

ISSUE-FOCUSED APPROACH TO STAKEHOLDER ANALYSIS: AN EMPIRICAL EXAMINATION OF A CONFLICT SITUATION

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ABSTRACT

This paper examines stakeholder dynamics in a conflict situation. The aim of this paper is to analyse how stakeholders and their interests evolve in relation to the conflict using issue-focused approach. Media texts reporting on a case of a foreign investment project are used as research data. In the analysis we distinguish four distinct episodes within the conflict and examine how the stakeholders, their interests and salience evolve intertwined to these episodes, and how this constitutes a dynamic conflict situation. To conclude, we discuss how issue-focused analysis provides new understanding of stakeholder dynamics.

INTRODUCTION

The traditional stakeholder analysis is based on identifying the stakes and the interests of the stakeholders related to the focal company (Freeman, 1984), and several frameworks for classifying stakeholders have been introduced in stakeholder literature. It has been pointed out, however, that the traditional classification approach to stakeholder identification and management provides only a static view of the situation, although there is a need to understand the dynamic nature of stakeholder attributes and interests (Mitchell et al., 1997; Frooman, 1999). Moreover, it has been argued that the company-centric models for assessing stakeholders and their behaviour might not suffice in complex conflict situations, and that an issue-focused approach could be more appropriate (Roloff, 2008). In this study we contribute to this discussion by showing that the stakeholders, their interests and demands are in constant change throughout the episodes of the conflict.

The study examines stakeholders in an empirical setting where Europe's second largest pulp producer, Metsä-Botnia (hereafter Botnia) invested in a pulp mill in South America, in the city of Fray Bentos on the Uruguay River in Western Uruguay. The investment was remarkable firstly because it was the biggest foreign industrial investment a private Finnish company has ever made, and secondly because the pulp mill project was the biggest industrial investment in the history of Uruguay. According to the World Bank, the mill's completion will increase Uruguay's GDP by 1.6% and create 8,000 jobs for the nation. The Uruguayan government supported the project by granting a free trade area to the factory.

Before the investment decision in 2003–2004, Botnia had carried out studies on starting pulp production in Uruguay and on the environmental and social impacts of the mill. The company also arranged conferences and meetings for the media, local communities and NGOs, invited Uruguayan reporters and politicians to visit Finland, and held local information dissemination sessions in both Uruguay and Argentina. Despite good planning of the plant, a disagreement arose regarding its location and because of environmental concerns related to the contamination of the Uruguay River and thus, to the negative effect on revenues from tourism.

The dispute began as a disagreement between Uruguay and Argentina. Soon, however, it was politicised into an open conflict between the two nations. The conflict burgeoned into a public issue, which attracted various sets of stakeholders, such as civic and environmental organisations, local people, workers, financiers, the Hague International Court of Justice, and the governments of Uruguay, Argentina and Finland. The conflict provides an

interesting opportunity to study the dynamics of stakeholders and their interests, as in such a nationally significant dispute, the stakes and interests of each party form the very core of the situation at hand.

The paper is constructed as follows. After this introduction, we review the stakeholder literature to arrive at a theoretical starting point for this study. The premises of stakeholder analysis, the traditional stakeholder classifications, and the prospects of the issue-focused approach will be discussed. After that we turn to empirical research. We justify our methodological choices, describe the process of empirical analysis, and present the results of our study. At the end, we discuss the contributions of this research as well as its limitations.

THE TRADITIONAL AND THE ISSUE-FOCUSED STAKEHOLDER ANALYSIS

Stakeholder analysis was developed as a model to identify and assess company's stakeholders thereby providing tools for effective strategic management (Freeman, 1984). Consequently, much of the stakeholder literature, especially published in the 1980's and 1990's, focuses on defining the stakeholder concept and on identifying and categorising stakeholders. Stakeholder identification was founded on the recognition of stakeholders' stakes to the focal company (Donaldson & Preston, 1995; Rowley & Moldoveanu, 2003), and the stakes were seen as combinations of stakeholders' interests, values, expectations and claims (Näsi, 1995).

The stakeholder literature presents a number of valid models for stakeholder classification and for identifying important stakeholders. Typically stakeholders are categorized as internal or external stakeholders (Freeman, 1984; Näsi, 1995) or as primary and secondary stakeholders (Clarkson, 1995). Without primary stakeholders' support, such as that of management, investors, employees and customers, the company would cease to exist. Secondary stakeholders do not have a direct influence on the company, but they can exert indirect influence on the company (Frooman, 1999). Other classes include voluntary and involuntary stakeholders (Clarkson, 1994), and strategic and moral stakeholders (Goodpaster, 1991). The identification of key stakeholders has been paid special attention (Freeman, 1984; Savage et al., 1991), as they are those individuals and groups exerting a direct influence over a company's actions and success. Savage et al. (1991) have claimed that stakeholders' significance depends upon the situation and that by assessing stakeholders' potential to threaten or to co-operate with the company, managers could identify supportive, mixed blessing, non-supportive, and marginal stakeholders.

Stakeholder analysis is used to facilitate stakeholder management. The traditional view of stakeholder management perceives company-stakeholder relationships as something that the company can and should manage (Freeman, 1984; Savage et al., 1991). Effective stakeholder management requires that all stakeholder interests are catered for simultaneously, and therefore it is the task of management to balance out even the contradictory stakeholder claims with the company's interests (Freeman & Evan, 1990; Donaldson & Preston, 1995). Thus, the term stakeholder management typically refers to a company or a manager centred effort to govern stakeholder relationships (Roloff, 2008).

As the traditional classification approach has been argued to result in static categorisations of stakeholders (Frooman, 1999), Mitchell et al. (1997) proposed a dynamic model of stakeholder salience. The salience model aims to understand the stakeholder dynamics, and Mitchell et al. (1997) present that salience is an issue and time-specific attribute of the firm-stakeholder relationship.

Mitchell et al. (1997) argued that managers' perception of stakeholder salience is based on stakeholders' power, legitimacy and urgency. According to them, power manifests in one actor's ability to get someone else to do something he/she would not otherwise have done. Furthermore, power in a relationship is based on actors' resources to exercise power. A stakeholder may, however, influence and align itself with other stakeholders who have power in order to indirectly impose their will on managers (see also Zietsma & Winn, 2008). Legitimacy is a perception or assumption that the actions are desirable, proper, or appropriate, and it can be analysed on individual, organisational or societal levels. Urgency adds the element of dynamism to the model, as it is based on the time-sensitivity and the criticality of stakeholder claims, and is thus defined as the degree to which stakeholder claims call for immediate action. (Mitchell et al., 1997.)

The literature has focused mainly on the dyadic company-stakeholder relationship (Rowley, 1997), even though Evan and Freeman already noted in 1990 that stakeholders do not only have relationships with the focal company, but also with each other. Rowley (1997) presented a network theory of stakeholder influences examining between-stakeholder relationships and their consequences for the focal company. Rowley (1997) argued that a company does not respond to individual stakeholder demands, but rather to the simultaneous demands of multiple stakeholders. In addition to the shortcoming that the traditional model yet fail to consider multiple, simultaneous stakeholder interests and demands, it is also based on the assumption that stakeholders' behaviour is based on rational aims to protect their interests, even though action can also be motivated by issues related to groups identity (Rowley & Moldoveanu, 2003).

The traditional models for stakeholder identification may not suffice in situations developing in relation to an issue or problem that the company represents or is related to (Roloff, 2008). In those contexts, the stakeholders' interests and demands may not be related to the focal company, but first and foremost to the issue. Yet the company should assess these stakeholders as well, as their actions will most likely directly or indirectly influence the company. As a result, the relationships with parties previously classified as marginal or non-stakeholders, may prove to be the key to solving the issue at hand.

Issue-focused stakeholder management supplements the traditional company-centric model, as it enabled the company to address complex problems and challenges in cooperation with stakeholders (Roloff, 2008). Roloff has proposed an alternative definition of stakeholder in multi-stakeholder contexts: "[...] a stakeholder is any group or individual who can affect or is affected by the issue addressed by the network" (Roloff, 2008: 238). The issue-focused model allows the stakeholders to be analysed in relation to the particular context in which they operate. As a result, the traditional company-centric premise is revoked.

We argue that the traditional model fails to provide a dynamic view of stakeholders and their interests, as those are only identified in relation to the focal company. In addition, the various contexts or situations that the company might be involved in simultaneously are not catered for, and the various, possibly simultaneous objectives of stakeholders remain unnoticed. Issue-focused approach to stakeholder analysis focuses on the issue at hand, which allows for us to examine to stakeholder dynamics and how the stakeholders are connected to the development of the conflict.

DATA COLLECTION AND ANALYSIS

The research data was collected from a public source dealing with the building process of the pulp mill from 7 March 2005 until 9 November 2007, the period from Botnia's investment decision to the date when the mill went into production. This period comprehensively covers the events related to the preparations, construction and start-up of the mill. We chose the biggest quality daily in Finland, *Helsingin Sanomat* (hereafter *HS*), as the source of empirical data for our research. *HS* was chosen as a source of empirical data as the articles extensively covered the events of the conflict and the actions of different parties throughout the research period. Newspaper articles were selected using the search words "Botnia" and "Uruguay". The research data consisted of 139 newspaper articles published between March, 2005 and November, 2007 (Table 1).

Table 1 Number of articles published in *Helsingin Sanomat* March 2005–November 2007

Year	Articles published in <i>HS</i> N
2005	12
2006	89
2007	38
Total	139

The data analysis was conducted as a qualitative content analysis (Graneheim & Lundman, 2004; Krippendorff, 2004; Elo & Kyngäs, 2007). The aim of that method is to attain a condensed and broad description of the phenomenon by organising and classifying the data by condensing words, phrases and the like into fewer content-related categories and, further, by focusing on themes and patterns. (Elo & Kyngäs, 2007; Krippendorff, 2004).

As the aim was to combine the analysis of stakeholders with the analysis of the conflict, we first familiarized ourselves with the conflict and formed a time line of the events within the case. Based on this, we were able to distinguish four distinct but overlapping episodes within the conflict. The episodes represent the key events of the conflict, and thus help to illustrate the dynamics of this case.

We next focused on identifying different stakeholders related to each episode, and analysing the stakeholders' claims and interests within the episodes. We focused our analysis on those stakeholders extensively covered in the research data in order to ensure the validity of our results. In each episode, a different combination of stakeholders was

identified. The stakeholders were divided into opposing, supporting, and neutral stakeholders regarding their standing in the conflict (Savage et al., 1991). Furthermore, the stakeholders had particular interests in every episode, and thus it was possible for a stakeholder to have multiple, simultaneous interests or claims within the conflict.

Our analysis continued with the assessment of the stakeholders' salience (Mitchell et al., 1997) based on the analysis of power, legitimacy, and urgency related to the episodes. Power was analysed as an attribute of the relationship by examining whether a stakeholder had power relative to others, and by whether the stakeholder was thus able to influence others and the events of the episode. Legitimacy and urgency were analysed as attributes of stakeholders' interests or claims.

THE EPISODES AND THE STAKEHOLDERS

As a result of our analysis, we distinguished four different episodes within the conflict 1) demands for suspending the construction works, 2) the International Finance Corporation's (IFC) decision-making process, 3) the proceedings in the Hague International Court of Justice (ICJ) and 4) demands for the Finnish government to intervene (Figure 1).

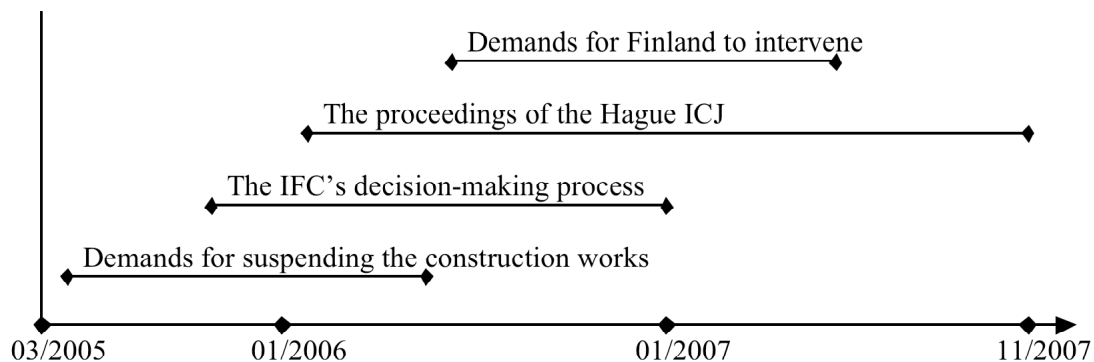


Figure 1 Timeline of the episodes of the conflict

These episodes cover the key events of the conflict, and their overlap in respect of time illustrates the complex and dynamic nature of the case. We will now illustrate the events of the conflict and the stakeholder relationships through these episodes.

Demands for suspending the construction works

Argentine stakeholders, especially the Argentine government and the Argentinian Citizens Environmental Assembly of Gualeguaychú (hereafter referred to as GEAG) presented their demands for the suspension of the construction works in spring 2005. The GEAG is a local group consisting of citizens of Gualeguaychú, a city across the river from the plant. Argentina and Uruguay have signed a bilateral agreement in 1975 to protect the use of the Uruguay River requiring both parties to agree on any issue concerning the river. The governments set up a joint committee to evaluate the environmental impact of the pulp mill, and Argentina requested the project be suspended until the arrival of the environmental

report. In August 2005, Argentina accused Uruguay of having violated the agreement and threatened to summon Uruguay to the Hague ICJ.

The members of GEAG started demonstrations of tens of thousands of people at the border bridge in May 2005, saying that the mill would, among other things, pollute the river, contaminate the area, and ruin the tourism business. By the end of 2005, demonstrations were also held at the Finnish Embassy in Buenos Aires, and the members of GEAG set up roadblocks on the border bridge.

The Argentine government and GEAG had a common interest in demanding the suspension of the construction works in order to prevent environmental damage. The Argentine government supported the actions of GEAG thereby increasing the power of their common demand. Invoking environmental concerns legitimised the actions of the members of GEAG, and they had power to delay the construction works by setting up roadblocks and by drawing international attention to the conflict.

The Finnish Embassy was drawn into the conflict by the demonstrations, but had itself no interest in the project. The Finnish Embassy set about providing accurate information about the project and the pulp mill to the Argentines, in order to maintain international relations. The Embassy had no power related to the issue, but the actions were legitimate and urgent.

Argentina officially requested that Uruguay halts the construction works in December 2005, but as the Uruguayan government refused, the dispute inevitably erupted. The demands of the Argentine government can be deemed legitimate on the grounds that Uruguay had violated the Uruguay River Statute, and urgent, as it invoked the protection of the environment. In March 2006, however, the presidents of Uruguay and Argentina appealed for a 90-day moratorium on construction works until an independent environmental impact study had taken place.

The Argentine government had no power to influence Botnia directly. However, it supported the demonstrations and negotiated an agreement with the Uruguayan government, and was thus able to influence Botnia indirectly. The Uruguayan government had power to influence Botnia, and the agreement with Argentina was legitimate and also urgent as it aimed to ensure relations with the Argentine government.

The employees and residents of Fray Bentos opposed the suspension, as they feared job losses and the loss of the economic benefits of the pulp mill. These parties had no power in this issue, but the claims were legitimate and urgent.

After the appeal for a suspension, the representatives of Botnia stated that the construction would go ahead in spite of any appeal, as there were no legal grounds for suspending the works. Later Botnia halted the works for ten days instead of the 90 days in order to help find a solution to the controversy the two nations. The presidents had already agreed that they would negotiate during the moratorium, but as Botnia refused to cooperate, relations were broken off. Botnia's management had the power to decide on the suspension, and they had legitimate and urgent grounds for opposing it as they acted according to the company's

policies. Table 2 summarises the stakeholders and their demands and interests related to the episode.

Table 2 Stakeholders, interests and salience related the demands for suspending the construction works

	Stakeholder	Claims and interests related to the episode	Salience
Opposing	Argentine government	Interest in demanding a suspension of the construction works in order to prevent environmental damage.	P, L, U
	GEAG	Interest in demanding the suspension of construction works in order to prevent environmental damage.	P, L, U
Supporting	Uruguayan government	Interest in ensuring the continuation of the construction works, as the pulp mill would economically benefit the national economy.	P, L, U
	Management	Objective to continue the construction works in schedule.	P, L, U
	Employees	Interest in supporting the continuation of construction works to ensure employment.	L, U
	Residents of Fray Bentos	Interest in supporting the continuation of construction works to ensure employment and economic benefits in the area.	L, U
Neutral	Finnish Embassy	Objective to provide accurate information for Argentine stakeholders.	L, U

(P=Power, L=Legitimacy, U=Urgency)

The IFC's decision-making process

The episode related to the World Bank's International Finance Corporation's (IFC) decision-making process was also dominated by the Argentine government and GEAG. These parties shared an interest in preventing the IFC, as a major financier of the project, from financing the pulp mill.

The IFC commenced an environmental impact assessment in September 2005, as Argentina had criticised the initial assessment made by Botnia. The draft impact assessment published in December 2005 stated that the pulp mill would not harm the quality of water or air. The Argentine government sent an official letter protesting against the study to the IFC in January 2006, and the IFC embarked on another assessment. In response, Botnia publicly accused Argentina of delaying the financing decision. The members of GEAG endeavoured to influence the financing banks by demonstrations and roadblocks, as well as by writing letters to the banks.

The new impact assessment was completed in April 2006, and the IFC stated that it needed further consultations. The interest of Botnia's management was to provide the IFC with the best available information to ensure fair decision-making, and they agreed to participate in

another assessment. Management had potential power to influence the decision-making process, and their interest was legitimate and urgent.

In October 2006 the members of GEAG set up the roadblocks again. The final version of the environmental study was released in October, and stated that the pulp mill would not harm the environment and further that it would benefit the Uruguayan economy. Despite fierce criticism from Argentina, the IFC and MIGA (Multilateral Investment Guarantee Agency) granted a \$170 million loan and a \$350 million guarantee for the project. The Argentine president responded by emphasising that they would not prevent the roadblocks, which compelled Uruguay to take the case to the Hague ICJ.

In this episode, Argentina had power to influence the IFC by demanding new environmental assessments. Thus the Argentine government again influenced other stakeholders in order to further its demands and to oppose the pulp mill. The claims of Argentina and GEAG were legitimate and urgent in the sense of time-sensitivity and criticality, as the IFC was to base its financing decision partly on the environmental assessments. The IFC had the power and legitimacy to make the financing decision, and the interest was urgent given its criticality.

Table 3 Stakeholders, interests and salience related the IFC's decision-making process

	Stakeholder	Claims and interests related to the episode	Salience
Opposing	Argentine government	Interest in preventing the IFC from financing the project in order to influence Botnia, and the construction works.	P, L, U
	GEAG	Interest in preventing the IFC from financing the project in order to influence Botnia.	L, U
Supp.	Management	Interest in providing information for the IFC's decision-making.	P, L, U
Neutral	The IFC	Interest in assessing the project objectively before the financing decision.	P, L, U

(P=Power, L=Legitimacy, U=Urgency)

The proceedings in the Hague ICJ

The dispute was politicised into an open conflict between Uruguay and Argentina, as Argentina decided to take the case to the Hague ICJ in January 2006. Argentina accused Uruguay of violating the Uruguay River Statute by authorising the construction project without prior consultation with Argentina, and demanded that the mill project be suspended. Argentina's interest was, further, to hinder the project and to prevent environmental damage. In July 2006, the ICJ ruled that there were no grounds for imposing a suspension on the works of the pulp mill project.

The members of GEAG tried to influence the process by demonstrations and roadblocks, even though Argentina opposed these actions, as they were deemed harmful to Argentina's standing in the court. GEAG did not have power in this episode, and its claims were not deemed legitimate. Uruguay took the case of the roadblocks to the ICJ, but the Court denied the requests to take measures against the roadblocks. Uruguay's interest in the issue was to ensure the constant progress of the project and to prevent further harm to the economy due to the roadblocks. Thus, the Uruguayan government strove unsuccessfully to influence GEAG by influencing the ICJ and the Argentine government. Both the Argentine and the Uruguayan governments' interests were legitimate and urgent, and they had the power to initiate legal proceedings. However, they did not have direct power to influence Botnia or each other.

As the construction works were finalised during 2007 the demonstrators demanded the pulp mill to be relocated to ensure social order. The ICJ did not reach a final decision during the research period. The ICJ itself had no vested interest in the episode, but was drawn in as an arbitrator in the conflict. In this context, the ICJ's objective was to evaluate the situation and the claims of the governments. Thus the ICJ had legal power and legitimacy to influence Botnia, but its objectives were not urgent with regard to time.

Table 4 Stakeholders, interests and salience related to the proceedings in the Hague ICJ

	Stakeholder	Claims and interests related to the episode	Salience
Opposing	Argentine government	Interest in influencing the ICJ to compel Botnia to suspend the works.	P, L, U
	GEAG	Interest in influencing the ICJ to compel Botnia to suspend the works.	U
Supp.	Uruguayan government	Interest in ensuring the constant progress of the project and to force Argentina to lift the roadblocks.	P, L, U
Neutral	The Hague ICJ	Objective to evaluate the claims made by the governments and to reach a decision.	P, L

(P=Power, L=Legitimacy, U=Urgency)

Demands for the Finnish government to intervene

In spring 2006, the Argentine government initiated demands for the Finnish government to intervene with a view to resolving the conflict. These claims were not deemed legitimate or powerful by Finland, however, which stated that the government of Finland would not intervene in the process. The Finnish Minister of Foreign Trade and Development stated that Uruguay, Argentina and Botnia as a private company should resolve the conflict. Argentina had no power within this episode, even though it tried to influence other stakeholders to influence Botnia. Argentina's demands were critical and thus urgent, but not legitimate, as the Finnish government had no jurisdiction over the operations of Finnish

companies in Uruguay.

Demonstrations were organised by the Finnish Embassy in Buenos Aires, and the demonstrators called for Finland to bear its responsibility. Again, the Finnish Embassy did not have an interest in the episode, and thus it did not involve itself in it. In August 2006 the representatives of civic and environmental organisations visited Finland and delivered a petition of over 40,000 signatures from Gualeguaychú to the Finnish Minister of Foreign Trade and Development. The Minister reiterated that the Finnish government was not a party to the conflict. Finland did not have an interest in the conflict, but it was nevertheless a stakeholder of Botnia in the sense that Botnia's actions had an effect on it. The Finnish government was a neutral party, and its interest was legitimate and urgent given its criticality.

In spring 2007 Argentina and Uruguay tried to resolve the conflict in negotiations led by the King of Spain. In these negotiations the negotiating parties expected the Finnish Government and Botnia to participate. At the same time, opponents demanded that the construction work should be suspended and there was a demonstration of over 100,000 participants in April 2007. In this episode, GEAG did not have power, and its demands were not legitimate, and thus they were only urgent.

Table 5 Stakeholders, interests and salience related the demands for the Finnish government to intervene

	Stakeholder	Claims and interests related to the episode	Salience
Opposing	Argentine government	Demand for Finland to take part in the conflict.	U
	GEAG	Call for Finland to meet its responsibilities and compel Botnia to suspend the works.	U
Neutral	Finnish government	Interest in remaining neutral, and not participating in the conflict.	P, L, U

(P=Power, L=Legitimacy, U=Urgency)

Summary of the empirical results

Table 6 summarises the results of the analysis of stakeholder salience related to the episodes. The stakeholders' power was based on their resources to influence others and the development of the episodes. For example, the Argentine government actively sought to increase their power within the episodes by cooperating with GEAG and thus aligning their claims to increase their leverage. The legitimacy of stakeholders' claims was mostly based on either protecting one's rights or invoking environmental concerns, and the wellbeing of society. The urgency mostly ensued from the criticality of the claims and the dynamic context of these episodes, which increased the time-sensitivity of the claims.

Table 6 Stakeholder salience related to the episodes

		Demands for suspending the works	The IFC's decision-making process	Proceedings in The Hague ICJ	Demands for Finland to intervene
Opposing stakeholders	Argentine government	P, L, U	P, L, U	P, L, U	U
	GEAG	P, L, U	L, U	U	U
Supporting stakeholders	Uruguayan government	P, L, U		P, L, U	
	Management	P, L, U	P, L, U		
	Employees	L, U			
	Residents of Fray Bentos	L, U			
Neutral stakeholders	Finnish Embassy	L, U			
	The IFC		P, L, U		
	The Hague ICJ			P, L	
	Finnish government				P, L, U

(P=Power, L=Legitimacy, U=Urgency)

Three notable comments can be made based on the results. First, the number of stakeholders differs greatly between the episodes. The first episode related to the demands for the works to be suspended attracted the greatest number of stakeholders, and some of these did not actively participate in the conflict in the other episode contexts. Secondly, the stakeholder salience varied between the episodes as in the first episode there were four salient stakeholders, in the second there was three and in the last two there were two and one respectively. The salience also varied in that, for example, the Argentine government was salient only in the first three episodes, and GEAG was salient only in one of the episodes even though it participated in all of them. Thirdly, in respect of the opposing, supporting, and neutral stakeholders, both the opposing stakeholders were active in all the episodes. All in all there were more supporting and neutral parties involved in the conflict, but in other episodes besides the first, there were only one or two supporting or neutral stakeholders involved. Thus, their participation was evidently linked to the issues of the episodes, and not necessarily to the entire conflict or Botnia as a focal company. These findings show that episode-based analysis can enhance our understanding of stakeholder dynamics in a conflict situation.

DISCUSSION

In this study we analysed the stakeholder dynamics by examining stakeholders and their interests and demands in episode contexts. The episodes identified in the analysis helped us to illustrate and to understand the development of the conflict, and to analyse how different stakeholders acted during the conflict.

As a result of this study, we argue that issue-focused analysis provides new understanding of stakeholder dynamics. Based on this, we propose that the analysis of stakeholders should be closely linked to the various contexts in which they operate. The results of our analysis show that the stakeholders, their interests and relationships vary between different episodes, thus constituting dynamic conflict context. By analysing the stakeholders and their claims and interests related to the episodes, we were able to take account of the numerous and at times contradictory and concurrent stakeholder demands. Stakeholders can have simultaneous interests in the conflict, upon which they act differently in different contexts, and this can be analysed using issue-focused approach.

Secondly, we have noted that the traditional classification approach to stakeholder analysis is implicitly static. In this study, we aspired to break away from the traditional classifications such as the one to primary and secondary stakeholders (Clarkson, 1995), as they do not take into account the constant change of stakeholders' status and that related to other stakeholders. Instead, we have divided the stakeholders into opposing, supporting and neutral parties, as this illustrates how they were related to the conflict. This approach had two consequences. Firstly, we were able to break free from the company-centric premise, and secondly it provided understanding of stakeholder dynamics. The opposing parties were the most active stakeholders and they were involved in all the episodes. Thus, the formal status of the stakeholder related to the company does not always reflect the significance of that stakeholder, rather in a conflict situation it is related to the interest to the issue at hand.

Our study further shows that the actions and interests of different stakeholders are not separate, but closely interlinked. The interests serve as a driver for actions and the resultant relationships. This study confirms that stakeholders are prone to co-operate with stakeholders who have similar interests (cf. Neville & Mencug, 2006), and further proposes that these relationships evolve constantly as interests change between different events. The stakeholder field is constantly changing, and stakeholders also actively constitute events to further their demands and to draw in such parties who would not otherwise have any interest in the conflict. The stakeholders influence each other and this influences the development of the conflict. We propose that the development of the conflict, the interests, and relationships are all interlinked.

Our results show that stakeholder salience also varied between the episodes. Stakeholders actively strove to increase their salience, notably by utilising their relationships with others. Neville and Menguc (2006) concluded that stakeholders' potential to influence other stakeholders is frequently determined by the particular nature of their claim, and that they cooperate to increase the persuasive power of their combined claim. This was evident in our case, too, as the Argentine government co-operated with GEAG in order to gain more

power for its claim within the episode. These parties also utilised another indirect tactic to gain power by appealing to non-stakeholders in the conflict. Parties such as the Hague ICJ and the Finnish Embassy had no interest in the conflict prior to the actions of the opposing stakeholders.

There are certain limitations to our study that need to be considered. First, the research was based on the analysis of only one Finnish newspaper. Additional reliability in terms of the data analysis would have been achieved by including other newspapers in the analysis, and diversity in terms of region and country could also have been included in the data. Furthermore, to gain a more profound understanding of the case and the participants, the secondary data used in this study could have been supplemented by interviewing the parties to the conflict. This would have enhanced the credibility of the research. Also, as a single case study, the generalisability of the research is inevitably limited.

CONCLUSIONS

This study aimed to explore stakeholder dynamics in a conflict context. The stakeholders were analysed in the context of the different episodes within the conflict. The episodes illustrated the complex nature of the case. The stakeholders were analysed by examining their interests and claims, and by assessing their salience within the episodes.

The episodes illustrate how the conflict comprised of numerous, simultaneous events. Such an analysis clearly develops understanding of the dynamic nature of stakeholders and their interests, but also requires some further consideration. Issue-focused approach entails a prospect for developing stakeholder analysis beyond the company-centric models, and we argue that it enhances the practical value of stakeholder analysis, as it allows to develop an understanding of how stakeholders, their salience and interests change constantly, constituting a complex conflict.

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