical roles in the process of issue dynamics. Whereas power and legitimacy can be critical variables that make it easy to distinguish salient stakeholders from the general public, the level of urgency with which stakeholders make claims on organizations is always high and imminent; therefore urgency cannot play a critical role in determining which stakeholders are important.

Power and legitimacy over the issues faced by organizations or stakeholders might be among their most important resources.[1] Power is defined as "the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance. Power is the ability of those who possess power to bring about the outcomes they desire" (Mitchell, Agle, & Wood, 1997). Eesley and Lenox's (2006) study defined power as the relative access of stakeholder groups to resources that will affect outcomes for the organization being targeted.

This study suggests that power should be understood in terms of access to the resources that influence issue dynamics (Castro-Casal, Neira-Fontela, & Alvarez-Perez, 2013; Frooman, 1999; Wang, Chu, & Chen, 2013; Yang & Konrad, 2011). Resources for issue dynamics can be classified into human capital, economic capital, and social capital for bringing about social consensus on an issue in dispute. This study defines stakeholder power as the possession of human, economic, and social capital that can be used to influence public opinion and issue lifecycles in a timely manner. Human capital refers to the human resources possessed by stakeholders: the number of group members, level of education, social status, position in the

[1] Resource dependency is said to exist when one actor is supplying another with a resource. The extent to which a resource is essential is itself a function of two factors: (1) the relative magnitude of exchange and (2) criticality. The criticality of a resource pertains to the ability of an organization to exist without it (Frooman, 1999).

organization, knowledge, access to information, and other factors. Economic capital refers to the financial resources of stakeholders that can be mobilized to develop public support through public communication campaigns. Social capital refers to the level of cohesion and trust among group members, commitment to the group and the issue, size of social networks, and the ability to generate civic participation. Stakeholders with a high level of social capital have social networks that contain opinion leaders and media that enable them to frame issues favorably and thereby mobilize support. Furthermore, stakeholders with a high level of social capital are highly cohesive and have high levels of commitment and interest that enable them to motivate civic participation for or against an organization.

Mitchell et al. (1997) defined legitimacy as a general perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. Eesley and Lenox (2006) divided legitimacy into group and request legitimacy and proposed that legitimacy is granted not only to the stakeholder group but also to the specific issue that a stakeholder group champions (Eesley & Lenox, 2006). Both group and issue legitimacies are important for securing social support and public consensus from multiple echelons of society. If stakeholders are perceived to be socially, legally, culturally, or ethically legitimate, their claims and activities with regard to particular issues are accepted by society in general, accelerating issue development. In terms of the issues-management process, analyzing the degree of group or issue legitimacy is critical for organizations to be able to effectively deal with stakeholders and issues and to plan their strategic communications.

Along with legitimacy, power, and urgency, stakeholders' attitudes toward an organization or issue can create a big difference in their salience. However, no previous studies doubt that legitimate and powerful stakeholders could have different attitudes for or against an organization or issue. Therefore, few studies have considered stakeholders' preferences toward an organization.

Table 1: Stakeholders with a positive attitude toward the organization

	Low Power	High Power
Low Legitimacy	Affective Stakeholder	Supportive Stakeholder
High Legitimacy	Reasoned Stakeholder	Empowered Stakeholder

Accordingly, this study incorporates stakeholders' attitudes toward an organization into the salience variables. This study proposes a classification system of stakeholder types based on power, legitimacy, and attitudes. First, stakeholders who have a positive attitude toward an organization are described as reasoned, empowered, affective, or supportive according to the degree of power and legitimacy they possess (see Table 1). Reasoned stakeholders are similar to Grunig's (1983) and Hallahan's (2000) aware public; they are highly involved but have less knowledge than others about an issue. Reasoned stakeholders support an organization by suggesting legitimate arguments but do not have sufficient driving force to spread their positive public opinion because they lack power. Like the positive active public in Grunig's and Hallahan's studies, empowered stakeholders vigorously support an organization on the basis of reasonable arguments, and they have a high level of knowledge about the issue and the economic, political, and social powers to diffuse their favorable opinion of the organization throughout society. Supportive stakeholders have a high level of resources with which to support an organization, but they have weak arguments because they lack knowledge of or justification for the issue. Affective stakeholders have a positive attitude toward the organization, but their arguments are not socially justified because of their low level of legitimacy and lack of powerful resources.

Table 2: Stakeholders with a negative attitude toward the organization

	Low Power	High Power
Low Legitimacy	Antipathetic Stakeholder	Aroused Stakeholder
High Legitimacy	Attentive Stakeholder	Definitive Stakeholder

Stakeholders who have a negative attitude toward an organization can be classified as attentive, definitive, antipathetic, and aroused (see Table 2). Attentive stakeholders are similar to Grunig’s and Hallahan’s aware public and latent public that oppose an organization or issue. Attentive stakeholders are interested in issue development and are attentive to the manner in which an organization deals with the issue. Even with few resources, they are ready to frame the issue in a socially legitimate and reasonable way so that the issue becomes part of the public mind and creates a negative public attitude toward the organization. In terms of Grunig’s and Hallahan’s typologies, definitive stakeholders are negative or offensive active publics that oppose the organization. Definitive stakeholders are highly involved with and committed to the issue, are critical of the organization’s behaviors, and are likely to attack an organization by setting an agenda and framing the issue for the media. Antipathetic stakeholders have little knowledge about an issue and an organization; they tend to deal with the issue emotionally rather than rationally, so their arguments are weak and do not permeate the general public. Aroused stakeholders use irrational or unjustifiable arguments when discussing the issue and the organization; they display power through aggression and often are seen as a threat to the organization and society as a whole.

Second Step: Stakeholder Management Strategies and Implementation

Once organizations determine the salient stakeholders that might influence their survival, they should establish and manage good relationships with those stakeholders. Relationships between organizations and stakeholders depend on the situation, issue cycles, and resources, among other factors (Vos, 2003).

Research into stakeholder behavior and strategies for changing the relationship between an organization and its stakeholders has a shorter history than classification research; this new research focuses on how stakeholders attempt to influence an organization (Rowley & Moldoveanu, 2003).

Frooman (1999)’s study seems to be the only one to have examined stakeholder influence strategies. Frooman (1999) derived four types of organization–stakeholder relationships from resource dependency theory: firm power, high interdependence, low interdependence, and stakeholder power. On the basis of these relationship patterns, Frooman (1999) generated four types of stakeholder influence strategies: withholding, usage, direct, and indirect. For example, when a relationship is one of low interdependence, the stakeholder will choose an indirect withholding strategy to influence the firm. When a relationship is one of firm power, the stakeholder will choose an indirect usage strategy to influence the firm. When a relationship is one of stakeholder power, the stakeholder will choose a direct withholding strategy to influence the firm. When a relationship is one of high interdependence, the stakeholder will choose a direct usage strategy to influence the firm (Frooman, 1999; Yang & Konrad, 2011).

In examining influence strategies, however, Frooman (1999) took the stakeholder's point of view; as a result, he did not provide practical guidelines through which organizations can manage relationships with stakeholders. Furthermore, the corporate social responsibility (CSR) literature dealing with stakeholders often overlooks the idea that communication is at the heart of managing stakeholder relationships (Clark, 2000). Communication strategies for the management of issues with stakeholders are crucial for establishing social consensus on issues and effectively responding to crisis situations (Lewis, 2007).

To help an organization to restructure its relationship with stakeholders, this study suggests several communication strategies for each stakeholder.

According to resource dependency theory, organizations that have to deal with positive stakeholders with powerful resources are engaged either in organization power or a high interdependent relationship with stakeholders (Frooman, 1999). Furthermore, the organization must have a compatible relationship with stakeholders (Friedman & Miles, 2002). When an organization and stakeholders have a compatible relationship, all of the parties involved tend to consider their interests as being served by continuing the relationship. To maintain a powerful relationship over stakeholders, organizations should focus on constituency-building strategies, including empowerment, engagement, coalition, alliance, accommodation, activation, education, and immunization (Andsager, 1998; Cobb & Elder, 1972; Coombs, 1992; Jeong, 2014; Kim & Choi, 2014; Olson, 1982; Wittenberg & Wittenberg, 1994; Wong, Wei, & Tjosvold, 2011).

Constituency building is the process of determining the framework of an issue to justify it to society and empower stakeholders to support the organization and the issue. In other words, constituency building refers to an organization's efforts to identify, educate, and motivate individuals who might be able to affect the public policies that affect the organization. Corporate constituency programs usually attempt to inform constituents about relevant issues and encourage their participation in the legislative process, often through letters and phone calls to elected representatives (Keim & Zeithaml, 1986). For instance, an organization with reasonable stakeholders who frame issues in socially acceptable ways but who have limited power to disseminate their arguments needs to empower them by forming alliances (Faems, Janssens, & Neyens, 2012).

An organization with empowered stakeholders, who have a high level of legitimacy and social capital with which to influence society, needs to engage with them, form coalitions with them, and motivate them to augment the organization's actions (Choi, Moon, Nae, & Ko, 2013). Coalition building involves efforts by an organization to bring together groups who share common political interests on a particular legislative issue (Keim & Zeithaml, 1986; Weible, 2006). To find affective and supportive stakeholders, who have emotional support but little information or power with which to influence society, an organization needs to empower stakeholders through education and immunize them against negative messages from the opposition.

On the other hand, organizations that have to deal with negative stakeholders with powerful resources have a relationship characterized either by stakeholder power or low interdependence. According to Friedman and Miles's study (2002), such an organization is said to be in a necessary but incompatible relationship with definitive stakeholders, in that an organization cannot neglect critical stakeholders equipped with powerful resources. When the relationship is incompatible but necessary, compromising strategies between the parties are necessary (Vavra, 1992). When definitive stakeholders are strong and powerful in opposition to an issue or organization, the organization needs to manage the crisis or negotiate, bargain, or accommodate them.

The relationship between an organization and attentive or aroused stakeholders is incompatible and contingent on those stakeholders not being an immediate direct threat, although they might turn into a threat at any time. When a relationship is compatible but contingent, an opportunistic relationship exists. Dependencies must be restructured by aiming directly or indirectly at the constraining party in the relationship. Constraining strategies include cooptation, constraint absorption, and prevention, among other things (e.g., Cobb & Elder, 1972). An organization must attempt to prevent attentive and aroused stakeholders from taking social action by monitoring their activities or issues development. An organization should work to co-opt hard-core members to its side and neutralize their arguments or mitigate their negative attitude by implementing CSR activities (Casciaro & Piskorski, 2005).

Finally, when there is an incompatible and contingent relationship with antipathetic stakeholders with low power and low legitimacy, the relationship must end (Friedman & Miles, 2002). To prevent an unexpected potential threat from developing, consistent monitoring and issues-management activities are needed.

Third Step: Stakeholder Management Evaluation

Finally, in the process of preparing and implementing stakeholder management strategies, an organization should evaluate how well it is doing. In general, the output and outcome evaluation of stakeholder management can be conducted with surveys, in-depth interviews, focus group interviews, communication audits, content analyses, and direct observations, to name a few techniques.

Deephouse (2000) proposed the development of a media reputation index as an evaluation tool for the effects of a communication program; the index should focus on media reports of an organization's activities. Deephouse used a coefficient of media favorableness, the ratio of the number of favorable reports about an organization to the number of unfavorable reports in a given year.

In addition to the measurement of favorable and unfavorable news reports, more in-depth media content analysis, including issue exposure rate, issue framing type, characteristics of stakeholders' activities, and issue resolution type, are suggested. Furthermore, web content analyses, such as blogs, replies, web communities, and discussion rooms related to stakeholders or issues, provide a useful sense of how the people driving these new media are responding to an issue.

More specifically, the constituency-building strategy can be evaluated in several ways, such as by tracking the number of calls or letters from supportive stakeholders; determining increases in volunteers and members gathered to support an issue; the rates of newcomers, membership renewal, or membership retention; the donation rate to funds gathered in support of an issue; the numbers of education programs or seminars implemented to empower stakeholders; and the numbers of coalition or alliance organizations, among other factors. In addition, public opinion polls suggesting a positive environment for the formation of a favorable opinion and legislative acts or opportunities for producing favorable administrative policy decisions can be indicators of the success of a constituency-building strategy.

As for the evaluation of a compromising strategy, several methods can be used, such as the number of trials and the success rate of negotiations or bargaining; the number of labor strikes, demonstrations, sit-ins, and pickets; the presence or absence of boycotts; and the number of litigation cases.

To evaluate a constraining strategy, the number who secede from labor unions, the number of mergers or acquisitions, a decrease in the number of stakeholders against an issue or organization, and a decrease in resources of the opposing stakeholders, to name a few, can be used as evaluation indicators.

Stakeholder management should not be a one-time linear process but a repetitive cyclical process of stakeholder identification and analysis, stakeholder management strategies and implementation, and evaluation.

CONCLUSIONS

This study clarifies the stakeholder management literature by putting together fragmented pieces with the issues-management process model. Though the stakeholder management literature has separately dealt with each individual piece of stakeholder salience and identification and its moral aspects, among other issues, this study provides a comprehensive three-step model of stakeholder management: (1) stakeholder identification and analysis, (2) stakeholder management strategies and implementation, and (3) stakeholder management evaluation.

In addition, this study added a systematic theoretical explanation of the model using relationship management and resource dependency perspectives to facilitate stakeholder analysis and simplify stakeholder management strategies. From the perspective of resource dependency, as opposed to role-based identification, this study used interest-based stakeholder identification because stakeholders tend to congregate around issues in which their resources, such as equity, economic, or influence stakes, are involved. The salience of stakeholders in an organization is based on: (1) their power to influence public opinion and activate issues and (2) the legitimacies of their message about the issue and their social justification. To the extent that stakeholders have resources to influence public opinions in a selfishly favorable way, their salience increases. As a result, according to the dependent or independent relationships between stakeholders and organizations, strategies for dealing with stakeholders can be determined.

From a practical point of view, the stakeholder identification step, which occurs when organizations begin to identify the interests of stakeholders, helps organizations picture what types of reactions or attacks will occur in the near future. In addition, stakeholder analysis, which occurs when organizations analyze the resources possessed by stakeholders, allows organizations to enlist salient stakeholders and offers a practical initiation into stakeholder management. The criteria for stakeholder identification and analysis in this model can provide practical guidelines for ongoing brainstorming drills within organizations to determine which stakeholders should be engaged. Furthermore, an organization's stakeholder management strategies are created and selected according to stakeholder categories on the basis of types and priorities. This cyclical process can motivate organizations to continue their implementation and evaluation, which will lead to an effective and efficient issues management process that can result in the construction of a better society.

This study has several limitations. First, the model was delineated on the basis of theoretical assumptions and propositions rather than on the practical experiences of real case studies. The model presents an ideal framework for stakeholder and issues management practices and may be vulnerable to criticism based on flaws in the application of the model to real cases from different industries. Future research should seek to develop more practical and applicable details of the model, which will broaden its areas of explanation. Future studies should also investigate more variables critical for analyzing stakeholder types and resources. In addition, there may be more useful or parsimonious variables for understanding stakeholder and issue management.

REFERENCES

Achterkamp, M. C., & Vos, J. F. J. (2007). Critically identifying stakeholders: Evaluating boundary critique as a vehicle for stakeholder identification. *Systems Research and Behavioral Science*, *24*, 3-14.

Andsager, J. L. (1998). Examining theoretical structures in competing news frames: How interest groups shaped coverage of the late-term abortion debate. Paper presented at the annual meeting of the Association for Education in Journalism and Mass Communication, Baltimore, MD.

Argandona, A. (1998). The stakeholder theory and the common good. *Journal of Business Ethics*, *17*(9/10), 1093-1102.

Atwood, L. E., & Major, A. M. (1991). Applying situational communication theory to an international political problem: Two studies. *Journalism Quarterly, 68(1),* 200-210.

Bourne, L., & Walker, D. (2005). Visualising and mapping stakeholder influence. *Management Decision, 43(5),* 649-660.

Bussy, N. M., Ewing, M. T., & Pitt, L. F. (2003). Stakeholder theory and internal marketing communications: A framework for analyzing the influence of new media. *Journal of Marketing Communications*, *9*, 147-161.

Carroll, A. B. (2000). A commentary and an overview of key questions on corporate social performance measurement. *Business Society*, *39*(4), 466-478.

Casciaro, T., & Piskorski, M. J. (2005). Power imbalance, mutual dependence, and constraint absorption: A closer look at resource dependence theory. *Administrative Science Quarterly, 50,* 167-199.

Castro-Casal, C., Neira-Fontela, E., & Alvarez-Perez, M. (2013). Human resources retention and knowledge transfer in mergers and acquisitions. *Journal of Management & Organization, 19*(2), 188-209.

Choi, B., Moon, H., Nae, E., & Ko, W. (2013). Distributive justice, job stress, and turnover intention: Cross-level effects of empowerment climate in work groups. *Journal of Management & Organization, 19*(3), 279-296.

Clark, C. E. (2000). Differences between public relations and corporate social responsibility: An analysis. *Public Relations Review*, *26*(3), 363-380.

Clarkson, M. B. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *The Academy of Management Review*, *20*(1), 92-117.

Cobb, R. W., & Elder, C. D. (1972). Participation in American politics. The dynamics of agenda building. Boston: Allyn & Bacon.

Coombs, W. T. (1992). The failure of the task force on food assistance: A case study of the role of legitimacy in issue management. *Journal of Public Relations Research, 4*, 101-122.

Cutlip, S. M., Center, A. H., & Broom, G. M. (2000). Effective Public Relations. Upper Saddle River, NJ: Prentice Hall.

Deephouse, D. (2000). Media reputation as a strategic resource: An integration of mass communication and resource-based theories. *Journal of Management*, *26*, 1091-1112.

Derry, R. (2012). Reclaiming marginalized stakeholders*. Journal of Business Ethics. 111*, 253-264.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *The Academy of Management Review*, *20*(1), 65-91.

Downs, A. (1972). Up and down with ecology – the "issue-attention cycle." *The Public Interest, 28*, 38-50.

Eesley, C., & Lenox, M. J. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, *27*, 765-781.

Faems, D., Janssens, M., & Neyens, I. (2012). Alliance portfolios and innovation performance: Connecting structural and managerial perspectives. *Group & Organization Management, 37*(2), 241-268.

Freeman, R. E., & Reed, D. L. (1983). Stockholders and stakeholders: A new perspective on corporate governance. *California Management Review*, *25*(3), 88-106.

Friedman, A. L., & Miles, S. (2002). Developing stakeholder theory. *Journal of Management Studies*, *39*(1), 1-21.

Frooman, J. (1999). Stakeholder influence strategies. *The Academy of Management Review*, *24*(2), 191-205.

Garces-Ayerbe, C., Rivera-Torres, P., & Murillo-Luna, J. (2012). Moderating effect of competitive advantage expectations. *Management Decision, 50(2),* 189-206.

Grundy, T. (1997). Accelerating strategic change: The internal stakeholder dimension. *Strategic Change*, *6*, 49-56.

Grunig, J. E. (1983). Communication behaviors and attitudes of environmental publics: Two studies. *Journalism Monograph, 81*, 1-47.

Grunig, J. E., & Ipes, D. A. (1983). The anatomy of a campaign against drunk driving. *Public Relations Review, 9,* 36-52.

Grunig, J. E., & Stamm, K. R. (1979). Cognitive strategies and the resolution of environmental issues: A second study. *Journalism Quarterly, 56*, 715-726.

Hallahan, K. (2000). Inactive publics: The forgotten publics in public relations. *Public Relations Review, 26*(4), 499-515.

Hallahan, K. (2001). The dynamics of issues activation and response: An issues processes model. *Journal of Public Relations Research*, *13*(1), 27-59.

Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: What's the bottom line? *Strategic Management Journal*, *22*, 125-139.

Jeong, S. (2014). Strategic collaboration of R&D entities for technology convergence: Exploring organizational differences within the triple helix. *Journal of Management & Organization, 20*(2), 227-249.

Jones, B. L., & Chase, W. H. (1979). Managing public policy issues. *Public Relations Review*, *5*(2), 3-23.

Jones, T. M., & Wicks, A. C. (1999). Convergent stakeholder theory. *The Academy of Management Review*, *24*(2), 206-221.

Kaler, J. (2002). Morality and strategy in stakeholder identification. *Journal of Business Ethics*, *39*, 91-99.

Kaler, J. (2003). Differentiating stakeholder theories, *Journal of Business Ethics*, *46*, 71-83.

Key, S. (1999). Toward a new theory of the firm: A critique of stakeholder "theory." *Management Decision. 37*(4), 317-328.

Kim, H., & Choi, S. (2014). Corporate performance drivers in vertical downstream alliance portfolios: The Korean defense industry. *Journal of Management & Organization, 20*(2), 148-164.

Newsom, D., VanSlyke Turk, J., & Kruckeberg, D. (2004). *This is PR*. Belmont, CA: Thomson Wadsworth.

Keim, G. D., & Zeithaml, C. P. (1986). Corporate political strategy and legislative decision making: A review and contingency approach. *The Academy of Management Review*, *11*(4), 828-843.

Kuratko, D. F., Hornsby, J. S., & Goldsby, M. G. (2007). The relationship of stakeholder salience, organizational posture, and entrepreneurial intensity to corporate entrepreneurship. *Journal of Leadership & Organizational Studies*, *13(*4), 56-72.

Lee, T., & Chu, W. (2013). How entrepreneurial orientation, environmental dynamism, and resource rareness influence firm performance. *Journal of Management & Organization, 19*(2), 167-187.

Lewis, L. K. (2007). An organizational stakeholder model of change implementation communication. *Communication Theory*, *17*, 176-204.

Mahon, J. F., & Waddock, S. A. (1992). Strategic issues management: An integration of issue life cycle perspectives. *Business & Society, 31(1),* 19-32.

Mainardes, E. W., Alves, H., & Raposo, M. (2011). Stakeholder theory: issues to resolve. *Management Decision*, *49*(2), 226-252.

Mainardes, E. W., Alves, H., & Raposo, M. (2012). A model for stakeholder classification and stakeholder relationships. *Management Decision, 50(10),* 1861-1879.

Major, A. M. (1998). The utility of situational theory of publics for assessing public response to a disaster prediction. *Public Relations Review, 24(4),* 489-508.

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *The Academy of Management Review*, *22*(4), 853-886.

Mitnick, B. M. (2000). Commitment, revelation, and the testaments of belief: The metrics of measurement of corporate social performance. *Business & Society*, *39*(4), 419-465.

Newcombe, R. (2003). From client to project stakeholders: A stakeholder mapping approach. *Construction Management and Economics*, *21*, 841-848.

Newsom, D., Turk, J. V., & Kruckeberg, D. (2004). This is PR. Belmont, CA: Wadsworth

Olson, M. (1982). The logic of collective action. Public goods and the theory of groups. Cambridge, MA: Harvard University Press.

Peters, B. G., & Hogwood, B. W. (1985). In search of the issue-attention cycle. *The Journal of Politics, 47(1),* 238-253.

Phillips, R., Freeman, R. E., & Wicks, A. C. (2003). What stakeholder theory is not. *Business Ethics Quarterly*, *13*(4), 479-502.

Podnar, K., & Jancic, Z. (2006). Towards a categorization of stakeholder groups: An empirical verification of a three-level model. *Journal of Marketing Communications*, *12*(4), 297-308.

Rakich, J. S., & Feit, M. D. (2001). A life cycle model of public policy issues in health care: The importance of strategic issues management. *Journal of Health & Social Policy, 13(4)*, 17-32.

Rowley, T. J. (1997). Moving beyond dyadic ties: A network theory of stakeholder influences. *The Academy of Management Review*, *22*(4), 887-910.

Rowley, T. J., & Moldoveanu, M. (2003). When will stakeholder groups act? An interest- and identity-based model of stakeholder group mobilization. *Academy of Management Review*, *28*(2), 204-219.

Springston, J. K., & Weaver-Lariscy, R. A. (2003). Health as profit: Public relations in health communication. In T. L. Thompson, A. M. Dorsey, K. I. Miller, & R. Parrott (Eds.). *Handbook of Health Communication* (pp. 537-56). Marwah, N.J.: Lawrence Erlbaum Associates.

Steurer, R. (2006). Mapping stakeholder theory anew: From the ‘stakeholder theory of the firm’ to three perspectives on business-society relations. *Business Strategy and the Environment, 15*, 55-69.

Sternberg, E. (1997). The defects of stakeholder theory. *Corporate Governance*, *5*(1), 3-10.

Vavra, T. G. (1992). Aftermarketing. How to keep customers for life through relationship marketing. Homewood, IL: Irwin.

Vos, J. (2003). Corporate social responsibility and the identification of stakeholders. *Corporate Social Responsibility and Environmental Management*, *10*, 141-152.

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, *18*(4), 303-319.

Wang, C., Chu, W., & Chen, C. (2013). Ownership, resources, and business-group effects on affiliate performance: Evidence from Taiwan. *Journal of Management & Organization, 19*(3), 255-278.

Weible, C. M. (2006). An advocacy coalition framework approach to stakeholder analysis: Understanding the political context of California Marine Protected area policy. *Journal of Public Administration Research and Theory*, *17*, 95-117.

Wilcox, D. L., Ault, P. H., & Agee, W. K. (1998). Public Relations. U.S.: Longman Wittenberg, E., & Wittenberg, E. (1994). How to win in Washington. Very practical advice about lobbying, the grassroots and the media. Cambridge, MA: Blackwell.

Wolfe, R. A., & Putler, D. S. (2002). How tight are the ties that bind stakeholder groups? *Organization Science*, *13*(1), 64-80.

Wong, A., Wei, L., & Tjosvold, D. (2011). Conflict management for government and business to share effective practices in China. *Group & Organization Management, 36*(5), 597-629.

Yang, Y., & Konrad, A. (2011). Understanding diversity management practices: Implications of institutional theory and resource-based theory. *Group & Organization Management, 36*(1), 6-38.

Zyglidopoulos, S. C. (2003). The issue life-cycle: Implications for reputation for social performance and organizational legitimacy. *Corporate Reputation Review, 6(1),* 70-81.

HYUN SOON PARK is an associate professor of Sungkyunkwan University. **Email**: serenity [AT] skku.edu

YUN-HEE LEE is a founding partner at Macoll Consulting Group. **Email**: yhlee [AT] macoll.com