

## Communications in Business - Exam Notes

### Mod 3 - Stakeholders, special interest groups and the criticism of business.

**Stake** > Something that can impact a business.

**Stakeholders** > Individuals and groups with a multitude of interests, expectations, and demands as to what businesses should provide to society. Someone who possesses a stake can:

**Notion of Fluidity** > People change stakeholder roles because of changes in the environment, actions by the company and actions by the stakeholder.



Business values and ethics form stakeholder's opinions. We use 3 factors to decide which stakeholder is most important; Power, Legitimacy and Urgency (shrimp farmers).

#### **Types of stakeholders:**

**Internal** - Inside company

**External** - Outside company

**Primary** - Essential to business

**Secondary** - Members of community

**Core** - Vital to your operation

**Strategic** - Vital at given point of time

**Environmental** - Not vital at moment of time

Changing social contract shapes how business communicates today. Two-way understanding between business and society. Expectations of the interaction, no matter what stakeholder relationship they are in. It can be laws clearly stating what a business can/can't do, or just what a business should do (eg. Environmental changes, supporting gay marriage). Need to be conscious that beliefs change in different countries. Businesses can affect societies views. As technology changes, so does businesses.

#### **Types of values**

**Universal** > Values that we can all normally agree on (universal declaration of human rights).

**Cultural** > Changes with each culture, all groups have different values.

**Business** > How a business makes values to make profit.

Consider the essence of stakeholder management within the context of social responsibility.

**Strategic approach** > Focus on making money

**Multi-fiduciary approach** > Act as you have a legal responsibility to them

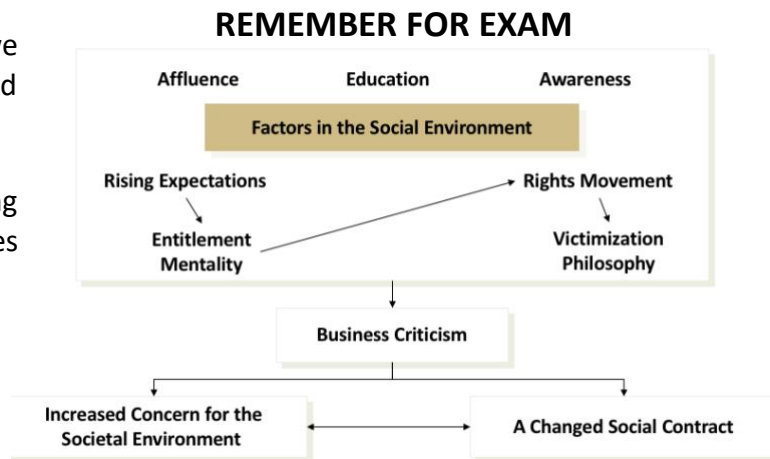
**Synthesis approach** > Can't keep everyone happy but will do what they can

Understand the cause of the rising criticism of business- factors in the social environment has contributed to it. Use and abuse of power. Seeing a company using their power negatively can cause a scandal and criticism. Affluence, education and awareness are leading us to criticize business more.

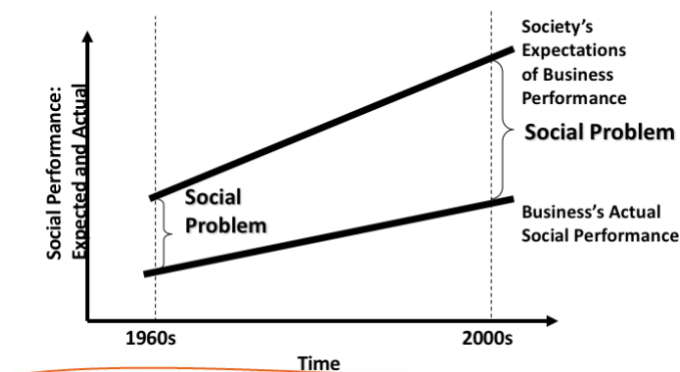
**Affluence** > Have more money than we did in the past, meaning we can afford a better, often a different, brand.

**Education** > More people getting degrees, therefore teaching ourselves what to think and believe.

**Awareness** > We are more aware because of the internet, businesses can't hide scandals



## Society's Expectations vs. Business's Social Performance



Businesses can't always solve social problems, because it may be a huge downfall for their company.

**Business Power** > The ability to produce an affect to bring influence.

**Iron Law of Responsibility** > Those who do not use power in a sociably deemed responsible way, they will tend to lose it.

### Business Scandals

News of the World – Earned a good name for breaking celebrity news. Found to have private investigators to hack into voice mail and private messages, nearly 5000 people targeted. Were found out by going through missing girl (Milly Dowlers) voice mail to get 'the scope', they were deleting some messages to make room for more, meaning friends and family could get through, thinking she was alive, even though she had been murdered. Closed in 2 weeks. Broke the social contract.