

-RESEARCH ARTICLE-

THE STAKEHOLDER THEORY IN THE FOURTH INDUSTRIAL REVOLUTION

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—Abstract —

This study reviewed the Stakeholder Theory intending to investigate its usefulness in combating the challenges that affect the world in the fourth industrial revolution. The problems highlighted include cyber warfare, cybersecurity, hacking, climate change, inequality, digital exclusion and job losses. The study discovered that if the doctrine of the stakeholder theory is properly incorporated in the companies operating in the fourth industrial revolution, good capitalism, normally referred to as stakeholder capitalism, can emerge. Stakeholder capitalism will result in collaboration among various stakeholders, and this can help in addressing global challenges. The study found that when companies embrace stakeholder capitalism, they serve society at large through various activities, supporting the communities within which they operate and paying a fair share of taxes. The payment of tax can help address inequality. Taxes will be used by the governments to fund various social welfare projects that would help reduce the gap between the rich and the poor. In short, it is recommended that the doctrine and principles of the stakeholder theory be embraced by organizations so that the world will have good capitalism, which will assist in solving global challenges affecting the world today.

Keywords: Stakeholder capitalism , Stakeholder theory

JEL Classification: G1, G3

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1. INTRODUCTION

The Fourth Industrial Revolution (4IR) is a reality that is upon us as humanity. It is generally argued that, just like the revolutions that preceded it, the 4IR has potential to raise global income levels and improve the quality of life for populations around the world (Schwab, 2017; Schwab, 2019a). Technological innovation will also lead to a supply-side miracle, with long-term gains in efficiency and productivity (Schwab, 2017). Transportation and communication costs will drop, logistics and global supply chains will become more effective, and the cost of trade will diminish, all which will open new markets and drive economic growth (Schwab, 2019a). However, it is not all good news; Schwab (2017) submits that the 4IR could lead to global challenges that have never been experienced before. Schwab (2017) believes that the 4IR will be characterised by greater inequality and severe job losses among other risks associated with climate change such as heatwave and the rising oceans. On the other hand, the Stakeholder Theory is gaining popularity in the fourth industrial revolution as a theory that can help bring good capitalism into organisations to assist in tackling some of the challenges of the 4IR.

The 50th World Economic Forum (WEF) annual meeting in Davos 2020 adopted stakeholder capitalism as the central philosophy shaping the theme of the meeting and the focus of organisations (Schwab, 2019). The Business Roundtable in 2020 likewise announced a new statement on the purpose of a corporation signed by 181 chief executive officers (CEOs) who committed to leading their companies for the benefit of all stakeholders (Whittaker, 2019). Schwab (2017) states that with the rate at which technological changes occur, confrontation will not work to solve challenges associated with technology; instead, the collaboration will help. Therefore, this study investigated the influence of the principles and approaches of the Stakeholder Theory in providing solutions to the challenges of the 4IR.

2. THE FOURTH INDUSTRIAL REVOLUTION

The term Fourth Industrial Revolution was first coined by Klaus Schwab, the founder and executive chairman of the World Economic Forum (WEF), describing a world where individuals move between digital domains and offline reality with the use of connected technology to enable and manage their lives (Xu et al., 2018). The Fourth Industrial Revolution can be described as the advent of cyber-physical systems involving entirely new capabilities for people and machines (Schwab, 2017; Schwab, 2019). While these capabilities are reliant on the technologies and infrastructure of the Third Industrial Revolution, the Fourth

Industrial Revolution represents entirely new ways in which technology becomes embedded within societies and human bodies (Schwab, 2017; Schwab, 2019a). It can also be described as the current and developing environment in which disruptive technologies and trends such as the internet of things (IoT), robotics, virtual reality (VR) and artificial intelligence (AI) are changing the way we live and work (Schwab, 2017). In addition, the 4IR is a way of describing the blurring of boundaries between the physical, digital, and biological worlds. It is a fusion of advances in artificial intelligence (AI), robotics, the IoT, 3D printing, genetic engineering, quantum computing, and other technologies (Li et al., 2017; Schwab, 2017).

The fourth industrial revolution represents a fundamental shift in the way people live, work and relate with one another (Schwab, 2016; Schwab, 2017; Xu et al., 2018). This revolution is a new chapter in human development and is being enabled by extraordinary technological advancement that corresponds to the first, second and third revolutions (Schwab, 2016; Schwab, 2017; Shava & Hofisi, 2017). The technological advances are amalgamating the physical, digital and biological worlds in a manner that creates hope and potential peril (Schwab, 2017). The speed, breadth and depth of the 4IR are forcing scholars to rethink how countries develop, how organisations create value and even what it means to be human (Schwab, 2017). The speed and measure of technological changes in the 4IR are so huge that it is very difficult to ignore them (Xu et al., 2018). Schwab (2017) further argues that the 4IR is more than just technology-driven change; it also presents endless opportunities to assist everyone, including leaders, policymakers and people from various income groups and nations, to harness converging technology to create an inclusive human-centred future.

2.1 The four industrial revolutions

Figure 1 below shows the four industrial revolutions that happened in the world. These revolutions are generally referred to as the first industrial revolution, the second industrial revolution, the third industrial revolution and the fourth industrial revolution.

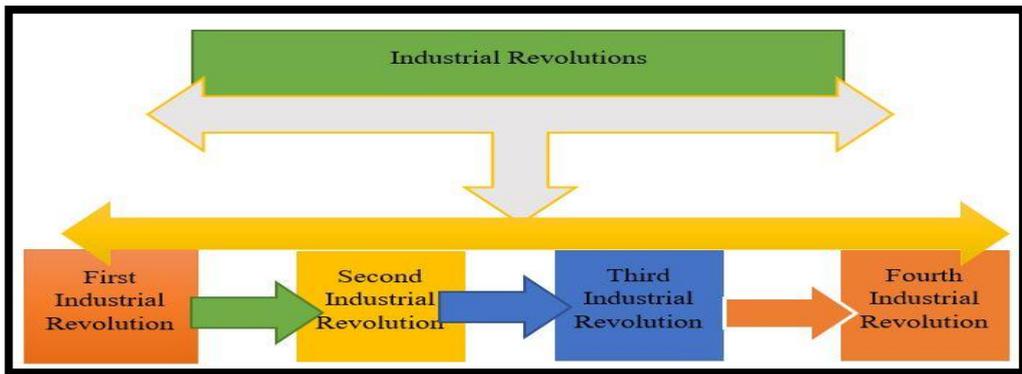


Figure 1: Industrial Revolutions (Source: Author's Analysis)

The First Industrial Revolution is widely taken to be the shift from human reliance on animals, human effort and biomass as primary sources of energy to the use of fossil fuels and mechanical power (Mhlanga, 2020a, Schwab, 2017; Xu et al., 2018; Maynard, 2015). Therefore, in the first industrial revolution, machines replaced animal and manual labour. This took place approximately in the late 18th century to the early 19th century (Stearns, 2018; Schwab, 2017; Maynard, 2015). The Second Industrial Revolution took place between the end of the 19th century and the first two decades of the 20th century, and it came with breakthroughs in the form of electricity distribution, both wireless and wired communication, the synthesis of ammonia and new forms of power generation (Maynard, 2015; Schwab, 2017). This revolution was characterised by mass production, machines and processes (Schwab, 2017).

The Third Industrial Revolution began in the 1950s with the development of digital systems, communication and rapid advances in computing power, which have enabled new ways of generating, processing and sharing information (Mhlanga, 2020b, Maynard, 2015). The Third Industrial Revolution is also known as the digital revolution, and is characterised by globalisation, the analogy to digital technology and world wide web (Schwab, 2017; Xu et al., 2018). Finally, the Fourth Industrial Revolution can be described as the advent of cyber-physical systems involving entirely new capabilities for people and machines. While these capabilities are reliant on the technologies and infrastructure of the third industrial revolution, the fourth industrial revolution represents entirely new ways in which technology becomes embedded within societies and even our human bodies (Schwab, 2016). Examples include new forms of machine intelligence, breakthrough materials and approaches to governance that rely on cryptographic

methods such as the blockchain. This revolution is believed to have started in the early 21st century (Xu et al., 2018; Schwab, 2016)

3. THE STAKEHOLDER THEORY

The Stakeholder Theory is a view of capitalism that stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organisation (Wagner et al., 2012; Fontaine et al., 2006). The theory argues that a firm should create value for all stakeholders, not just shareholders (Fontaine et al., 2006). In the mid-1980s, a stakeholder approach to the strategy came up through the celebrated works of Richard Edward Freeman (Fontaine et al., 2006:7; Wagner Mainardes et al., 2011). The turning point of this movement was the publication by Richard Edward Freeman titled “*Strategic Management*” and subtitled “*A Stakeholder Approach*” in 1984 (Fontaine et al., 2006:7). Freeman is highly credited with popularising the stakeholder concept (Fontaine et al., 2006:7).

The first definition of stakeholder from Freeman’s (1984) work is often credited to the Stanford Research Institute (SRI) memo report of 1963. The SRI defined stakeholders as “*those groups without whose support the organisation would cease to exist*”. This definition was used by Freeman (2004) in a modified form where stakeholders were defined as “*those groups who are vital to the survival and success of the organisation*”. Looking closely at this definition, one can safely conclude that it is purely organisation-orientated. As a result, the definition by Freeman (1984) is the most preferred in academic circles (Fontaine et al., 2006:6). Freeman (1984) defines stakeholders as “*any group or individual who can affect or is affected by the achievement of the organisation objectives*” (Fontaine et al., 2006:6).

The definition by Freeman (1984) has been argued to be more balanced compared to the definition by the SRI. The phrase “*can affect or is affected by*” has been argued to include individuals outside the firm and other groups that may consider themselves to be stakeholders of the company without the organisation considering them to be such (Fontaine et al., 2006; Friedman and Miles, 2006). Mitchell et al. (1997) state that the definition by Freeman (1984) is broad in that it includes a scope of stakeholders to the extent that even climatic factors can be included. The broadness of the definition gave the edge to scholars to come up with some limits to the extent of stakeholders. As a result, Freeman and Evan (1990) established the limit of the organisational environment to a multilateral agreement between a company and its stakeholders.

The works of Savage et al. (2004), Fontaine et al. (2006), Laplume et al. (2008), Orts and Strudler (2009), Wagner et al. (2011) and Wagner et al. (2012) contain numerous distinct concepts for the term stakeholder. However, (Wagner Mainardes et al. (2011) argues that despite these distinctions, the principle of the theory is highly reflected in the different works. On the other hand, Clarkson (1995) argues that the stakeholder theory has three fundamental factors, namely the organisation or the company, the other actors or simply the stakeholders, and finally the nature of the company actor relationships or company-stakeholder relationships. Clarkson (1995) further argues that stakeholders are divided into two groups, namely primary stakeholders and secondary stakeholders.

Primary stakeholders are described as those stakeholders with formal relationships with the company, a scenario that can be described as official contractual relationships, and examples of these are customers, suppliers, employees and shareholders (Clarkson, 1995). On the other hand, secondary stakeholders are described as those groups without contracts with the organisation, such as government authorities or the local community (Wagner et al. 2011). Fontaine et al. (2006) state that the general idea of the stakeholder concept is a redefinition of the organisation.

In general, the concept of stakeholder is about what the organisation should be and how it should be conceptualised. This prompted Friedman and Miles (2006) to submit that the organisation itself should be thought of as a grouping of stakeholders, and the purpose of the organisation should be to manage their interests, needs and viewpoints. This stakeholder management is thought to be fulfilled by the managers of a firm. The managers should, on the one hand, manage the corporation for the benefit of its stakeholders to ensure their rights and the participation in decision making, and on the other hand, the management must act as the stakeholder's agent to ensure the survival of the firm to safeguard the long term stakes of each group (Fontaine et al., 2006). This paper acknowledges that there are many concepts and definitions of the word stakeholder in the literature, but for purpose of this study, the definition presented provides the required background analysis to fulfil the objectives of the study.

3.1 Approaches to the stakeholder theory

Donaldson and Preston (1995) assert that the stakeholder theory should not be regarded as one theory, but a combination of theories for the proper management of stakeholders. This means the theory is divided into three approaches: the normative, instrumental and descriptive approaches (Donaldson & Preston, 1995;

Friedman & Miles, 2006). Figure 2 below summarises these approaches concerning the stakeholder theory. The normative approach to stakeholder theory is made up of theories of how managers and stakeholders should act and that they must view the purpose of the organisation based on some ethical principles (Friedman & Miles, 2006). The approach assumes that managers should consider stakeholders' interests despite the effects of these actions on the firm because doing so is an ethical duty of being responsive to the legitimate claims of stakeholders (De Colle, 2005). The descriptive approach explains how managers, firms and stakeholders interact (De Colle, 2005).

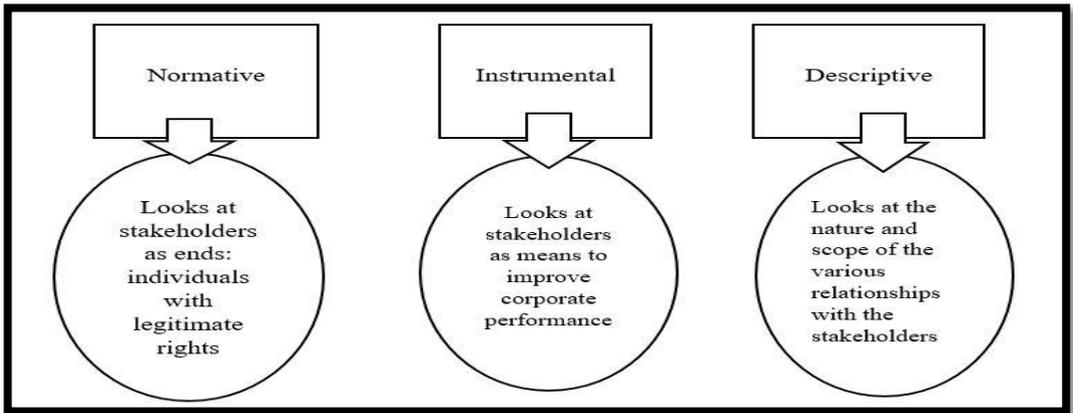


Figure 2: Approaches to the stakeholder theory (Source: Author's design)

The purpose of the descriptive approach is mainly to improve the understanding of the complex relationships among the different stakeholder groups (De Colle, 2005). Lastly, the instrumental approach assumes that for managers to maximise the objective function of the firm, they must consider the interests of the stakeholders (De Colle, 2005). The approach also shares the view that ignoring stakeholder interests can be a significant risk to the firm (De Colle, 2005)

4. THE STAKEHOLDER THEORY IN THE FOURTH INDUSTRIAL REVOLUTION

The World Economic Forum (WEF)'s 50th annual meeting in Davos was focused on stakeholder capitalism, and had the central theme "*Stakeholders for a Cohesive and Sustainable World*". This theme shows that if organisations are encouraged to instil the doctrine of stakeholder capitalism in their businesses, the world will be a better place to live in, and sustainable development goals will be achievable. Some of the imminent challenges associated with the 4IR will be addressed. The

WEF went on to come up with a question on the nature of capitalism required currently. Schwab (2019b) argues that answering the question correctly will allow the world to sustain the economic system for future generations.

This question gave the edge to launch a new manifesto, which they named the universal purpose of a company in the 4IR. In this manifesto, the WEF encourages companies to embrace the new type of capitalism termed stakeholder capitalism. Generally, there are three models that companies can choose from, which comprise the shareholder capitalism, the state capitalism and finally the stakeholder capitalism (Schwab, 2019b). Shareholder capitalism is widely embraced by most Western corporations, and it advances that the primary goal of a company is to maximise its profits or more generally to maximise the objective function of the shareholders (Schwab, 2017; Schwab, 2019a). The state capitalism entrusts the government in coming up with the direction in which the economy should follow and this has been embraced well in emerging markets mostly in Asia (Schwab, 2019b).

One of the reasons given by the WEF for embracing the stakeholder principle in this age is the “*Greta Thunberg*” effect; “*The young Swedish climate activist who argued that adherence to the current economic system represents a betrayal of future generations, owing to its environmental unsustainability*” (Schwab, 2019b). Another reason given was that executives and investors have begun to notice that their long-term success is closely linked to that of their customers, employees, and suppliers (Schwab, 2019b). As a result, stakeholder capitalism is gaining much ground. This has prompted other organisations to embrace stakeholder capitalism, including the United States Business Roundtable, which is one of the most influential business lobby groups (Whittaker, 2019). Schwab (2019a) states that for companies to uphold the principles of the stakeholder capitalism, they require new metrics, that is, a new measure of shared value creation which includes environmental, social and governance (ESG) goals as a complement to standard financial metrics. The second metric to be adjusted is the issue of executive remuneration. The executive pay has been rising since the 1970s, with the aim of aligning management decision-making with shareholder interests (Schwab, 2019b). In the new stakeholder paradigm, salaries of executives should instead align with the new measure of long-term shared value creation (Schwab, 2019b).

Finally, large companies should understand that they are major stakeholders in our common future. All companies should still seek to harness their core competencies and maintain an entrepreneurial mindset. However, they should also

work with other stakeholders to improve the state of the world in which they are operating. This latter provision should be their ultimate purpose (Schwab, 2019b). The fact that the 4IR comes with its share of problems is not a secret. As a result, scholars and supporters of stakeholder capitalism, including Klaus Schwab the founder and executive chair of the WEF, believe that serving the interests of all stakeholders, as opposed to only shareholders, is essential to the long-term success and health of businesses, and even the environment. Stakeholder capitalism is considered a sensible business decision in addition to being an ethical choice.

Whittaker (2019) states that governments and philanthropists cannot fix the crisis of capitalism on their own. The truth is that government and philanthropy cannot solve deep, systemic problems like inequality, the future of work, and climate change on their own. Markets need to be part of the solution. This is one of the central motivating forces behind the stakeholder model, the recognition that the shareholder primacy pathway is not getting the job done, and that private enterprise has a defining role to play in improving people's lives (Whittaker, 2019). At this point, it is beneficial to highlight some of the challenges that can have solutions by companies simply adopting the stakeholder capitalism approach.

4.1 Climate change

Climate change is one of the problems associated with 4IR. Human activities are changing the natural greenhouse. Klaus Schwab, the long-time supporter of stakeholder theory, argues that "*People are revolting against the economic 'elites' they believe have betrayed them, and our efforts to keep global warming limited to 1.5°C are falling dangerously short.*" The burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO₂). In addition, the clearing of land for agriculture, industry and other human activities has increased concentrations of greenhouse gases, though to a lesser extent. To combat these problems, everyone, that is all the stakeholders, should join hands. As a result, the stakeholder theory presents a sure and direct response to this predicament, only if companies adopt its doctrine and principles.

Mitchell et al. (1997) state that the definition of stakeholder by Freeman (1984) is broad in that it includes a scope of stakeholders to the extent that even climatic factors can be included. This means that managers should also consider the environment in their quest to maximise the objective function of the organisation. The inclusion of climatic factors in the definition presents a benefit to the problem

currently faced by the continent. This can only happen if organisations and businesses embrace the new capitalism (stakeholder capitalism). Schwab (2019a) argues that in creating value, organisations should serve not only their shareholders but also all its stakeholders, employees, customers, suppliers, local communities and society at large. When this happens, the effects of climate change can be addressed swiftly.

The argument raised by Schwab (2019a) is a direct application of the Stakeholder Theory by Freeman (1984). This means that the Stakeholder Theory is applicable in this century to solve some of the problems arising as a result of climate change and the traditional narratives of capitalism that rely upon the assumptions of competition, limited resources, and the winner takes it all mentality as fundamentals to business and economic activity (Freeman et al., 2007). In addition, Schwab (2019a) spells out clearly in the Davos manifesto that the *“best way to understand and harmonize the different interests of all the stakeholders is through a shared commitment to policies and decisions that strengthen the long-term prosperity of the company”*.

The other important feature of companies, as stated by Schwab (2019a), is that companies should ensure that there is the safe, ethical and efficient use of data, and companies should act as stewards of the environmental and material universe for future generations. Schwab (2019a) also reiterates that organisations should consciously protect the biosphere and champion a circular, shared and regenerative economy and expand continuously the frontiers of knowledge, innovation and technology to improve people’s well-being. All this testifies of a direct application of the stakeholder theory. The Systems Theory and the Organizational Theory of the stakeholder principle are derived from the idea that organisations are open systems that interact with different third parties and it is necessary to come up with collective strategies and mechanisms that perfect the whole system beyond the actual recognition of all the relationships that organisations depend on for survival (Wagner et al., 2011).

4.2 Cyberwarfare, hacking and digital exclusion and ethical concerns

Moreover, the other serious problems of the 4IR are cyber warfare, hacking and risk assessment as highlighted before. The question that remains is how can the adoption of stakeholder capitalism help to solve these problems. Cyberspace is becoming as much a theatre of engagement as land, sea and air were in the past (Xu et al., 2018). While any future conflict between reasonably advanced actors may not necessarily play out in the physical world, it will most likely include a

cyber-dimension simply because no modern opponent would resist the temptation to disrupt, confuse or destroy their enemy's sensors, communications and decision-making capability (Xu et al., 2018). The other problem associated with the coming in of the fourth industrial revolution is the issue of digital exclusion. Digital exclusion can arise if companies continue to abide by the traditional understanding of capitalism associated with competition and the winner takes it all mentality of business activity. Cultivating this mentality in the fourth industrial revolution may result in technological exclusion, which means dominating companies and countries will continue to dominate and the weaker companies and countries will be at the receiving end.

In addition, the 4IR will feature technologies such as artificial intelligence, automation, robotics, and genetic engineering, and as a result, new ethical concerns are emerging as highlighted earlier in this discussion (Al-Rodhan, 2015). With artificial intelligence and machine learning ability, robots are becoming smarter and more independent, but they lack an important feature of moral reasoning. This limits their ability to come up with ethical decisions in complex situations (Xu et al., 2018). The problem which humanity is facing is, whose moral standards should robots adopt since moral values are different from one individual to the next across nations (Al-Rodhan, 2015).

The 4IR raises several ethical questions for consideration, which include questions related to data privacy, the responsibility of autonomous drones and vehicles, the bioethics of genetic modification, and the societal and developmental impacts of social media and internet use on individuals and populations. Each of these issues requires ongoing engagement among stakeholders and a research response from universities and science councils, to inform the policy development process ethically.

However, looking at the principles of the stakeholder theory it is easy to deduce that if correctly applied in organisations, the risks highlighted above will have minimal impact. The principles of stakeholder capitalism strive for a better kind of capitalism where companies serve their customers by providing a value proposition that best meets their needs. Companies also accept and support fair competition and a level playing field. This, in a way, will help avoid risks associated with cyber warfare, hacking and technological exclusion. By considering the interests of stakeholders, stakeholder capitalism will help keep the digital ecosystem healthy, and companies will operate reliably and in a trustworthy manner (Schwab, 2019a). In addition, putting the interests of the stakeholders like customers makes customers fully aware of the functionality of

the products and services, including adverse implications or negative externalities (Schwab, 2019a). The problem of whose moral standards robots should adopt since moral values are different from one individual to the other across nations will easily be solved if companies operate intending to be reliable and trustworthy.

Furthermore, when the stakeholder theory is fully operational, companies will consider their suppliers as true partners in value creation, and these will, in turn, provide a fair chance to new market entrants and integrate respect for human rights into the entire supply chain (Schwab, 2019a). This can be a way of preventing cyber warfare. The strategic organisational planning argument of the Stakeholder Theory, as outlined by Freeman and Phillips (2002), reasons that the concept of leadership is that all strategies of the company should correspond to the integration of all stakeholders' interests against the argument of maximising one group's position to the detriment of others (Fontaine et al., 2006).

4.3 Job displacements, losses and inequality

Another serious problem of the fourth industrial revolution as highlighted earlier is the problem of job displacements and losses. Many different categories of work, particularly those that involve mechanically repetitive and precise manual labour, are increasingly becoming automated. Many others will follow, as computing power continues to grow exponentially. Sooner than most anticipate, the work of professions as different as lawyers, financial analysts, doctors, journalists, accountants, insurance underwriters or librarians may be partly or completely automated.

Schwab (2017) argues that the job market in the 4IR may become increasingly segregated into low-skill low-pay and high-skill high-pay roles, which could escalate social tension. Without proper mechanisms of the stakeholder capitalism in place in the 4IR, workers will lose their jobs, and there is going to be serious problems of poverty and food insecurity. In addition, the 4IR will exacerbate inequality. The challenges posed by rising inequality in the 4IR are hard to quantify, as a great majority of people are consumers and producers, making innovation and disruption to affect the living standards and welfare of people both positively and negatively. Schwab (2017) suggests that the 4IR could lead to greater inequality, particularly in its potential to disrupt labour markets.

These problems are critical, and the effects of some of these challenges are currently being experienced by humanity. However, the doctrine of the Stakeholder Theory or stakeholder capitalism argues that the purpose of the

company in the 4IR is to ensure that people are treated with dignity and respect (Schwab, 2019a). Companies should honour diversity and strive for continuous improvements in working conditions and employee well-being. In a world of rapid change, companies should foster continued employability of its employees through ongoing upskilling and reskilling (Schwab, 2019a). This clearly explains that if the stakeholder theory is properly incorporated in organisations, the problems associated with rapid technological changes such as job losses will be addressed with minimal effort because companies will strive to ensure that their employees remain in an employability state.

Not only the issue of job losses will be addressed once stakeholder capitalism is adopted, inequality can also be contained in some way. Schwab (2019a) argues that when companies embrace stakeholder capitalism, they will serve society at large through their various activities, supporting the communities they operate from and paying a fair share of taxes. When companies do this, inequality will greatly be reduced, which is unlike traditional capitalism where the winner takes it all mentality rules.

Taxes will be used by governments to fund various social welfare projects that will help reduce the gap between the rich and the poor. Furthermore, Orts and Strudler (2009) reason that the primary appeal of the Stakeholder Theory in business ethics derives from its promise to help solve two large and often morally difficult problems, namely how to manage people fairly and efficiently and to determine the extent of a firm's moral responsibilities beyond its obligations to enhance its profits and economic value. In addition, companies that have a multinational scope of activities not only serve all those stakeholders who are directly engaged but also act as stakeholders together with governments and civil society of our global future (Schwab, 2019a). Corporate global citizenship requires a company to harness its core competencies, its entrepreneurship, skills and relevant resources in collaborative efforts with other companies and stakeholders to improve the state of the world (Schwab, 2019a). This will go a long way in addressing inequality regionally, nationally and at the global level.

5. CONCLUSION AND POLICY RECOMMENDATIONS

In this study, the Stakeholder Theory was reviewed in-depth, starting with important definitions and background. The Stakeholder Theory has defined a view of capitalism that stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organisation. Furthermore, the Fourth Industrial Revolution was

defined as a way of describing the blurring of boundaries between the physical, digital, and biological worlds. It is a fusion of advances in artificial intelligence (AI), robotics, the Internet of Things (IoT), 3D printing, genetic engineering, quantum computing, and other technologies. In this study, it was discovered that the doctrine of the Stakeholder Theory could allow the companies in the Fourth Industrial Revolution to have good capitalism, known as stakeholder capitalism. With this stakeholder capitalism, the study discovered that some of the problems directly and indirectly associated with the 4IR, such as inequality, loss of jobs, climate change and cyberwars and technological exclusion/digital exclusion, could be solved if companies embrace the principles of the Stakeholder Theory. The study also found that when companies embrace stakeholder capitalism, they would serve society at large through their various activities, support communities they operate from and pay a fair share of taxes. This can help to address inequality. Taxes will be used by governments to fund various social welfare projects that will help to reduce the gap between the rich and the poor. Based on the findings of the study recommends that organisations embrace the doctrine and principles of the stakeholder theory for the world to have good capitalism, which can help to solve challenges affecting the world today.

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