RBGN REVISTA BRASILEIRA DE GESTÃO DE NEGÓCIOS
REVIEW OF BUSINESS MANAGEMENT
ISSN 1806-4892
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Received on
July 23, 2014
Approved on
May 29, 2015

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Review of Business Management

DOI:10.7819/rbgn.v17i55.2056

An Innovative Approach to Stakeholder Theory: application in spanish transnational corporations

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Editor in charge: R. Edward Freeman, Dr.
Evaluation process: Double Blind Review

ABSTRACT

Objective – This paper describes a different perspective on the application of stakeholder theory, concentrating only on the interests of stakeholders rather than on their roles. The purpose of this article is to provide an option for solving Jensen's "problem of governance"; this approach will allow the agent to manage the stakeholders having ascertained that the needs of stakeholders overlap and, accordingly, the agent should be able to monitor multiple stakes as they are aligned.

Design/methodology/approach – A Delphi method was used with the aim to achieve consensus about the interests of stakeholders for companies in Spain. The confirmatory phase was based on interviews to test whether the interests identified in the preliminary study match the interests that the IBEX-35 firms recognized in relation with their stakeholders.

Findings – The main contributions are: the addition of a new interest-based perspective to the different classifications made by stakeholder theory; a solution to the diversity of indicators between stakeholders and shareholders; and, finally, a proposal for an integrated accounting system, incorporating economic as well as social issues employing a common metric (monetary).

Practical implications – A new perspective focusing on stakeholder interests and the confirmation that interests may converge permits the control and management of multiple principals in transnational corporations operating in different countries.

Originality/value – There is a gap in the applicability of stakeholder management that the interest-based perspective can help resolve; moreover the monetization of social value is an option to efficiently manage transnational corporations.

Keywords – Stakeholder Approach, Social Value, Accounting, Strategy.

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1 INTRODUCTION

The business model has been radically transforming over recent decades, and corporate social responsibility is considered, at least in some way, to be legitimate (Alcaraz & Rodenas, 2013). If that is the case, companies can be managed taking into account not only the interests of the owners, but also the interests of all the other stakeholders; this gives rise to the beginning of stakeholder management. One of the arguments that considers it legitimate to manage a company focusing on stakeholder interests is that value generation comes through processes involving the whole set of stakeholders (Asher, Mahoney, & Mahoney, 2005), such as work, intellectual capital, knowledge management, or supplier integration, and those who participate in the creation of this value should also take part in its management (Retolaza, San-Jose, & Ruiz-Roqueñi, 2014). Another argument is that risk is assumed not only by shareholders, but also by other stakeholders; when a company goes into bankruptcy and closes, the workers are affected just as much as the shareholders, in which case there is no reason to exclude the interests of such workers from business strategy. Stakeholder theory understands the firm to be grounded in the interests of the whole stakeholder body. This view has modified not only the social nature of the company (Guimarães, 1984), but also fundamental comprehension of the relations between its components.

When examining the legitimate rights of stakeholders to be taken into consideration in the management of companies, there emerges a tricky problem of governance affecting several principals, known as Jensen's "problem of governance" (Jensen, 2002). The argument goes that there is incompatibility in corporate governance if there are different principals, due to the fact that they have divergent and opposing interests that the agent can neither manage nor satisfy. There is a gap in the literature in this regard, and there are neither proposals nor new approaches toward resolving this issue, at least not in the transnational business management area. The control of multiple principals with multiple interests should be tackled, and this involves not only a theoretical, but a practical challenge. A logical supposition has been adopted: the existence of a stakeholder role does not mean that all members with that particular role have the same interests. If so, is it possible to effectively manage the real interests of such a large group of stakeholders?

This paper contributes in three different ways to the existing literature on stakeholder theory. First of all, unlike previous studies, our sample is based not only on theoretical arguments, but also on practical models used by companies. Second, identification of common interests across the entire body of stakeholders makes it possible to reduce the magnitude of the problem of multiple interests exposed within Jensen's "problem of governance". Third, while previous studies of this type mostly focus on the traditional view of stakeholder theory, another important view is highlighted in this paper: an interests-based approach.

The results obtained have potentially important implications, offering an opening for the creation of interest management models within firms and the integration of social and economic values applying accepted, monetized, economic accounting rules. The crisis in Spain has underlined the social responsibility of companies, with the corresponding incorporation of more stakeholder interests within most discourses. The practical issue at heart, however, needs to be rooted more in stakeholder interests than in their roles. Thus, companies, and transnational corporations in particular, should consider shifting their focus accordingly to facilitate stakeholder management as a strategy. This shift can help contribute to the development of the Spanish transnational company system, and open a window of opportunity for solving Jensen's "problem of governance", establishing and strengthening integrated social accounting.

The article is organized as follows: Section 2 examines previous studies on the relationship

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between stakeholder theory and Jensen's "problem of governance", taking into consideration the inclusion of the ontological stakeholder view. Section 3 explains the methodological techniques used in this paper, where the Delphi method is applied, based on an Expert Panel and Personal Interviews with business executives; a description of the sample is also provided. Section 4 outlines results of the empirical analysis in relation to the theory of integration of stakeholder interests within the management core of transnational corporations. Section 5 describes the monetization of shared value as a tool that can serve to monitor and manage stakeholder control. The last section ends with the conclusion and recommendations for further research.

2 THEORETICAL FRAMEWORK: STAKEHOLDER THEORY AND THE "PROBLEM OF GOVERNANCE"

Over the last decades, the correspondence between market value maximization in companies and social welfare has been called into question (Piketty, 2014) from a classical economic standpoint (Jensen, 2002). The time may be right for companies to jointly consider the creation of social value and the distribution of that social value among stakeholders (Freeman, 2010; Freeman, Harrison, Wicks, Parmar, & De Colle, 2010). In this context, the role of multinationals is particularly important, not only because of the great impact of their activities on the world economy, but also because they are possibly the firms that find themselves under most pressure to obtain short-term economic results.

At first sight, these firms, closely linked to the globalization process and in which capital, through the stock exchange, plays a relevant role, might be expected to be reluctant to contemplate any approach limiting a shareholder orientation and the generation of value for these actors. In consequence, they may be naturally opposed to the incorporation of stakeholder theory into their governance. In this regard, and for some decades, the fundamental challenge of the theory has been its insistence that firms should take responsibility for all stakeholders and not just the shareholders (see, for example, the UN's Global Compact signatory corporations case described by Patrus, Carvalho, Coelho, & Teodósio, 2013).

However, the theoretical debate now appears to have been superseded. In a study of 100 firms taken from the Fortune 500 (Agle *et al.*, 2008), only 10 firms were found to champion an emphasis on shareholder value maximization; another 22 stood for a shareholder focus that was "legally and ethically delimited"; while 64 adopted the approach of "maximizing the welfare of all the stakeholders", and 2 aimed to solve "social problems obtaining fair profit at the same time".

Maybe the result is not so surprising, for Jensen (2002) had already anticipated this when he pointed out, within the framework of agency theory, that stakeholder theory would be easily acceptable to agents, as the principal would be prevented from keeping tabs on them because, once multi-stakeholder objectives are established, the results would be hard to monitor. This phenomenon has been termed Jensen's "problem of governance". Apart from the fact that agency theory can partially explain the generalized acceptance of stakeholder theory by multinational corporations, there is no doubt that important assumptions linked to the proposal of the value maximization function by companies have been seriously challenged by reality. As Wood, Logsdon, Lewellyn and Davenport (2006) indicate, for this approach to make sense, eight assumptions would have to be met:

1. Rational agents try to maximize their own interests, defined in strict economic terms.
2. Maximization necessarily involves limited resources that cannot be deployed in multiple directions without loss.
3. Sensible behavior is to maximize profit.
4. There are no externalities.
5. There is no monopoly.
6. All goods have a price.
7. Social welfare equals efficiency.
8. The market value of a firm is its total value.

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There is not only a lack of empirical evidence for these suppositions; they also seem to be theoretically unfounded.

These assumptions are widely questioned by current scientific research, as there is an increasing accumulation of evidence to refute them. We know too much about the irrationality both of people and of organizations (Simon, 1982); about the satisficing strategy and the hidden agendas of executives; about agency theory, and the problems of incentives and control (Mitnick, 1980); about the meeting of multiple objectives (Egidi & Marris, 1995); about problems of information asymmetry (Arrow, 1984); as well as the existence of economic externalities, quasi-monopolies or de facto monopolies, and the fact that not all goods have a price (Stone, 1982).

Nevertheless, although reality seriously questions the premises that underlie the classical perception of value maximization, it does not allow us to sidestep the “problem of governance” (Jensen, 2002) that Jensen actually considers to be part and parcel of stakeholder theory, because if the agent has to respond to a set of stakeholders with diverse and, to a great degree, opposing interests, it will prove practically impossible to establish effective control over their actions. This problem is expected to be particularly relevant in transnational firms, as their size and the diversity of territories and communities within which they operate will lead to a multiplicity of non-aligned interests. Following Boatright (2014), we might consider that the complexity of a transnational firm, its multiple inter-related objectives, and the variability of its stockholders, produce a complex system where linear control over value maximization is practically impossible. Nevertheless, stakeholder oriented firms have a long tradition in Europe, where not only has an orientation been adopted that considers all stakeholders in relation with company aims, but we have the examples of large French firms, or the Spanish savings banks (San-Jose, Retolaza, & Torres, 2014), where stakeholders have become incorporated within the companies’ governance bodies. Furthermore, these governance models do not seem to be a detriment to management efficiency, although issues of management control may not be completely resolved. Our intention is to examine how Spanish firms listed on the IBEX-35 are addressing multiple competing stakeholder interests.

3 METHODOLOGY

In order to identify all possible interests, this research was structured into two stages. The first stage is exploratory, and the procedure applied in it was to identify a potential set of interests for a particular company, Euskalit. The second, confirmatory phase, tested whether the whole of these interests identified match the interests that the IBEX-35 firms identified in relation with their stakeholders. A Delphi exercise was used for the first step in order to achieve consensus, and personal interviews were conducted for the second (see Table 1), in order to attain a deeper explanation of the subject in its complexity, and to add qualitative value.

The Delphi technique is well suited as a means and method for consensus building, employing a series of questionnaires to collect data from a panel of selected experts (Dalkey & Helmer, 1963). After each Delphi round, the survey data are statistically analysed and re-stated in aggregate form. Central tendency measures are applied. Here, the two important methodological issues for business ethics are taken into account (San-Jose & Retolaza, 2014). First, selection of the experts plays an important role but, in this case, there are more than 300 Delphi experts and the fact that a consensus was achieved from so many professionals is sufficient to assure the quality of this step. Second, at minimum a three-round process is needed (Cyphert & Gant, 1971), but there can be as many interactions as desired until consensus is reached.

TABLE 1 – Two-step methodology: from exploratory to confirmatory analysis

N	Method	Reasons	Type	Sample	Period	Rounds	Results
1	Delphi	Using experts from the business field. To achieve consensus the stakeholder interests were listed.	Exploratory	Euskalit has 304 agents in the Basque Country It is a Foundation grouping over 700 Basque companies applying advanced management and has over 25 years of experience. www.euskalit.net	2012	3	From 37 to 23 interests (see the list in Table 3)
2	Personal Interview	To confirm established interests and understand the possibilities that a reduction of them offers company management and strategy	Confirmatory	32 companies in Ibex-35 SPAIN They are the most liquid companies on the stock exchange markets of Spain. www.bolsademadrid.es	2013-2014	1	23 interests accepted*

*Some firms suggested that 2 of the 23 interests be grouped together; while other firms unilaterally suggested other interests that are not significant, without providing arguments for their decision; that is why these interests were considered to be outliers.

Through the Delphi exercise, 23 interests were identified and were then confirmed by the Ibex-35 firms in face-to-face interviews (there was more than 90% agreement with the interests mentioned). This second step was necessary in order to secure confirmation from the transnational Spanish firms that the necessary significance was met, thereby allowing this view of interests to be extendible to other companies.

4 RESULTS: FROM A PROBLEM OF SEPARATION TO ONE OF INTEGRATION

Despite the broad acceptance of stakeholder theory in the discourse of multinational corporations, it is easy to observe the separation between the field of corporate social responsibility and that of strategic management. This phenomenon is an outgrowth of what is called the "separation thesis," the idea that management decisions are separable into those with ethical implications and those without such implications (Wicks, 1996). As evidence, in the study we performed on 31 firms in the Spanish IBEX-35 that had adopted a stakeholder theory discourse or had dynamically developed CSR activities, 83.8% of those activities are disassociated from the "core" strategy. However, integration of these two management spheres in the company seems inseparable from real implementation of stakeholder theory (Freeman, Harrison, & Wicks, 2007). In practice, separation has led to, or justified, some duplication of objectives. On one hand, we have strategic objectives relating to firm economic performance and, on the other, objectives of social responsibility in any of its forms. This approach seems to show that firms fundamentally act in accordance with the objectives of maximizing stockholder value, while complementarily conferring some residual or instrumental value to the rest of the stakeholders, particularly those who may have an impact on business development because of their power (Phillips, 2003).

Nevertheless, at least in the Spanish firms included in the IBEX-35, a process of integration is taking place that, in practice, overcomes Goodpaster's paradox and the shareholder/stakeholder dichotomy. Increasingly, shareholders are the stakeholders who have most interest in companies incorporating social responsibility within their strategic objectives. Accordingly, 51% of the 35 IBEX-35 firms adopt this perspective, whereby CSR is linked to responsibility vis-à-vis the investors. We could discuss whether the investors' motivation is due to factors to do with

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ethics or risk prevention, but the fact is that this new reality is transforming the way that CSR is perceived by Spanish transnational firms. GRI Reports and Integrated Reports are just the visible part of a new phenomenon. And transnational firms are not only integrating CSR into their strategy, but are also acting as drivers where their ecosystems, and principally suppliers, are concerned.

In this regard, a positive point has been reached, as Freeman *et al.* (2007) point out: firms appear to understand that the essential responsibility of a manager is to create as much value as possible for all stakeholders, and this is linked with the way in which value is created for the shareholders. Conflict should not be the norm but, when it does arise, executives have to reconsider the problem as a misalignment of interests and attempt to encounter a solution that allows for the best possible alignment of the interests of the stakeholder body in the organization through the generation of shared value. When interests come into conflict, the task of managers is not to position themselves in favor of some of the stakeholders, but to work out how to redefine the situation so that the maximum value can be created for all participants. Through this integration, demanded by the investors themselves, stakeholder theory finds a comfortable fit with classical economic approaches such as the ideas of Friedman (1962, 1970).

Agle *et al.* (2008, p. 165) describe the connection between economic and stakeholder approaches:

> You've got to have great products and services people want, that do what you say they are going to do. You need suppliers who want to make your company better, and who stand behind what they do. You need employees who show up and want to be there, be creative and be productive. You need communities for whom you are at least a good citizen so they don't use the political process (in relatively free societies) to destroy the value you create. And, you have to make money for the financiers (Agle *et al.,* 2008, p. 165).

We find in these ideas an explanation as to why shared value adds rather than subtracts value, in that profit acts as a result (second-order output) and not as an objective of action (input) or an immediate result (direct output). As Collins and Porras (1996) explain, the effort involved in seeking to maximize profit causes firms not to maximize, because it is normally accompanied by a loss of all kinds of company resources which, in the medium term, translates into a decrease in the value generated and, consequently, of profit itself. The paradox occurs here that focusing on shared value facilitates economic performance, whereas concentrating on profit maximization has negative repercussions on that objective.

Nonetheless, alongside the significant advance represented by the conceptual integration of the interests of all stakeholders within the generation of value, their practical integration in the management of the large transnational firms presents a serious problem of applicability. This is because 83.8% of the IBEX-35 firms with orientations towards all the stakeholders experience operational problems in the application of a stakeholder management strategy. Since, for a better analysis and understanding of the interest group concept, role groups were employed, management practice seems to have implicitly assumed that interests come to be defined by the role that a particular person occupies in the firm (Berman, Wicks, Kotha, & Jones, 1999); thus we come across several categories of stakeholders that are used on a regular basis: shareholders, workers, customers, suppliers, society, etc. But the fact remains that, as previously observed, a person is a complex being, with multiple interests and even contradictions, and is capable of performing a single or various roles in a company and even, perhaps in exceptional cases, all such roles. A determination to establish a combined relationship between role and interest and, following this assumption, to embark on the desired analysis of interests, seems to be making it difficult to apply stakeholder management theory in transnational firms, at least in Spain.

The traditional model for defining interest groups by role normally begins with

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the identification of seven or eight interest groups (Mitchell, Agle, & Wood, 1997); it then emerges that these groups are not homogeneous and must, in turn, be broken down into various sub-groups (take stockholders, for instance: small shareholders, big shareholders, short-term and long-term investors) which, at the first serious examination, would necessarily be subdivided again into various sub-subgroups. This problem is even more accentuated in multinational firms where, given their size and geographical spread, the diversity of interests is so much greater. The result is a quasi-infinite regression in which the number of stakeholders tends to equal the number of people involved. In management practice, on reaching the second subdivision the number of subgroups is already so large that it makes integration of their interests in a management plan impossible. The practical result tends to consist of limiting the number of interest groups to a manageable amount, generally of no more than 16[1], identifying some benchmark interests for which an answer must be sought. Likewise, we confirm that, as the firms' representatives rightly insist, *"the result does not really let people's interests be incorporated within the management of the organization"*.

Approximately half of the 35 firms analysed are developing new innovative approaches to the application of stakeholder theory in the practical management of the firm. Some of the most significant experiences are those of the BBVA, Telefónica and Repsol. These three firms have great potential for interaction with the strategy and element of transformation, in accordance with Visser's CSR2.0 (Visser, 2014) and Marketing 3.0 (Kotler, Kartajaya, & Setiawan, 2010).

The BBVA[2] has transformed the classic groups of interest into a transversal concept under the denomination of priority action areas: commercial offer, work, ethics, social responsibility, innovation, leadership and quality of management and economic performance (Kotler *et al.*, 2010); these are areas that significantly broaden the exclusive shareholder orientation while attempting to integrate and align all the interests of the remaining stakeholders. Meanwhile, Telefónica[3], the leading company on the Dow Jones Sustainability Index (DJSI) in its sector at a world level, concentrates its actions in relation with stakeholder management on the creation of multi-stakeholder ecosystems whose focus is to launch shared value propositions for problems or social challenges, normally with a particular geographical location (Kotler *et al.*, 2010). Repsol[4], an organization that is leading the Dow Jones Sustainability Index (DJSI) for the second year running in its sector in world terms, has been able to integrate more than five hundred identified interests within the fifteen fundamental functions of the company, and then to distribute them within seven hybrid programmes among the different areas that manage the functions involved in the generation of value for stakeholders: Governance of the Organization, Human Rights, Labor Practices, Environment, Fair Operating Practices, Consumer Affairs, Active Participation and Community Development.

It must be explained that the common element in these three initiatives consists, on the one hand, of overcoming the identification between role and interest and, on the other hand, in breaking with the conception of conflict between opposing homogeneous interests. Following the same intuition, in thoughts raised at the XVIII Congress of EBEN (European Business Ethics Network) Spain, attended by Edward Freeman, it was considered of interest to explore the possibility of approaching stakeholder management by perceiving stakeholders to be real groups oriented towards a set of common interests, instead of seeing them as groups defined by roles performed in the company. In this research line, the interests of the diverse people affected or who affect firms must be deemed to be quasi-infinite, resulting from the compass of human variability; or, on the contrary, the whole set of possible interests should be taken to be limited to a specific and more or less broad number. Were the second option to be true, a window of opportunity would open into the systematic identification of interests which would facilitate their inclusion within the

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customary tools of management, such as the balanced scorecard. This possibility proves to be particularly interesting for big transnational firms, where it may seem that, owing to the geographical and cultural breadth of the stakeholders, such a multiplicity of interests might be reached as to make them impossible to manage. Through this line of thought, a hypothesis might be framed according to which the real interests of all the people with legitimate interests in a company or organization correspond to a determinate identifiable number.

In order to verify the hypothesis and identify all the possible interests, a research structured into two stages was designed. As explained in the methodology section, the first stage is exploratory, and the procedure applied in it was to identify a potentially possible set of interests for a particular company or organization; the second, confirmatory phase tested whether the whole of these interests identified match the interests that the IBEX-35 firms have identified in relation to their stakeholders.

The methodology employed in the first stage of the analysis was a Delphi technique, and the following table (Table 2) reflects the main results of the three rounds conducted between 2011 and 2012, covering a total of 304 firms in the Basque Country (Spain).

TABLE 2 – Identification, Validation and Synthesis of interests in firms in the Basque Country

Rounds	1	2	3
Objective	Identification potential explicit interests	Identification of underlying interests	Validation of interests and principles
Number of participants	304	144	219
Number of statements set out	9,562	348	15
Number of interests identified	37	23	23
Feedback to experts		Synthesis of responses	Interests modified
Degree of validation of the results presented		62.5%	96.8%

When the Delphi exercise concluded, 96.8% of the participants expressed 100% agreement regarding the existence of 23 interests for the total number of possible stakeholders in the organizations as a whole, while the remaining 3.2% expressed disagreement concerning only one item.

Although this article does not aim to examine the actual interests in depth, the fact that the interests are finite and not very numerous is significant, as this allows management to apply stakeholder theory efficiently (see Table 3).

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TABLE 3 – The interests identified on concluding the Delphi exercise were as follows:

	INTERESTS IDENTIFIED
1	Long-term survival
2	Improvement in working conditions
3	Management excellence
4	Financial solvency or solidity (cash-flow)
5	Generation of social value outside the activity of the company/organization
6	Environmental sustainability
7	Transparency and trust
8	Compliance with legal obligations
9	Proactive collaboration with the Public Administration
10	Participation and recognition in the organization
11	Employment climate (atmosphere at work)
12	Fidelity to the organization's mission, vision and values
13	Improvement in the supply of the product/service
14	Payment security within the time frame agreed
15	Economic performance
16	Improvement in the organization's reputation and image
17	Professional development
18	Generation of collaborations and alliances
19	Retention of commercial relations to improve the profit of the parties concerned
20	Commercial relation to boost business volume and profitability
21	Generation of wealth and social welfare
22	Active listening and professional response from the staff in the organization
23	Fair play and equitable contractual relations

Note: The interests are numbered but that does not imply that the first interests are of greater importance than the last.

In the second, confirmatory stage of the research, the list of interests was tested against all the Spanish IBEX-35 firms, through a questionnaire which was answered by the top manager in the company's corporate social responsibility area (in 80% of cases, the Social Responsibility Manager). The result was that of the 32 firms that organized some kind of CSR action, 100% of them considered 22 of the 23 interests to be pertinent (see Table 3), pointing out that there was some overlap between numbers 19 and 20 and that it would be better to integrate them within a single interest. Meanwhile, the 32 firms participating only identified a maximum of 3 interests not reflected in the table, which were moreover specific to just one of the firms or, in the best of cases, to a specific sector. This demonstrates the reliability of this list in the opinion of the managers in the multinational firms. In addition, the firms also identified the degree to which the different stakeholders, understood as a role group, shared the interests specified, thereby corroborating the validity of this list of interests.

This is precisely what leads us to conclude that a set of 23 interests exists in the large transnational firms that almost entirely reflect strategic interests associated with all the people with legitimate interests in the company. Acknowledgment of this fact seems to make management of the real interests of stakeholders possible, through their integration within the core processes of strategic management in large multinational corporations. It is true that this new perspective does not in itself solve possible conflicting interests, but it redefines the opposition of interests, so that, as Freeman *et al.*

(2007) hold, conflict is not a feature inherent to stakeholder theory, but a particular aspect of alignment or misalignment of interests at a particular point in time. This appears to fit in well with other lines of work covering strategic management in organizations, such as the study by Kaplan and Norton (2006) around alignment as a key element in the formulation and control of strategy. Furthermore, it offers an opportunity to solve Jensen's "problem of governance".

Shareholder interest in satisfying the interests of the rest of the stakeholders, as the interviews held with representatives of the IBEX-35 firms lead us to conclude, coupled with the restructuring of stakeholders in terms of their real interests and not their role, facilitate a synthesis of interests and their alignment, as well as their inclusion in core management processes. This opens up an interesting avenue for real and effective application of stakeholder theory in the management of big transnational corporations.

5 MONETIZATION OF SHARED VALUE AS A SOLUTION TO THE PROBLEM OF MONITORING

At this point, we will once more take up the main thread of this work in reference to the problem of Jensen's "problem of governance" (Jensen, 2002), in the sense that the multi-stakeholder responsibility of managers (agents) eludes the possibility of monitoring by the principal, whether that means the shareholders or, in a multi-fiduciary approach (Goodpaster, 1991), all the stakeholders. However, the problem of control does not appear to lie so much in the figure of the controller (principal) as in the instruments for establishing objectives and compliance indicators. It seems evident that a transnational corporation that does not have a proper system of objectives and indicators of results will be incapable of identifying the real value it is producing. Leaving this value to the company's stock market quotation only transfers the problem elsewhere because, for the quotation to really reflect the valuation of the investors, information symmetry and, consequently, a standardized information system would be required. This may be the case where the economic performance of the company is concerned. If it is supposed that this constitutes the shareholders' only sphere of interest, regardless of the variability of concrete interests that they may have, we will agree that economic-financial accounting, and management systems connected with it, can be considered to constitute an adequate system of control. The argument is that it enables the identification of objectives and the quantification of results, and consequently makes feasible the control of management by the principal (it must be borne in mind that, although this term "principal" tends to be used in singular, it normally refers to a wide set of principals).

In fact, Jensen's "problem of governance" attributed to the application of stakeholder theory does not arise from the existence of a multiplicity of stakeholders, but because there are no objective/systematic mechanisms for controlling the value generated for the body of stakeholders. We understand that the misalignment of interests among stakeholders may pose an organization with a real problem. But just as nobody proposes to solve conflicts of alignment of interests between shareholders by reducing them to a single type sharing the same interests, alignment and control of the interests of all the stakeholders demands a perspective similar to that developed for the shareholders, which is none other than social or integral accounting (Retolaza, San-Jose, & Ruiz-Roqueñi, 2015). To date, firms have not uniformly utilized a system similar to one of accounting that lets them calculate the value generated for the organization's stakeholder body, and have not tended to broaden their performance measurement approaches to take in results that are not directly monetary. Fundamentally, accounting makes it possible to capture and manage the analysis of a very important part of company information, and different stakeholders (shareholders, administration, workers, suppliers, and even big customers) pay attention to it when

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making their decisions (Grecco, Milani, Segura, Sanchez, & Dominguez, 2013). No widely applied system exists, however, for standardizing the value produced by the organization for all the stakeholders. And, as Jensen (2002) holds, unless the financial contribution to shareholders is used exclusively as a measure for rewarding managers, it is a difficult task to measure their performance with precision; but this is because we have only created globally standardized instruments for measuring these results. If progress is made in crafting new tools that enable the objectification of social value or of the integrated value generated by organizations, such as the GRI or Integrated Reporting, it will become simpler to objectify control over agents in relation with the value created for the entire stakeholder body.

In this regard, we agree with Mitchell (2007) when he asserts that business responsibility is limited by the systems of measurement utilized, and the question is, what would happen if we created a new accounting base for the social responsibility of the transnational corporation? Agle, Mitchell and Sonnenfeld (1999) point to the normative foundations of the stakeholder theory as the point of departure which inspired the creation of these theories, improved methods and tools; and Mitchell (2007) proposes a model based on opportunity, which would in our opinion be rather complicated to develop. It might be preferable to develop a social or integrated accounting system that would be sensitive to the company's responsibilities towards each of its interest groups. This social accounting ought to have great similarities with economic-financial accounting, as it should be possible to incorporate it within the same monetary language, conforming an integral or integrated accounting system that would account for the global value generated, or destroyed, by an organization. This integral accounting would make it possible to reduce Jensen's "problem of governance" or, at least, transfer it to a problem of setting objectives and not of controlling results. This system should perhaps have a structural rather than a normative foundation, in line with the Corporate Stakeholder Responsibility approach that Freeman *et al.* (2007, 2010) argue for.

In any event, both propositions, Mitchell (2007) and our own, display marked similarities in their approach; and either of them, with a process of standardization and generalization in large transnational companies, could possibly enable the real incorporation of a practical stakeholder orientation without incurring the problems of Jensen's "problem of governance" (Jensen, 2002). Complementary to this, the large multinational corporations, drivers of genuine ecosystems, could be expected to act as facilitators in the implementation of such an accounting system with their suppliers, in a process that would perhaps be similar to what was developed in the past in relation to quality.

6 CONCLUDING REMARKS

In this paper, we propose an option that contributes to providing a potential response to Jensen's "problem of governance" regarding stakeholder theory applicability, by using the Delphi methodology combined with personal interviews with representatives of Ibex-35 companies during 2013-2014. We delve more deeply into stakeholder theory applicability than previously by including a new view: needs and interests rather than roles. We also built on previous work by using Spanish transnational company data. This study contributes to the debate about the applicability and integration of stakeholder theory-based management in companies. The findings permit a possible different way for the agent to measure and manage the interests of principals, if all the stakeholders and their needs are taken into consideration as such. The main finding is that social or integrated accounting can be congruent with stakeholder theory through monitoring the interests of all the stakeholders.

Several important and interesting findings are reported in this contribution. Following this new view based on stakeholder interests,

it appears that the problem can be addressed as a misalignment of stakeholder needs, and we attempt to encounter a solution that allows for the best possible alignment of these interests, concluding that stakeholder theory could indeed be applied. In this regard, as an approach for integrating interests it partially resolves or, at least, reduces the effect explained because the agent achieves control over multiple principals, as developed by Jensen, in the aforementioned problem of governance, principally because the reduction, limitation and objectification of the interests take shape as a manageable number. More importantly, the problem is revealed not to be a matter of stakeholder incorporation within corporate governance, but to be caused by the absence of management indicators and measures, which prevents the alignment of diverse objectives of shareholders and the rest of the stakeholders. Hence, there is a demonstrated need to develop a stakeholder-based performance measurement model based on interests that become integrated within social or integrated accounting. This is a good starting point for future research in this area.

Further, we would like to point out that the main limitations of the research lie, on the one hand, in the use of the Spanish case only, for evidence is required to establish whether the findings could be generalized to other countries. And, on the other hand, there is a lack of real application by companies in which this approach is developed, through which the tools and management norms that enable the management and monitoring of the interests would, in consequence, be provided, along with the social value linked with those interests.

NOTAS

1. This figure is taken both from the in-depth interviews held with the IBEX-35 firms and from sustainability reports.
2. The BBVA is a multinational financial services group with more than 48 million customers, over a million shareholders and 120,000 employees distributed throughout 8,000 offices in 35 countries. See www.bbva.es for more information.
3. Telefónica is one of the largest telecommunications companies in the world in terms of stock market capitalization, with a presence in 25 countries, a customer base of over 281 million people, backed up by 257,000 professionals and with more than 1.5 million direct shareholders. See www.telefonica.es for more information.
4. Repsol is an integrated global energy company, which develops upstream (exploration and production of hydrocarbons) and downstream activities (transformation of hydrocarbons into products and energy solutions for the home), has a presence in more than 50 countries and over 24,000 workers on its staff. See www.repsol.com for more information.

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