Inclusiveness Incorporated:
Characterisation of Stakeholders and Partners in Annual Reports

Professor Kate Kearins
Faculty of Business, Auckland University of Technology, Auckland, New Zealand
kate.kearins@aut.ac.nz

Glen Oliver
Faculty of Business, Auckland University of Technology, Auckland, New Zealand

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ABSTRACT

This paper contributes to descriptive theory of stakeholder identification and salience, providing evidence of distinctions made by companies in respect of those they refer to as ‘stakeholders’ and ‘partners’. Combining content and discourse analysis of annual reports, the paper reveals a vague and all-inclusive characterisation of stakeholder relationships occurring alongside a more detailed representation of partnerships with select groups, mostly relating to explicit commercial dealings or specific projects. Intimacy and mutuality – and an apparent lack thereof - distinguish those the companies refer to as ‘stakeholders’ from their ‘partners’. It is concluded that the threshold differentiating stakeholders from partners bears greater scrutiny in defining spheres of stakeholder salience than does the previously emphasised question of who (or what) is a stakeholder.

Keywords: *stakeholders, partners, relationships, content analysis, discourse*

INTRODUCTION

The last forty years have popularised an open-systems model of organisation (prompted by the work of Katz and Kahn (1966), Lawrence and Lorsch (1967), Thompson (1967) and Weick (1969)), premised on an organisational identity characterised by less distinct boundaries, and, increasingly, a disposition of openness towards those who might formerly have been considered “external” to the organisation. This disposition of openness echoes the democratic turn within the wider political sphere that tends, rhetorically at least, to privilege participative and more co-operative governance. Organisations of virtually all types appear to be increasingly engaging with other parties, notably with stakeholders and partners. ‘Stakeholder democracy’ has been labelled “an intriguing idea”, and although “an alluring prospect” for many people, not without problems when applied to the realm of economic organisation (Matten & Crane, 2005: 6).

Contributing to descriptive theory of stakeholder identification and salience (Mitchell, Agle & Wood, 1997), this paper responds specifically to Freeman’s (1994) calls for clarification on who (or what) constitute organisational stakeholders. Through an analysis of company annual reports, the paper looks at the companies’ representations of their relationships with stakeholders. It provides evidence of further conceptual distinctions made by companies in respect of those they refer to as ‘stakeholders’ and as ‘partners’. The paper argues that the distinction between stakeholders and non-stakeholders that exists in theory is conflated within company discourse and more significantly that there is a marked distinction between partners and non-partners. Specifically, this paper labels this discourse in the case of annual reporting: inclusiveness incorporated.

DEFINING STAKEHOLDERS AND PARTNERS

Stakeholders

In their much-cited article on stakeholder identification and salience, Mitchell, Agle and Wood (1997, p.854) ask for stakeholder theory to be refined so as to "reliably separate stakeholders from nonstakeholders". Determining who is a stakeholder and who is not a stakeholder - and how the former group should be managed or engaged – has tended to preoccupy theorists. Although alternative definitions of stakeholder have been proposed, arguably the most popular is the one offered by Freeman (1984), who stated that stakeholders were those who impact or who are impacted by the achievement of an organisation's objectives. Stakeholders are thus broadly conceived of as comprising, among other possibilities, organisations' owners/shareholders, employees, suppliers, customers, government/regulators, and the unions, community/ neighbours and activist groups associated with them.[1] While this conceptualisation provides a sense of the spectrum of different stakeholder types, there appears to be little agreement on who (or what) constitutes a legitimate stakeholder of particular organisations. Mitchell, Agle & Wood (1997: 853) summarised this tension, noting that stakeholder theory "offers a maddening variety of signals on how questions of stakeholder identification might be answered".

Despite the inherent difficulty in deciding who or what constitutes a stakeholder, the potential benefits for organisations of engaging with such stakeholders are frequently cited. Examples include enhancement of business legitimacy (Westley & Vrendenburg, 1991), engendering working relationships (Clarke & Roome, 1999), sharing critical strategic information and resources (Andriof & Waddock, 2002), promoting learning (Sharma & Vrendenburg, 1998; Roome & Wijen, 2005), and

[1] The traditional view comprises contemporaneous human stakeholder groups (Sharma & Starik, 2004), which is not without problems in affording representation on issues such as where past or future generations or the natural environment are implicated.

consensus-building, particularly around social and environmental issues (Sharma & Starik, 2004; Svendsen & Laberge, 2005). Post, Preston and Sachs (2002: 255) directly link stakeholder management and wealth, noting that "proactive stakeholder strategies can help firms avoid, reduce and control costs over the long term". Hart and Sharma (2004) promote the engagement of 'fringe' stakeholders as providing business an alternative source of innovative ideas and stimulating competitive imagination to ensure corporate survival. A more problematic view (for business as it is no longer necessarily central or in control) is offered by Rowley (1997), whose network theory of stakeholder influences focuses attention on businesses responding to a complex array of multiple and interdependent relationships that can constrain and influence organisational behaviour and performance. Both pluses and minuses can derive from the potential diversity of stakeholder interests.

Partners

The New Oxford Dictionary of English (1998) defines a partner as "A person who takes part in an undertaking with another or others, especially in a business or firm with shared risks and profits". This broad definition seems to fit the term's use in the theoretical literature. As noted by Murphy and Coleman (2000), partnerships are not a new idea, and have been steadily evolving from the legalistic business model implied in dictionary definitions into an inter-organisational ideal.

As with stakeholders, organisational partnerships have received extensive attention in management literature. Partnerships are often referred to in strategic alliance and joint venture literature, as well as in the context of public-private partnerships. As a result, numerous more specific definitions exist. Long and Arnold (1995) see partnerships as "voluntary collaborations between two or more organisations with a jointly-defined agenda focused on a discrete, attainable and potentially measurable goal." Brinkerhoff (2002), referring to government-non profit partnerships, provides a substantial definition of an ideal partnership suggesting that "Partnership is a dynamic relationship among diverse actors, based on mutually agreed objectives, pursued through a shared understanding of the most rational division of labour based on the respective comparative advantages of each partner".

The potential benefits from organisations engaging with partners are also covered extensively. Direct benefits can be both economic and financial, as in reduced costs, improved product quality and enhanced competitive position (Lewis, 1990, cited in Murphy & Coleman, 2000), and increased efficiencies (Harrison & St John, 1996). Knowledge exchange and the combining of complementary and possibly scarce resources or capabilities to jointly create new products, services or technologies can lead to competitive advantage (Dyer & Singh, 1998). Also important are benefits such as the development of distinctive competencies arising from partnerships with local communities or government agencies, reduced unfavourable litigation, less negative publicity and the engendering of favourable regulatory policies. Mitchell (2005) cites advantages of partnerships – also applicable to some types of stakeholder relationships - deriving from (1) defining problems more effectively, (2) accessing information and understanding, (3) identifying socially acceptable solutions, and (4) creating a new sense of ownership of both problems and solutions, which leads to more effective and sustained implementation. Shared advantages from partnerships can also imply shared risks, the possibility of loss of joint venture capital and assets and, if one partner suffers some sort of identity crisis, others' reputations may be tarnished by their association.

Conceptual crossover

Although there is considerable literature covering both stakeholders and partners, there is relatively little on how these concepts relate to one another. Harrison and St John (1996: 46) comment:

> Increasingly, organizations are moving beyond traditional stakeholder management techniques to partnering tactics that lead to the achievement of common goals. In spite of these trends, there has been very little effort in the management literature to tie stakeholder management and partnering tactics.

These authors suggest the need to identify "as partners" those stakeholders who are strategically important (1996: 51), i.e., stakeholders that have influence on the uncertainty facing the organisation (those with any sort of political power, whether or not they have a financial stake, those with economic power and those who by virtue of the organisation's strategic choices have some sort of interdependency). These strategically important stakeholders, it is argued, should become selected as candidates for partnership and these partnerships should be proactively managed, beyond more traditional stakeholder management buffering techniques – "to build bridges … in the pursuit of common goals" (1996: 52) Other authors, however, conflate the terms 'stakeholder' and 'partner' as in Goodjik's (2003: 225) characterisation of the stakeholder model as assuming "a partnership between management and stakeholders"and Dechant and Altman (1994) who discuss companies' "partnerships with their stakeholders" (p 13). This paper seeks to clarify this area of conceptual crossover with specific reference to actual usage of these terms within official company documents.

METHOD

The New Zealand electricity sector was chosen as the focus of this study. The activities of electricity sector companies have far-reaching economic, social and environmental implications, which merit inspection by other parties, if not wider co-operation. By virtue of their size, complexity and critical role, electricity sector companies engage in a variety of relationships as evident in their annual reports.

Following deregulation and liberalisation in the 1990s, the New Zealand electricity industry has four main components: <u>generation</u> (power stations around the country which create electricity); <u>transmission</u> (high voltage electricity transportation network known as the national grid); <u>distribution</u> (local lines companies that carry electricity from the national grid to the consumer); and <u>retail</u> (electricity retail companies which compete to buy wholesale electricity and retail it to consumers). To coverage across the entire spectrum, the sample comprised the annual reports of the largest companies in each of the generation, transmission, distribution and retail components of the sector. Associated website material was used to provide further context. The ten companies selected were:

- The five largest 'gentailers'[2] by generation market share – together supplying 93% of all electricity in New Zealand: Meridian Energy, Contact Energy, Genesis Energy, Mighty River Power and TrustPower;
- The national electricity transmission company: Transpower; and

[2] Due to the vertical integration of the sector, these companies have significant interests in both generation and retail.

- The four largest distribution companies by number of connections - together totalling 66% of all connections: Vector (one third of total connections), Powerco, Orion and Unison (Ministry of Economic Development, 2006).

The 2005 annual reports of each of these ten companies were sourced from the publicly available sections of each company's website and content-analysed, focusing on the parties identified as 'stakeholders' and as 'partners' and the characterisation of the relationships between the companies and those parties. First, all instances of the terms 'stakeholder' and 'partner' (in its various forms, eg. partner/s, partnering, partnership, etc) were identified and their frequency counted across the entire report sample. Second, sufficient text (related heading or subheading, sentence or paragraph) to clarify usage and meaning was lifted from the reports and placed in a table. Third, these texts were read a number of times to develop a classification scheme based on the apparent nature of the relationships. This initial coding structure was modified as the study progressed in order to improve the descriptive power of the categories. Following this method through with the 'partner' references, seven categories of relationship were identified, as outlined in Table 1.[3]

Table 1: 'Partner' categorisation

Category	Explanation
Commercial Dealings	Statements relating primarily to profit making activities, including capital expenditure, investment, joint ventures, contracts, customers, markets or similar.
Sport, Recreation & Sponsorship	Statements relating to sporting, recreation, sponsorship activities or similar.
Environment & Conservation	Statements relating to environment, conservation, ecology, wildlife or similar.
Community Relations	Statements relating to interactions with community, iwi, councils or similar.
Energy Efficiency	Statements relating to energy efficiency initiatives, home insulation or similar.
Professional Partner	Statements relating to a professional partner in a business, law, audit, accounting or similar organisation, including names of organisations that include the word "partner".
Other	Statements relating to any item which falls outside the range of the categories outlined above.

[3] For the purposes of later analyses, the instances of the term 'professional partner' (referring to professional partner in a business, law, audit, accounting or similar organisation, including names of organisations that include the word 'partner') were removed because their use was deemed to be inconsistent with the focus of this study, as in, for example, when occupations of members of boards of directors were listed as being partners in law firms, or when partners or staff of the current audit team were noted as not having financial interest in the companies.

Attempts were made to categorise the use of the term ‘stakeholder’ according to a similar typology to the one outlined above for “partner”. However, it was apparent that ‘stakeholder’ was being used in a much more general sense and context than was ‘partner’ and that similar classification was not feasible, even by rethinking the categories. At that point, a more discursive analytical approach was taken to raise some of the wider issues prompted by what was found to be a differing usage. Thus the study combines two distinct approaches inspired by different methodological traditions. The first, content analysis, provides frequency data, with modified content analysis as used here allowing categories to be derived inductively from the data rather than imposed based on extant theory. The second approach, discourse analysis (following Parker’s 1992 definition) considers the production, dissemination and reception of texts that bring objects – in this case stakeholders and partners – into being in particular ways and with particular effects. The discourse analytical approach, it should be noted, derives in part from the linguistic turn (Rorty, 1967) and privileges a view of language and text as constitutive of reality. Annual reports were thus taken as 'a' formal and managerially sanctioned representation of the companies’ positions on the various matters at hand.

FINDINGS

The annual reports of each company differed significantly in length, depth, content and focus. The longest was 102 pages, the shortest, just 24. In general, the gentailer, transmission and one of the distribution company reports (Vector’s) contained significantly more depth on activities outside core financial and statutory obligations. The focus of these particular reports beyond the statutorily required information – rather than their greater length - had a noticeable effect on the number of times that the terms ‘partner’ and ‘stakeholder’ appeared in the reports studied, as shown in Table 2 below. Eight of the ten companies used the term ‘stakeholder’, with most frequent use occurring in the reports of two of the gentailers. All companies used the term ‘partner’, although when reference to ‘professional partner’ was removed, one distribution company did not use the term. The term ‘partner’ was used more than twice as often as was the term ‘stakeholder’.

Table 2: Instances of 'stakeholder' and 'partner' across annual report sample

Company	Partner	Adjusted partner*	Stakeholder	Gross combined total	Net combined total*	#Pages in annual report	References per page
Meridian Energy (MER)	17	16	17	34	**33**	79	0.4
Contact Energy (CON)	21	11	4	25	**15**	80	0.2
Genesis Energy (GEN)	25	20	16	41	**36**	82	0.4
Mighty River Power (MRP)	15	11	4	19	**15**	95	0.2
TrustPower (TRS)	7	4	2	9	**6**	50	0.1
Transpower (TRN)	3	2	4	7	**6**	76	0.1
Vector (VEC)	47	41	3	50	**44**	102	0.4
Powerco (PCO)	2	0	1	3	**1**	48	0.0
Orion (ORI)	2	2	0	2	**2**	41	0.0
Unison (UNI)	3	3	0	3	**3**	24	0.1
TOTAL	**142**	**110**	**51**	**193**	**161**	**68**	**0.2**

Table 3 below shows the frequency of occurrence of the term 'partner' across the ten companies' annual reports, categorised by the nature of the partnership. With the removal of 'professional partner' category (see footnote 3), commercial dealings represented more than half of the occurrences, with Vector mentioning 'partner' in a commercial context 41 times. However, there is clear evidence of the use of the term 'partner' extending beyond a purely commercial focus. Partnerships relating to environment, conservation and community relations' initiatives comprised most of the remaining instances. There were fewer mentions of the term 'partner' in relation to sport, recreation and sponsorships, and energy efficiency, and these occurred almost exclusively within the gentailers.

Table 3: 'Partner' category frequency across sample

	Company										**Total**
CATEGORY	**MER**	**CON**	**GEN**	**MRP**	**TRS**	**TRN**	**VEC**	**PCO**	**ORI**	**UNI**	
Commercial Dealings	4	8	7	5	0	0	40	0	2	0	**66**
Sport, Recreation & Sponsorship	2	0	2	1	0	0	0	0	0	0	**5**
Environment & Conservation	8	0	10	1	0	0	0	0	0	0	**19**
Community Relations	2	1	0	3	1	2	1	0	0	2	**12**
Energy Efficiency	0	2	1	1	0	0	0	0	0	1	**5**
Professional Partner	1	10	5	4	3	1	6	2	0	0	**32**
Other[4]	0	0	0	0	3	0	0	0	0	0	**3**
Total	**17**	**21**	**25**	**15**	**7**	**3**	**47**	**2**	**2**	**3**	**142**

[4] In the 'other' category, were two mentions of wind and water being used in partnership with each other, and one of 'partners' within New Zealand's coalition government.

The use of the term ‘stakeholder’ in the reports is consistently broad and inclusive. None of the reports offered any definition of the term, while only one report (Vector’s) explicitly listed who the company’s stakeholders were: “all stakeholders – shareholders, customers, government, ratepayers and service providers.” Others occasionally provided clarification but still at a very general level. Meridian Energy mentioned “working closely with a range of stakeholders including local communities, iwi [Maori tribal groupings] and leading research organisations”. And Contact Energy extended its list in one instance to include internal stakeholders, referring to “various stakeholder audiences, including customers, shareholders, and the communities in which we operate, as well as our staff.” Sometimes, the term stakeholder’ was used in conjunction with broad stakeholder groups such as iwi, local communities, ratepayers, customers, central government, as well as other electricity sector companies. Genesis Energy seemed to differentiate between “stakeholders and customers” (mentioning this combination three times), while TrustPower distinguished between “shareholders and other key stakeholders” on one occasion and between “potentially affected parties, stakeholders and Tangata Whenua” on another. National grid operator Transpower referred at one point to “industry stakeholders, including the generating companies”, rather than implying a more privileged relationship for those who would seem to be its key partners.

In more than half of the instances where the term ‘stakeholder’ was used across the total report sample, no attempt was made to specify who those stakeholders were. Powerco wrote of its “focus on meeting the demands of stakeholders” (the only time it mentioned the term ‘stakeholder’). Transpower mentioned continuing “to engage with stakeholders to promote [particular] views” while Mighty River Power noted its owner-operator responsibilities of a major hydro system, with “significant responsibilities to ensure this controlled environment is managed in the best interests of all stakeholders” - an ideal not without inherent problems where there are competing demands on a limited resource. Interestingly, while most mentions were broad and general – and, at times, vague, stakeholder relations were spoken of largely with positive connotations. Genesis Energy had a specific objective referred to “enhance how we interact with our stakeholders”. Contact Energy wrote of “wide engagement with external stakeholders”, and Meridian Energy stated that “maintaining positive stakeholder relationships remained a key priority for the year”. The discourse presents these companies as proactively reaching out to include stakeholders and developing and enhancing relationships between the companies and their stakeholders. However, the nature of this inclusiveness and for whom it was ultimately positive or beneficial (the companies and/or the stakeholders) is less clear. The implication is both – although such mutuality is likely to be lacking at least on occasion across diverse parties with their own vested interests. There is little apparent recognition of the conflict between promoting shareholder interests while also being responsive to these other stakeholders.

In contrast to the use of the term ‘stakeholder’, the term ‘partner’ – even though it occurs significantly more frequently – appears to be used in a more specific manner in the reports. Vector, offered a definition in its statement of accounting policies in the annual report: “Partnerships are those relationships that the group has with other persons whereby the partners carry on a business in common with a view to generating a profit.” Closer examination indicated that this definition may have applied specifically to particular commercial dealings appearing in the financial statements.

The use of the term ‘partner’ across the total report sample relates exclusively to those who traditionally might have been conceived of as external to the organisation, that is to investors, joint venture partners, suppliers, customers, and community, environmental and conservation groups where there are specific projects in common – i.e., where mutuality is implied. Local government/regulatory bodies included occasionally as ‘stakeholders’ are not explicitly mentioned as ‘partners’ except in one instance. None of the more specific references to ‘partners’ indicate internal stakeholders such as employees, possibly reflecting the external reporting focus inherent in annual reports.

There was evidence that companies perceived a partnership as a more intimate relationship than that with stakeholders in general. For example, Meridian Energy referred to “close stakeholder partnerships”. Vector referred to “working closely with strategic partners” and “formal partnerships” with local councils, which implies a deepening of the relationship. This status and indications of an increasing degree of connectedness is made explicit later in the report, where Vector noted that “Partnerships with energy retailers…have moved these relationships to a higher level”. Vector also noted that it “increased its focus on partnering” with major customers. Overall, the examples of partnership provide more detail as to who the partners are and an indication of what the relationships involve. The term ‘partner’ carries positive connotations. These more select relationships - partnerships - are shown sometimes to offer quite specific benefits beyond what the partners and particularly the companies could hope to have achieved on their own. These benefits are shown to accrue not just to the companies and their partners but also to other parties – such as customers.

DISCUSSION

The terms ‘stakeholder’ and ‘partner’ extend the organisation’s reach beyond those groups traditionally seen as internal to the organisation - owners/shareholders, managers and employees.

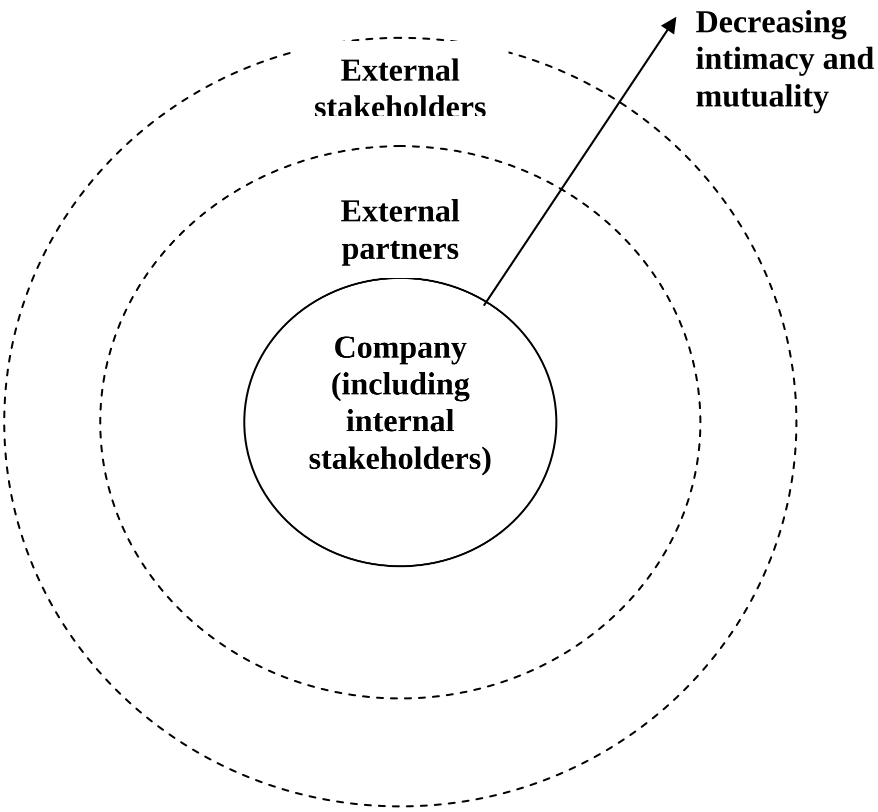
‘Stakeholder’ as mostly used in these reports, is an all-encompassing and relatively indiscriminate term that is generally not defined. It serves to include rather than exclude any potentially interested party, particularly focusing outward to external stakeholders or wider publics. While stakeholders are theorised as affected or being affected by a company’s activities, the way they are represented in these reports suggests they are not necessarily involved in any sort of active or particular relationship with the companies. A discourse of inclusiveness blurs the line between stakeholders and non-stakeholders to the point where companies could claim that no parties are excluded from their consideration. In practice, however, such wide consideration is likely to be difficult to achieve, and the ensuing diverse viewpoints could well be difficult to reconcile if uncovered by the companies through processes of stakeholder engagement. Notably, although a nod to diversity could be subtly implied by the sometimes-separate listing of stakeholder groups, the reports did not reveal any specific information about stakeholder interests, leaving them relatively unproblematised, and indeed, able to be construed entirely positively.[5] As Stoney and Winstanley (2001: 623) point out, “the indeterminacy and ambiguity of stakeholding can make it a powerful rhetorical device” that managers can find attractive.

[5] Although it has been argued elsewhere that the more interesting class of business-stakeholder relations is made up of situations where firms and stakeholders are in conflict (Frooman & Murrell, 2005), these do not register in the annual reports studied. Unsurprisingly studies focusing on conflict are much more likely to emanate from the stakeholder rather than the corporate perspective, or document the resolution of conflict.

In contrast to the vague way ‘stakeholders’ were referred to in the reports, the greater number of partnerships mentioned inferred relationships invested with greater mutuality and intimacy. By specifying particular stakeholders and labelling them as ‘partners’, companies imply that these stakeholders hold strategic importance for the company, and that in the reporting context at the very least, they are worthy of mention. Being termed a ‘partner ‘implies an active relationship with the company and a mutual striving towards jointly defined goals. That many of the partnerships were presented as contributing to the achievement of commercial goals is, perhaps, a relatively unsurprising feature in annual reports of profit-oriented companies. The idea of the companies sharing investment (and risk), particularly in respect of major projects, reflects well on them. Other partnerships highlighting specific acts of engagement position the companies as socially and environmentally responsible, even where these acts might sometimes appear to possibly run counter to the companies’ commercial motives – as in the promotion of energy conservation initiatives. It is obviously strategic for companies to develop closer and more intimate relations with parties that could otherwise compete with them or tarnish their reputations. This study confirms Harrison and St John’s (1996) assertion that a key factor determining the priority of particular stakeholders is their influence on organisational uncertainty: i.e. that strategically important stakeholders become selected as candidates for partnership. The analysis further suggests that being considered a company’s ‘partner’ confers legitimacy and status on particular stakeholders – the inherent power of which is unsurprisingly glossed over in company discourse. This discourse is shown to focus exclusively on positive connotations for the companies, commercially and/or reputationally – that is, their <u>own</u> legitimacy. A realisation that partnerships, rather than more generalised stakeholder relationships, seem to provide the grounds for greater influence may not be welcome news for all stakeholder groups. Sometimes their interests are so divergent from those of the companies that achieving mutuality might be difficult or involve unpalatable compromise on the part of either party, which may explain why they are unable to break into the inner sphere of partnerships.

The following model illustrates the conceptual distinctions made by companies in respect of those they refer to as ‘stakeholders’ and as ‘partners’ in terms of diminishing mutuality and intimacy. This paper argues, on the basis of the evidence presented, that these are key constructs in a descriptive theory of stakeholder identification and salience. The decentring of the organisation in its engagement with stakeholders, as sometimes represented in the literature promoting a more democratically-open organisation is not evident – perhaps understandably, given that company reports are the focus of this study. The analysis revealed clear distinctions between those inside and those outside the companies in the terms used to describe the various parties, with consistent distinctions applying. The inner solid line represents the predominant company view that defines the organisation's core internal stakeholders as central to a more closed system, than an initial glance at the privileging of stakeholder and partner discourse in the reports would tend to indicate. The outer broken lines represent less clear boundaries – and the possibility of movement between the general mass of external stakeholders (comprising virtually anyone) and those the companies deem their specific 'partners' with whom their mutuality and intimacy is increased. Interestingly, external 'stakeholders' rated far fewer mentions than did 'partners', and were less obviously influential as represented in the reporting discourse.

Spheres of salience in company descriptions of stakeholders and partners



The distinction between stakeholders and non-stakeholders that sometimes exists in theory is conflated within company reporting discourse, characterised here as ‘inclusiveness incorporated’. Whether the companies used the term ‘partner’ or ‘stakeholder’ in their reports, the evidence from this study reveals that their stance is consistently presented as relationally active and in such terms that their organisational identities would seem to be enhanced by association with these other parties. Equally, the fact that the identities of the focal organisations and their stakeholders, even within more intimate partnerships, remain separate allows for distancing if events either within or external to the relationships do not go as planned. The discourse of ‘inclusiveness incorporated’ is seductive: organisations embracing it are simultaneously presented as open to other parties, active with those where there is positive benefit, while remaining separate at their core with their own identities intact.

The more significant distinction uncovered in this research is that between partners and other external stakeholders.[6] Partners – at least in the way they are represented in the reporting sample analysed here – occupy an inner sphere of salience, and potentially of influence. A pragmatic view, supported by the evidence in the company reports, suggests that business organisations manifest a range of relationships of differing degrees of intimacy and mutuality with other parties – be they partners or stakeholders, but that these are key defining dimensions of saliency within a discourse of inclusiveness.

CONCLUSION

This paper began by noting calls from the literature to more clearly define the line between those who are and are not organisational stakeholders. Its findings suggest that this distinction is not necessarily one that permeates company representations of stakeholder and partner relationships. The term ‘stakeholder’, as utilised in the annual reports in this study, has an all-embracing character. Such inclusive discourse can facilitate a view of stakeholder democracy on the part of organisations

[6] There is some similarity between this term and Clarkson’s (1995) oft-cited notion of secondary stakeholders that extends the classic Freeman (1984) definition to include the additional provisos that such stakeholders are not engaged in transactions with the companies (as here) nor are they essential to the companies’ survival. The latter aspect merits further discussion than space here permits.

promoting a posture of apparent openness with, and to virtually anyone who might claim an interest. It connotes positively, particularly when left unproblematised, underplaying the inherent diversity of stakeholder interests. On the basis of the evidence in this study, this paper argues that the more interesting threshold in the spheres of stakeholder salience is now the line that delineates partners from the mass of stakeholders. Implying both greater intimacy and mutuality, partnerships are shown as providing commercial and reputational benefits, potentially contributing to reduced uncertainty for the focal organisation. A telling implication of this research for stakeholders who wish to have influence is the need to carefully consider what is involved in crossing the partnership threshold. Greater intimacy and mutuality may well come at some cost to their own identities and purposes.

In an age where a democratic organisational ideal is being espoused (especially by organisations themselves), this paper argues that defining the boundaries between stakeholders and partners, and the differing dimensions of saliency between partners, deserves at least the same attention as the boundaries between stakeholders and non-stakeholders. Academic enquiry could now more usefully focus less on the twenty-year old question of who or what legitimately constitutes a stakeholder and more on who or what constitutes a legitimate partner.

In contributing to a descriptive theory on stakeholder identification and salience, this paper draws from only a small sample of reports across one industry in one national setting. Further research should extend the sample across industries and internationally with a view to empirically demonstrating the consistency or otherwise of the themes identified through further content analysis, It should also elaborate on their effects through discourse analysis that tracks these stated relationships across time and further reports and pronouncements by the same companies. Further research by the authors is intended to discover whether the discourse of ‘inclusiveness incorporated’ and the apparent template for labelling the relationships described here is explicitly or tacitly approved at an organisational level, and whether it reflects the ways stakeholders and partners themselves view these relationships. Such research is not intended to undermine the view of language as a constitutive force taken in this study – rather to provide complementary or counter insights from praxis to enhance theorisation of an important but hitherto often ignored distinction between stakeholders and partners.

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