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## **Prioritizing Stakeholders for Public Relations**



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## Prioritizing Stakeholders for Public Relations

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### **Purpose of the White Paper**

By reviewing the literature in stakeholder theory, stakeholder management, and public relations, this paper arrives at a model that prioritizes stakeholders through a four-step process:

1. Identifying all potential stakeholders according to their relationship to the organization;
2. Prioritizing stakeholders by attributes;
3. Prioritizing stakeholders by relationship to the situation;
4. Prioritizing the publics according to the communication strategy.

### **What readers will find in this report**

Studies in stakeholder theory, stakeholder management, and public relations provide many different ways of identifying key stakeholders or publics. At the heart of these attempts is the question, “How much attention does each stakeholder group deserve or require?”

Since it is impossible that all stakeholders will have the same interests in and demands on the firm, one scholar specifies that stakeholder management be about “managing potential conflict stemming from diverging interests.”<sup>1</sup> Once organizations have identified their stakeholders, there is a struggle for attention: who to give it to, who to give more to, and who to not give it to at all. Sacrificing the needs of one stakeholder for the needs of the other is a dilemma with which many organizations struggle. When these conflicts arise it is important to the success of the organization that it has prioritized each stakeholder according to the situation.

By synthesizing research in stakeholder management and public relations, this paper will clarify the difference between a stakeholder and a public, then provide a model that moves from the broadest attempts at identifying all stakeholders, to the more specific need of identifying key publics for communication strategies. The model is situational, and priority of stakeholders and publics will change according to the situation.

### **Defining Stakeholders and Publics**

The terms *stakeholder* and *public* are often used interchangeably, but they shouldn't be. Stakeholders have been identified in the business literature according to their relationships to *organizations*. Publics, in the public relations and other mass media literature, are often identified according to their relationship to *messages*.

<sup>1</sup>\_\_\_\_\_

<sup>1</sup> Winn, M.I. 2001. “Building Stakeholder Theory with a Decision Modeling Methodology,” *Business & Society*, 40: 133-166.

*Stakeholders.* The most quoted definition of a stakeholder in business literature is that given by Freeman, who says a stakeholder is “any group or individual who is affected by or can affect the achievement of an organization’s objectives.”<sup>2</sup> This is what Freeman refers to as the wide sense of a stakeholder; however, he also spoke of the narrow sense of a stakeholder when he described it as, “any identifiable group or individual on which the organization is dependent for its continued survival.”<sup>3</sup> The definition has been expanded to include groups who have interests in the corporation, regardless of the corporation’s interest in them.<sup>4</sup> Others have narrowed the definition to those who contribute to the financial bottom line of the organization.<sup>5</sup>

Several scholars have criticized that the theory does not make clear who is a stakeholder and who is not.<sup>6</sup> These scholars claim that stakeholder theory focuses heavily on the importance of meeting the needs of all stakeholders, but does not tell anyone who the stakeholders actually are or how to identify them. It is because of this uncertainty that so many different, yet similar, definitions of who and what a stakeholder is have arisen. Stakeholder management must move toward a “names and faces” orientation, with specific identification of and communication with stakeholders, to avoid the anxiety of facing an infinite number of persons who have interest in, or are affected by the organization.<sup>7</sup> Employees, customers, shareholders, communities and suppliers are those most commonly classified as stakeholders within an organization

*Publics.* “Publics” is the term used for stakeholders in the public relations literature. Because the public relations profession evolved from journalism, the term has frequently been related to the recipients of messages from organizations. These publics, or more accurately, “audiences,” become segmented into more homogenous subsets that help communicators choose appropriate channels for reaching them. For example, publics can be employees, shareholders, political leaders, consumers, etc. These publics are often segmented even further by demographics, geographics, or psychographics. However, research in public relations has recently turned to the value of the relationships these publics have with organizations. This emphasis has encouraged adaptation of the term “stakeholder” in both practice and scholarship.

James Grunig has differentiated the terms “stakeholder” and “public” in the following way: organizations choose stakeholders by their marketing strategies, recruiting, and investment plans, but “publics arise on their own and choose the organization for attention.”<sup>8</sup> Grunig relied

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<sup>2</sup> Freeman, R. E. 1984. *Strategic Management: A Stakeholder Approach*. Boston: Pitman Publishing.

<sup>3</sup> Freeman, R.E., & Reed, D.L. 1983. “Stockholders and stakeholders: A new perspective on corporate governance.” *California Management Review*, 25(3): 88-106.

<sup>4</sup> Preston, L.E., & Sapienza, H.J. (1990). Stakeholder management and corporate performance. *The Journal of Behavioral Economics*, 19(4), 361-375.

<sup>5</sup> Post, J.E., Preston, L.E., & Sachs, S. (2002). Managing the extended enterprise: The new stakeholder view. *California Management Review*, 45(1), 6-28.

<sup>6</sup> Dunham, L., Freeman, R. E., & Liedtka, J. (2001). The soft underbelly of stakeholder theory: The role of community. Darden School Working Paper No. 01-22; Preston, L.E., & Sapienza, H.J. (1990). Stakeholder management and corporate performance. *The Journal of Behavioral Economics*, 19(4), 361-375; Jennings, M. M. (1999). “Stakeholder theory: Letting anyone who’s interested run the business—no investment required.” Conference paper presented at *Corporate Governance: Ethics Across the Board*, Houston, TX, April 6. [http://www.stthom.edu/cbes/marianne\\_jennings.html](http://www.stthom.edu/cbes/marianne_jennings.html).

<sup>7</sup> Dunham et al. 2001; Sternberg, E. 2001. “The Stakeholder Concept: A Mistaken Doctrine.” Foundation for Business Responsibilities.

<sup>8</sup> Grunig, J. E. & Repper, F. C. 1992. “Strategic Management, Publics, and Issues,” In J. E. Grunig (Ed.), *Excellence in Public Relations and Communication Management* Hillsdale, NJ: Lawrence Erlbaum Associates: 117-157.: 128.

on John Dewey's writings to develop a definition of a public: that it is a group of people who face a similar problem, recognize the problem, and organize themselves to do something about it.<sup>9</sup> Therefore, publics organize from the ranks of stakeholders when they recognize an issue and decide to do something about it.

### **First Step: Identifying Stakeholders**

Several scholars in stakeholder theory, including Freeman, have attempted to identify stakeholders using systematic criteria. However, the focus has been on the attributes of the stakeholders in their relation to the organization.<sup>10</sup> In the model presented here, the organization should attempt to identify *all* stakeholders before narrowing them by their attributes.

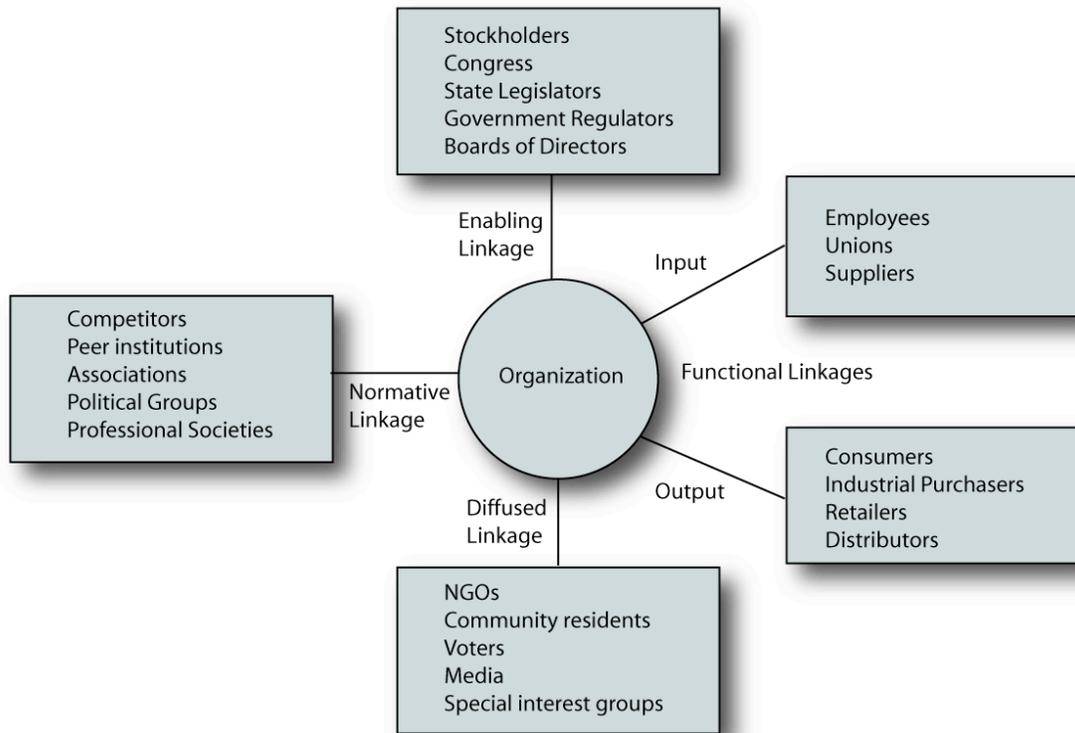
In the public relations literature, there has been little effort to identify stakeholders according to the relationship with the organization. Some stakeholder segmentations are as simple as internal versus external publics. Perhaps the best effort to identify all stakeholders from the public relations literature is the linkage model developed by Grunig and Hunt. This model has four linkages that identify stakeholder relationships to an organization: enabling linkages, functional linkages, diffused linkages, and normative linkages.<sup>11</sup>

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<sup>9</sup> Dewey, J. (1927). *The Public and Its Problems*. Chicago: Swallow.

<sup>10</sup> Freeman, 1984; Savage, G.T., Nix, T.H., Whitehead, C.J., & Blair, J.D. 1991. "Strategies for Assessing and Managing Organizational Stakeholders." *Academy of Management Executive*, 19: 453-473; Harrison, J.S., & St. John, C.H. 1994. *Strategic Management of Organizations and Stakeholders*. St. Paul, MN: West Publishing Co; Mitchell, R.K., Agle, B.R., & Wood, D.J. 1997. "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts." *Academy of Management Review*, 22: 853-886.

<sup>11</sup> Grunig, J. E., & Hunt, T. 1984. *Managing public relations*. New York: Holt, Rinehart and Winston. Grunig & Hunt developed the model based on the work of: Esman, M. 1972. "The Elements of Institution Building." In J. W. Eaton (Ed), *Institution Building and Development*. Beverly Hills: Sage: 19-40; Evan, W. 1976. "An Organization-Set Model of Interorganizational Relations." In W. Evan (Ed), *Interorganizational Relations*. New York: Penguin: 78-90; Parsons, T. 1976. "Three Levels in the Hierarchical Structure of Organizations." In W. Evan (Ed.), *Interorganizational Relations* New York: Penguin: 69-78.



**Model 1**

Linkage Model

Modified from J. Grunig and T. Hunt, *Managing Public Relations*, Holt, Rinehart and Winston, 1984, p. 141

- The *enabling linkages* identify stakeholders who have some control and authority over the organization, such as stockholders, board of directors, governmental legislators and regulators, etc. These stakeholders enable an organization to have resources and autonomy to operate. When enabling relationships falter, the resources can be withdrawn and the autonomy of the organization restricted.<sup>12</sup>
- *Functional linkages* are those that are essential to the function of the organization, and are divided between input functions that provide labor and resources to create products or services (such as employees and suppliers) and output functions that consume the products or services (such as consumers and retailers).
- *Normative linkages* are associations or groups with which the organization has a common interest. Stakeholders in the normative linkage share similar values, goals or problems and often include competitors that belong to industrial or professional associations.
- *Diffused linkages* are the most difficult to identify because they include stakeholders who do not have frequent interaction with the organization, but become involved based on the actions of the organization. These are the publics that often arise in times of a crisis. This linkage includes the media, the community, activists, and other special interest groups.

<sup>4</sup>\_\_\_\_\_

<sup>12</sup> Rawlins, B. & Bowen, S. 2005. "Publics." *Encyclopedia of Public Relations*, Thousand Oaks, CA: Sage: 718-721.

Going through the linkage model should help the organization identify all its stakeholders. The diffused linkage stakeholders would be different according to the situation, but the enabling, functional, and normative linkage stakeholders are likely to be constant.

### **Second Step: Prioritizing Stakeholders According to Attributes**

Much of the literature in stakeholder management prioritizes stakeholders based on their attributes. Harrison and St. John sorted stakeholders according to Freeman's original classification: stake in the organization and influence on behavior. Stake is broken down into three parts: those stakeholders who have ownership in the organization; those stakeholders who are economically dependent on the organization; and, those stakeholders who are not linked directly to an organization, but who are interested in seeing the organization act socially responsible. The authors also suggested classifying stakeholders by the extent to which an organization is dependent on them for survival and prosperity.<sup>13</sup>

Savage, Nix, Whitehead and Blair considered two attributes for identifying who is a stakeholder: a claim, and the ability to influence. This introduces the concepts of legitimacy and power as important attributes for recognizing stakeholders. They then broke down the stakeholders according to the level of support. The supportive stakeholder supports the actions and goals of the organization and is a low threat. The marginal stakeholder really has a minimal stake in the organization and isn't very threatening. The non-supportive stakeholder is a threat to the organization and is the least likely to cooperate. The mixed blessing stakeholder has a potential for great cooperation as well as threat for the organization.<sup>14</sup>

Mitchell, Agle, and Wood developed a more comprehensive model that included the attributes of power and legitimacy and added the attribute of urgency. Their model expanded the limited scope of the Savage et al. model by recognizing that legitimacy, power, and urgency were not either/or variables, but part of a mix that would help prioritize stakeholders. By combining these attributes, Mitchell et al. were also able to identify the dependent stakeholder, which was missing from the Savage et al. model. Dependency of stakeholders on organizations is just as important as their influence over organizations in the context of social responsibility. This model will be used primarily to establish priority according to attributes.<sup>15</sup>

Stakeholders have *power* when they can influence other parties to make decisions the party would not have otherwise made. Mitchell et al. relied on Etzioni's categorization of power: *coercive* power, based on the physical resources of force, violence, or restraint; *utilitarian* power, based on material or financial resources; and *normative* power, based on symbolic resources.<sup>16</sup>

*Legitimacy* is determined by whether the stakeholder has a legal, moral, or presumed claim that can influence the organization's behavior, direction, process or outcome. Stakeholders are risk-bearers who have "invested some form of capital, human or financial, something of value, in a firm."<sup>17</sup> Mitchell et al. used the notion of risk to narrow stakeholders with a legitimate

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<sup>13</sup> Harrison, J.S., & St. John, C.H. 1994.

<sup>14</sup> Savage, G.T., Nix, T.H., Whitehead, C.J., & Blair, J.D. 1991.

<sup>15</sup> Mitchell, R.K., Agle, B.R., & Wood, D.J. 1997

<sup>16</sup> Etzioni, A. (1964). *Modern Organizations*. Englewood Cliffs, N.J.: Prentice-Hall.

<sup>17</sup> Clarkson, M. 1994. "A Risk Based Model of Stakeholder Theory." *Proceedings of the Second Toronto Conference on Stakeholder Theory*. Centre for Corporate Social Performance & Ethics, University of Toronto: 5

claim. These stakeholders are often dependent on the organization. The combination of power and legitimacy is authority.

*Urgency* exists under two conditions: “(1) when a relationship or claim is of a time-sensitive nature and (2) when that relationship or claim is important or critical to the stakeholder.”<sup>18</sup> Urgency, then, requires organizations to respond to stakeholder claims in a timely fashion. Urgency alone may not predict the priority of a stakeholder, especially if the other two attributes are missing. However, this attribute does add a dimension that is particularly salient to the practice of public relations, because it is the urgent public that often attracts the attention of the media and other stakeholders.

Mitchell et al. used the combination of the three attributes to develop a prioritization strategy. Accordingly, latent stakeholders possess only one of the attributes; expectant stakeholders possess two attributes, and definitive stakeholders possess all three attributes. If individuals or groups do not possess any of the attributes, they are not considered stakeholders.

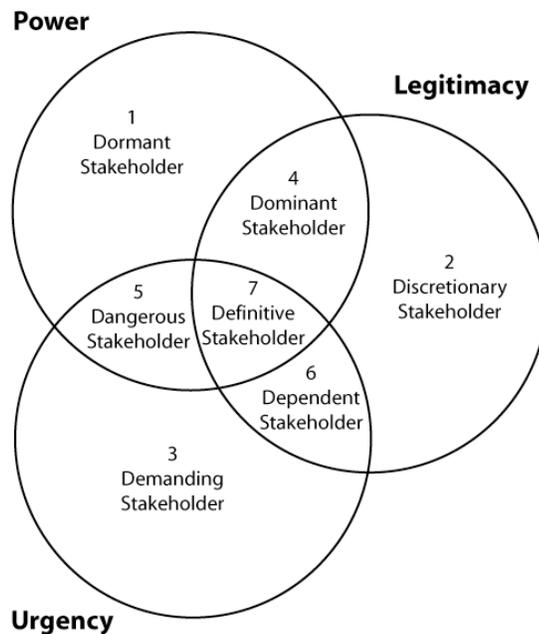
- The latent stakeholders have lower salience to an organization because they only have one attribute. They are identified as dormant, discretionary, and demanding.
  - The dormant stakeholder has power but no legitimacy or urgency in its claim. Therefore its power remains unused.
  - Discretionary stakeholders possess legitimacy, but no power to influence and no urgency in the claim, and therefore are reliant on the good will of the organization rather than through any other pressure.
  - The demanding stakeholder has urgency, but no legitimacy or power. These groups could be bothersome, but not dangerous.
- Expectant stakeholders possess two attributes and are organized into dominant, dependent, and dangerous stakeholders.
  - Dominant stakeholders have power and legitimacy, and because they can act on their claims, they receive much of management’s attention.
  - Dependent stakeholders have legitimacy and urgency. Organizations should be socially responsible to stakeholders that have a legitimate and urgent claim, and who depend on the organization to address and resolve the claim. The inclusion of a dependent relationship is important because it recognizes that stakeholder priority is not limited to influence over the organization.
  - Dangerous stakeholders have urgency and power, but lack legitimacy. Most of the time these stakeholders use formal channels to affect change, but may they become violent or coercive to achieve their claims. Social activist groups sometimes engage in forms of protests, boycotts, and (in extreme cases) damage to property and lives.
- The stakeholders who have all three attributes are definitive stakeholders and have the highest priority.

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<sup>18</sup> Mitchell, R.K., Agle, B.R., & Wood, D.J. 1997

An important tenet of this model is that each attribute is variable and not constant. In other words, any group can acquire (or lose) power, legitimacy, or urgency depending on the situation. Therefore, an expectant stakeholder group can become a definitive stakeholder if it acquires the third attribute. A dangerous stakeholder group can acquire legitimacy, as has been the case with many nongovernmental organizations over the last few years. A dependent stakeholder group, such as a community affected by irresponsible corporate behavior, can acquire power by appealing to governmental agencies.



**Model 2**

**Stakeholder Typology: One, Two, Three Attributes Present**

From R. Mitchell, B. Agle, and D. Wood, "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts," *Academy of Management Review*, 1997, p. 874.

One dimension of stakeholder attributes missing from Mitchell et al. is whether the stakeholder group is supportive or not. As previously noted, each of these groups could be supportive or threatening, and stakeholder strategies would be contingent on the level of support. A comprehensive model of stakeholder prioritization should also identify whether dominant, dependent, dangerous, or definitive stakeholders are supportive or threatening.

After synthesizing the Grunig and Hunt linkage model with the Mitchell et al. attribute model, a stakeholder priority hierarchy becomes apparent. The enabling and functional linkages are the most important for an organization to maintain long-term success. The enabling linkages are dominant stakeholders by definition, because groups such as stockholders and regulatory agencies have power over the organization and their interests are usually legitimate. If the issue

affecting enabling stakeholders is urgent, then they become definitive stakeholders and would be given highest priority.

Functional input linkages, such as employees, suppliers, and unions, have a legitimate claim on the organization and high levels of involvement. They are economically dependent on the organization, and as such, the power resides primarily with the organization. Therefore, the organization has a moral and legal responsibility to those stakeholders that also increases their priority. The relationship of employees is also critical to the effectiveness and efficiency of the organization.

Functional output stakeholders consume what the organization produces, and include consumers, distributors, and retailers. Companies know that long-term customer relations are necessary for financial success. Because these stakeholders have power, legitimacy, and economic influence, any issue that imminently affects their relationship gives them high priority. Savage, et al. considered consumers and employees as mixed blessing stakeholders because they can be supportive or non-supportive depending on the actions of the organization.

Normative linkages, such as competitors, have little direct power over the organization, but are considered a non-supportive threat by Savage, et al. Most organizations devise ways to eliminate competition rather than foster positive relations. The only time competitors become important for cooperative purposes is when the industry is facing an issue with economic or regulatory impact, in which the peer organizations develop a contingency compatible relationship until the issue is resolved. For example, chemical manufacturers may rally together to fight increased environmental standards that would damage their profitability.

Diffused stakeholders are the most problematic, because they do not have direct relationships with the organizations. Because these stakeholders are reactive to organizational actions, they are harder to predict and to recognize. Diffused stakeholders are usually situational and their relationship temporary. These stakeholders do not have a lot of power over the organization, and their legitimacy is sometimes suspect. What they have is urgency, making them a demanding stakeholder under the model proposed by Mitchell et al. If they also have a legitimate concern, they become dependent stakeholders and rise in priority. Because they lack the power and direct influence of other stakeholders, diffused stakeholders will attempt to affect the organization by working through members of the enabling or functional linkages.<sup>19</sup>

In these cases, the diffused stakeholders can shift from dependent stakeholders to definitive stakeholders by forming coalitions with other powerful and legitimate groups, namely the enabling and functional linkages. Activist groups ask consumers to boycott products, or NGO's ask government to increase regulations to prevent certain activities. Because of the appeal process of the diffused stakeholders, these groups can move quickly from latent to definitive stakeholders. For this reason, there is a need for further research on network analysis with these stakeholders. The author recognizes the importance of understanding the networks of the stakeholders to verify the third-party involvement of other key groups, but that analysis goes beyond the scope of this paper.

To sum, the enabling and functional linkages have the greatest priority as stakeholders because their power/dependency/influence relationship is frequent and critical to the regular operations of the organization. Normative linkages, as competitors, are constantly on the mind

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<sup>19</sup> Rawlins, B. & Bowen, S. 2005.

of the organization, but not as groups that have a stake in the operations of the organization. This only changes when the industry or profession is faced with a crisis that requires cooperative effort. The diffused linkages do not require as much attention and have a lesser priority, except when they react to an organization's action or policy. Urgency is the variable that increases the priority of any of these stakeholders. However, this method of prioritizing does not answer the question of who will become the active groups in urgent situations.

### Third Step: Prioritizing Stakeholders by Relationship to the Situation

J. E. Grunig developed the situational theory of publics to explain and predict why some publics are active and others are passive. He wrote, "stakeholders who are or become more aware and active can be described as publics."<sup>20</sup> Within the stakeholder categories, situational theory can identify which publics will "communicate actively, passively, or not at all about organizational decisions that affect them."<sup>21</sup>

Those publics who do not face a problem are *non-publics*, those who face the problem but do not recognize it as problematic are *latent publics*, those who recognize the problem are *aware publics*, and those who do something about the problem are *active publics*.<sup>22</sup> He identified three variables that explain why certain people become active in certain situations. These variables— level of involvement, problem recognition, and constraint recognition—led to the development of the situational theory of public behavior. Grunig and other researchers have used situational theory to explain the effect of communication behavior on cognitions, attitudes, and behaviors.

*Level of involvement* is measured by the extent to which people connect themselves personally with the situation. However, people do not seek or process information unless they recognize the connection between them and a problem, which is the level of *problem recognition*. Whether people move beyond information processing to the information seeking behavior of active publics often depends on whether they think they can do something about the problem. Those who think that nothing can be done have high *constraint recognition* and are less compelled to become active in the resolution of the problem. Another consideration, *referent criteria*, is the guideline that people apply to new situations based on previous experiences with the issue or the organization involved.

Active publics are likely to have high levels of involvement and problem recognition, and lower levels of constraint recognition. Because they recognize how the problem affects them and they think they can do something about it, Grunig theorized that this public will actively seek information and act on that information. Aware publics will process information and might act, but are limited by lower levels of involvement and problem recognition, or higher levels of constraint recognition. Latent publics aren't cognizant of how an issue involves them, or don't see it as a problem. This public could become active or aware as information changes its cognitions about the issue.

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<sup>20</sup> Grunig, J. E. & Repper, F. C. 1992: 125

<sup>21</sup> Grunig, J. E. 2005. "Situational Theory of Publics." *Encyclopedia of Public Relations*, Thousand Oaks, CA: Sage: 778-780.

<sup>22</sup> Grunig, J. E. 1983. "Communication Behaviors and Attitudes of Environmental Publics: Two Studies." *Journalism Monographs*, 81.

	<b>High Involvement</b>	<b>Low Involvement</b>
<b>Problem-Facing Behavior</b> High Problem Recognition Low Constraint Recognition	<i>Active Public</i>	<i>Active/Aware Public</i>
<b>Constrained Behavior</b> High Problem Recognition High Constraint Recognition	<i>Aware/Active Public</i>	<i>Latent/Aware Public</i>
<b>Routine Behavior</b> Low Problem Recognition Low Constraint Recognition	<i>Active (Reinforcing) Public</i>	<i>None/Latent Public</i>
<b>Fatalistic Behavior</b> Low Problem Recognition High Constraint Recognition	<i>Latent Public</i>	<i>Non Public</i>

**Model 3**

Types of publics according to Grunig’s Situational Theory

Therefore, publics are defined by the similar levels of problem recognition, constraint recognition, and involvement for the same issues or problems.<sup>23</sup> Grunig tested the theory using problems that would create active and passive publics, and found four kinds of publics: all-issue publics, that are active on all issues; apathetic publics, that are inattentive to all issues; single-issue publics, that are active on a small subset of the issue that only concerns them; and hot-issue publics, that are active on a single issue that involves nearly everyone and that has received a lot of media attention.

Hallahan added to the theory of publics by expanding the latent and nonpublics into *inactive* and *aroused* publics.<sup>24</sup> He argued that it is incorrect to assume that the only publics organizations should deal with are those that are active and motivated participants. Inactive publics shouldn’t be overlooked. Hallahan defined *inactive publics* as groups of individuals with low levels of knowledge and involvement regarding an organization and its operations. These publics may not yet recognize the consequences of an organization’s behavior, may be satisfied with the relationship, or may be apathetic toward the organization. *Aroused publics* also have low levels of knowledge, but recognize a potential problem or issue. Their level of involvement is heightened, and they are more likely to begin seeking information.

To summarize this step, active publics will have more priority over aware, aroused, and inactive publics because their urgency is greater. Whether stakeholders will become active

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<sup>23</sup> Grunig, J. E. & Repper, F. C. 1992: 139

<sup>24</sup> Hallahan, K. 2000. “Inactive Publics: The Forgotten Publics in Public Relations.” *Public Relations Review* 26(4): 499-515.

publics can be predicted by whether the problem involves them, whether they recognize the problem, and whether they think they can do anything about it. Publics in the diffused linkage are more likely to be single-issue publics or hot-issue publics, and their priority will diminish once the problem is resolved. Enabling and functional linkages are also likely to only become active on issues that involve them, but because the behavior of the organization has more of an impact on their power/dependency/influence relationship, they are also more likely to be multiple-issue publics.

#### **Fourth Step: Prioritizing Publics By Communication Strategy**

Definitive stakeholders who are also active publics become the obvious top priority publics. While it would be convenient if active publics were always definitive stakeholders, human nature precludes this from happening in a constant and predictable way. Therefore, an organization must develop strategies to help mediate issues with priority publics. These strategies will depend on whether the stakeholders are supportive or non-supportive and active or inactive. Therefore, you would develop strategies based on four groups: advocate stakeholders (active and supportive), dormant stakeholders (inactive and supportive), adversarial stakeholders (active and non-supportive), and apathetic stakeholders (inactive and non-supportive).

- *Advocate Stakeholders:* This is the group that you want involved in supportive actions such as third party endorsements, letter-writing campaigns, donations, investments, and attendance at functions. Messages should be action and behavior oriented.
- *Dormant Stakeholders:* This is a group that isn't ready to be involved. If inactivity is due to lack of knowledge, messages should focus on creating awareness and understanding of the issues that affect them. If the publics are aroused, but not active, then messages should address potential causes of apathy by reducing perceptions of constraints or using affective cues to increase emotional attachment.
- *Adversarial Stakeholders:* The initial response to this group is to be defensive. However, defensive messages won't work on this group, it will only entrench them in their position. Defensive messages are better intended for aroused publics who haven't decided whether they are supportive or not. Instead, organizations should use conflict resolution strategies that involve non-supportive stakeholders to seek win-win solutions.<sup>25</sup>
- *Apathetic Stakeholders:* Again, the gut reaction to this group is to ignore it. But, if this group faces an issue but isn't aware of it or doesn't see its resonance yet, it may still move to an aroused, then aware, and then active public. A better strategy is to increase awareness of the issue with an invitation to collaborate with the organization on the issue before it becomes a problem or crisis. Since it would be difficult to get this group involved, most of the communication effort should be focused on increasing the salience of the issue and invitations for involvement.

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<sup>25</sup> See Plowman, K. D., Briggs, W. G., & Huang Y.H. 2001. "Public Relations and Conflict Resolution." In Robert Heath (Ed) *Handbook of Public Relations*, Thousand Oaks, CA: Sage: 301-310.

Once strategies have been developed that address the stakeholders, there is one last prioritization step. According to Laurie Wilson, there are three types of publics involved in communication strategies: key publics, intervening publics, and influentials.<sup>26</sup> *Key publics* are those whose participation and cooperation are required to accomplish organizational goals. In relation to the first two steps, they are the stakeholders who have the highest priority according to their power/dependency/influence attributes, the urgency of the issue, and their level of active involvement in the issue. In this model, the key publics are called *priority publics*. To communicate effectively with these stakeholders, an organization must understand them as much as possible. Priority publics can be profiled by their demographics, lifestyles and values, media preferences, cooperative networks, and self-interests. Effective strategies appeal to the self-interests of the priority publics and reach them through the most appropriate channels.

Because publics become active on issues that involve them, their self-interests must be addressed in any kind of stakeholder or public relations strategy. In order for a firm to effectively manage its stakeholder relations “the interests of key stakeholders must be integrated in the very purpose of the firm, and stakeholder relationships must be managed in a coherent and strategic fashion.”<sup>27</sup> Self-interests are not necessarily selfish interests but those interests that have intrinsic value for the survival of an entity, e.g. quality of life, needs of family and friends, and even economic well-being.<sup>28</sup> These self-interests motivate individuals and organizations to act and to change behavior.

The *intervening publics* pass information on to the priority publics and act as opinion leaders. Sometimes these publics, such as the media, are erroneously identified as priority publics. If an organization is satisfied when the message stops at a public, then it is a priority public. If the expectation is that the message will be disseminated to others, it is an intervening public. In most cases the media are intervening publics. Other influentials can be important intervening publics, such as doctors who pass information on to patients, and teachers who pass information on to students. The success of many campaigns is determined by the strength of relationships with intervening publics.

*Influentials* can be intervening publics, but they also affect the success of public relations efforts in other ways. Influentials can either support an organization’s efforts or work against them. Members of some publics will turn to opinion leaders to verify or refute messages coming from organizations. The opinion of these personal sources is much more influential than the public relations messages alone. Therefore, successful campaigns must also consider how messages will be interpreted by influentials that act as either intervening or supporting publics.

In summary, stakeholders that become active publics and that can influence the success of an organization, or can appeal to the other stakeholders with that influence, should become priority publics for communication strategies. Publics that are critical to getting the information to the priority publics, such as the media, need to be recognized as intervening publics and critical to the success of the communication strategy. Influential groups or individuals may not

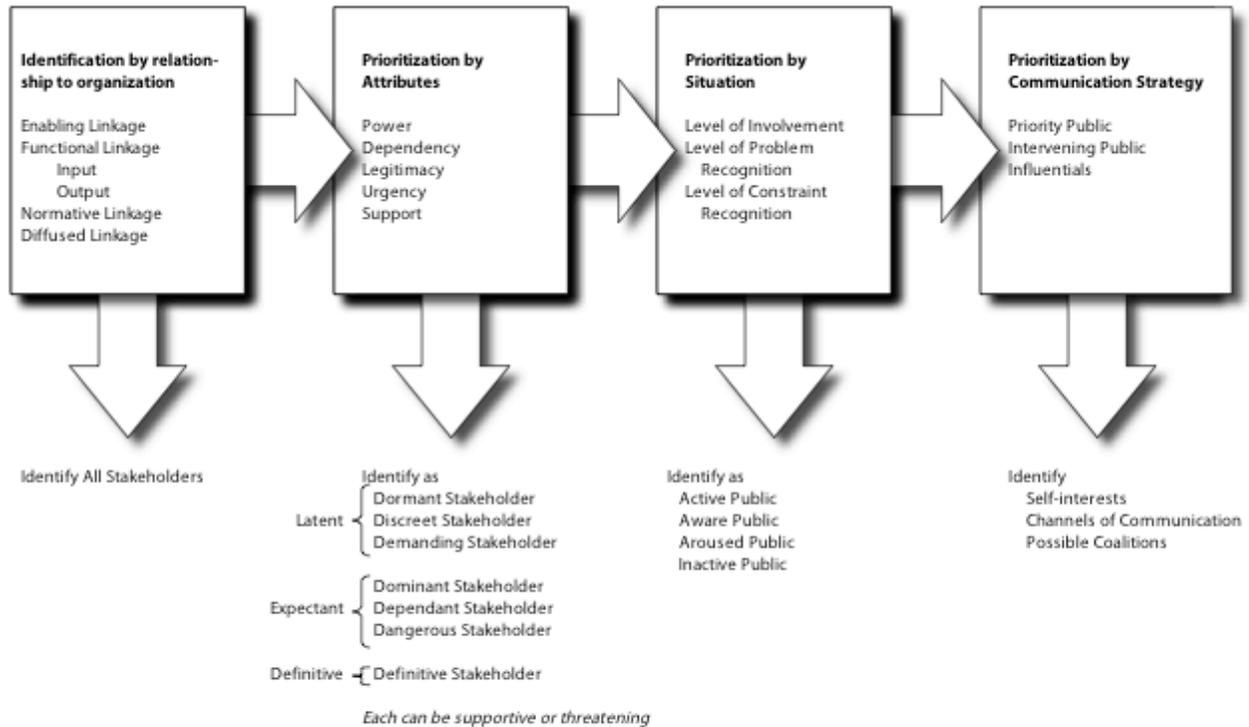
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<sup>26</sup> Wilson, L. 2005. Strategic Program Planning for Effective Public Relations Campaigns. Dubuque, Iowa: Kendall/Hunt.

<sup>27</sup> Freeman, R. E. & McVea, J. 2001. “A Stakeholder Approach to Strategic Management” Darden Business School Working Paper No. 01-02.

<sup>28</sup> Wilson, L. 2005.

be stakeholders in the organization, but may be important in shaping or framing the way the message is interpreted by the priority public, and therefore must be a part of the communication strategy.



**Model 3**  
Stakeholder Prioritization Model

### Conclusion

The first three steps to stakeholder analysis, according to Harrison and St. John, are to identify stakeholders, classify them into meaningful groups, and prioritize them.<sup>29</sup> By combining the stakeholder relations and public relations literature, a more comprehensive process for prioritizing the stakeholder groups, particularly those that become active publics has been provided.

Developing positive relationships with stakeholders is a necessity for organizations. The traditional management tendency is “to respond to the *squeaky wheel stakeholder*.”<sup>30</sup> If the organization has not properly prioritized its stakeholders and their relationships, the squeaky wheel stakeholder may get more attention than is deserved. This model demonstrates that the squeaky wheel may not be the stakeholder with the greatest priority. By using the steps outlined

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<sup>29</sup> Harrison, J.S., & St. John, C.H. 1994.

<sup>30</sup> Savage, G.T., Nix, T.H., Whitehead, C.J., & Blair, J.D. 1991

in this paper, organizations can take a more systematic and comprehensive approach to prioritizing stakeholders.