ABSTRACT. Most definitions of the concept of "stakeholder" include only human entities. This paper advances the argument that the non-human natural environment can be integrated into the stakeholder management concept. This argument includes the observations that the natural environment is finally becoming recognized as a vital component of the business environment, that the stakeholder concept is more than a human political/economic one, and that non-human nature currently is not adequately represented by other stakeholder groups. In addition, this paper asserts that any of several stakeholder management processes can readily include the natural environment as one or more stakeholders of organizations. Finally, the point is made that this integration would provide a more holistic, value-oriented, focused and strategic approach to stakeholder management, potentially benefitting both nature and organizations.

Introduction

Picture a world in which the natural environment does not really exist, a world in which organizations conduct business in many other environments - political, economic, socio-cultural - but one in which non-human nature has no relevant role. This world has been described, analyzed, and evaluated by numerous organizational scholars in the past, but, fortunately, this world does not in fact exist. The reason this picture is a non-reality is because, as an increasing number of organizational researchers are perceiving, organizations cannot help but be integral parts of many natural environments. However, though all organizations have some human component, and humans are both products and consumers of these natural environments, much of the literature which addresses the topic of organization environments, including those employing the concept of stakeholder management, has not explicitly identified either non-human nature or entities within the natural environment as "stakeholders". Rather, "stakeholders" have been defined or described almost exclusively in human terms, such as "groups or individuals who affect or are affected by organizational performance," (Freeman, 1984, p. iv, emphasis added). This paper forwards a new definition and reformulation of this concept to address this erroneous exclusion of non-human nature, and identifies both the advantages and disadvantages of integrating the natural environment into the increasingly popular management concept of "stakeholder" management.

Why hasn’t non-human nature been considered a stakeholder?

"Stakeholder" status has been restricted to humans only

The literature in stakeholder management has yet to address the question of whether the natural
environment should be included among the stakeholders of businesses and other organizations. Typically, listings of stakeholders of organizations have included only human individuals as organizations, such as consumers, stockholders, creditors, suppliers, employees, government officials, legislators, local communities, competitors, interest groups, and the media. These human stakeholders are increasingly thought to be critical to an organization's long-term success, as they can directly and indirectly affect both financial and non-financial organizational outcomes (Cornell and Shapiro, 1987). This focus on exclusively human entities pervades both the academic and practitioner management literature (e.g. Baron, 1993; Wood, 1990; Porter, 1980; Weiner and Brown, 1986; Starik, 1990).

As mentioned above, one oft-cited definition of the term “stakeholders” is “groups of individuals who affect or are affected by organizational policies,” (Freeman, 1984, p. iv). Other popular definitions of “stakeholders” have included: “an individual or group that asserts to have one or more of the stakes in a business” (Carroll, 1993, p. 60); “any individual or group who feel that they have a stake in the consequences of management’s decisions and who have the power to influence current or future decisions,” (Sturdevant and Vernon-Wortzel, 1990); “an individual, a coalition of people, or an organization whose support is essential or whose opposition must be negated if a major strategic change is to be successfully implemented” (Macmillan and Jones, 1986); and, “persons that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present, or future”, (Clarkson and Deck, 1993). One of the most recent definitions holds that “stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity,” (Donaldson and Preston, 1993).

The natural environment, its elements, processes, ecosystems, and non-human life forms have been excluded, until very recently (Stead and Stead, 1992; Buchholz, 1993) in most stakeholder definitions and listings.

**The exclusion of non-human nature from the business environment**

Several reasons can be advanced for the exclusion of non-human nature from most “stakeholder” definitions and lists. First, until very recently, most references to “the business environment in management literature did not include the natural environment as a relevant business environment, but instead identified only economic, political, sociocultural, and technological business environments (Starik, 1993a). For instance, though environmental issues have long been thought to be within the domain of business (Carroll, 1979), many management and business-and-society works published as recently as 1993 neglected to include the natural environment as a relevant business environment (e.g. Baron, 1993; Wright et al., 1992; Sundaram and Black, 1992; Castrogiovanni, 1991). Given the heightened status natural environment topics have received in the past several years, this lack of recognition is a serious, yet common, omission. Much of the work in these fields has yet to recognize that natural “resource” costs and availability, and associated pollution costs and disposal problems, have become significant business environment concerns for many organizations, requiring substantial attention by practitioners and academics alike. Since stakeholders have often been used as proxies for various business environments (e.g. consumers have been considered economic environment stakeholders, regulators political environment stakeholders, etc.), the exclusion of the natural environment from the general business environment has also resulted in the exclusion of non-human nature from most definitions and lists of “stakeholders” of organizations.

**The “stakeholder” idea has been an exclusively political-economic concept**

The second reason sometimes forwarded to explain why the non-human natural environment or any component of it (e.g. the hydrosphere, lithosphere, atmosphere, ecosystem processes, or non-human life) have not been included in most