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WORKING PAPER

THE STAKEHOLDER MODEL REFINED

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THE STAKEHOLDER MODEL REFINED

Abstract

The popularity of the stakeholder model has been achieved thanks to its powerful visual scheme and its very simplicity. Stakeholder management has become an important tool to transfer ethics to management practice and strategy. Nevertheless, legitimate criticism continues to insist on clarification and emphasises on the perfectible nature of the model. Here, rather than building on the discussion from a philosophical or theoretical point of view, a different and innovative approach has been chosen: the analysis will return to the origin of stakeholder theory and will keep the graphical framework firmly in perspective. It will confront the stakeholder model's graphical representation to the discussion on stakeholder definition, stakeholder identification and categorisation, to re-centre the debate to the strategic origin of the stakeholder model.

The ambiguity and the vagueness of the stakeholder concept are discussed from managerial and legal approaches. The impacts of two major shortcomings of the popular stakeholder framework are examined: the boundaries and the level of the firm's environment, and the ambivalent position of pressure groups and regulators. Working pragmatically, with a focus on the managerial and organisational perspective, an attempt is made to clarify the categorisations and classifications by introducing new terminology with a distinction between *stakeholders*, *stakewatchers* and *stakekeepers*. The analysis will finally lead to a proposed upgraded and refined version of the stakeholder model, with incremental ameliorations close to Freeman's original model and a return of focus to its essence, the managerial implications in a strategic approach.

Keywords: stakeholder, stakewatcher, stakekeeper, stakeholder model, stakeholder theory, strategy, graphical framework, Freeman's model, pressure groups, business ethics