

# Ethics and Stakeholder Salience theory

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**Abstract**-In our study we have examined the stakeholder salience-attributes relationship with moderating role of IWE and EC. We have collected data from Managers of exporting and manufacturing industry of Sialkot, Pakistan through Questionnaires. Previous research by scholars examined the services firms of developed countries. However exporting industry of developing country needs to be studied, because exporting industry has both domestic and foreign stakeholders. Some scholars argue that contextual factors may affect salience-attributes relationship. That's why we have used contextual factors like IWE and EC as moderator in our study. From our study, it is concluded that Contextual factors like IWE and EC does not moderate the strong relationship of stakeholder salience-attributes relationship.

Key words: Ethical climate, Islamic work ethics, legitimacy, Power, Stakeholder salience, Stakeholder attributes, Urgency, Work ethics

## 1. Introduction

Mitchell et al.'s (1997) stakeholder salience model is one of the most frequently cited contributions to stakeholder research. As per Google Scholar, it has been cited over 10682 times of Nov, 2017 and over 100 times in Journal of Business ethics alone. According to this model, salience of stakeholder depends on attributes as perceived by managers to be possessed by a stakeholder. Mitchell et al (1997) identified power, legitimacy and urgency as attributes of salience.

The model has received reasonable empirical support from subsequent researchers [1][13][23][27][50][53][58]. Despite of the fact that model is considered important by management scholars and has been cited by a number of researchers, the empirical examination of the model is yet to be carried in developing country's context, especially exporting industry. Nature of stakeholder relationships in exporting industry are quite different from other economic sectors for several reasons a) Exporting sector involves cross-border transactions, where exporter-importer relationships are temporal and renew in a cyclic form with each transaction and therefore salience of stakeholder must be highly dynamic. b) Basis of power i.e. coercive and normative may not help a stakeholder win managerial attention. c) Similarly, Bases of moral and pragmatic legitimacy especially consequential, structural and dispositional legitimacy of a stakeholder may not be or less

worthy of consideration for a foreign manager. d) Lesser geographical proximity between an exporting manager and importing stakeholder results in less frequency of interaction and thus lesser knowledge of salience-attributes of a foreign stakeholder.

Moreover previous research has emphasized that contextual factors play an important role in moderating relationship between stakeholder salience and attribute. However previous research has either examined the moderating effect of managerial values [1][44][58] [71]that brought mixed results or examined the broader contextual factors like organizational life phases, crises and recovery etc. Undoubtedly context is quite important and ethical climate and work ethics may condition the managerial perception of stakeholder salience. However, research to understand the moderating effects of Ethical climate and Islamic work Ethics is virtually non-existent. Therefore, another important contribution of our study to extant literature in examining the moderating effects of contextual factors—i.e., ethical climate and Islamic work ethics on stakeholder salience to attributes relationship.

Research site that we have chosen to empirically test the Mitchell et al.'s (1997) central proposition and moderating effect of ethical climate and Islamic work ethics is Sialkot, Pakistan. This city is the Pakistan's export capital that has the highest per capita exports in Pakistan. Sialkot contrasts sharply with the rest of Pakistani and many other developing countries' cities in terms of commerce profile. The number of individuals involved in manufacturing [proportionate to population size] is over four times higher,

the number of manufacturing establishments is six times higher, and the exports are eighteen times higher compared to the rest of the country. Equally contrasting is the profile of manufacturing establishments. The proportion of manufacturing workers employed in the large firms nationwide is 27 percent, compared to less than one percent in Sialkot. The proportion working in small enterprises is over 90 percent in Sialkot versus about 60 percent in the rest of the country. Sialkot's exporting industry holds many lessons for scholars engaged in stakeholder related stream of research. We therefore expect a different kind of stakeholder orientation in Sialkot. We tried to collect big data to strengthen our research. Out of 2000 forms only 1600 were filled and returned to us. 105 out of 1600 were not completely or actively filled. Finally 1495 questionnaires were appropriate for our study. Survey for data was conducted by personally administered questionnaires from managers of exporting and manufacturing industry of Sialkot, Pakistan.

This paper has been arranged in 6 sections. Firstly we have discussed the brief introduction of our study after that at second section we have provided the concise but comprehensive review of the literature, which include contribution of previous researchers and development of hypothesis for our paper. In third section we have described the methodology, which include research site, sample, model, and analysis of results. In section four of our study we have discussed the results and limitations for future research and conclusion in section fifth and sixth consequently.

## 2. Literature Review

The exact conception of the term stakeholder is not easy to trace in literature (Freeman 1984). According to Emshoff and freeman (1981) this term was first used at Stanford research institute in 1963. After the introduction of this concept research involving 'stakeholder' multiplied and diverged along several paths. One of the revolutionary contributions in this rein is R. Edward Freeman's (1984) book, 'Strategic management: A stakeholder approach', in which author provide a schema to identify and model the groups that can be called as stakeholders of a focal firm. Although stakeholder theory (Freeman, 1984) had won universal recognition, it still had a major drawback: it could not offer a framework to identify stakeholders of the firm. To fill this gap, Mitchell et al (1997) offered the stakeholder salience theory which received considerable empirical support from strategy and management researchers [25].

### **Vivid, standardized and instrumental use of stakeholder:**

Following the work of R. Edward Freeman (1984), the stakeholder tradition grew enormously, and by 1995, More than 100 articles and dozens of books on the concept of

stakeholder came into existence [25]. The rapid growth in stakeholder's concept made it the central theme of business text. With the increase in the use of the stakeholder concept in various fields of study, multifarious views on the subject had also emerged [33]. Later efforts were made by different researchers to blend the disparate views. For example, Donaldson and Preston (1995) reviewed the literature on stakeholder tradition and categorized the work into three traditions: Descriptive, Instrumental and Normative. The descriptive approach was used to describe the nature of a firm; the perception about managerial stakeholders and the way the business are actually managed [14][15][20][42][76]. Research in instrumental tradition deals with incorporation of stakeholder thinking and practice in business so that they can better achieve goals [25][48][77]. The instrumental view signifies exchange relationship and it suggests that business organizations gain from stakeholder management with the help of trust and cooperation [48], risk management [40], reputation, outlook or other material gains, though instrumentalists limit the scope of relationship to contractual ties leaving lesser space for the broader consideration of stakeholder and their other interest. The normative approach challenges this view [19][28] as it represents the idea of cooperation by attempting to include all the constituencies which really take part in cooperative efforts. The normative approach suggests that the managers of firm must engage stakeholders in a mutually supportive and morally right relationship [25].

As the normative vs. instrumental debate continued, stakeholder theory faced considerable criticism for assuming that the interests of various stakeholders can be balanced, for applying the concept of the social contract to corporations and for its paradoxical nature—treating stakeholders as both means to ends and ends in themselves[38]. However, one significant question remained unanswered—i.e., to whom does managers pay attention? Or which constituents should managers attend to?

### **2.2 Stakeholder salience framework:**

To answer this question, Mitchell et al (1997) synthesized over 20 studies relating to agency, resources, dependence, stakeholder etc, and proposed a simple descriptive model of stakeholder salience. This model fills the gap in the stakeholder tradition by theoretically specifying which constituents are considered stakeholders by the managers of a firm. This model takes a middle way between normative and instrumental perspective by providing the different explanations and specifying the conditions under which firm is likely to attend the claims of stakeholder. This firm-centric view primarily relies on stakeholder identity [21] and explains the attributes that make certain stakeholders win managerial attention [54]

The central proposition of the model of stakeholder salience is that "Stakeholder salience will be positively related to the cumulative number of stakeholder attributes—power, legitimacy, and urgency—perceived by managers to be present" [54].

This theory is based on an ordinal scale that ranges from high to low and it helped Mitchell et al (1997) categorize stakeholder into seven classes—three possessing one attribute, called latent stakeholder and the three other possessing two attributes known as expectants stakeholders and the only one class possessing all three attributes which is known as definitive stakeholder Mitchell et al (1997). This model explains that stakeholders are categorized as highly salient if three attributes are perceived by a manager to be present in it; it is considered moderately salient if two attributes are perceived to be present in it and least salient if only one attribute is perceived to be present. However, constituent is not assigned stakeholder status if no attribute is perceived by manager to be present.

This theory came into prominence when it received empirical support from subsequent researchers [1][27][50][53][58] etc. Now it is considered as one of the most important and impressive contributions in the domain of stakeholder research. It has gained increased prominence among the tools that are used to identify and classify stakeholders. As of Aug 2017 Mitchell works had been cited over 10384 times per Google scholar

Despite of its importance and being cited by a number of researchers it was not studied in exporting industry of developing countries like Pakistan. Exporting industry has temporary nature of relationships. In exporting industry stockholders are both domestic and foreign. Stakeholders and managers work in different environment and ethical climate, that's why we think stakeholder salience framework of Mitchell's (1997) should be examined in exporting industry of developing country like Pakistan.

Dahl (1957) defined power as relationship among two social actors, in which one actor can get other social actor to do something which other social actor would not otherwise have done. So we can say power is to compel other person to do or not to do something. Etzioni (1964) suggested three basis of power i.e. is coercive power, based on the physical resources of force, violence and restraint; Utilitarian power, based on material or financial resources; normative power, based on symbolic resources. In previous researches it is the utilitarian power that has been mainly focused [58]. Power has been mainly conceptualized in various disciplines in terms of utilitarian and coercive power. However the component of normative power has been under emphasized. In the exporting industry when it comes to domestic stakeholders, all the components of power remain relevant. But in case of foreign stakeholders the coercive component of power becomes less relevant, while utilitarian component remains highly relevant. In case of foreign

stakeholders normative component also get some relevancy. Therefore different components of the power have different relations and significance for the stakeholder salience when we observe it for exporting industry in developing country. Since utilitarian and normative components remain associated for both domestic and foreign stakeholder in exporting industry, therefore we can hypothesize that power as a whole can affect the stakeholder salience.

Therefore we hypothesize that:

H1: Power affects the stakeholder salience in exporting industry of Pakistan

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions. Pragmatic legitimacy, self-interested calculations of an organization's most immediate audiences; Moral legitimacy, rests with right thing to do which promotes welfare of the society; cognitive legitimacy, is about dynamics of cognition i.e. based on some taken-for-granted cultural account. Further Moral legitimacy is divided into consequential legitimacy, procedural legitimacy, structural legitimacy and personal legitimacy. In case of foreign stakeholders moral legitimacy and its bases are less relevant as compared to pragmatic and cognitive legitimacy. Moral legitimacy is relevant when managers and stakeholders belong from domestic market, but pragmatic and cognitive legitimacy remains highly relevant for exporting industry. Therefore we hypothesize that Legitimacy as a whole can affect the stakeholder salience.

H2: Legitimacy affects the stakeholder salience in exporting industry of Pakistan

Urgency is calling for immediate attention and needs speedy action. There are two bases of urgency i.e. Time sensitivity, the degree to which the delay in attending the claim by manager is unacceptable; criticality, the importance of the claim to the stakeholder. The component of Urgency remains highly relevant for exporting industry too. Therefore we hypothesize that

H3: Urgency affects the stakeholder salience in exporting industry of Pakistan

## 2.3 Effects of contextual factors on phenomenon of stakeholder salience

Our in-depth review of literature on stakeholder salience tradition reveals that research work involving contextual factors can be divided into the following two streams

1 Managerial values and characteristics

## 2 Broader contextual factors

Based on previous work [22][48][60] that primarily emanate from the management literature, Mitchell et al. (1997) suggested “although groups can be identified reliably as stakeholders based on their possession of power, legitimacy, and urgency in relationship to the firm, it is the firm's managers who determine which stakeholders are salient and therefore will receive management's attention” (p. 871). Mitchell et al (1997) viewed managers as arch stones of theoretical framework that they present and suggest that managerial perceptions act as a moderator in salience attribute relationship. Since, values shape intensity and selectivity through their influence on the human perceptual field; therefore, managerial values may have a moderating effect on the phenomenon of stakeholder salience [1].

In addition to managerial values, previous research has also examined the effect of broader contextual factors on the salience-attributes relationship. More work have been done in this stream of research compared with research examining the effect of managers specify values on the salience attributes relationship. In terms of contextual factors the research work has been spread into a) organizational phases of life, recovery and crises, b) environmental pro-activeness, c) organizational culture identity d) cognitive view of salience and e) institutions [16][17][26][46][47][49][54][59][60] [79].

We found two studies that dealt with organizational life cycle and crises in terms of phenomenon of stakeholder salience. Jawahar and McLaughlin (2001) suggested that the salience of stakeholders changes as an organization move from the one stage to other stage during the organizational life cycle. Similarly, Pfarrer et al. (2008) argued that the stakeholder salience depends on the nature of transgression from stakeholder claims. Here author present his point that the salience of stakeholders changes depending on the stages of organizational crises.

Environmental pro-activeness is another area that has been found associated with stakeholder salience. Buysse and Verbeke (2003)[17]; conducted an empirical analysis of the linkages or relation between stakeholder management and environmental strategies and they come to know that firms that are really adopting environmentally proactive strategies grasp more stakeholder as salient. Likewise, Henriques and Sadorsky (1999) also come to know that firms which have more environmentally proactive profiles are totally different from those with a bit or less proactive profile in their own perception about stakeholder.

In one more study, Jones et al. (2007) created a typology of corporate stakeholder cultures—agency, corporate egoist, instrumentalist, moralist, and altruist and explained that these cultures lie on a continuum, ranging from individually self-interested (agency culture) to fully other-regarding (altruist culture). Here, authors also argued that

moral legitimacy has a great effect on salience in the case of cultures they are more other regarding and the power has a great effect in move self-regarding corporate cultures. Other study drawing on culture theory suggested that the cultural partiality or proclivity in corporations pairs up with stakeholder cultures to give effect to stakeholder salience [59].

In line with Eesley and Lenox (2006), who advocated separating the salience of claims from the salience of stakeholders, Bundy et al. (2013) advanced a strategic cognitive view of issue salience. The central thesis of their work revolved around cognitive structures of organizational identity and strategic frames. A firm's strategic frame guides the managerial interpretation of an issue using instrumental logic that relates to a rational pursuit of organizational goals, while organizational identity facilitates the interpretation of an issue using expressive logic. The authors proposed that firms are likely to symbolically attend to an issue perceived as salient by only one type of logic, while issues that are perceived as salient to both types will be attended substantially.

Previous research has also examined the influence of institutions on the phenomenon of stakeholder salience. For example, studies have suggested that institutional and contextual factors can moderate stakeholder salience because the role of a corporation and its stakeholders varies from one industry and country to another [26]. Although, previous work has emphasized that contextual factor play an important role in moderating relationship between stakeholder salience and attributes. However, despite the significance of context, no study till date has been conducted to understand the moderating effect of ethical climate and Islamic work Ethics. Therefore, apart from examining the stakeholder salience-to-attributes relationship in exporting sector of a developing country, this paper shall mainly investigate whether We will examine in this paper whether Islamic work ethics and ethical climate moderate the salience-attribute relationship or not.

## 2.4 Islamic Work Ethics (IWE)

The concept of work ethic refers to ‘commitment to the value and importance of hard work’. Ethics is about the study of right and wrong and the choice made by a person. Ethics can be defined as a set of moral values that make a sense between the rights and wrong [12]. Work ethics can also be defined as a sum of beliefs about the moral superiority of hard work over leisure or idleness, craft pride over carelessness, sacrifice over profligacy, earned over unearned income and positives over negatives towards work [5], which reaches the complete and relentless devotion to one's economic role on earth [51].

The importance of work ethics to employers is obvious as unethical behaviors in work setting lead to the failure of organizations and the great anxiety of the general public [43]. Flynn (1994) states that in a survey of hiring managers more than 50% reported that they were more concerned about an applicant's attitude than aptitude. Flynn (1994) also indicates that in another survey of 150 American managers, nearly 60% of the respondents' ranked work ethic as the most important factor when hiring an employee, assuming the candidate had the basic skills necessary to perform the job. Work ethic was ranked higher than other employee characteristics such as intelligence (23%), enthusiasm (12%), and education (4%).

More and more members of the business community are expressing concerns about the work ethic – commitment to the value and importance of hard work among potential employees. Some believe that work ethic is declining both in America as well as other industrialized countries [4]. Concern has been expressed that the decline in work ethic corresponds to lower levels of job performance [78]. Higher level of absenteeism and turnover, increases in counterproductive behavior ranging from unauthorized breaks to employee theft [67]. Others have argued that work ethic is not in decline; rather, the work ethic among those classified as "Generation X" is different than that of previous generations suggested by Allerton in 1996.

In recent years, organizations have increased efforts to institutionalize ethics, partly because such efforts positively affect employee behavior like Innovation capability (Kmar and Rose, 2010) employee motivation, organizational citizenship behavior (Murtaza and Abbas, 2014) Etc.

Religion is concerned with man's relations with God, and with man's belief in the supernatural. It has great impact on nearly every human society because of the commonly shared belief that discovery of truth comes through revelation by supernatural power. In its organized form, religion also impacts business organizations. Persons with religious beliefs act as shareholders, employees, suppliers and consumers, affecting both the running of firms and the marketing of their products or services.

Work ethic research with reference to religion started with Weber's ground-breaking (1958) work on the Protestant work ethic (PWE), understood as a driving force for industrialization, economic growth and capitalism development in north-western Europe and North America. Max Weber argued that Protestant societies had a special work ethic which was distinct from non-Protestant societies (Weber, 1958). He named this ethos as the Protestant work ethic (PWE). According to Weber's thesis, Protestants are more work-oriented than non-Protestants. He believed that the PWE played an important role in capitalism. Although Weber didn't claim Protestantism as the sole cause of capitalist growth, he tried to show that its values favored the expansion of capitalist economy [62] and he was the first

sociologist to explain the transformative contribution of the PWE to the development of capitalism.

According to Weber, Islamic societies were not able to produce "the spirit of capitalism" because of the warrior ethic, other-worldly Sufism and oriental despotism. Weber emphasizes hard work as core of Protestant Work Ethic's distinctive characteristics. Researchers suggest that Islam's view on work ethic is not much different than Protestant and Catholic views. Similar to Christianity, Work is seen as service or even Worship for God's sake (Arslan 2003). Some studies suggested that the work ethic in some developing countries is stronger than in the developed countries or in some non-Protestant countries than Protestant countries [7][34][35][36][57]. Islam being not just a religion but a complete way of life sets forth what one may describe as a thorough description of work ethics for its followers that have given positive results when applied to the 21st century organization.

Work is valued in Islam because individuals meet their needs and establish a balance between individual and social life with work [55]. According to Islam, the ethical responsibility given to the human being goes back to the beginning of creation, and is based on the act between the creator and the human being. Islamic work ethics is much more than ordinary work ethics, because they are multi-dimensional and are related to various aspects of life such as social, political and economic. Islamic work ethics could be defined as a set of values or system of beliefs derived from the Quran and Sunnah concerning work and hard work. Islam preaches its followers to be more committed towards the organization. This commitment is said to make the employees embrace organizational change more rapidly than others [80]. Cooperation and consulting is also encouraged by IWE. This is said to alleviate mistakes [80]. The Islamic work ethics also argue that values such as generosity and justice should be inevitable to the work place [80].

Kamal (1996) has listed five attributes of the Islamic work ethics.

1. Employees have to fulfill their job for the societal obligation with purpose to seek pleasure of Allah.
2. Trustworthiness as a vicegerent of Allah which comprehends all aspects of living as a human.
3. Muslim must perform his duty as a religious obligation as well as implements all ritual obligations. Motivational reward is not only linked with earthly reward but also awarded in the hereafter.
4. Employees must adhere to diligence and efficiency as well as fairness in preserving public interest.
5. Employer-employee relationships are based on human value which is beyond race, color, and language and

inheritance.

Stakeholder salience model is built on three key assumptions: a) to achieve certain goals, managers pay particular attention to various stakeholders; b) stakeholder salience—the degree to which managers give priority to competing stakeholder claims—depends on managerial perception; and c) different stakeholders are identified on the basis of their possession of overarching attributes of salience. The central proposition of the model of stakeholder salience is that "Stakeholder salience will be positively related to the cumulative number of stakeholder attributes—power, legitimacy, and urgency—perceived by managers to be present" (Mitchell et al., 1997, p. 873). In other words, the salience of stakeholders is a function of their importance to the firm.

Typically, satisfying stakeholder claims require firms to allocate resources and engage in behaviors in which the material claims of salient stakeholders are prioritized. But as Kamal (1996) suggested that employees high in Islamic work ethics have to fulfill their job for the societal obligation with purpose to seek pleasure of Allah, therefore, we argue that in achieving their objectives, such managers ought to pay attention to all concerned constituents. This is because being vicegerent of Allah; managerial perception takes all aspects of human life. In identifying and prioritizing the stakeholders and their claims, managers high in Islamic work ethics must not only take into account the utilitarian power—i.e., ability of stakeholder to grant or withhold material resources—but moral legitimacy should be equally important as reward does not come in terms of earthly reward but also relates to hereafter. Our argument is supported by previous studies that suggested that religiosity is associated with a variety of organizational behaviors, such as corporate social responsibility [1] and ethical conduct in marketing and that these behaviors often improve the relationships between the firm and its stakeholders.

We, therefore, expect the following:

H4: IWE moderates the Power to salience relationship

H5: IWE moderates the Legitimacy to salience relationship

H6: IWE moderates the urgency to salience relationship

## 2.5 Ethical climate

There has been considerable interest in organizational climate since the late 1950's. For example, researchers have studied organizational climate within the context of warmth and support [29], nature of rewards [65], absenteeism, acceptability of aggression [52], service [65], safety [81], achievement and innovation. Moreover, research has established that organizational climate may be a significant factor in shaping the behavior of employees [64].

To illustrate, Fleishman (1953) found that foremen adapt their behavior to the prevailing climate in a factory by behaving, not as they were taught in a human relations program, but in a style consistent with their work climate. An organization's ethical climate is part of its organizational culture. Victor and Cullen (1987) postulate that in an organization, employees learn how to behave through formal and informal socialization. Ethical climate refers to the perceptions of the ethical standards that are reflected in the organization's practices, procedures, norms, and values [11][66].

General work climates have been found to influence a number of organizational outcomes such as performance and job satisfaction [61][75] indicated that ethical climates should influence perception, attitudes and behaviors of employees by providing information about the organization and guidance regarding appropriate conduct. An organizational code of ethics is an important external source of influence on the judgments and behaviors of organizational members. As ethical climate effects the perception, attitude and behavior of managers we expect that ethical climate may moderate the salience-attribute relationship.

We have defined power as ability of one social actor to get other social actor to do something which the other social actor otherwise not have done. Keeping in mind the bases of power i.e., coercive, utilitarian and normative we can expect that with strong ethical climate the relationship of stakeholder having attribute power with his salience as perceived by manager will be affected. We suggest that Ethical climate may have indirect effect on this relationship because organization having strong ethical codes and norms may not be affected by stakeholder's power. Therefore we hypothesize that

H7: EC moderates the power to salience relationship

As we have discussed legitimacy is general perception about social norms, values and beliefs, which are socially accepted. It is well known fact that the term Ethics refers to generally accepted norms and beliefs. So in our research we will suggest that there may be strong positive effect of organizational climate which is strong ethically on stakeholder attribute Legitimacy to stakeholder salience as perceived by manager. Therefore we expect that

H8: EC moderates the Legitimacy to salience relationship

Urgency is the need for quick action. Organization having strong ethical climate may response for critical issues of their stakeholders more quickly. We suggest that strong ethical climate may positively moderate the relationship of stakeholder attribute urgency to stakeholder salience. Therefore we hypothesize that

H9: EC moderates the Urgency to salience relationship.

Table 1: Definitions of terms used

Term	Definition	Source
Stakeholder	Any group or individual who can affect or is affected by the achievement of the organization's objectives	Freeman (1984), Jones (1995), Kreiner and Bhambri (1988)
Power	A relationship among social actors in which one social actor A can get another social actor B, to do something that B would not have otherwise done	Dahl (1957), Pfeffer (1981), Weber (1947)
Legitimacy	A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions	Suchman (1995), Weber (1947)
Urgency	The degree to which stakeholder claims call for immediate Attention	Original—builds on the definition from Merriam Webster Dictionary
Saliency	The degree to which managers give priority to competing stakeholder claims	Original—builds on the definition from the Merriam-Webster Dictionary
Islamic work ethics	Islamic work ethics could be defined as a set of values or system of beliefs derived from the Qur'an and Sunnah concerning work and hard work	Kamal Hassan (1996)
Ethical climate	Ethical climate refers to the perceptions of the ethical standards that are reflected in the organization's practices.	Babin, Boles, and Robin 2000; Schwepker 2001).

populous country and 2nd largest Islamic country by population. With the evolution of global trade, CPEC is one of the significant and revolutionary economic corridors between Pakistan and China. With the development of CPEC, transit trade will increase leading Pakistan to become one of the growing consumer markets. Due these facts, number and size of work floors are growing. The environment and work setting in Islamic culture is quite different then the Western culture. Therefore, we expect manager's perception about stakeholder salience to be different from West. Hence, it is essentially necessary to re-examine the relationship between stakeholder attributes and stakeholder salience.

### 3.2 Sample

According to SCCI (Sialkot Chamber of Commerce and Industry) there are more than 2200 registered exporting firms in Sialkot. We tried to collect big data to strengthen our research. Out of 2000 forms only 1600 were filled and returned to us. 105 out of 1600 were not completely or actively filled. Survey for data was conducted by personally administered questionnaires from managers of exporting and manufacturing industry of Sialkot Pakistan.

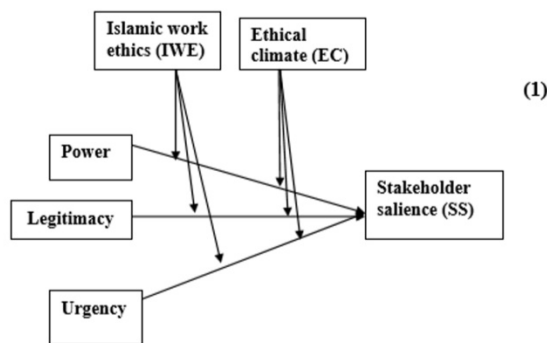
Finally 1495 questionnaires were appropriate for our study. The main hurdles in collecting data was low interest of managers in research activities, managers related to manufacturing or production level of goods were mostly under graduates, and they were less aware of precise conception of stakeholder, ethical climate and work ethics. We attached some extra documents to let them have clear idea about all terms used in questionnaires in our native language 'Urdu'.

Exporting and manufacturing industry was selected for our research because this industry has multicultural stakeholders' i.e domestic and foreign.

We have used three scales in our questionnaires. For stakeholder salience and attributes relationship we used (Agle and Mitchell, 1999) scale with three items for stakeholder salience, three for attribute 'power', three for attribute 'legitimacy', and three items for attribute 'Urgency'. For ethical climate (EC) we have used (Cullen and Victor, 1987) scale having five items to measure. For Islamic work ethics (IWE) we have used (Ali, 1988) scale, which have 17 items for Islamic work ethics to measure.

Table 2: Sampling characteristics

#### Research Model



## 3. Methodology

### 3.1 Research site

We chose Pakistan as research site because with the rapidly growing pace of economic globalization, Pakistan is the 6th largest labor force in the world. With the growing middle class and per capita income rising, it is the 6th most

Gender	Frequency
Male	1410
Female	85
Age	
18-25	160
26-33	220
34-41	520
42-49	325
50 and above	270
Qualification	
Metric	140
Inter	520
Bachelor	550
Master	285
MS/Phd	0
Experience	
1-5	160
6-10	390
11-15	440
16-20	300
21 and above	205

with high covariance with alpha's value lying in acceptable range. (See table 3)

Table 4: Pearson Correlation Coefficients

	SHS	P	L	U	IWE	EC	
SHS	Pearson Correlation	1	.695**	.482**	.732**	.018	-.027
	Sig. (2-tailed)		.000	.000	.000	.490	.298
	N	1495	1495	1495	1495	1495	1495
P	Pearson Correlation	.695**	1	.226**	.719**	-.002	-.035
	Sig. (2-tailed)			.000	.000	.942	.176
	N	1495	1495	1495	1495	1495	1495
L	Pearson Correlation	.482**	.226**	1	.480**	-.004	.001
	Sig. (2-tailed)				.000	.869	.957
	N	1495	1495	1495	1495	1495	1495
U	Pearson Correlation	.732**	.719**	.480**	1	-.010	-.034
	Sig. (2-tailed)					.696	.186
	N	1495	1495	1495	1495	1495	1495
IWE	Pearson Correlation	.018	-.002	-.004	-.010	1	.044
	Sig. (2-tailed)					.490	.092
	N	1495	1495	1495	1495	1495	1495
EC	Pearson Correlation	-.027	-.035	.001	-.034	.044	1
	Sig. (2-tailed)					.298	.092
	N	1495	1495	1495	1495	1495	1495

\*\*Correlation is significant at the 0.01 level (2-tailed).

Here SHS stands for Stakeholder Salience, P is for Power, L is for legitimacy, U for urgency, IWE for Islamic work ethics and EC for Ethical Climate.

### 3.3 Summary of scales:

Variable	Author of the Scale	No. of Items
Stakeholder Salience	B. R., Mitchell, R. K., & Sonnenfeld, J. A. (1999).	12
Ethical Climate	(John B. Cullen, Bart Victor 1987).	5
Islamic Work Ethics	Ali (1992)	17

### 3. Reliability statistics:

Variables	No. Of Items	Cronbach's Alpha	Cronbach's Alpha If item deleted
Stakeholder salience	3	0.893	0
Stakeholder power	3	0.891	0
Stakeholder Urgency	3	0.899	0
Stakeholder legitimacy	3	0.944	0
Ethical climate	5	0.903	0
Islamic Work Ethics	17	0.725	0

As presented in Table 4 the bivariate Pearson correlation coefficient (r) tells whether there is statistical evidence for a significant linear relationship between ratio or interval variables in the population. This informs us that power has a strong and significant positive relationship with stakeholder salience ( $r= 0.695, \rho<0.05$ ). For legitimacy ( $r=0.482, \rho<0.05$ ) clearly indicates there exists a strong significant and positive relationship and same holds true for urgency and stakeholder salience at ( $r= 0.732, \rho<0.05$ ). This makes our case interesting and we seek to conduct regression analysis to further our analysis involving these variables. On the other hand for IWE ( $r=0.018, \rho>0.05$ ) and for Ethical climate ( $r= -0.027, \rho>0.05$ ) provides sufficient statistical evidence that Islamic Work Ethics and Ethical climate are not significantly and strongly correlated with stakeholder salience.

As shown in Table 3, to assess the reliability of various sets of scales we have presented values of Cronbach alpha. The Cronbach alpha for the scale assessing stakeholder salience stands at  $\alpha= 0.893$  with three items, the higher value of alpha indicates the items have more shared covariance and therefore measure the same underlined concept. Except for IWE where alpha is marginally above the standard accepted value of 0.70, all other variables have their items



Table 5: Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797 <sup>a</sup>	.635	.635	.33831

a. Predictors: (Constant), U, L, P

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	297.197	3	99.066	865.555	.000 <sup>b</sup>
	Residual	170.650	1491	.114		
	Total	467.846	1494			

a. Dependent Variable: SHS

b. Predictors: (Constant), U, L, P

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.234	.085		14.583	.000
	P	.242	.014	.407	17.704	.000
	L	.153	.012	.233	12.801	.000
	U	.380	.030	.328	12.865	.000

a. Dependent Variable: SHS

Table 6: P to SHS relationship with moderating role of IWE

Y = SHS  
X = P  
M = IWE

Sample size  
1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.6956	.4838	.1620	1042.8736	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3846	.0104	421.0767	.0000	4.3642	4.4050
IWE	.0956	.0890	1.0738	.2831	-.0790	.2702
P	.4133	.0074	55.7217	.0000	.3987	.4278
int_1	.0281	.0636	.4423	.6583	-.0966	.1529

Product terms key:

Int\_1 P X IWE

R-square increase due to interaction(s):

	R2-chng	F	df1	df2	p
int_1	.0000	.1956	1.0000	1491.0000	.6583

Conditional effect of X on Y at values of the moderator(s):

IWE	Effect	se	t	p	LLCI	ULCI
-.1111	.4102	.0101	40.6194	.0000	.3904	.4300
.0000	.4133	.0074	55.7217	.0000	.3987	.4278
.0823	.4156	.0092	45.1827	.0000	.3976	.433

Table 5 informs us about overall model fit. Here the value of  $r^2=0.635$  states the a reasonably good proportion of variance in the dependent variable, which is being explained by the Independent variables (IV) included in the model. So the model summary informs us about the overall strength of the association and does not explain the extent to which our IVs--i.e., power, legitimacy and urgency are associated with DV--i.e., stakeholder salience. We have also shown the value of the F-statistics and P-value associated with it. The value of the F-statistics at 865.555,  $p < 0.05$  tells that the model fits the population from which the data were sampled.

Coefficients' part in Table 5, represent estimates for b-values. These values indicate the individual contribution of each predictor to the model. The b-values also explain to what degree each predictor affects the outcome if the effects of all other predictors are held constant. For Power (b = 0.242) indicates that as Power increases by one unit, Stakeholder salience increases by 0.242 units. Likewise, Legitimacy and Urgency also affect the stakeholder salience in same direction. Hence, above results make us accept first three hypotheses -- i.e., H1, H2, and H3.

. Since in our case all the variables are on same scale, we have not considered the standardized coefficient. Overall our regression model informs us that our IVs--i.e. power, legitimacy and urgency are significant predictors of stakeholder salience. Therefore we have sufficient evidence to believe that more the stakeholder attributes, the more shall be the stakeholder salience. Our study therefore confirms the Mitchell et (1997) preposition that the stakeholder salience is determined by power legitimacy and urgency.

**Moderation:**

As shown in table 6 we try to assess whether moderation has occur or not. The  $\rho$ -value for interaction term should be less than 0.05 for moderation to occur. Since the ( $\beta=0.0281$ ,  $\rho > 0.05$ ) therefore we have a reason to suggest that moderation has not occurred. In the same table no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho > 0.05$ ) also suggests that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this ranges, so when the population value is bigger or smaller than zero, the effect significantly exist. For instance in our case confidence interval includes zero, therefore  $\beta=0.0281$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

**Table 7: L to SHSS relationship with moderating role of IWE**

Y = SHS  
 X = L  
 M = IWE

Sample size  
 1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.4827	.2330	.2407	228.7897	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3846	.0127	345.3087	.0000	4.3597	4.4095
IWE	.1001	.1124	.8908	.3732	-.1203	.3205
L	.3172	.0121	26.1474	.0000	.2934	.3410
int_1	.0085	.1101	.0773	.9384	-.2074	.2244

Product terms key:  
 Int\_1 L X IWE

R-square increase due to interaction(s):

R2-chng	F	df1	df2	p	
int_1	.0000	.0060	1.0000	1491.0000	.9384

Conditional effect of X on Y at values of the moderator(s):

IWE	Effect	se	t	p	LLCI	ULCI
-.1111	.3162	.0176	17.9198	.0000	.2816	.3508
.0000	.3172	.0121	26.1474	.0000	.2934	.3410
.0823	.3179	.0148	21.5163	.0000	.2889	.3468

As shown in table 7 we have examined the moderation of IWE in stakeholder salience to attribute (Legitimacy) relationship. The  $\rho$ -value for interaction term should be less than 0.05 for moderation to occur. Since the ( $\beta=0.0085$ ,  $\rho>0.05$ ) therefore we can say that Legitimacy has no moderation effect in this case. In the same table no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho>0.05$ ) which also suggests that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this ranges. So when the population value is bigger or smaller than zero, the effect significantly exists. For instance in our case confidence interval includes zero, therefore  $\beta=0.0085$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

**Table 8: U to SHS relationship with moderating role of IWE**

Y = SHS  
 X = U  
 M = IWE

Sample size  
 1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.7329	.5371	.1452	591.3859	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3847	.0099	443.8655	.0000	4.3653	4.4040
IWE	.1276	.0887	1.4388	.1504	-.0464	.3015
U	.8490	.0207	40.9520	.0000	.8083	.8897
int_1	.0796	.2301	.3460	.7294	-.3717	.5309

Product terms key:  
 Int\_1 U X IWE

R-square increase due to interaction(s):

R2-chng	F	df1	df2	p	
int_1	.0001	.1197	1.0000	1491.0000	.7294

Conditional effect of X on Y at values of the moderator(s):

IWE	Effect	se	t	p	LLCI	ULCI
-.1111	.8402	.0361	23.2509	.0000	.7693	.9110
.0000	.8490	.0207	40.9520	.0000	.8083	.8897
.0823	.8556	.0250	34.2571	.0000	.8066	.9045

In Table 8 we have tried to assess the moderation effect of IWE on stakeholder salience to attribute (urgency) relationship. As we know that  $\rho$ -value for interaction term should be less than 0.05 for moderation to occur. Since the ( $\beta=0.0796$ ,  $\rho>0.05$ ) therefore we have a reason to suggest that moderation has not occurred. If we look at table we observe that no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho>0.05$ ) which indicates that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this ranges. So when the population value is bigger or smaller than zero, the effect significantly exists. For instance in our case confidence interval includes zero, therefore  $\beta=0.0796$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

Table 9: P to SHS relationship with moderating role of EC

Y = SHS  
X = P  
M = EC

Sample size  
1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.6953	.4835	.1621	1042.1407	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3845	.0104	420.3943	.0000	4.3640	4.4049
EC	-.0035	.0291	-.1188	.9054	-.0605	.0536
P	.4132	.0074	55.6617	.0000	.3987	.4278
int_1	-.0109	.0208	-.5212	.6023	-.0517	.0300

Product terms key:  
int\_1 P X EC

R-square increase due to interaction(s):

	R2-chng	F	df1	df2	p
int_1	.0000	.2716	1.0000	1491.0000	.6023

Conditional effect of X on Y at values of the moderator(s):

EC	Effect	se	t	p	LLCI	ULCI
-.3559	.4171	.0103	40.6094	.0000	.3970	.4372
.0000	.4132	.0074	55.6617	.0000	.3987	.4278
.1546	.4116	.0082	50.0825	.0000	.3954	.4277

As shown in table 9 we try to assess whether moderation has occurs or not. The  $\rho$ -value for interaction term should be less than 0.05 for moderation to occur. Since the ( $\beta = -0.0109, \rho > 0.05$ ) therefore we have a reason to suggest that moderation has not occurred. In the same table no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho > 0.05$ ) also suggests that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this rang. So when the population value is bigger or smaller than zero, the effect significantly exists. For instance in our case confidence interval includes zero, therefore  $\beta = -0.0109$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

Table 10: L to SHS relationship with moderating role of EC

Y = SHS  
X = L  
M = EC

Sample size  
1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.4832	.2325	.2405	230.0762	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3846	.0127	345.4139	.0000	4.3597	4.4095
EC	-.0425	.0346	-1.2276	.2198	-.1104	.0254
L	.3171	.0121	26.1545	.0000	.2933	.3409
int_1	-.0194	.0335	-.5789	.5627	-.0852	.0464

Product terms key:  
int\_1 L X EC

R-square increase due to interaction(s):

	R2-chng	F	df1	df2	p
int_1	.0001	.3351	1.0000	1491.0000	.5627

Conditional effect of X on Y at values of the moderator(s):

EC	Effect	se	t	p	LLCI	ULCI
-.3559	.3240	.0166	19.5035	.0000	.2914	.3566
.0000	.3171	.0121	26.1545	.0000	.2933	.3409
.1546	.3141	.0134	23.4306	.0000	.2878	.3404

In Table 10 we have try to assess that if there is any moderation effect of EC in stakeholder saline to attribute (Legitimacy) relationship. For moderation to occur the  $\rho$ -value for interaction term should be less than 0.05. Since the ( $\beta = -0.0194, \rho > 0.05$ ) therefore we have a reason to suggest that moderation has not occurred. In the same table no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho > 0.05$ ) also suggests that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this ranges. So when the population value is bigger or smaller than zero, the effect significantly exists. For instance in our case confidence interval includes zero, therefore  $\beta = -0.0194$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

Table 11: U to SHS relationship with moderating role of EC

Y = SHS  
X = U  
M = EC

Sample size  
1495

Model Summary

R	R-sq	MSE	F	df1	df2	P
.7325	.5366	.1454	642.7108	3.0000	1491.0000	.0000

Model	coeff	se	t	p	LLCI	ULCI
Constant	4.3844	.0099	444.0497	.0000	4.3650	4.4037
EC	-.0006	.0271	-.0209	.9833	-.0537	.0525
U	.8484	.0205	41.2873	.0000	.8081	.8888
int_1	-.0409	.0455	-.8973	.3697	-.1302	.0485

Product terms key:  
int\_1 U X EC

R-square increase due to interaction(s):

	R2-chng	F	df1	df2	p
int_1	.0002	.8051	1.0000	1491.0000	.3697

Conditional effect of X on Y at values of the moderator(s):

EC	Effect	se	t	p	LLCI	ULCI
-.3559	.8630	.0231	37.3650	.0000	.8177	.9083
.0000	.8484	.0205	41.2873	.0000	.8081	.8888
.1546	.8421	.0232	36.3175	.0000	.7966	.8876

As shown in table 11 we try to assess whether moderation has occurs or not. The  $\rho$ -value for interaction term should be less than 0.05 for moderation to occur. Since the ( $\beta = -0.0409, \rho > 0.05$ ) therefore we have a reason to suggest that moderation has not occurred. In the same table no change in  $r^2$  that is also insignificant ( $r^2$ -change=0.0000,  $\rho > 0.05$ ) also suggests that no potential moderation exists. Moreover for moderation to occur the confidence interval (LLCI and ULCI) for interaction term should not include zero. Which show the population value of effect of X on Y does not lie between this ranges. So when the population value is bigger or smaller than zero, the effect significantly exists. For instance in our case confidence interval includes zero, therefore  $\beta = -0.0409$  in population is likely to be zero. So we suggest there is no moderation effect in the population.

### 3.4 Summary of Accepted and Rejected Hypothesis

	Statement of Hypothesis	Results
Hypothesis 1	power affects the stakeholder salience in exporting industry of Pakistan	Supported
Hypothesis 2	Legitimacy affects the stakeholder salience in exporting industry of Pakistan	Supported
Hypothesis 3	Urgency affects the stakeholder salience in exporting industry of Pakistan	Supported
Hypothesis 4	IWE moderates the Power to salience relationship	Rejected
Hypothesis 5	IWE moderates the Legitimacy to salience relationship	Rejected
Hypothesis 6	IWE moderates the Urgency to salience relationship	Rejected
Hypothesis 7	EC moderates the power to salience relationship	Rejected
Hypothesis 8	EC moderates the Legitimacy to salience relationship	Rejected
Hypothesis 9	EC moderates the urgency to salience relationship	Rejected

## 4. Discussion of the Results

Stakeholder salience-attributes model was studied and confirmed by many scholars in the past. As Mitchell's et al (1997) model has been cited over more than 10682 times from Google scholar. Previous researches clearly indicate the significant relationship between stakeholders attributes to salience as perceived by managers. Our study also supports their findings. We have conducted this research in exporting and manufacturing sector of Pakistan to verify whether stakeholder salience model holds in exporting and manufacturing sector of under developing countries or not. Stakeholders in exporting industry are of dual nature. Managers deal with both domestic and foreign stakeholders. Dual Nature of stakeholders may effect on manager perception for stakeholder salience to attribute relationship. Moreover researches suggested that contextual factors may moderate stakeholder salience to attribute relationship. In our research we have examined the moderating effect of two contextual factors i.e. Ethical climate and Islamic work ethics. Results of our study verified that Mitchell's et al (1997) model of stakeholder salience is equally valid and applicable in exporting and manufacturing sector of developing country like Pakistan. Previously this model was examined in developed countries context which are higher in Global competitive index (GCI) and worldwide Governance index (WGI). According to Global Competitive index (GCI) and worldwide Governance index (WGI), Pakistan rank at 166th position. But from results of our data we came to know that there is no moderating effect of such contextual factors like IWE and EC. Stakeholder Power as a whole is strongly tied with its stakeholder salience as perceived by manager. It

doesn't got affected by contextual factors like ethical climate of the organization and Islamic work ethics. Stakeholder will be salient if he possesses some power. Likewise legitimacy is socially accepted norms, values and beliefs are also highly associated with stakeholder salience. Stakeholder having attribute legitimacy is salient to manager regardless of manager's work ethics and organizational ethical climate as a whole. The third attribute Urgency of stakeholder's claims rather they are based on time sensitivity or criticality are too much associated with stakeholder salience as perceived by manager, that they doesn't get disturbed by manager's work ethics and ethical climate of the organization. So as a whole we can say that contextual factors like IWE and EC doesn't moderate the strong relationship of stakeholder attribute to salience.

## 5. Limitations and Directions for Future research:

This study also has some limitations like; we have studied only manufacturing firms. Services firms can be studied in developing country like Pakistan. One of limitation of this study is that we have not studied managerial attributes in detail. Managerial attributes may also affect the relationship between stakeholder salience and attributes. Another limitation is that we used cross sectional data, but khurram and petite (2015), Mitchell et al (1997) suggested that stakeholder salience model is dynamic in nature. Not only stakeholder salience but stakeholder attributes also keep on changing. However stakeholder salience framework and moderating affect IWE and EC have been examined in a static way, therefore there is need to examine this relationship over a period of time involving multiple points of time through partial equilibrium analysis. ). In our case we have examined power, legitimacy and urgency as whole. Future researchers can examine this relationship by focusing on different bases of each attribute possessed by stakeholder i.e. power (coercive, utilitarian, normative) legitimacy (pragmatic, moral, cognitive) and urgency (time sensitivity, criticality).

## 6. Conclusion:

In our study we have conducted research in Exporting and manufacturing industry of Sialkot Pakistan. Previous researches were conducted in services sectors of developed countries. Till date no study have observed salience-attributes relationship in developing country like Pakistan and especially on manufacturing and exporting industry. As Exporting industry has both domestic and foreign stakeholders, so it needs to be studied. In our study stakeholder belongs to different cultures and environment. We have examined two contextual factors as moderators in salience-attributes relationship i.e. IWE and EC. Ethical climate is important in shaping attitude and on job behavior of employee. As well as Work ethics are also an important factor for employee and employers attitude and

on job behavior. Religious factors for Pakistani Muslims are of keen importance, which affects their personal, social and professional lives that's why we have examined IWE as moderator. Stakeholder salience-attributes model was studied and confirmed by many scholars in the past. As Mitchell's et al (1997) model has been cited over more than 10682 times from Google scholar. Despite of its importance it has some more factors to be involved in study. Scholars agree on the point that there are some attributes in stakeholders which make them salient to manager i.e. Power, Legitimacy and urgency. Some scholars also argue that there are some contextual factors which moderate the stakeholder salience- attributes relationship. In our study we have examined two contextual factors Islamic work ethics and Ethical climate as Moderator in salience-attributes relationship. From Results it is clear that salience-attributes relationship is strong enough that it does not need some moderator like IWE and EC.

From this study it is concluded that stakeholder salience-attributes relationship is also valid and use full in manufacturing and exporting industry of developing country like Pakistan. Contextual factors like IWE and EC does not moderate this previously strong relationship. Whether stakeholder belongs to same environment and culture or different, will be salient to manager if they possess attributes like power, legitimacy, and urgency.

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