Chapter 2
Stakeholder Engagement in the Digital Era

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ABSTRACT
The chapter discusses the issues of corporate interaction of stakeholders in the digital age. The authors identified the characteristic features and practices of the interaction of companies with various categories of stakeholders. The study analyzed key stakeholders of the companies, channels of interaction, and significant topics for discussion. The authors note the importance of the process of managing interaction with stakeholders, balance of interests, building an understandable communication strategy in the process of digital business transformation.

INTRODUCTION
To survive in a constantly changing environment, today companies need to respond to all ongoing external and internal changes that affect the success of the business, quickly and accurately. The stakeholder theory, being a strategic management approach, enables companies and its executives to understand and manage these changes that impact not only the internal environment of the organization, but also

DOI: 10.4018/978-1-7998-2011-6.ch002
the external business environment. Despite its relatively short history, the theory of stakeholders has become widespread now.

The appearance of the first full-fledged theory of stakeholders is closely connected with the publication of E. Freeman’s Strategic Management: A Stakeholder Approach in 1984 (Freeman, 1894). According to Freeman, the actions and activities of persons (a group of persons) that influence or are influenced by the company in achieving its strategic goals should not be ignored, and their impact, real or perceived, should be determined and taken into account in the decision-making process. Stakeholders may have no direct impact on the company; however, their indirect influence should also be considered. Stakeholders’ impact and interests should be studied and analyzed to build and improve the company’s strategy. This process is included in stakeholder management, which involves identifying stakeholders and maintaining their commitment. The key objective of stakeholder management is to create an environment for business to develop successfully.

In the era of communication development, the effectiveness of an organization depends on how well it is engaging its stakeholders. Stakeholder engagement helps the organization to increase its social capital, minimize non-financial risks and identify new opportunities for the company’s development. Given that, understanding of key mechanisms of engaging groups of stakeholders allows large organizations to improve their performance, increase profits and create a competent, relevant and effective sustainable development strategy for the future and, therefore, achieve the entire set of goals and succeed.

Research Topic: stakeholder engagement in the digital age.
Research Goal: to analyze the practices of building corporate communication with stakeholders, to identify and describe the range of practices applied by large organizations to inform stakeholders / discuss companies’ activities with stakeholders, based on information disclosed in public annual reports.
Research Target: formats of stakeholder engagement.
Research Scope: stakeholder engagement: a case study of 100 companies.

The research method is a desk study of annual reports of large European, Asian and North American companies for 2017–2018 of the Global Reporting Initiative (GRI) database.

Research Objectives:

◦ To study information disclosed by large organizations in their public annual (non-financial, integrated) reports on their interaction with stakeholders.
◦ To identify main trends and/or patterns/ distinctive features of stakeholder engagement by large organizations around the world based on the analysis of their annual reports.
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