

ABSTRACT

This monograph explores stakeholder theory development by empirically examining the attitudes of managers and managerial students in Australia, China, and Indonesia, toward the perceived “prominence” or “salience” of selected organisational stakeholders. Past literature on stakeholder theory has placed a dominant focus on its normative or prescriptive aspects which seek to define “who” and “what” are stakeholders, and instrumental studies, which espouse the theory’s benefits. Empirical literature is limited and no studies have been undertaken to explain and predict stakeholder behaviour through an examination of the conditions under which stakeholder salience arises. A development model (based on social and economic factors) is used to argue that Australian respondents will perceive greater equality in prominence between the selected organisational stakeholders than their Chinese and Indonesian counterparts. Utilising the Analytical Hierarchy Process (AHP) as a means by which to gauge stakeholder prominence, results indicate that Chinese respondents attributed greater prominence toward government as an organisational stakeholder, and contrary to expectations, perceived greater equality (less variance) in prominence between stakeholders. The results may be influenced by the low response rate by Chinese managers in particular, and by the lower age bracket of Chinese respondents in general, which may have resulted in less entrenched attitudes toward stakeholders. The results contribute toward a positive theory of stakeholder choice by exploring the role of developmental factors in understanding stakeholder salience. The results also have implications for the formulation, implementation and evaluation of managerial strategy for salient stakeholders. Future research may explore the perceptions of stakeholder prominence within different geographic and industry contexts.