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STAKEHOLDERS THEORY VERSUS AGENCY THEORY

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Abstract
The objective of this work is to highlight the main aspects of the users of financial and accounting information, as well as their importance in making decisions in the entity. In this sense, a thorough analysis of each user and the interests they hold will be carried out. Thus, qualitative financial reporting has a favorable impact on entities and helps users to adopt correct decisions.

Key words: *stakeholders theory; interests; informational quality; economic entity; decisions.*

JEL Classification: *M41*

I. INTRODUCTION

This theory starts from the axiom of the fact that in any type of entity, regardless of the business structure, there is a social responsibility and at the same time a moral obligation for all groups that influence and are influenced by commercial and economic activity.

"In any company there is a social responsibility and a moral duty towards all groups that influence and are influenced by its economic activity, not only towards the owners - deontological approach - the purpose of a business is to serve and harmonize the divergent interests of its stakeholders"[1] - inside groups (closed firm theory) and outside groups (open firm theory) - primary stakeholders ("stakeholders" theory in the narrow version) and secondary stakeholders ("stakeholders" theory in the extended version). The following question certainly arises, "Actually, who are the stakeholders?" The term "stakeholders" does not have an exact translation in Romanian, but it is most often translated by the terms investors, shareholders, employees, suppliers, customers, the environment, public authorities, various NGOs, social partners, etc.

Figure 1. Classifying the stakeholders
Source: Adapted after Florea, 2021

[1] Agency theory : Shareholders vs. Managers

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To begin with, we must say that the stakeholder is not an ordinary employee of a company, and this is highlighted through Law 31/1990 which was amended in 2006 and updated in 2020. According to it, the manager is not considered to be an employee of that company and therefore, he is no longer protected by the Labor Code. The law stipulates that he cannot have an employment contract and a mandate at the same time. He has a greater responsibility within the company, for example in case of damages, he has to pay the damage with his entire salary, unlike a regular employee who can pay a maximum of one third of his salary. Apart from those mentioned, it must be said that the manager is under constant pressure due to the fact that he can be dismissed at any time within the Board of Directors. Investors will therefore try to take advantage of this aspect to determine the manager to adopt certain economic policies in their favor. According to economic humanism, an entrepreneur and his company also have social responsibilities, which requires taking into consideration the interests of all those affected by their actions, i.e. stakeholders or interested factors. A growing number of business people argue that a company cannot act solely in the interests of its shareholders. The stakeholders are (Low, 2016):

- shareholders - who, through dividends, expect the remuneration of the capital invested and the assumed risk - through the increase in the value of the shares held
- employees – who expect benefits, fair treatment and safety in the workplace in exchange for the work they provide;
- suppliers - they expect the respect of contracts and the transparency of procurement procedures, , in exchange for the raw materials provided;
- customers – they expect quality products and services;
- creditors – expect timely repayment of loans and payment of related interest;
- the community – must be included in the organization's strategic decisions because it provides the organization with the infrastructure, gives it the right to build spaces and facilities for production or sales of production;
- competing companies - compete with the business organization for supply and sales markets, thus fair competition is necessary;
- the government and public administration authorities - establish the legal framework for the organization's activity

The origin and definition of the term stakeholders

The stakeholder concept develops after the 1960s. So in 1963, in a report by the Stanford Research Institute, the term stakeholder was defined as follows: "those groups without whose support the organization would cease to exist". "In 1984, Freeman offers the best-known definition: "stakeholders are groups or individuals who, directly or indirectly, are affected by the achievement of the objectives of an organization or who can affect the achievement of these objectives" (Freeman, 2006, p. 203).

Stakeholder research is grouped with business ethics. The connection between the entity and the interested parties is vice versa, namely the company can harm the stakeholders but in turn, they can hinder the entity. Classification of interested parties (Freeman, 2006, pp. 204-211):

a) "According to the way of interaction with the business organization:

- primary stakeholders – shareholders (associates) and investors, employees, creditors, suppliers, distributors, customers and competitors;
- secondary stakeholders – local communities (indigenous or foreign), local and central public administration (executive, legislative and legal power), political parties, non-governmental organizations, religious institutions, media, trade unions, etc.

b) Depending on the (financial) investments made in the company:

- stakeholders who made an investment in the company: shareholders, investors;
- stakeholders who did not make a direct investment in the company: employees, customers."

Stakeholder characteristics - Mitchell-Agle-Wood model

Stakeholders have three characteristics: power, legitimacy and urgency:

- Power - represents the possibility for an entity A to determine an entity B to do what it would not have done if the power had not been exercised by A; stakeholders who have power can exercise it to influence decisions or they can not exercise it;
- Legitimacy – represents the correspondence between the options and objectives of an entity and those of an organization; the legitimate interest of stakeholders is the one that does not contradict the objectives of the organization;
- Urgency – is defined by two dimensions:
    - a sensitivity to time - the time interval in which the response to a request produces a useful

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effect; after this interval the response is late and the effects are null;
- the critical aspect of the emergency - determines the ranking of requests according to the importance given to them in a certain time interval; stakeholders who possess the attribute of urgency need immediate attention

Starting from these three characteristics, the Mitchell-Agle-Wood model identifies three categories and seven stakeholder groups (Ghiță, 2008, p. 134):

A. Latent stakeholders - who have only one characteristic:
- Group 1 - stakeholders who only have power - they can influence the company but have no legitimacy and cannot issue urgent requests (ex: mass media);
- Group 2 - stakeholders who only have legitimacy - they do not have power and do not issue urgent requests; eg: minority shareholders who want the distribution of dividends;
- Group 3- stakeholders who issue only urgent requests - the requests are urgent but are not accompanied by the legitimacy of the action nor by the power to give the desired course to the action; eg: weakly unionized employees who request salary increases without increasing labor productivity.

B. Expecting stakeholders - who have two characteristics at the same time:
- Group 4 – stakeholders who have power and legitimacy – dominant stakeholders but do not issue urgent requests: shareholders, managers, suppliers;
- Group 5 – stakeholders who have power and urgency – dangerous stakeholders.
- Group 6 - stakeholders who have legitimacy and urgency;
- Group 7 - authority stakeholders - possess all three characteristics."

Information is a source of power for managers, but especially a source of income. To impress shareholders, managers use the theory that the current price of the shares held does not truly measure the value of the company and the benefits they can enjoy from their acquisition. The value of the company consists of a quantitative component (future subsidies offered upon entering a certain market segment, tax exemption), but also a qualitative component (quality of products, experience and determination of employees and even managers).

At the same time, we have to keep in mind that, in the last decades, the company's communication with stakeholders is not only through financial reporting, which was and still is mandatory, but also through non-financial reporting, which is predominantly voluntary. In the new globalised and increasingly unstable context, the responsibilities of reporting companies have increased exponentially according to the information needs of stakeholders, both quantitatively and qualitatively (Grosu, Brinzaru, Ciubotariu, Kicsi, Hlaciuc, & Socoliuc, 2022; (Melega, Grosu, Socoliuc & Botez, 2022). This means that today, managers have many more tools at their disposal to communicate with shareholders and all other stakeholders. The communication of financial and non-financial information is done through sustainability reports and integrated reports that present a broader picture of the complexity of the companies' activities (Socoliuc, Grosu, Hlaciuc, & Stanciu, 2018). These reporting tools allow shareholders to assess the overall performance of a company, i.e. financial, social and environmental performance (Melega, Grosu, Geanina, & Socoliuc, 2022) which improves the way a company's performance is evaluated and understood (Iacoban, Mihaila, & Hlaciuc, 2020).

One way to mislead investors and work for their own interests is the managers' use of the long-term welfare theory of the investment. Any intervention with a potentially negative effect on the manager's plans will be fought as an obstacle, a reason for delay in the way of fulfilling the company's projects, the attention being focused on them and not on the pragmatic aspects: "This is about control by educating how to think, of the behaviors and attitudes of those around, demonstrating to them the falsity of some norms. One's own inadequacies are presented in a favorable light while the proposals of others are dismissed with passionate indignation. Disconnected from reality, people no longer aim for the liquidation of the conflict but the defeat of the potential adversary" (Vasilescu, 2006, p. 120). The manager can control the company's employees through his personal skills, "giving the image of the boss, holder of information and by attacking others, a tactic used especially by managers of middle-level and lower" (Vasilescu, 2006, p. 174). The manager seeks to achieve his goals using the resources he possesses: people, materials, spaces, time. He wants him to always have an effect on his subordinates through the principles and methods used so that he can keep them on his side in the game with the investor. That is why their attraction is an essential objective. Front-line managers coordinate the work of a staff member who is not a manager himself. Those who are on this level have different titles: supervisor, manager, head of section, foreman, head of office. At the higher level, there are those responsible for the performance of the entire organization. Managers are also responsible for reporting on company performance, ensuring a common language between companies and investors, given the globalisation of the economy and the use of international accounting standards (Grosu, Socoliuc, & Hlaciuc, 2017; Grosu, Mihailă, JieriZlati, Socoliuc, & Cosmulese, 2022).

Cooperation or control? The same question is asked by a manager in the situation of leaving a company for a rival on the market. What stops a manager from using information from the company he just left if it offered him benefits in the new partnership? As long as the manager is not also an investor and has already concluded his contract with the respective company, he does not mind that through his actions he can decrease the profits of

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others. What interests him is that he grows his own. And the managers first of all... they are free professionals.

The manager's control also occurs when the board of directors is dominated by the company's management. This control can be manifested by the lack of access to information that leads to important decisions, as I explained in the previous paragraphs. When the board of directors is led by managers, they are more involved in internal debates and can foresee and stop the discussion of sensitive subjects. The independence of a director in the face of managerial control is interpreted as a deliberate delay in following a plan and is punished with exclusion from the board.

As technology develops, the number of sources of information increases, which eases the work of investors, alerting them to the true state of affairs. They can modify their investments by relocating and redirecting resources to other sectors. Managers cannot keep investors interested in their services if the latter's information shows the opposite. Those managers, prepared as always with plan B, change their speech to the directors. They recognize the existing problems and propose solutions in several steps. It presents the direction to which the company is heading and with what purpose. Although the counterattack plan against the accusations against them seems trivial, the results are satisfactory.

The members outside the board of directors are selected so that they agree with the general managerial practice, or so that they do not disagree with the managerial program. Paradoxically, however, the statement remains valid according to which the board of directors passes through its own filter the decisions of the managers and they can even be rejected. The manipulation does not end here because the directors have no say in strategic matters, although apparently they have everything under control. Let's take for example the case of a company that seemed promising, but which overcame organizational shortcomings only to bring benefits to the managers and not to it or its entrepreneurs.

II. AGENCY THEORY

This theory focuses only on the business organization and long-term interest of the entity. In other words, a decision is accurate and correct only if it generates more revenue than costs at the entity level. "Agent theory belongs to the category of economic positivism, a concept whose main supporter is the American economist Milton Friedman (born in 1912 - professor at the University of Chicago - laureate of the Nobel Prize for economics in 1976). According to his opinion, in a capitalist economy there is only one responsibility of business organizations, which aims to maximize long-term profits, respecting the law and free competition. Friedman's personal opinion starts from the premise that no one goes into business with any other objective than to obtain the greatest possible profits. This is a consequence of Smith's "invisible hand" concept. (Smith, 1977)

Within each enterprise, depending on the specific way of organization and other particularities, a set of specific relationships is manifested between the various categories of physical/legal person directly or indirectly involved in the business.

Each natural or legal person fulfills a certain social role, characteristic of a certain situation in which they find themselves. Thus, an employee of one company can find himself in the position of shareholder (therefore, owner) of another; in addition, he can be a client of another company, a member of an environmental organization, etc.

In carrying out its activity, the management of the company will have to take into account the conflicts arising from the gathering of a multitude of interests <under the same roof>, because they endanger efficiency, if they are not known and properly regulated. Thus, the concept of corporate management/governance appeared, which initially developed around the agency theory (Berle & Means, 1932).

"Shareholders will transfer their power to the managers they mandate to act on their behalf, in order to maximize their wealth. The two parties will sign the contract to define the obligations of each. However, these contracts are incomplete, since it is not possible to foresee precisely all the situations that could arise. Managers are tempted to exploit these contractual deficiencies to increase their utility and, implicitly, their power. Thus, in the debates regarding the governance of the enterprise, the manager occupies the central place because he is an important actor in the value creation process and has the ability to influence the distribution of wealth.

It is very important to analyze the degree of involvement, the objectives of the individuals, in other words, the way in which the types of investors and managers are reflected in the "meaning" of the company as an entity. To analyze such a taxonomy, we should first of all look through the lens of the investor. Ultimately, this is the actor on whom the manager's reactions depend, as in a game of dominoes, because the investor is the one who, directly or indirectly, sets the standards, the direction of the company's development and the goals that must be met.

As it emerges from Spurgin's analysis, two main types of investors can be identified, but they can manifest themselves differently, depending on the psychological characteristics of everyone. We can talk about a classic model, of the investor who interacts directly with the company and the manager. "The decision to invest is based on prior information about the activities of the corporations, so that the investors participate in the meetings with the shareholders, influence the company through their vote and assume both the gains and losses as the

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consequences of their decisions" (Spurgin, 2004).

Therefore, it is to be expected that such an investor, at least theoretically, does not only want an immediate profit, but rather has long-term expectations from the company, wanting to have information not only about the result but also about the way in which they are obtained. However, such a model can only be applied to the majority shareholders, the others having a limited power of intervention and control. On the other hand, however, the last decades have highlighted a new type of investor, with a minimal intervention in the company, whose presence at the market level tends to generalize.

Such investors prefer to invest in investment funds, their influence on companies being therefore indirect. Why? Because their decisions are based more on the reputation of the fund they choose, and less on that of the numerous companies that such a fund controls. Choosing this option can represent for them an alternative to avoid all the shortcomings arising from the status of a minority shareholder or simply from the risks arising from making an investment on their own account. But, by aggregating them by participating in a fund, both the individual right of ownership and the responsibility over the shares of the companies in which it is invested are significantly diluted. Overall, we could say that the manager who represents the investment fund is a hybrid between the direct, involved investor and the company manager, the proportions in which these two "ingredients" are mixed depending on the specifics of the fund.

Regarding the types of managers, their classification can be done according to several criteria. For example, according to the area of specialization, we can identify financial, operative, marketing, human resource, administrative managers. Another important distinction is the one made according to the title and the position it occupies. If in the case of investors, the classification carried out took into account the degree of interaction with the company, in the case of managers the classification can be carried out, symmetrically, depending on the assumed objectives and psychological traits: the level of assumed risk, loyalty to the company, focus of resources on short or medium or long term.

III. THE STAKEHOLDER THEORY VERSUS THE AGENT THEORY OR THE SHAREHOLDER MODEL

First, it must be said that there is a vast network of types of investors and managers for whom the relationship between them will be directly proportional to the degree of assuming an ethical and formal commitment. The objectives that each one proposes, as well as the active or passive mode of interaction, lead to a certain level of involvement, which determines the behavioral characteristics. But to achieve a true cooperation, a series of complementary measures are needed to build the manager's loyalty. Among them is the reward, within the contractual limits, or the granting of shares. Cooperation presupposes a common goal, or in any case a strong enough motivation to convince the parties involved to reach a consensus, so that their actions are correlated, convergent. The spectrum of types of managers and investors is quite varied. Therefore, the probability that an investor will choose a company that is managed by a manager with common goals is quite small, and in certain cases, it could even be counterproductive.

For example, we can have the case of an investor who wants to obtain immediate profits in order to later sell the company; at the same time, the manager has the same goal, because in his contract it is specified that the remuneration depends on the profit.

Obviously, the latter could be tempted to reduce costs as much as possible, in the short term (say during his employment), and to increase the profit, although, in the long term, the company would surely suffer. However, it is no less true that, for the good progress of the company, there must be cooperation between the manager and the investors, because, in the last resort, the manager aims to manage the assets of the investors. However, cooperation does not mean subordination or the fulfillment of all the investor's wishes, as can be seen from the example mentioned above. Why? Because such an attitude represents nothing more than a short-term focus. One of the characteristics of companies that survive in the long term or that keep their image intact even after 100 or 200 years is that their management is not lenient with all the expectations and demands of investors.

Obviously, the lack of any cooperation in the independent actions of managers and investors would represent a serious systemic problem for the company. However, there are numerous examples of operational companies. The answer may lie in the fact that although cooperation in the true sense of the word is difficult to achieve (due to the fact that the parties are not even in direct contact, for example in the case of investment funds or the branch manager of a transnational company), there is however, a coordination of approaches. Although it is not cooperation in the true sense of the word, one way to resolve this potential state of tension is peaceful coexistence, which assumes "tolerating the opponent's point of view without trying to influence it, when even collaboration can be found in the areas in which the stated objectives and opinions contain common notes, similarities". A common objective could be the approval of a long-term investment plan. However, since the parties isolate their activities to some extent, dysfunctions may occur at the company level.

A form of harmonizing the interests of managers and investors is that the manager is also an investor in the company. Thus, he would have both the motivation to obtain maximum benefits from the company, as well as to ensure that it can have a sustainable development. But, "few managers have the financial resources developed

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enough to buy a significant percentage of shares, and even so, the original investors may not be willing to give up a portion of shares to each new generation of managers." Corporate governance is based on the idea that, in order to maximize the company's wealth and, implicitly, its market value, a clear action mechanism must be created in order to resolve conflicts between shareholders, managers, creditors, employees, suppliers, etc. In addition, an effective governance system can prevent the occurrence of these conflicts, which especially concern the relations between shareholders-managers, respectively shareholders-creditors. The conflict between shareholders and managers is since managers are too little motivated to distribute dividends to shareholders, preferring to reinvest net profit even in projects with low profitability in order to preserve control of important resources. While shareholders are only interested in the financial profitability of the company, managers are influenced by other considerations such as: the size of the company (based on which it acquires power and social prestige), the degree of freedom in the allocation of resources, the level of remuneration. So, ensuring high quality financial and accounting information is important for both managers and investors because decision-making suffers (Hlaciuc, , & Rata, 2019).

The manager expresses, exercises, and executes the collective will, concretized in the decisions of the general meeting of shareholders. Most of the time, the managers of large companies are the ones who elaborate both the accounting documents and the development strategies and even the ascertaining verbal process of the decision of the general assembly, the shareholders only confirming them. Practically, the manager imprints a pronounced personal touch on the collective will. In practice, it is also found that the shareholders prefer long-term investments, while the manager will be tempted to choose short-term investments, since he can be removed from office at any time by the owner of the company. If the shareholding is relatively concentrated and stable, the relations between owners and managers can be efficient and long-lasting. On the contrary, a much-dispersed shareholder structure does not favor the attachment of shareholders to managers. In addition, company managers seek to increase their own advantages, without hesitating to limit the initiative of subordinates, centralizing all important decisions, as a result of the position held.

The conflict of interest between shareholders and managers has always existed because competition on the market of goods and services does not constitute a strong restriction to incite managers to work in favor of shareholders. In addition, the separation of ownership functions from decision-making functions generates a permanent doubt regarding the behavior of managers.

On the other hand, nothing forbids that, in certain situations, managers can also be <victims> of shareholders' decisions. The resolution of such a conflict finds its solutions in the identification of the internal and external mechanisms of the company, which seek to motivate the managers to act in the interest of the shareholders.

The first way to resolve the conflict between shareholders and managers is the decision to remunerate managers based on performance. Managers' incentive plans take the following form: options for managers to buy shares of the respective company, at a future time, but at a price set in the present. This option may be relevant, if the price of the shares on the market in the future would increase above the value of the fixed price. The motivation of such a practice lies in the fact that, by giving managers the possibility to buy shares at a fixed price, they will act to maximize the share price in the future. On the other hand, the investor-manager relationship assumes, by its nature, informational asymmetries, elements that can turn into instability factors within the company. This is the first and most common way of manipulation used by managers, which is usually correlated with informally inducing a certain behavior in employees.

Theoretically, the relationship between an investor and a manager is as follows: "Investors research the opportunity to make short or long-term profit within a business, participate in the General Assembly and determine the direction of the company through their vote and lose or win as a result. A manager, on the other hand, uses his experience to make the investors' wishes come true." In practice, this relationship poses a series of problems. Investors try with their vote to influence the manager directly (such as the audit) or indirectly. Probably the most common and simplest method of controlling a manager is through financial control, which "targets the overall activity of the organization and highlights the performance and financial health of the company, as well as its chance of survival" (Mintzberg, 2004, p. 119).

However, the situation is balanced by a series of anticipatory measures on the part of investors. The audit represents the main constituent element of this strategy due to the impartiality, objectivity and fidelity of this third player. At the same time, the pressure on managers through constant control and meetings with shareholders contributes to the efficiency of possibly tense relations. To begin with, we must say that the stakeholder is not an ordinary employee of a company, and this is highlighted through Law 31/1990, which was amended in 2006 and updated in 2020. According to it, the manager is not considered to be an employee of that company and therefore, he is no longer protected by the Labor Code. The law stipulates that he cannot have an employment contract and a mandate at the same time. He has a greater responsibility within the company, for example in case of damages, he has to pay the damage with his entire salary, unlike a regular employee who can pay a maximum of one third of his salary. Apart from those mentioned, it must be said that the manager is under constant pressure due to the fact that he can be dismissed at any time within the Board of Directors. Investors will therefore try to take advantage of this aspect to determine the manager to adopt certain economic policies in their favor.

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By reviewing the specialized literature, we searched for articles that refer to stakeholder theory and selected the original studies published in full in English, from the Web of Science database. The PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) guideline was used to conduct this meta-analysis. All the studies included in this meta-analysis were published in English during 2021-2020, in accounting-specific journals, and again in table no. 1 (Appendix A) will illustrate some of the studies found in the Web of Science database. Following the meta-analysis we found that managers have a defining role in communicating financial and accounting information to all categories of stakeholders because their decisions subsequently influence the decision-making process of all. It is very important to ensure effective communication between the company and its stakeholders because the business environment is unstable, and the various crises that can be social, environmental, economic and financial but also trigger and create financial imbalances within companies (Grosu, 2021). The most recent crisis was COVID-19 pandemic when they had to face a series of challenges in terms of running their business, changes in tax legislation or decreasing revenues. So reporting the effects of the pandemic has raised even more interest among stakeholders, as a result, the pressure to ensure quality reporting has become even greater (Rata, & Hlaciuc, 2022).

IV. CONCLUSION

In conclusion, although there are numerous factors that indicate a prevalence of conflicting elements, they rarely exceed the level of superficial tensions. Therefore, the manager has the duty to represent and protect the investors' interests despite the differences in objectives. The conflict between shareholders and managers is based on the fact that managers are too little motivated to distribute dividends to shareholders, preferring to reinvest net profit even in projects with low profitability in order to preserve control of important resources. While shareholders are only interested in the financial profitability of the company, managers are influenced by other considerations such as: the size of the company (on the basis of which it acquires power and social prestige), the degree of freedom in the allocation of resources, the level of remuneration.

The manager expresses, exercises and executes the collective will, concretized in the decisions of the general meeting of shareholders. Most of the time, the managers of large companies are the ones who elaborate both the accounting documents and the development strategies and even the verbal process confirming the decision of the general meeting, the shareholders only confirming them. Practically, the manager imprints a pronounced personal touch on the collective will. In practice, it is also found that the shareholders prefer long-term investments, while the manager will be tempted to choose short-term investments, since he can be removed from office at any time by the owner of the company. If the shareholding is relatively concentrated and stable, the relations between owners and managers can be efficient and long-lasting. On the contrary, a much dispersed shareholder structure does not favor the attachment of shareholders to managers. In addition, company managers seek by all means to increase their own advantages, without hesitating to limit the initiative of subordinates, centralizing all important decisions, as a result of the position held.

The conflict of interest between shareholders and managers has always existed, because competition on the market of goods and services does not constitute a strong restriction to incite managers to work in favor of shareholders. In addition, the separation of ownership functions from decision-making functions generates a permanent doubt regarding the behavior of managers.

On the other hand, nothing forbids that, in certain situations, managers can also be <victims> of shareholders' decisions. The resolution of such a conflict finds its solutions in the identification of the internal and external mechanisms of the company, which seek to motivate the managers to act in the interest of the shareholders.

The first way to resolve the conflict between shareholders and managers is the decision to remunerate managers based on performance. Managers' incentive plans take the following form: options for managers to buy shares of the respective company, at a future time, but at a price set in the present. This option may be relevant, if the price of the shares on the market in the future would increase above the value of the fixed price. The motivation of such a practice lies in the fact that, by giving managers the possibility to buy shares at a fixed price, they will act to maximize the share price in the future.

V. APPENDIX A

Table 1. Meta-analysis of specialized literature with the topic "Stakeholder theory"

Year	*Authors*	*Title of paper*	*Purpose, objectives*	*Results*	*Recommendations/Conclusions/Solutions*
2022	Valentinov, V and Chia, R	Stakeholder theory: A process-ontological	Proponents of stakeholders theory have known for some years that understanding its	Within a process-ontological worldview, corporations and their stakeholders are considered to be sustained and mitigated by social practices	Adopting an ontological view of process presents a much-needed step that can help strategic

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		perspective	key insights requires a specific worldview that, unfortunately, is not yet widespread in the strategic management scholarly community. We argue that this worldview encompasses a process ontology that is radically different from the substance-ontological perspective typical of mainstream strategic management approaches.	and relations that involve interconnected chains of adaptive actions undertaken in everyday interactions. We show that adopting an ontological view of process presents a much-needed step that can help strategic management scholars reach a better understanding of how stakeholder theory addresses three problems of capitalism today, those of creating values and trade, the ethics of capitalism and managerial mindsets. On this basis, we discuss how ontology processing can lead stakeholder theory to further refine its understanding of business strategy, corporate social responsibility, and the common ground between the firm and its stakeholders. We show that adopting an ontological view of process presents a much-needed step that can help strategic management scholars reach a better understanding of how stakeholder theory addresses three problems of capitalism today, those of creating values and trade, the ethics of capitalism and managerial mindsets.	management scholars reach a better understanding of how stakeholder theory addresses three problems of capitalism today, those of value creation and trade, the ethics of capitalism and managerial mindsets. On this basis, we discuss how ontology processing can lead stakeholder theory to further refine its understanding of business strategy, corporate social responsibility, and the common ground between the firm and its stakeholders.
2021	Freeman, RE; Dmytriyev, SD and Phillips, RA	Stakeholder Theory and the Resource-Based View of the Firm	The article aims to explore the similarities between the resource-based view of the firm (RBV) and stakeholder theory at the time of their inception, and then continues with a conversation about what led to the distinct developmental trajectories of the two theories. Although RBV has become a leading paradigm in the field of strategic management, the paper argues that in its current form,	The paper suggests that there are four aspects that stakeholders theory can offer to inform RBV: normativity, sustainability, people and cooperation.	Reconciling stakeholder theory and RBV is a promising avenue for advancing our understanding of management, and the paper provides a two-part guide to management researchers and practitioners who might be willing to follow this path.

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			RBV is still incomplete.		
2021	Stoelhorst, JW	Value, rent, and profit: A stakeholder resource-based theory	This article goes back to first principles to develop a resource-based theory of stakeholders based on a team production view of the firm. First, the firm is conceptualized as a governance structure to facilitate stakeholder cooperation in team production and innovation. Second, value creation, value appropriation, rent, and profit are defined in ways that explicitly recognize the collective and dynamic nature of value creation.	The resulting framework is used to explain how economic profit and stakeholder payoffs emerge in the interplay of value creation and appropriation.	A fundamental insight is that above-normal returns for shareholders result from their (privileged) position in governance structures, as opposed to a competitive market logic.
2017	Solimene, Silvia, Coluccia, Daniela, and Fontana Stefano	Disclosure via social media and market reaction within the stakeholder theory	The main aim of the paper is to analyze corporate disclosures through social media among a sample of the 100 largest firms listed on the Eurostoxx 100 and its effect on the financial market. The first part of the research is focused on identifying the social channel used by companies (Twitter, Facebook, Linkedin, Youtube, etc.); then, on the selection of information released during 2014 and on the attribution of the company's many stakeholders, to find out if there is a predominant stakeholder when companies broadcast their voluntary disclosure.	The last section of the project is dedicated to deepening the meaning and relevance of disclosure through social networks, at the financial market level.	To do this, we use an Event Study Methodology, powered by Event Study Metrics software.
2017	Almazan, A; Chen,	Firm Investment and Stake	This paper develops a top-down model of capital budgeting in which privately	In this framework, it is analyzed how firms can distort their investment choices to influence the	Favorable information in this setting encourages stakeholders to take

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	ZH and Titman, S	holder Choices: A Top-Down Theory of Capital Budgeting	informed managers make investment choices that convey information to the firm's stakeholders (e.g., employees).	information transmitted to stakeholders and thus investment rigidities and overinvestment can appear as optimal investment distortions. We also analyze investment distortions in multi-division firms and compare such distortions to those in single-division firms.	actions that contribute positively to the firm's success (e.g., employees work harder).

Source: Own processing

VI. References

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