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An overview on stakeholder theory perspective: towards managing stakeholder expectation

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Abstract

The stakeholder theory has become the focal point of a great many debates to arrange which corporation management principle should follow. A diversity of principles has grown over the last decades, challenging the status of shareholder expectations management. This paper argues for the use of a narrow stakeholder definition, groups and approaches, thus it is suggested the necessity of managing expectations of different stakeholder groups. This paper supports the common idea that the moral discourse and the business discourse most be integrated in stakeholder theory, not treated as separate tracks by the management of stakeholder expectations. More accurately to answer the fundamental questions concerning the stakeholder theory perspective, we have presented the underlying epistemological issue of the problem of justification for Stakeholder Theory and the needs to a more compatible ethical theory, and we giving special consideration to the treatment of joint framework of stakeholder theory perspective. The paper shows also that both stakeholder approaches depicted can learn from each other to strengthen their own argumentations.

Keywords: stakeholder, stakeholder theory, legitimacy theory, corporate social responsibility (CSR), stakeholder expectations.

Introduction:

A starting point for this paper is an article entitled "Unfolding stakeholder engagement" written by (Andriof & Waddock, 2002), of the most distinguished researchers in this field. We have taken only the discussion of theoretical stakeholder approach and management of disclosure expectation in that paper, and it seems as problems with constructing a satisfactory model. This paper will address such problem and it also suggests some remedies. Some authors consider that a central part of stakeholder theory concept is that a theory is not just a number of separate issues brought together, but it's rather a chain where the links are most dependent on the strength of the other links.

Generally, perspectives on stakeholder theory have moved away from an entirely corporate-centric focus in which stakeholders are viewed as subjects to be managed towards more of a network-based, relational and process-oriented view of company–stakeholder engagement, where at least there is consideration of mutuality, interdependence and power (Andriof & Waddock, 2002).

This article brings up some important issues each one in need of improvement in order to bring the stakeholder theory closer to the ambitions of an enlightened level. Firstly the concept of stakeholder used in the context of organizational and project management as proposed in first time by (Freeman, 1984), the concept has been quickly a widespread adaption to the discipline of systems engineering. Some issues in accounting and financial literature documented and proved the importance of stakeholder identification for the success of organizations. But the most part of research topics on stakeholders focuses on stakeholder involvement study and stakeholder management in the organizational and project management domains in order to elicit better requirements in the systems engineering.

The stakeholder theory has been advanced and justified in the management literature on the basis of its descriptive accuracy, instrumental power, and normative validity (Donaldson & Preston, 1995), the authors have advanced that the research on stakeholder theory has proceeded along three lines. The first line concerns descriptive accuracy and describe the interaction between the managers, firms, and stakeholders. The second line concerns the instrumental stakeholder theory, linked to instrumental power, and assumes that if managers want to maximize the objective function of their firms, they must take stakeholder interests into account. The third line, presents the normative validity, it comes a normative sense of stakeholder theory that prescribes what managers ought to do. To this framework a fourth dimension could be added, the 'metaphorical use of stakeholder' identified by (Mitroff, 1983) and Freeman (1994) which describes the idea as a figure in a broader narrative about corporate life. These dimensions can be distributed into tow approach, the first one regroup the descriptive and instrumental dimension of stakeholders, called the analytical approach of stakeholder theory, while the second one, regroup the normative and metaphoric dimension and called the narrative approach of stakeholder theory.

An overview of the literature on the emergence of stakeholder theory creates the impression that the concepts surrounding the stakeholder requires to referred at the definition of "stakeholder" concept and the identification of stakeholder groups before to present the different approach of stakeholder and the commitment of corporate social responsibility disclosure in the framework of stakeholder theory. The "stakeholder" concept was appeared with the work of (Freeman, 1984) who has defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the firm's objectives", in the

same subject (Kaler, 2002) provide two dichotomous views, the first one it's the 'claimant' definition and the second one based on the 'influencer' definition of what it is to be a stakeholder. Alternatively, (Clarkson, 1995) defines the stakeholder as persons or groups that have, or they claim ownership, rights or interests in a corporation and its activities, past, present or future. The conceptual and empirical foundation on which rests the general perspective of Stakeholder Theory suggest that Stakeholder Theory is based on a limited analysis of the relationship of business activity to the institutional structure of modern capitalist society. Thus, appears the need for fundamental structural change if the interests of stakeholders are to become integral to the operation of the enterprise.

The remainder of this paper is organized as follows. Section 2 describes the distinguishing of stakeholder theory dimensions. Section 3 explains the problem of justification for stakeholder theory. Section 4 presents the joint framework of stakeholder theory and corporate social responsibility disclosure dimension in stakeholder theory perspective. Section 5 provides conclusions.

1. Distinguishing of stakeholder theory dimensions

1) Narrative approach of stakeholder theory

Normative stakeholder theory; based on treatment of the corporate social responsibility, fiduciary principle and principle of corporate legitimacy; two sorts of legitimacy are different from one another. The first consists that stakeholders who retain the ability to affect the organization are legitimate (derivatively), the second provides that this legitimacy is derived from the moral obligation owed other (normative) stakeholders. (Phillips, 2003) defines normative stakeholders, as those stakeholders to whom the organization has a moral obligation, as an obligation of stakeholder fairness, over and above that due other social actors simply by virtue of their being human. The concept "derivative" stakeholders related to groups whose the managers must account for the actions and claims due to their potential effects upon the organization and its normative stakeholders. Managerial attention to these groups is legitimate; this legitimacy is derived from their ability to affect the organization and its normative stakeholders. Consideration of these groups is just limited to this ability to affect the organization and its normative stakeholders. The legitimacy of the derivative stakeholders is based upon their obligations owed to others, and does not result from any obligation due the derivative stakeholders themselves. The normative foundations of the theory of stakeholders can be summarized in: systemic perspective: (Donaldson & Preston 1995).

Metaphorical; the impressive research on stakeholder theory has proceeded along three lines: the descriptive, the normative and the instrumental dimension (Donaldson & Dunfee, 1994; Donaldson & Preston, 1995; Friedman & Miles, 2006). To these three interpretations, (Freeman, 1994) has added "a fourth dimension, the metaphorical use of stakeholder" which depicts the idea as "a figure in a broader narrative about corporate life" (Freeman, 1999). To continue the explanation of the metaphorical dimension like that added by (Mitroff, 1983; Freeman, 1994; Waxenberger & Spence, 2003) was starting by the inserting of corporate failings such as Shell, Enron and Worldcom, to demonstrate that a wider dialogue is needed in organizational management and planning than a narrow focus on shareholder returns. Indeed, (Hillman & Keim, 2001; Waxenberger & Spencer, 2003) suggest awareness of business strategists to the needs of their stakeholders rather than just their stockholders. This suggestion requires

openness to dialogue and exchange, in so far as in many industries is considered such as a cultural shift from a starting point of suspicion and mistrust of groups affected by and affecting the firm.

2) Analytical Approach of stakeholder theory

Instrumental stakeholder theory; as part of the instrumental version, the stakeholders are discussed as factors enabling the company to achieve its objectives and enable leaders to meet their fiduciary obligations towards shareholders. (Jones, 1995) indicates that firms contracts with their stakeholders on the basis of cooperation and mutual trust grant a competitive advantage over those that do not. The rationale of instrumental stakeholder theory based on the effect of stakeholder consideration on firm's bottom line, and thus the stakeholders can be grouped into labor; customers; shareholders (Frank 1988; Hill & Jones 1992; Clarkson, 1995; Jones 1995). These groups function as organizational units in which members share common meaning, influence over, and expectations of the firm, (Coombs, 1998), this idea was inspired from the paper of (Freeman, 1984) which provides that the firm's survival is linked in part to relationships with these groups.

The firm's ability to evince to these groups that its manner of addressing stakeholder issues is in line with industry practice (Coombs, 1998; Hoogheimstra, 2000), and that its commitment to meeting groups' ongoing expectations through stakeholder-oriented policies and behaviors, participates to established and maintained her relationships with stakeholder. (Margolis & Walsh, 2001a) affirmed that the instrumental stakeholder theory developed by (Jones, 1995), in order to link corporate responsibility to indicators of financial performance. Through a high level of social capital with respect to companies, (Frank, 1988) has argued that cooperation with stakeholders' honest, trustworthy help to solve the problem of opportunism and, hence, is desirable partners in contracting relationships.

The voluntary adoption of behavioral standards constituted a key to competitive advantage for firms is, therefore, mutually trusting and co-operative contracts with their stakeholders: that is, social capital. In the realm of theoretical stakeholder studies, two possibilities exist. The first, expected that: 'Managers behave as if several stakeholder groups, not just shareholders, affect firm performance'. The second expects to accumulate evidence to show that managers do not, in fact, behave as if stakeholders mattered in terms of the success of the firm. The follow of empirical studies shows that empirically, (Clarkson, 1995) has accumulated evidence that does not contradict either of these claims. (Berman et al. 1999) of their own provide support for a strategic stakeholder management model, but place little emphasis on an intrinsic stakeholder commitment model.

Descriptive dimension of stakeholder theory; referred to the theory is used to describe, and sometimes to explain, specific corporate characteristics and behaviors. For example, stakeholder theory has been used to describe (a) the nature of the firm (Brenner & Cochran, 1991), (b) the way managers think about managing (Brenner & Molander, 1977), (c) how board members think about the interests of corporate constituencies (Wang & Dewhirst, 1992), and (d) how some corporations are actually managed (Kreiner & Bhambri, 1991), stakeholder identification (Mitchell et al. 1997). For Donaldson & Preston (1995), the theory holds that the organization is at the center of cooperation and competition, each with their intrinsic value. The descriptive aspect of stakeholder theory is used to describe and explain the characteristics and specific behaviors such as the nature of the firm.

2. The problem of justification for Stakeholder Theory

The underlying epistemological issue in the stakeholder literature is the problem of justification: Why should the stakeholder theory be accepted or preferred over alternative conceptions? To answer this question must be distinct purpose that the theory is intended to serve.

1) Legitimacy in Stakeholder Research: Normative and Derivative Perspectives

Normative stakeholders, then, are those stakeholders to whom the organization has a moral obligation, an obligation of stakeholder fairness, over and above that due other social actors simply by virtue of their being human. While the derivative stakeholders are those groups whose actions and claims must be accounted for by managers due to their potential effects upon the organization and its normative stakeholders. Managerial attention to these groups is legitimate, but this legitimacy is derived from their ability to affect the organization and its normative stakeholders. Consideration of these groups is justifiably limited to this ability to affect the organization and its normative stakeholders. The legitimacy of the derivative stakeholders (qua stakeholders) is based solely upon obligations owed to others and does not result from any obligation due the derivative stakeholders themselves.

2) Stakeholder model

Post et al. (2002) define the stakeholders in a corporation as any individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and that are therefore its potential beneficiaries and/or risk bearers. The existence of stakeholders is related to the existence of a "theory of stakeholders." The arguments of stakeholder theory are organized in three broad categories: legitimacy, power and urgency are the three reasons for the relevance of the stakeholder theory. For example, (Mitchell et al. 1997) in developing a dynamic theory of stakeholder relations argue that stakeholder identification and salience is a function of stakeholders_ possessing one or more relationship attributes (situational factors. For (Andriof & Waddock, 2002) only two main justifications for stakeholder theory namely are the legitimacy and power.

The Stakeholder model of Mitchell and al. (1997) proposed a model considered as a reference by several researchers such as (Hirigoyen & Caby 2001; Andriof & Waddock (2002). In their model, (Mitchell et al., 1997) hierarchies the stakeholders as they have one, two, or three different attributes that are: power, legitimacy and urgency. In their article, (Mitchell et al., 1997) provide the following definitions of attributes: The power: (Mitchell et al. 1997) state that most definitions depart from the definition of (Weber, 1947) the power is "the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance". In the same way the definition of (Dahl, 1957) and rephrases by (Pfeffer, 1981) provides that it is a "relationship between social actors in which one social actor A can obtain another B, to do something that would not have otherwise". According to (Mitchell et al. 1997), the implement of power depends on the type of resources which has the stakeholder, this principle considered as a cornerstone of the theory of resource dependence (Pfeffer & Salancick, 1978), and that constitutes an essential theoretical basis.

To define the legitimacy, (Mitchell et al. 1997) allowed the definition suggested by (Suchman, 1995), is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate

within some socially constructed system of norms, values, beliefs, and definitions". Since that the first two attributes, power and legitimacy are considered as independent variables in the relations of stakeholders-executives parties. (Mitchell et al. 1997) proposed that adding the stakeholder attribute of urgency, claim of stakeholders that take into account the dynamic interactions between stakeholders and managers, and that helps move the model from static to dynamic. The urgency of the claim that stakeholders are entitled to exercise the company has two aspects: the sensitivity of the stakeholder to delay (Eyeston, 1978), and the critical nature of these claim for the stakeholder (Hill & Jones, 1992).

The Stakeholder Model of (d'Andriof & Waddock 2002, p. 32), rephrases by (Phillips et al. 2003); the Stakeholder Model was implemented using survey instruments and guidelines developed to the arguments related to the attribute of legitimacy, and the "recognition of the status of stakeholder an entity relies heavily on a process of analyzing the legitimacy of this entity." The development of (Andriof & Waddock, 2002) represented an advance over (DiMaggio & Powell, 1983) they provide that the concept of legitimacy is understood in its strategic direction and sociological cultural adaptation to the expectations of the company and compliance processes with practices considered legitimate within the organizational field where the company is based. Legitimacy can also be understood in a broader sense, as a normative point of view, the stakeholder theory is primarily to identify which bases the legitimacy of a stakeholder. From an ethical point of view, the need to integrate stakeholders is widely addressed in the context of theories of moral philosophy, (Jones, 1995; Freeman 2008; Tullberg, 2013).

(Phillips et al. 2003) hold eight foundations that constitute the "normative heart" of stakeholder theory. In the Stakeholder model of (Andriof & Waddock, (2002), and adopted by (Phillips et al., 2003), with the acceptance of the principle of dependence on resources theory of (Pfeffer and Salancick, 1978), the arguments related to the attribute of power are regrouped in a strategic behavior, and justify the existence of stakeholders by the existence of power relations, and thus interdependence between the firm and the groups that make up its environment and with whom it interacts.

3. Joint framework of stakeholder theory perspective

1) The selection of stakeholder groups and corporate social responsibility

Many attempts included in the literature to classify stakeholders using various criteria, (Mitchell et al. 1997) offered a theory of stakeholder identification and salience their idea was based on three attributes: power, legitimacy and urgency. The attribute of power has been identified in the literature as a key in the relationship between corporate managers and their stakeholders (Ullmann, 1985; Mitchell et al., 1997).

Refer to the resource dependency theory the power accrues to those parties who control resources required by the organization, creating power differentials among stakeholders (Pfeffer, 1981). (Suchman, 1995) defines the attribute of legitimacy as a ''generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions''. (Mitchell et al., 1997) defines the urgency, ''the degree to which stakeholder claims call for immediate action''. The urgency when is combined with either attribute power or legitimacy has the potential to change stakeholder–manager relations and increase the importance of the affected stakeholder group.

(Phillips, 2003b) distinguishes and develops normative, derivative and dangerous or dormant stakeholders. The normative stakeholders regroup stakeholders to whom the organisation has a moral obligation: an obligation of stakeholder fairness. The derivative stakeholders regroup groups or individuals who can either harm or benefit the organization but to whom the organisation has no direct moral obligation as stakeholders: these include competitors, activists, terrorists and the media (Phillips et al., 2003), and also 'dangerous' or 'dormant' stakeholders such as blackmailers or thieves (Jensen, 2002). These final categories can affect the corporation but have no legitimate relationship with it (Mitchell et al., 1997; Phillips, 2003). An additional compelling basis for classification considers the level of the environment: the resource base, the industry structure and the social political arena (Post & al., 2002a). Stakeholder theory is "mainly used to operationalized the question of to whom businesses have a responsibility" rather than for what (Egels, 2005).

Stakeholders may be classified as primary or secondary (Clarkson, 1995; Mitchell et al., 1997). Primary stakeholders interact directly with the system and without whose participation, the organization cannot survive. Secondary stakeholders interact indirectly with the system and are not essential for its survival. Stakeholders could be internal or external groups, depending on whether they originate from inside or outside the organization (Adelakun & Jennex, 2002; Schneider, 2002). They could be owners or non-owners, voluntary or involuntary actors, resource providers or dependents, or risk-takers or influencers (Mitchell & al., 1997). Finally, a stakeholder can be classified as an individual, group of individuals, subset of an identifiable group of individuals, organization, institution, society or even the natural environment (Jones, 1995; Mitchell et al., 1997).

In the literature review the term corporate social responsibility has indeed been defined in various ways from the economic, legal, ethical and discretionary strands of responsibility (Carroll, 1979) to good corporate citizenship (Hemphill, 2004). These variations stem in part from differing fundamental assumptions about what CSR entails, varying from conceptions of minimal legal and economic obligations and accountability to stockholders to broader responsibilities to the wider social system in which a corporation is embedded. (Maignan et al., 2005) similarly they find that senior management and many marketers still struggle with the notion of CSR. The crux of the problem stems from the meaning of the word 'social' and how it links to daily business activities. Indeed, because of the level of abstraction of the word 'social', managers may have problems evaluating how their own organization can contribute to the well being of society as a whole (Clarkson, 1995; Maignan et al., 2005).

Indeed as suggested by (Clarkson, 1995) ''society is a level of analysis that is more inclusive, more ambiguous and further up the ladder of abstraction than a corporation itself.'' The recent ascendancy of stakeholder theory literature is grounded in the belief that firm–stakeholder relationships are the essential assets that managers must manage (Post et al., 2002). Whilst, the CSR aims to define what responsibilities business ought to fulfill, the stakeholder concept addresses the issue of whom business is or should be accountable to (Kakabadse et al., 2005). However, while the CSR concept still suffers from a level of abstraction, the stakeholder theory approach offers a practical alternative for assessing the performance of firms towards key stakeholder groups and hence also indirectly gauging their corporate social performance. Indeed, although the stakeholder theory literature has made progress in terms of theoretical

development, the business and society field has been hampered by the absence of widely accepted definitions of core concepts remains a valid criticism (Doh & Guay, 2006).

This lack of consensus has inhibited empirical testing of the traditional business and society theories and translated into a relative paucity of systematic assessments of the societal impacts of business operations (Davenport, 2000). Clarkson's (1995) integration of the concepts of stakeholders and corporate social performance thus constituted an advance in this respect, providing an alternative theoretical lens, and making it easier for research to accrue. Stakeholder theory has accordingly witnessed a new resurgence and ascendancy in the context of CSR research.

2) Management of stakeholder expectations

The legitimacy theory focuses upon the expectations of society in general, stakeholder theory focuses upon the expectations of particular interest groups. In the context of a firm, society can be grouped as shareholders, creditors, employees, customers, and suppliers, who may be interested in the firm's social and environmental activities. (Freeman, 1984) identified these groups as "stakeholders." Stakeholders differ in the nature and the level of influence they exercise on a firm's activities. The nature and the level of influence are manifested as stakeholders' powers and they have the capacity to influence managerial strategic decisions in the form of control over resources required for the firm to continue to exist (Ullmann, 1985).

Referring to the model of (Mitchell et al., 1997), the classification of stakeholders is based on combinations of the three attributes. Thus, a stakeholder may be provided with zero, one, two or three attributes, this led to seven types of stakeholder typology (eighth consisting of non-stakeholders). This typology provides a valuable assistance to manager and provides a ranking of priorities to stakeholders who have the largest number of attributes, or have a combination of attributes that require special expectation. This model suffers from the limitation of not taking account the relationships that can exist between different stakeholders. To overcome this limit, the model (Bouglet, 2005) provides guidance on the typology to managing expectations of stakeholders.

(Bouglet, 2005) is interested by coalitions of stakeholders against the managers. The author states that the term "coalition", as used by (Rowley, 1997fg) seems more appropriate than "alliance" to describe relations between stakeholders which reference is made here. Indeed, an alliance means a union, registered in the term for performing a plurality of common goals. Instead, a coalition means a momentary meeting in pursuit of a common interest against the manager. (Bouglet, 2005) provide comprehensive review of stakeholder theory, seven categories expectations identified by same terms used by (Mitchell et al. 1997) in their model when classifying stakeholders.

Four priority expectations can result from a coalition: the dominant expectation, dangerous expectation, dependent expectation and definitive expectation. However, as the combinations of different attributes are waiting for the other issues naturally have unequal importance. Expectation is described as dominant depends priority treatment by the leader. Indeed, it is both legitimate and supported by a coalition with power. That means not taken into account may lead the firm to be "punished" by the holders of

expectation. It is the expectation of internal control (the audit committee and board of directors) and external control (auditors).

A dangerous expectation deserves the attention of the manager. Indeed, even if it lacks legitimacy, the realization of this expectation can be dangerous, since it is both urgent and supported by a coalition with power. This may be the case of a supplier and a customer of the same company, and if they are related, they can form an expectation (admittedly lacking legitimacy) to make a pressure on the leaders of the company and compel them to follow their interests. Once a dangerous expectation identified, it must be given special attention by the manager order that prevents its consequences: it may be financial intermediaries such as banks and brokers. Dependent expectation is held by a coalition not involving stakeholders with power over the firm. The manager has a priori no reason to consider this as a priority it should nevertheless give him attention when one takes a dynamic universe, and are considered dependent on the financial reporting process, the expectations of financial analysts and the financial press. Expectation is definitive if it is dominant and has more urgency. This is an expectation and in addition to being processed in priority, it must be treated quickly. It is characterized by a delay duty to be treated as a priority, it must be treated quickly.

The purpose of legitimacy theory attempts to explain the reasons for the organization makes disclosure, also the legitimacy theory argues that a firm is legitimized when its value system matches that of the social system of which it forms a part, and that the characteristics of legitimacy is threatened when the firm's value system does not match that of the social system (Lindblom, 1994). A firm motivated to disclose social and environmental information to legitimize its status within society (Deegan, 2002). For (O'Donovan, 2002; Van Staden & Hooks, 2007) the disclosure-related strategy may be either proactive for a firm to gain or maintain the support of the general public and particular interest groups whilst for (Deegan & al., 2000) the disclosure-related strategy is reactive for the firm to repair its legitimacy threats.

The publicly disclosed information about a company's social responsibility considered as a basis for dialogue between the firm and its stakeholders (Dierkes & Antal, 1985). Donaldson & Preston (1999), provides the importance of this open communication between managers and its stakeholders, the authors was underline that the "Managers should listen to and openly communicate with stakeholders about their respective concerns and contributions, and about the risks that they assume because of their involvement with the corporation". In the accounting perspective, the annual reports that include financial statements and other information considered as a primary method of communicating with stakeholders. (Gray & al., 1995a) added that from a stakeholder perspective "social disclosure is thus seen as part of the dialogue between the company and its stakeholders".

The groups of stakeholder are the answer to the seminal stakeholder question "for whose benefit ... should the firm be managed (Freeman, 1984). As the managers are not taken into account; the only category of internal stakeholders is that which includes employees related to the firm by their employment contract. Employees provide the company with a commitment in terms of human capital and skills, in exchange; they expect fair income and adequate working conditions (Hill & Jones, 1992). Financial information disclosed contribute to assess the stability and profitability of the entity that employs, as well as the ability of the companies to ensure their remuneration, pension entitlement and career opportunities. The

agency relationship, limited to the principal-agent framework, providing a foundation for the analysis of the relationship between shareholders and the manager would be reductive bilateral formulation that is originated in the Anglo-Saxon legal framework which regulates relations agency real (Charreaux 1999).

The external users of financial information are those most often mentioned in the context of an agency relationship, it is the shareholders (investors) and creditors (banks); but also include business partners (customers, suppliers), competitors, government and the public. (Stolowy & Lebas, 2006) state that business activity and potentially affect members of the audience collectively or individually, companies can make a substantial contribution to the local economy through the wealth created and injected, or by the creation or loss of jobs. Financial communications may assist the public by providing information about the trends and recent developments in the prosperity of the company and its range of activities.

Conclusion

The aim of this article is to contribute to an upgrading of the stakeholder theory. This has been done by working out compatible suggestions regarding central issues: which groups are stakeholders, the philosophical justification, the distinguishing of stakeholder theory dimensions and the reform from typology of stakeholders to management stakeholder expectations. The conceptualisations of stakeholder theory in Freeman's stakeholder model and in its revised version have been widely accepted as a management tool for developing corporate strategies. However, the uncontrolled broadening of its scope and applications of the "stakeholder perspective" is coupled with the parallel multiplication of stakeholder definitions, justification and characteristics. We explained that the stakeholder concept has an importance in the management strategic and brings with it the necessity to reassess the strategy of an organization. (Ullmann, 1985) concedes that often social disclosure is used as a surrogate for actual CSR performance.

Previous studies have indicated that the corporate social and environmental disclosure is correlated with various stakeholder groups: creditors (Roberts, 1992) shareholders (Cormier & Magnan, 2003), and special interest groups (Deegan and Blomquist, 2006).

(Wood, 2010) provides some examples of numerous corporate social performance (CSP) variables according to principles, processes and outcomes. In a similar issue (Clarkson & al. 2011), after comparing voluntary environmental disclosure with actual environmental performance in a sample of Australian firms call for enhanced mandatory reporting, and argue that concerning the environmental disclosure "both the level and nature of environmental disclosure provided by a firm may not be indicative of its underlying environmental performance".

The stakeholder theory dimensions requires for the organizations to acknowledge the needs and the expectation of groups who affect the organization and those affected by it. When it is indicated that a particular group is owed no stakeholder based obligations, it would be a mistake to interpret this as meaning that the organization has no moral relationship whatsoever with that group. Simply because a person or group does not merit the additional moral consideration conferred upon normative stakeholders does not mean that they may be morally disregarded. One still may not break promises without sufficient cause, kill competitors for market share, violate the rights of or otherwise act immorally towards these

groups. However, no additional moral consideration is due these groups in managerial decision making and the organization has no special obligation to attend to their well-being.

We agree with (Agle & Mitchell's 2008) conclusion who provide that "the process of building-toward-elegance in stakeholder theory remains incomplete". The business strategists must be aware of the needs of their stakeholders rather than just their stockholders. This requires openness to dialogue and exchange, which in many industries are a cultural and a reform from typology of stakeholders to classification of stakeholder expectations. In this paper, a different and innovative approach has been chosen: rather than building the discussion purely from theoretical point of view of stakeholder theory and legitimacy theory, the analysis will return to the origin of stakeholder theory and will keep the framework of corporate social responsibility in stakeholder perspective.

Stakeholder management has become an important tool in recent decades to transfer more compatible ethical theory to management practice and strategy. This study makes a contribution to the stakeholder theory perspective by expanding the scope of extant research on the necessity of managing expectations of different stakeholder groups. This paper presents the underlying epistemological issue of the problem of justification for Stakeholder Theory and the needs to a more compatible ethical theory, and gives special consideration to the treatment of joint framework of stakeholder theory perspective.

Various limitations are acknowledged in this research such as there are a few management topics have generated more debate in recent decades than the underlying notion, the model and the theories surrounding stakeholders. It becomes a matter of moralizing about, rather than effecting change in, the nature of modern capitalist society. Only those who already shared the sensibilities will be interested by stakeholder theory perspectives. therefore, it difficult after look at the historic roots of stakeholder theory, to give critiques in its current form, and to suggest steps that may be taken for stakeholder theory to satisfy the conceptual requirements of theory.

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