6. STAKEHOLDER MANAGEMENT APPROACHES IN IT COMPANY

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Annotation. Stakeholder management is a fundamental aspect of corporate governance in IT companies, ensuring that diverse interests are aligned with business objectives. This paper examines different approaches to stakeholder management, including normative, instrumental, and descriptive perspectives, while analysing how IT companies implement these strategies to maintain competitiveness. The discussion is supported by theoretical models and empirical research, providing insights into the role of stakeholder prioritisation and engagement in the digital economy.

Keywords. Stakeholder, management, engagement, IT company, digital.

Stakeholder management in IT companies is a complex process that requires a well-structured approach to identify, prioritize, and engage with different stakeholders. As businesses increasingly shift toward digital transformation, stakeholder expectations evolve, necessitating adaptable and transparent management strategies. Traditional approaches to stakeholder engagement have evolved significantly, influenced by technological advancements and strategic frameworks. The stakeholder theory as it is currently presented was proposed by the American scientist and economist Edward Freeman in his work "Strategic Management: The Stakeholder Concept" in 1984 and became widespread in the mid-eighties. The paper describes the process of corporate strategy formation with the participation of stakeholders in this process. Stakeholders are defined as individuals or groups of individuals who influence and are in turn influenced by a company's activities. The internal environment of stakeholders includes employees, owners, customers, suppliers. The external environment presents government agencies, competitors, consumer protection societies, environmental protection societies, special interest groups, and the media. According to Freeman, stakeholder theory is a concept of how a business works in reality. To achieve successful operations, any business must create some value for customers, suppliers, employees, community and creditors, shareholders, investors, banks and other groups and individuals. Each stakeholder and their impact cannot be viewed in isolation; the interests of all stakeholders must be assessed. Managers' or entrepreneurs' interactions with surrounding stakeholders are aimed at achieving performance in the process of meeting their interests and stakeholders' expectations [1].

Stakeholder-focused research aims to explain the relationships between firms and their stakeholders through normative, instrumental, and descriptive approaches. An approach more likely to advance the trend

toward an increasing stakeholder orientation is one of theory collaboration, in which researchers explore how self-interested action in the market system can be tempered by others-interested action [2].

Descriptive approaches have a phenomenological orientation and look at the stakeholders and their interrelations emphasising a grounded empirical basis. They mainly identify and describe characteristics of stakeholders and often serve as inputs for normative and instrumental approaches. Heuristics, such as the stakeholder mapping methods can be used for this purpose, also relating the pivotal organisation or project to its stakeholders. Normative stakeholder approaches assume that understanding the different perspectives and conflicting interests of the stakeholders is crucial and an environment of "intersubjective validation" is necessary to induce change towards sustainability. The stakeholder analysis can contribute to this communication process. Instrumental stakeholder approaches focus on pursuing the organization's or project's objectives. The analysis identifies, how stakeholders are related to these objectives and aims at a strategic management of stakeholder relations [3].

Donaldson and Preston attempt to bring greater clarity and rigor to stakeholder theory by arguing for a taxonomy consisting of descriptive, instrumental, and normative varieties of research. Descriptive stakeholder research analyses stakeholder management as it is found (or not) in actual organisations. This variety of scholarship (purportedly) makes no prescriptive or normative assertions about the desirability of stakeholder management. Instrumental stakeholder theory assesses the extent to which managing stakeholders and stakeholder relationships conduce to the achievement of commonly asserted organisational goals (e.g., profitability, maximisation of shareholder or firm value, viability). Instrumental stakeholder research makes prescriptions, but does not question the moral legitimacy of the goals themselves. The purpose of the corporation is taken as self-evident.

Normative stakeholder theory addresses directly the moral justification of the organisation and the ethics of stakeholder management. Donaldson and Preston conclude that this approaches are vital to the stakeholder research program, but that the normative variety is foundational to all [4].

IT firms today must adopt multi-layered engagement frameworks that integrate both normative and instrumental stakeholder strategies. This approach ensures that companies not only fulfill ethical obligations to their stakeholders but also enhance long-term business performance. Normative strategies emphasize moral responsibilities, advocating for transparency, inclusivity, and sustainable practices, while instrumental strategies focus on leveraging stakeholder relationships to drive competitive advantage and innovation. By balancing these perspectives, IT firms can build trust, mitigate risks, and foster a resilient ecosystem that supports both corporate growth and societal well-being. Furthermore, as digital transformation accelerates, stakeholder engagement must extend beyond traditional boundaries to incorporate emerging concerns such as data privacy and cybersecurity.

In an IT company, stakeholder management plays a critical role in ensuring project success, maintaining smooth operations, and fostering innovation. Stakeholders in IT firms include internal participants such as developers, project managers, executives, and employees, as well as external parties like clients, investors, government regulators, and end-users. The perspectives outlined in the figure shape how these stakeholders are identified, categorised, and managed (Figure 1).
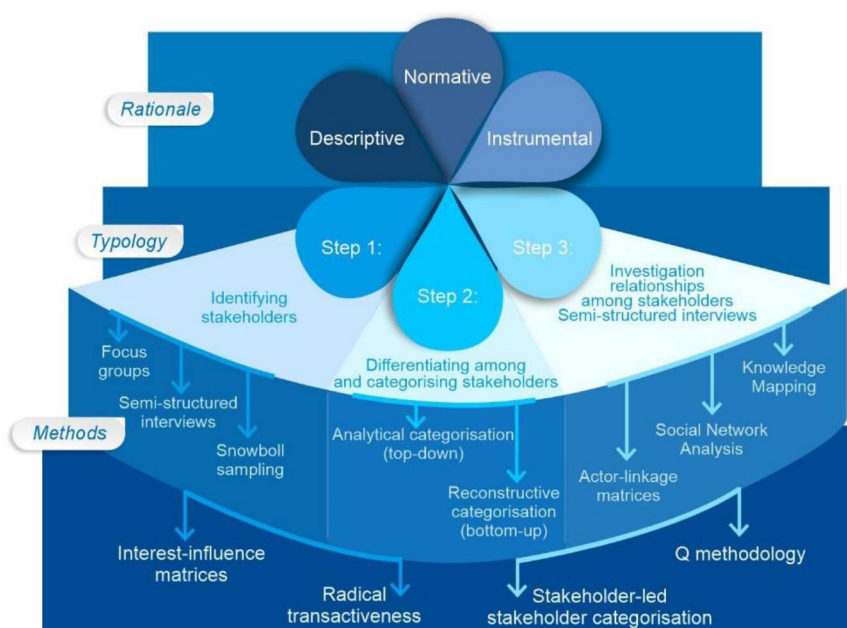

Figure 1 – Schematic representation of the rationale, typology and methods of stakeholder analysis

The normative approach in an IT company emphasises ethical responsibility, ensuring fair treatment of employees, data privacy for users, and corporate social responsibility in technology development. The instrumental approach focuses on leveraging stakeholder relationships to drive business growth, such as collaborating with key clients for product development, ensuring regulatory compliance to avoid legal risks, and optimising supply chain partnerships. The descriptive approach aims to document and understand the dynamic relationships among various stakeholders, such as analysing how developers interact with product managers or how customer feedback influences software iterations.

The three-step stakeholder management process in an IT company starts with:

Step 1: Identifying stakeholders. This involves using focus groups, semi-structured interviews, and snowball sampling to determine key players in software development, product management, IT infrastructure, cybersecurity, and customer support. Interest-influence matrices help classify stakeholders based on their power and involvement. For example, senior executives hold high influence over project funding, while software testers have lower influence but high interest in product quality. Finding efficient ways to identify stakeholders and consider gaps and overlaps allows for greater precision in determining with whom the organisation might interact on any issue or upcoming decision. Over the long-term, when the organisation considers how to meaningfully increase the representativeness of input into activities, the prospect of sustainability is enhanced [5].

Step 2: Differentiating and categorising among stakeholders is essential for prioritising stakeholder engagement. IT companies may use analytical categorisation to define stakeholder roles hierarchically separating strategic decision-makers from operational contributors. Reconstructive categorisation can be applied through team feedback and customer-driven development, ensuring real-world concerns shape stakeholder importance. Radical transactiveness is particularly useful for IT startups and tech disruptors, enabling them to identify emerging stakeholders such as new market segments, upcoming regulatory bodies, or shifting consumer trends. Stakeholder categorisation further refines these classifications by allowing users and developers to voice their perspectives on how engagement should be structured.

The group and categorisation of stakeholders can be articulated through four distinct classifications based on their relative power and interest in the organisation. The matrix presented in Figure 2 reflects the interest-influence of stakeholders in the IT company.

Figure 2 – Matrix of Stakeholder's Interest-influence in IT company

The first group comprises the key players, characterised by both high power and high interest. This includes the chief executive officer (CEO), chief technology officer (CTO), and the executive leadership team, who are responsible for defining the strategic direction and overall governance of the organisation. Investors and board members are also included in this category, as they significantly influence funding decisions and growth trajectories.

The second category is composed of context setters, who hold high power but demonstrate relatively low interest in the organisation's day-to-day affairs. This group includes government agencies, whose policies on taxation, cybersecurity, and legal compliance have substantial implications for the organisation's operational framework. Infrastructure providers are also considered context setters. Industry associations, which influence professional standards and regulatory norms, also fall into this category.

The third group encompasses subjects, who possess low power but exhibit high interest in the organisation. Software developers and engineers are representative of this group, as they are essential to driving technological innovation and product development, despite lacking authority in organisational decision-making. Middle management and team leads also belong to this category. Tech media and industry influencers are included among the subjects, as they closely follow organisational developments and can shape public perception and brand reputation, though without formal power.

The fourth group is identified as the crowd, marked by both low power and low interest. This includes freelancers and contractors who contribute to various projects. General users and small-scale clients have a minimal influence on the organisation's direction or policy. Local communities and corporate social responsibility (CSR) initiatives also fall under this category.

Step 3: Investigating relationships among stakeholders is crucial in IT companies where cross-functional collaboration determines project efficiency. Semi-structured interviews with different teams help identify potential bottlenecks, communication breakdowns or conflicting priorities. Knowledge mapping can visualise how different departments interact, while social network analysis highlights key influencers within the organisation. Actor-linkage matrices are useful in complex IT ecosystems where partnerships exist among developers, vendors, and customers, ensuring smooth software integration and support services. Q methodology helps analyse differing viewpoints, such as balancing user experience concerns with engineering constraints.

The research methods applied at each stage are highly relevant to IT firms. Qualitative methods such as focus groups and interviews provide deep insights into software usability and employee satisfaction. Categorisation techniques, including hierarchical and participatory approaches, ensure that stakeholder influence is properly accounted for in Agile and Development Operations environments. Network and mapping tools enhance visibility into IT project workflows, stakeholder dependencies, and external collaborations.

This structured stakeholder management approach is particularly effective in IT companies, where projects involve fast-changing requirements, multiple stakeholders with different expectations, and evolving technological landscapes. By systematically identifying, categorising, and analysing stakeholders, IT firms can improve decision-making, optimise product development cycles, enhance customer satisfaction, and maintain compliance with regulatory standards. Effective stakeholder management thus becomes a competitive advantage, driving innovation and long-term success in the dynamic world of technology.

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