

Stakeholder Theory:

Reviewing a Theory That Moves Us

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ABSTRACT

This article reviews the academic stakeholder theory literature as it developed between 1984 and 2007. The authors content analyzed 179 articles that directly addressed Freeman's work on stakeholder theory and found five themes: (a) stakeholder definition and salience, (b) stakeholder actions and responses, (c) firm actions and responses, (d) firm performance, and (e) theory debates. Themes were observed in multiple research fields, suggesting broad appeal. The authors noted a substantial rise in stakeholder theory's prominence since 1995 and documented that the theory has detractors insofar as it questions shareholders' wealth maximization as the most fundamental objective of business. The authors' recommendations include urging more empirical research across a broader set of organizations apart from large publicly traded corporations, more qualitative research to document cognitive aspects of how managers respond to stakeholder expectations, and a return to the theory's emphasis on the strategic benefits of stakeholder management, albeit with a broader view of firm performance.

Keywords: *stakeholder theory; strategy; corporate social responsibility; business ethics*

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