Your road to success

LEVEL 6 STRATEGIC STAKEHOLDER RELATIONSHIPS
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Using your study guide

Welcome to the study guide for **Level 6 Strategic Stakeholder Relationships**, designed to support those completing an ABE Level 6 Diploma.

Below is an overview of the elements of learning and related key capabilities (taken from the published syllabus).

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<thead>
<tr>
<th>Element of Learning</th>
<th>Key capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element 1: Strategic Influence of Stakeholders</td>
<td>Ability to assess the strategic significance of an organisation’s stakeholders in relation to a specific project</td>
</tr>
<tr>
<td></td>
<td><em>Commercial acumen, stakeholder awareness</em></td>
</tr>
<tr>
<td>Element 2: Engaging with Stakeholders</td>
<td>Ability to analyse a project’s stakeholders in order to prioritise the use of resources for the engagement plan</td>
</tr>
<tr>
<td></td>
<td><em>Stakeholder awareness, prioritisation, stakeholder engagement strategies, resource and budgetary planning</em></td>
</tr>
<tr>
<td>Element 3: Communication with Stakeholders</td>
<td>Ability to develop relevant messaging and media selection for each stage of a stakeholder engagement plan</td>
</tr>
<tr>
<td></td>
<td><em>Targeted communications, campaign planning and media selection</em></td>
</tr>
<tr>
<td>Element 4: Managing Stakeholder Resistance</td>
<td>Ability to deal with the stakeholder resistance that might be encountered during the implementation of an engagement plan</td>
</tr>
<tr>
<td></td>
<td><em>Listening, negotiation, assertiveness, conflict management, sensitivity to social diversity</em></td>
</tr>
</tbody>
</table>

This study guide follows the order of the syllabus, which is the basis for your studies. Each chapter starts by listing the syllabus learning outcomes covered and the assessment criteria.

**L6 descriptor:**

<table>
<thead>
<tr>
<th>Knowledge descriptor (the holder…)</th>
<th>Skills descriptor (the holder can…)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• has advanced practical, conceptual or technological knowledge and understanding of a subject or field of work to create ways forward in contexts where there are many interacting factors;</td>
<td>• determine, refine, adapt and use appropriate methods and advanced cognitive and practical skills to address problems that have limited definition and involve many interacting factors;</td>
</tr>
<tr>
<td>• understands different perspectives, approaches or schools of thought and the theories that underpin them;</td>
<td>• use and, where appropriate, design relevant research and development to inform actions;</td>
</tr>
<tr>
<td>• can critically analyse, interpret and evaluate complex information, concepts and ideas.</td>
<td>• evaluate actions, methods and results and their implications.</td>
</tr>
</tbody>
</table>
The study guide includes a number of features to enhance your studies:

- **'Over to you'**: activities for you to complete, using the space provided.
- **Case studies**: realistic business scenarios to reinforce and test your understanding of what you have read.
- **'Revision on the go'**: use your phone camera to capture these key pieces of learning, then save them on your phone to use as revision notes.
- **'Need to know'**: key pieces of information that are highlighted in the text.
- **'Examples'**: illustrating points made in the text to show how it works in practice.
- **Tables, graphs and charts**: to bring data to life.
- **Reading list**: identifying resources for further study, including Emerald articles (which will be available in your online student resources).
- **Source/quotation** information to cast further light on the subject from industry sources.
- **Highlighted words** throughout denoting [glossary terms] located at the end of the study guide.

**Note**
Website addresses current as at August 2017.
Introduction

Business stakeholders include anyone who has an interest in what the organisation is doing or the outcomes of its activities. This chapter will focus on stakeholder relationships that have a strategic significance to the business, be they beneficial or potentially damaging. The difficulty about stakeholder management is that stakeholders have different agendas, and in seeking to satisfy one group you can alienate others. **Stakeholder engagement** seeks to build **collaborative relationships**, which requires an integrated approach. By its nature, it has to be proactive rather than reactive, and at its best it reflects long-term corporate culture rather than being done on a project-by-project basis.

Learning outcome

On completing the chapter, you will be able to:

1. Critically assess an organisation’s stakeholders in order to determine their strategic influence and impact in relation to a particular project.

Assessment criteria

1. Critically assess an organisation’s stakeholders in order to determine their strategic influence and impact in relation to a particular project.

1.1 Critically discuss the importance of stakeholder analysis.

1.2 Analyse the range of stakeholders for their strategic influence and potential impact in relation to specific projects.
Background

When it comes to sustainable organisation performance, stakeholders are an important part of the equation. Every organisation needs to have the support of its stakeholders, but who is seen as a stakeholder will be different depending on the context in which the organisation operates. In today’s complex and globalised business environment, strategic stakeholder relationships are even more important. Stakeholders can use their influence to support the organisation in resolving issues it faces in responding to environmental pressures. Stakeholder management recognises that there had been a shift in concept from shareholder to stakeholder, moving beyond simple financial responsibilities of organisations to a wider concept relating to the organisational system and strategic management.

“The stakeholder notion is indeed a deceptively simple one. It says that there are other groups to whom the corporation is responsible in addition to stockholders: those groups who have a stake in the actions of the corporation.”

Freeman and Reed (1983)

Stakeholder impact can either affect or be affected by the achievement of an organisation’s objectives, or it is a group or individual upon which the organisation depends for its survival. Therefore, understanding the strategic influence of stakeholders is a key part of strategic management.

In your current job role, or if you’re a full-time student, you may feel that you are not directly impacted by stakeholders that are external to your organisation, but you will be involved in relationships as a stakeholder on a day-to-day basis. For example, your family might have a stake in your completion of this course or, if you are working, on your promotion prospects. As an author I am affected by feedback you might provide in relation to this study guide as part of your studies, which makes you one of my stakeholders. The device upon which you are reading this study guide is made by an organisation, whose long-term prospects are in part affected by how often you upgrade, use or recommend their device. As a customer you are regularly taking on the role of stakeholder for a variety of businesses.
Activity 1: Identifying your stakeholders

Consider either your job in the workplace or your studies, as applicable. Make a list of stakeholders who impact your work and/or studies. Expand the list to include stakeholders who have an interest in the issues that your work touches upon.

1.1 The importance of stakeholder analysis

Stakeholder analysis involves identifying anyone who has an interest in what you or your organisation is doing. The level of concern or interest that a stakeholder has with a situation, event or project, and their power or ability to impose their will over people or events relating to that situation is important to ascertain. Stakeholder analysis enables the organisation to assess the impact, support and expected behaviour of stakeholders in regards to their buy in to a given situation. This includes understanding the level of support or resistance that stakeholders may exhibit.

Methods of identifying stakeholders in relation to a project

There are numerous methods for identifying stakeholders. Common methods include:

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Pros and Cons</th>
</tr>
</thead>
</table>
| Brainwriting | A simultaneously individualistic and collective group activity involving everyone in the group generating ideas on paper. Each participant writes their own idea on a card, which is then shared with a second participant who reads the idea and adds their contribution before passing it on. The result is a free flow of ideas that builds with each turn. | • simple  
• everyone participates  
• focuses on the issue  
• the quality depends on the formulation of the question |
## Method Description Pros and Cons

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Pros and Cons</th>
</tr>
</thead>
</table>
| **Stakeholder Lists / Register** | A formal record that captures the details and analysis of your stakeholders including any activities you have completed to engage the stakeholder in the project. The register includes the stakeholder’s: name, contact information, organisation, expectations, interests and requirements, evaluation of impact on the project, rating versus other stakeholders at specific stages of the project, type and frequency of communication, reporting relationship. | can be time-consuming to construct  
requires active ownership  
needs to be updated as new information is found  
all the information is in one place  
easy to capture any changes in stakeholder priorities |
| **Scenarios and Storytelling**   | Scenarios are descriptions of a sequence of events within a particular situation or task but are generally generic and avoid detailed descriptions. Stories are specific and give substance to plotlines containing detailed characters, settings and the drama of the situation. | useful for facilitating collaboration around stakeholder management  
identifies the value that stakeholder management brings to the project team  
captures contextual detail relating to both people and function  
encourages cross-functional working |
| **Task-by-Task Assessment**      | Documents themed relationships between project tasks and stakeholders. Clayton (2014) offers the following themes regarding task to help identify stakeholders: those involved in making a task happen, interested parties, especially those whose opinion counts, stakeholders who need to be informed or are affected by the task, stakeholders impacting the progress of a task, positively or negatively, stakeholder impacted by the outcome of the task, those who will evaluate the success of the task, risk of complaints if the task fails | breaks down the stakeholder relationship for each task and stage of the project  
highlights areas where stakeholder management is required  
develops a risk profile for each task and each stakeholder  
maps the priority stakeholders at each stage of the project lifecycle  
creates an analysis of stakeholder needs and interests |
## Method Description Pros and Cons

### Horizon Scanning
A systematic analysis of information relating to opportunities, threats, risks and issues to improve decision making relating to stakeholder management. Encourages the development of new insights regarding the identification and analysis of stakeholders and possible changes which may emerge in the future.

- long-term strategic approach
- future-orientated
- identifies emerging trends and their impact on the project
- helps to manage risks
- can be used to develop contingency plans for potential issues

### OVER TO YOU

#### Activity 2: Brainwriting

- If you studying with a class, working in a group of about 6–8 people, sit in a circle and hand out an A4 sheet of paper or card to each person in the group.
- Consider the following question: “How can you clearly identify what a stakeholder wants from a project?”
- Write your response to the question at the top of your paper/card.
- When you have written your suggestion, hand the sheet of paper/card to the person on your left.
- Read what has been written on the piece of paper/card that you were handed by the person on your right. Write an entirely new suggestion below the last suggestion on the paper/card. When you have finished, hand it to the next person on the left.
- Continue with this process until you receive your original paper/card back.
- Discuss the ideas that have been gathered by your group.
Methods of identifying stakeholders

- Brainwriting
- Horizon scanning
- Stakeholder lists/register
- Task-by-task assessment
- Scenarios and storytelling

Figure 1: Methods of identifying stakeholders

Characteristics of stakeholders

Freeman (1984) offered two definitions of a stakeholder. The first is a narrow definition relating to stakeholders whose relationship and impact is essential to the long-term survival and success of the organisation. Although oversimplified because each stakeholder category could be broken down further, Freeman (1984) identified six vital stakeholder categories in his narrow definition:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners</td>
<td>Owners have a financial stake in the organisation. In return for their investment in the organisation, there is an expectation that they will receive a financial return on that investment.</td>
</tr>
<tr>
<td>Employees</td>
<td>The employees stake their livelihood on the success of the organisation. They exchange their skills for job security, a fair wage and promised benefits for their labour and meaningful work.</td>
</tr>
<tr>
<td>Managers</td>
<td>Managers have a similar stake to that of employees but in exchange they are tasked with balancing the needs of competing stakeholders to protect the long-term health of the organisation.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Suppliers impact upon the quality and price of the organisation’s product and/or through the supply of their products or services. This stake into the input of the organisation’s operations is provided in return for a responsive relationship between supplier and organisation, which in turn ensures the long-term performance of the supplier.</td>
</tr>
</tbody>
</table>
Customers

Customers provide resources to the organisation in the form of financial resource. They have a stake in the supply, availability and desired quality of products and services that they require.

Local Community

An immediate beneficiary of the presence of an organisation receiving economic and social advantages in regards to tax receipts, employment opportunities, and the accompanying perks associated with having investment in an area. In return for this, there is an expectation that the organisation will act as a good citizen, contributing positively to infrastructure and services beyond the organisation’s facilities.

Table 1: Six vital stakeholder categories (Freeman, 1984)

A stakeholder model of the organisation

The Organisation

Management

Owners

Suppliers

Employees

Customers

Local community

Figure 2: A stakeholder model of the organisation (Freeman, 1984)
Wide definitions of stakeholders

Freeman (1984) offered a second definition of stakeholders which concentrates on the inclusion of those who affect or are affected by the organisation in any way. For example, a factory in Beijing contributes to global warming and climate change, which may result in the melting of the Arctic ice shelf that in turn could lead to flooding in coastal areas across the globe. Therefore, in Freeman’s wider definition, everyone who lives in New York who could be affected by rising sea levels is a stakeholder in the Beijing factory.

Although stakeholder theory presents the exchange as a transaction, Freeman and Moutchnik (2013) argue that the focus is actually on the interdependency between stakeholders and the organisation. The emphasis is, therefore, on the relationship and co-operation between the organisation, its owners, employees, managers, suppliers, customers and local communities. The outcome of this co-operative relationship transcends finance, and exists to align the organisation and its stakeholders in the creation of mutual value and trade for each other. Consequently, stakeholder theory is founded in a belief that most people in the system are fundamentally good and our capitalist economic system is one that values creation and social co-operation.

Stakeholders are those who have a stake in an organisation’s process and or outputs.
Lewis (2011)

Adhering to the wider definition of stakeholder, Lewis (2011) highlights that stakes might be, but are not limited to, financial, environmental, physical or symbolic. In her stakeholder theory perspective, she emphasises the role of the strategic communication and interaction between stakeholders within a change context. Lewis (2011) offers a communication model of change, which focuses on the social construction of the organisation as a result of communication between internal and external stakeholders. In this model, Lewis (2011) highlights four specific roles that a stakeholder might play in an organisation’s change process, which include:

• opinion leader, influencing others;
• connectors, acting as a bridge between groups of stakeholders;
• counselors, providing support;
• journalists, gathering and reporting information during the change process and offering an interpretation of events.

The communication model of change offers an overview of the strategic dimensions of communication with stakeholders that can fulfill, deny or be used in the negotiation of stakes with and between stakeholders during a complex change process.

CASE STUDY: ENGAGING OPINION LEADERS

Julia engages change agents

As a learning and development advisor for an energy provider, Julia was responsible for designing a customer service excellence programme, which was aiming to improve the customer satisfaction scores for the organisation. The programme was high-profile and was being sponsored by the finance director.
One of the objectives of the programme was to break down silos between different parts of the organisation, removing communication barriers between teams and increasing understanding of the roles each function played in delivering excellent customer service.

**Co-opting opinion leaders**

In order to gain buy-in for the programme from the employees who would attend the customer service excellence training, Julia sought out key opinion leaders in each of the functions being trained. The opinion leaders were invited to be part of the design team for the programme in order to increase their personal stake in its successful implementation and delivery. This involved several meetings where the opinion leaders were able to contribute their ideas regarding what content should be included in the training and how that content should be delivered.

**Influencing others during the design process**

A surprise benefit of having the opinion leaders in the design team was that much of the design process was made easier because of their influence within the organisation. For example, the design team organised a video to be recorded of a particular scenario demonstrating the difference between making a good impression and making a bad impression on a customer’s site. This involved influencing marketing to record and edit the video on behalf of the training and getting a group of employees to act in the film.

Following a design decision to include a competitive element across the entire training programme, it became possible to offer the team that won a prize of tickets to a major event in London, and budget secured for travel, hotel and food expenses. This is something that would never have been possible previously.

**Attendance**

The opinion leaders worked hard as change agents for the customer service excellence programme, ensuring that managers released employees to attend the training, removing many of the logistical issues usually associated with an organisation-wide training programme. They also influenced employees who were invited to the training to turn up, resulting in a 97% attendance rate.

**Embedding the training**

Even after the training was delivered, the opinion leaders continued to influence the successful transfer of training back in the workplace. They embedded the training by providing regular customer service excellence seminars in team meetings to drive home the key learning points.

The support of the marketing department was also secured to produce a regular newsletter that captured stories of where the training had been used in the field.

**The result**

The target for customer satisfaction set by the board of directors was to increase net promoter scores from 20% to 35%. Within four weeks of the training programme being delivered, net promoter scores had increased to 60%.
Specific stakeholder roles

Opinion leader
Connectors
Counselors
Journalists

Specific stakeholder roles – communication model of change

Figure 3: Specific stakeholder roles (Lewis, 2011)

Characteristics of stakeholders

The “Big Six”

Clayton (2014) highlights that some stakeholder characteristics will have a greater influence on the level of priority you assign to a stakeholder. However, he identifies the “Big Six” stakeholder characteristics as:

<table>
<thead>
<tr>
<th>Interest</th>
<th>This relates to activities of the organisation or subjects that concern a stakeholder and directly affect their decision making. Examples include the amount of financial leverage that an organisation has, the political manoeuvring of different parties, ethical and moral responsibilities, commercial concerns, adherence to regulatory regimes and care for the environment or security.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs</td>
<td>Needs are connected to who the stakeholder is rather than stakeholder activities or decisions they have made. For example, an employee who is a parent of small children may need flexibility of working hours to accommodate their family, or an auditor may need access to all information such as records and documents relating to the review.</td>
</tr>
</tbody>
</table>
Chapter 1

Strategic Influence of Stakeholders

Attitude
Attitude is concerned with how stakeholders feel or think about a particular activity of the organisation or subject, and results in either supportive or resistive behaviours. For example, if a director of an organisation believes that a particular training course is essential for the long-term health of the organisation, they will ensure a budget is allocated to that activity. If the local government officials believe that the opening of a particular organisation in their community is not desirable, they can refuse planning permission or the necessary licences required for the organisation to trade locally.

Impact
Stakeholders can impact the outcomes of a project or the operations of the organisation positively or negatively. Ignoring a stakeholder or failing to meet a stakeholder’s requirements can be very costly. For example, failing to pay a supplier’s invoices on time may result in them refusing to supply raw materials that are essential to the production of a product. However, a supplier might go the extra mile to fulfil an urgent order because the organisation has nurtured a long-term mutually beneficial relationship over time.

Power
A stakeholder’s ability to take action in relation to the organisation’s activities or interests can have help a project succeed or threaten the survival of an organisation. For example, individual employees on their own have limited power, but if they organise in the form of a trade union, their bargaining power increases significantly as they can choose to bring the organisation to a standstill through strike action, or slow down an organisation’s business by choosing to work to rule.

Influence
Influence can be subtle or overt but different stakeholders have the capacity to affect, positively or negatively, the behaviour of others or something in relation to the organisation activities. For example, the owners of the business will have a significant influence over the direction, purpose and strategy of the organisation. Managers will influence how the strategy is interpreted and how successfully it is implemented.

Table 2: The “Big Six” stakeholder characteristics (Clayton, 2014)

Activity 3: Stakeholder assessment

Assess someone who has been a leader of a group or club you have been involved in from the perspective of their strengths and weaknesses as a stakeholder in your group. Consider the following questions:

- Who is the leader?
- Who is the leader connected with?
- What resources does the leader command?
- What do you want from the leader?
• What information does the leader want from us?
• What does the leader want?
• How does the leader like to receive information?
• What does the leader like to communicate?
• What risks does the leader pose to your activities?
• What opportunities does the leader offer to your activities?

Adapted from Clayton (2014: p. 55)

The “Big Six”

Needs  Interest

Influence  Attitude

Power  Impact

Figure 4: The “Big Six” (Clayton, 2014)
## Stakeholder interest

Clayton (2014) offers a mnemonic for remembering the eight different sources of stakeholder interest – SPECTRES:

<table>
<thead>
<tr>
<th>Social</th>
<th>This examines the social impact and community effects of a project. For example, the development of a dementia garden by a housing association has a positive effect on the welfare of dementia sufferers, enabling them to remain living at home for longer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td>Organisational activities can have political ramifications, both in terms of internal organisational politics, but also in the wider political sphere. For example, political pressure was applied from European governments on global corporations, such as Starbucks and Amazon, to pay more tax at a country level when it was found that their tax arrangements were helping them to avoid paying national taxes.</td>
</tr>
<tr>
<td>Economic</td>
<td>Stakeholders who provide funding, whether in regards to capital investment, grants or budgets, will have an interest in your project. Those stakeholders who are affected economically by project outcomes will also have an interest. For example, the International Olympic Committee (IOC) receives its income from global sponsors and selling the media rights to the Olympic games. This income is distributed to host nations, national delegations and international sports federations. Therefore, the IOC has an interest in maintaining the reputation of the Olympic games. In the run up to the Rio 2016 Olympic Games, there was a huge emphasis from the IOC on the social role of athletes, specifically in relation to honouring clean athletes and the exclusion of athletes who were under suspicion of doping offences.</td>
</tr>
<tr>
<td>Commercial</td>
<td>Stakeholders who have a commercial interest are those people and organisations in the organisation’s supply chain and others who are impacted commercially by your activities. For example, a supplier will become concerned if your organisation has made a decision to stop making a particular product range for which they supply raw materials, since that decision will reduce their own sales.</td>
</tr>
<tr>
<td>Technological</td>
<td>This relates specifically to the technology used within an organisational system and the interest a stakeholder has in regards to who will have responsibility for evaluating, supplying, configuring and maintaining the technology used. For example, in 2013 the Kenyan Government established the ICT Authority had an interest in increasing Kenya’s recognition as an IT hub and was actively supporting organisations in the tech industry who are focused on developing East Africa’s IT ecosystem.</td>
</tr>
<tr>
<td>Regulatory</td>
<td>All organisations are subject to some level of regulatory regime and stakeholders will be aware of what your regulators do and say and the impact that will have on their interests in your organisation’s activities. For example, in 2015 the French Parliament adopted the Energy Transition law, which sought to dramatically reduce greenhouse gas emissions. This would have had a direct impact on any stakeholder interest in coal-fired power stations, which will be affected by the targeted 30% reduction in fossil fuel consumption.</td>
</tr>
</tbody>
</table>
Various stakeholders will have an interest in how your project might affect the environment, and you need to understand which stakeholders particularly care about the impact your project or organisation is having on it. For example, the Prime Minister of Sweden set out a target for 100% of Swedish energy consumption to come from renewable energy. However, competing interests negotiated to save nuclear power and the target is now for Sweden to be completely fossil-free by 2040.

The safety or security source of stakeholder power is focused on who will be affected by your project, especially in regards to fears about their safety and security. For example, the decisions being made by governments in the European Union over the opening of their borders since the beginning of the migration crisis are directly linked to citizens’ fears of migrants settling in their country. This citizen stakeholder interest therefore directly impacts upon the work of aid agencies and refugee support organisations such as the UN Refugee Agency (UNHCR), who are working with refugees escaping wars in Yemen and Somalia.

**Table 3: SPECTRES (Clayton, 2014)**

| Environmental | Various stakeholders will have an interest in how your project might affect the environment, and you need to understand which stakeholders particularly care about the impact your project or organisation is having on it. For example, the Prime Minister of Sweden set out a target for 100% of Swedish energy consumption to come from renewable energy. However, competing interests negotiated to save nuclear power and the target is now for Sweden to be completely fossil-free by 2040. |
| Security | The safety or security source of stakeholder power is focused on who will be affected by your project, especially in regards to fears about their safety and security. For example, the decisions being made by governments in the European Union over the opening of their borders since the beginning of the migration crisis are directly linked to citizens’ fears of migrants settling in their country. This citizen stakeholder interest therefore directly impacts upon the work of aid agencies and refugee support organisations such as the UN Refugee Agency (UNHCR), who are working with refugees escaping wars in Yemen and Somalia. |

**OVER TO YOU**

**Activity 4: Mapping stakeholder interests (SPECTRES)**

Consider a project that you are working on, or have worked on in the past. Complete the SPECTRES table below to map the stakeholder interests relating to the project.

<table>
<thead>
<tr>
<th>Social</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Political</td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
</tr>
<tr>
<td>Technological</td>
<td></td>
</tr>
</tbody>
</table>
Figure 5: Stakeholder interests: SPECTRES (Clayton, 2014)
1.2 The range of stakeholders, their strategic influence and potential impact

The development of the objectives for a project or the organisation’s strategy will be shaped by how much is understood about the key stakeholders. It is important that you can identify the **impact** and the **influence** different stakeholders use to determine the possible threat they pose to the successful completion of the project, or opportunities for support that a stakeholder could offer.

**The strategic influence and potential impact of different stakeholders**

Stakeholder mapping can help you to understand and prioritise the different demands of the various stakeholder groups who are affected by, or affect the project. It provides a structured analysis of stakeholder expectations and the likelihood of the stakeholder choosing to exercise the power they have in relation to the project.

The Mendelow Matrix (Mendelow, 1981) offers a useful mapping tool to help identify the strategic influence and potential impact that different stakeholders have on a project. The matrix has two dimensions:

<table>
<thead>
<tr>
<th>The level of interest in the project</th>
<th>The level of influence/power over the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determines whether the stakeholder will likely choose to exercise their power. For example, an owner with a high level of investment in an organisation will have a high level of interest.</td>
<td></td>
</tr>
<tr>
<td>Determines whether the stakeholder has the influence/power to impact the project. For example, a key customer could choose to cancel an order which would negatively impact the organisation’s turnover.</td>
<td></td>
</tr>
</tbody>
</table>

**Table 4: The Medelow Matrix (Mendelow, 1981)**

**NEED TO KNOW: MENDELOW MATRIX**

**Figure 6: The Mendelow Matrix (Mendelow, 1987)**
The matrix enables you to plot the position of the stakeholder group, and, in doing so, anticipate how likely it is that stakeholder resistance will derail the success of the project. The matrix also offers recommendations of what policies can be enacted to improve the chances of stakeholder acceptance of the project.

The stakeholder group can take one of four positions in the matrix, based on their level of interest and power or influence:

- **Low power, low interest**
  Stakeholders in this quadrant are likely to offer little resistance in relation to the project because their lack of interest and low influence/power means they are susceptible to influence.

- **Low power, high interest**
  This stakeholder group have a high level of interest in the project. Although they have little personal power, they may seek to increase their power by joining other stakeholder groups because of their interest level.

- **High power, low interest**
  Although these stakeholders may show little interest in the project, they are a group with a lot of influence/power.

- **High power, high interest**
  This group of stakeholders exhibit both high influence/power and high interest. They are also capable of opposing your project actions effectively and are able to drive change if they desire it.

Table 5: Stakeholder groups in the Mendelow Matrix

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**OVER TO YOU**

**Activity 5: Stakeholder mapping**

In Activity 1, you developed a list of stakeholders. Revisit the list and add any stakeholders you may have missed. Once you have made your list, complete the below Mendelov matrix based on their influence/power and interest in relation to your work or studies.
Apex stakeholders

Clayton noted that it was strategic influence (not power) that dominated the impact that a group of stakeholders could have on a project or organisation.

“A small number of stakeholders can influence many other stakeholders, yet seem themselves to be very little influenced by other stakeholders around them. They are therefore hard to influence, but can create a lot of leverage if you can do so.”

Clayton (2014)

Clayton labelled this small group as **apex stakeholders**, who can influence many other stakeholders but are little influenced by others. Although apex stakeholders may not always be present, when they are they are hard to influence. However, a lot of attention must be given to them in the hope that you can influence many others through them.

Clayton went on to describe three types of apex stakeholder:

- **Apex supporters** – those apex stakeholders who had the potential to act as advocates and become powerful allies of the project or organisation.
- **Apex agonists** – are the opposite of apex supporters, and pose a significant threat as an individual who has the potential to become a dangerous enemy.
- **Apex neutrals** – this final form of apex stakeholder can be persuaded to be either a support or agonist.

This diagram shows the flow of influence from the apex stakeholder to many other stakeholders and stakeholder groups. Notice that the flow of influence is one way, and that the apex stakeholder is not influenced by anyone else.

**Figure 7:** Apex stakeholders (Clayton, 2014)
Activity 6: Identifying apex stakeholders

Revisit your revised list of stakeholders from Activity 5. List the apex stakeholders below.

Clayton (2014) also identified four other forms of stakeholders:

<table>
<thead>
<tr>
<th>Stakeholder Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basal stakeholders</td>
<td>Those who have changeable views and are easily influenced by others. They are not particularly reliable and have little impact, unless they have control of a crucial resource.</td>
</tr>
<tr>
<td>Neutral stakeholders</td>
<td>A stakeholder who is undecided about an issue.</td>
</tr>
<tr>
<td>Primary stakeholders</td>
<td>A primary stakeholder is readily influenced, but they are also good at influencing others and can therefore have a significant impact on perceptions. They may be influenced from someone other than the apex stakeholder.</td>
</tr>
<tr>
<td>Secondary stakeholders</td>
<td>Are important to the project and are readily influenced by both apex and primary stakeholders. They may also have influence over others but in a limited way.</td>
</tr>
</tbody>
</table>

Table 6: Forms of stakeholders (Clayton, 2014)

Figure 8: Apex, primary, secondary and basal stakeholders (Clayton, 2014)
Shané manages her new manager as a primary stakeholder

Shané had been working with her new manager for several months and was getting frustrated by the way in which he would constantly change direction. In team meetings and in one-to-one discussions, her manager would agree a set of activities that needed to be completed. Shané would begin work on the activities only to be told at the next meeting that the plan had changed, meaning that she had wasted time and effort.

A confusing trip to Paris

A few months ago, Shané had been sent to Paris to work with her counterparts in the marketing department on an important, multi-country product launch. It was high-profile and the budget was significant. Shané’s manager had set a specific goal of a unified European approach rather than the normal approach of each country creating their own campaign. After several days of work, Shané had secured an agreed unified approach to the campaign and an agreed project plan was developed. However, on her return from the trip, her manager informed her that the desired approach was for each country to create its own campaign.

A bleak prospect

Shané felt annoyed at being put in a situation where her line manager was causing her to waste time. On a professional level, she was embarrassed at finding herself in a situation where, having persuaded everyone that a unified campaign was the best thing for the organisation, she was required to backtrack and deliver country-specific campaigns. She also began to receive some off-the-record feedback from colleagues that her manager was impacting upon the perception other people and departments had in regards to her competence and the viability of the project.

Identifying what was happening

Working through the situation with her coach, Shané realised that the times her manager had seemingly changed his mind were directly after he had met with someone else who had a stake in the projects she was working on. Others were influencing her manager and as a consequence the decisions he was making about her work would change depending on the person he had last spoken to. Her manager was also negatively influencing the perception others had of her, positioning her lack of progress on her lack of capability to do the job. Urgent action was needed to get things back on track.

Co-opting an apex stakeholder

Fortunately for Shané, she had a good working relationship with the operations manager, who was an apex supporter. A close ally and someone with a significant stake in her work projects, he agreed to be Shané’s advocate. Shané could co-opt the operations manager whenever her manager was making decisions which were derailing progress, ensuring he would also influence those influencing her manager to get everyone aligned. The operations manager took the opportunity to highlight the skills and knowledge Shané demonstrated in the execution of her duties, which in turn meant that her manager was speaking about her positively to other people.
OVER TO YOU

Activity 7: Label your stakeholders

Building on the work you completed for Activity 6, group your stakeholders into the final three categories: primary, secondary or basal.

<table>
<thead>
<tr>
<th>Primary stakeholders</th>
<th>Secondary stakeholders</th>
<th>Basal stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Diffusion of innovation**

Rogers (2003), in his book *The Diffusion of Innovations*, explores how new ideas are adopted and spread between many people to become known as a consequence adopted among the wider population. Normally associated with technology, the model can explain the consequences of change that lead to stakeholders supporting or rejecting a particular project or strategy.

> **Consequences can be classified as desirable versus undesirable (functional or dysfunctional), direct versus indirect (immediate result or result of the immediate result), and anticipated versus unanticipated (recognized and intended or not).**

Rogers (2003)
Rogers (2003) also focused on the importance of communication channels, highlighting the importance of interpersonal communication and relationship channels in achieving mutual understanding, as well as successfully navigating the decision-making process to persuade individuals to adopt an innovation. There are five stages to the adoption process, which include:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge</strong></td>
<td>In this stage, the individual finds out that the innovation exists and begins the process of discovery. The purpose is to develop an awareness of the innovation in order to explain how and why it works. In regards to stakeholder management, the essential part of this phase is to provide the stakeholder with a how and why experience of your project plans.</td>
</tr>
<tr>
<td><strong>Persuasion</strong></td>
<td>The persuasion stage occurs when the individual begins to shape either a positive or negative attitude toward the innovation. The attitude adopted at this stage does not determine whether the individual will ever adopt the innovation. This stage is focused on how the individual feels about the innovation. From a stakeholder perspective, the outcome of the process will depend on uncertainty and the influence of others.</td>
</tr>
<tr>
<td><strong>Decision</strong></td>
<td>It is at the decision stage that the individual will make a choice on whether to adopt or reject the innovation. From a stakeholder perspective, it is important to note that group influence can make this a collective decision rather than a personal one.</td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td>In this stage, the innovation is put into practice, although this may be affected if uncertainty levels are high. Once implemented, the innovation-decision process is complete. At the implementation stage, it is usual for reinvention to occur, such as the increase in smartphones following the launch of the iPhone. For stakeholder management, it is important to support the stakeholder in reducing their uncertainty.</td>
</tr>
<tr>
<td><strong>Confirmation</strong></td>
<td>The final stage of the innovation-decision process involves the individual seeking confirmation that the decision they have made is supported. Conflicting messages at this stage could lead to decisions being reversed. For example, the faltering 3D market, which is being superseded by VR technology. It is at this stage in stakeholder management that support for your project and the attitude of the stakeholder might be discontinued.</td>
</tr>
</tbody>
</table>

Table 7: The five stages of the adoption process (Rogers, 2003)
Model of the diffusion of innovations

Rogers (2003) categorised members of the social system as adopters of innovations based upon their innovativeness, introducing five classifications:

| Innovators | Individuals who are open to new ideas and the uncertainty that comes with them. Often gatekeepers with complex technical knowledge, innovators bring innovation from outside the system, therefore they can be regarded with suspicion by others. |
| Early adopters | Early adopters are likely to hold a leadership role and work within the boundaries of the system. They are role models and their attitude toward an innovation is important. Their adoption of a new innovation will decrease uncertainty for the rest of the population. |
| Early majority | Although lacking the leadership role of early adopters, the early majority still have interpersonal networks and connections which are important for in the innovation-diffusion process. |
| Late majority | The late majority wait until the majority of their peers have adopted an innovation before peer pressure and economic necessity compel them to adopt the innovation. |
Laggards

These traditionalists both lack awareness and are sceptical about innovations. Laggards tend to occupy a small cohesive group within the system. The lack of economic resources and leadership roles within the group means that they take a long time to make a decision about innovation.

Table 8: Classifications of members of the social system (Rogers, 2003)

OVER TO YOU

Activity 8: Strengths of weaknesses of adopters

Watch the video “Diffusion of innovations”: www.youtube.com/watch?v=2yONaekStnw

If possible, discuss in pairs each type of adopter’s role in shaping events and change within an organisational context of your choosing. Consider the opportunities and threats that each classification could have if they were stakeholders on a project you were working on. How might this influence your approach to managing different stakeholder groups?

<table>
<thead>
<tr>
<th>Classification</th>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early adopters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early majority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Late majority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laggards</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Links to stakeholder management**

There are many social, organisational and personal factors which contribute to the adopter category that an individual would be classified as. It is also worth noting that an individual’s classification may differ depending on the innovation under consideration. Someone may be an early adopter of new camera technology if they are an enthusiast, yet may be a laggard when it comes to the latest mobile phone or computer technology. In this respect, understanding the interests of your stakeholders will determine whether they are earlier supporters of your project. What is significant about the diffusion of innovation processes is the influence of early adopters as opinion leaders in the wider system, and the speed at which the early majority and late majority adopt an innovation will determine the momentum an innovation has. In the same way, opinion leaders and momentum will determine whether your project is ultimately supported or rejected by your stakeholders.

**The distribution of adopters**

![The distribution of adopters](image)

- **Innovators**: 2.5%
- **Early Adopters**: 13.5%
- **Early Majority**: 34%
- **Late Majority**: 34%
- **Laggards**: 16%

**Figure 10**: The distribution of adopters (Rogers, 2003)

**Apex stakeholder strategy**

The independence of apex stakeholder means that it is not simply a case of being persuasive, but developing trust and taking time to understanding their ideas and concerns. Incorporating apex stakeholder contributions and supporting them when they show enthusiasm for your project requires a delicate balancing act to avoid offence.

**Sociograms**

Clayton (2014) suggests that sociograms, sometimes called a “social network diagram”, are a simple way to map relationships between stakeholders. The sociogram uses nodes to depict the different stakeholders and lines to represent the connections between stakeholders. The proximity of the nodes is used to represent the influence of different stakeholders within the organisation. Additional information such as the direction of influence can be included through the use of arrows; the thickness of the arrow can be used to indicate greater levels of influence and power. Colours and symbols can also introduce notions of stakeholder authority, power, support or opposition towards a project.
Activity 9: Your social network diagram

Referring once again to the list of stakeholders you made in Activity 7, draw a map of relationships between the stakeholders using the sociogram tool.

For example:

This sociogram depicts the relationship I have with some of my clients.

I work for H&L and therefore they influence me in regards to opportunities I have for work. Both H&L and I have a relationship with JB, who we influence as a supporter of our work. In turn, JB is a positive influence on L&Q in regards to the work we do, which in turn has an influence on ETG.

H&L have a strong mutual relationship with YD, who is the managing director for ETG, and therefore has a greater influence over ETG than it has over her in regards to decision making about the work that H&L and I do. I sometimes meet with YD as H&L’s resident “expert”, and therefore influence decisions that YD makes.

PH, L&Q and Swan are a positive influence on HA. Both ETG and HA have an influence on JG, who sometimes is a barrier when decisions are being made about possible work that I do. I influence PH, who has a mutual relationship with NAZ. PH has a positive influence on BL, who can sometimes negatively impact the work I do. BL has a stronger relationship with NAZ than I do, which means I have to use my relationship with PH and direct relationship with NAZ to work against the negative influence of BL to get things done.
Inter-relationship mapping of stakeholders

Clayton (2014) introduces the possibility of visualising how stakeholders are assembled around project issues. An inter-relationship map is useful to examine the independent themes relating to project issues, which enables you to cluster stakeholders who have issues in common.
Contractograms

Clayton (2014) recognised that the complexities of the modern workplace, with myriad contractors, suppliers and subcontractors working on a large project, can lead to confusion as to who is contracted to whom. A contractogram is a form of sociogram that captures the relationships of those who are contracted to one another. The direction of the arrow captures who is providing the goods or services to who. Where you do not have knowledge of a contractual relationship, a dotted line can be used to indicate where you believe one exists; formal joint ventures can represent ownership by the use of a strong single line.
Activity 10: Investigating who is contracted to whom

If you’re studying with a class, work in a group of 4–6 and research a large infrastructure project in your local community.

1. Develop a list of the suppliers, contractors and subcontractors working on the project, using the internet to find evidence of contracts awarded.

2. Once you have completed the list, develop a contractogram to show the contractual and supply relationships on the infrastructure project.

READING LIST

- Arun Abraham Elias, (2016) “Stakeholder analysis for Lean Six Sigma project management”, *International Journal of Lean Six Sigma*, Vol. 7 Issue: 4, pp. 394. (This article will be available in your online student resources.)

- Emerson Wagner Mainardes, Helena Alves, Mário Raposo, (2012) “A model for stakeholder classification and stakeholder relationships”, *Management Decision*, Vol. 50 Issue: 10, pp. 1861–1879. (This article will be available in your online student resources.)


- Paul Walley, (2013) “Stakeholder management: the sociodynamic approach”, *International Journal of Managing Projects in Business*, Vol. 6 Issue: 3, pp. 485–504. (This article will be available in your online student resources.)
Summary

Stakeholders have a significant impact on the performance of an organisation and/or project. They can be supportive, giving access to scarce resources, or they can be resistive, creating barriers and blocking progress. This can have serious consequences as to the success of any endeavour. It is important that you are able to understand who your stakeholders are, their interest in the project you are working on and the potential impact they can have, through an analysis of the influence and power that they hold. Using the tools provided in this chapter, it is possible to identify and begin the analysis of relevant strategic stakeholder relationships. The purpose of such analysis is to recognise the interpersonal communication and relationship channels that will need to be used to achieve mutual understanding and successfully navigate the decision-making process, encouraging support from early adopters and taking advantage of a positive diffusion of innovation processes to co-opt different types of stakeholders.
Introduction

This chapter will take you through a step-by-step process that will enable you to identify, analyse and prioritise an organisation’s stakeholders from a strategic perspective, and then to plan, implement and review the stakeholder engagement process in relation to a specific project. You will explore the concepts of power and influence, deploying a range of stakeholder engagement strategies including relationship management techniques, strategic communications, personal leadership, influence and lobbying.

Engaging effectively with stakeholders needs to be at the heart of strategic management, not an optional extra; without it many strategies fail and, in extreme situations, cost organisations dearly through reputational damage. It does take resources to engage effectively with stakeholders, but the benefits are usually more than worth the investment.

Learning outcome

On completing the chapter, you will be able to:

2 Critically review the process of engaging with stakeholders and develop an appropriate engagement plan.

Assessment criteria

2 Critically review the process of engaging with stakeholders and develop an appropriate engagement plan.

2.1 Critically analyse the strategic relationships that an organisation has with the stakeholders of a particular project in order to decide how best to engage with them.

2.2 Prioritise the use of resources for an engagement plan in relation to a particular project from a strategic perspective.

2.3 Review the success of the engagement plan objectives including from the perspective of the organisation and its stakeholders.

2.4 Recommend strategic changes that could be made in order to respond to stakeholder perceptions and/or adapt to changing conditions.
Background

Engaging strategic stakeholders and developing relationships with them does not happen by accident. Engaging with stakeholders requires that you develop a framework in which you analyse the strategic relationships that the organisation has, and develop a plan as to how best to engage with them. Due to the complex and varied nature of the stakeholders that are involved at any one time in the delivery of a project or organisation strategy, and the scarcity of resource, it will be necessary for you to prioritise the resources you have available to set strategic objectives and deliver a strategic engagement plan.

However, these plans cannot remain static, but must be monitored and remain responsive to changing stakeholder perception and be able to adapt to changing conditions.

“Stakeholders are about the business, and business is about stakeholders.”

John Kay (1997)

There are a number of tools available to support the analysis of stakeholder relationships, and although these instruments are useful in providing information about the relational position of the stakeholders you have identified, it is essential that something is done with this information. The merit of developing an engagement plan is that organisational effort can be given to engaging the right stakeholders in the right way at the right time.

OVER TO YOU

Activity 1: Why should we engage with stakeholders?


- What reasons do you believe there are for a business to develop a stakeholder engagement plan?
- What are the consequences of not having a stakeholder plan in place?
Chapter 2

Engaging with Stakeholders

2.1 Critically analysing the strategic relationship and how best to engage with stakeholders

In this section, we will explore how to critically analyse the strategic relationships that an organisation has with the stakeholders of a particular project in order to best engage with them.

The stake of different stakeholders

In Chapter 1, we identified a number of ways of mapping stakeholders based upon their interest and power/influence. Mapping tools such as these help to identify who your stakeholders are and their interest in different parts of the organisation or project tasks. However, stakeholder analysis allows you to develop a greater understanding of how the stakeholder views the project and the key strategic issues that impact or are impacted by the stakeholder. This includes what drives stakeholder attitude and the behaviour that accompanies a stakeholder’s interest or concern.

It is also important to begin to build an understanding of the process needed to develop coalitions of support with stakeholders and develop an engagement plan for those stakeholders who might oppose the plans.

In regards to understanding the stake of different stakeholders who have an interest in a particular project, Clayton (2014) suggests that the following areas need to be explored in detail:

<table>
<thead>
<tr>
<th>Nature</th>
<th>This analysis seeks to understand the interests and needs of the stakeholder, specifically in relation to what a stakeholder might want and what they have a right to in regards to ownership and control over scarce resources. Ultimately, this is about understanding the consequences of the type of stakeholder who has an interest in the project.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intensity</td>
<td>As explored in Chapter 1, some stakeholders have low interest and lower influence/power in a project, therefore they will have little impact on it. However, a stakeholder’s attitude, commitment and influence will be important if the intensity of the stake is higher. As a result, it is important that plans are in place to manage the agenda of the stakeholder, moderating any negative effects of partisanship, legitimacy, connection power and urgency that the stakeholder may have.</td>
</tr>
</tbody>
</table>
Analysing the background and attitudes of the stakeholder, the purpose is to learn from their past behaviour, experience and knowledge to be able to manage their current expectations and prejudices. It also provides the information required to engage positively in line with their preferences, motivations and values.

This final analysis covers the additional factors such as internal dynamics, internal dependencies, connections, key players and positions. It also explores how history, background, values, culture and style effect the way the stakeholder behaves. Other factors included in this analysis are strengths, weaknesses, mission, vision and goals.

Table 1: Factors influencing the stake of different stakeholders (Clayton, 2014)

<table>
<thead>
<tr>
<th>Nature</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example, the employee needs wages.</td>
<td>For example, a concert-goer will expect their ticket to be delivered in a timely fashion ahead of the event.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priorities and salience</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example, it may be more important for the investor that the company operates ethically rather than deliver a large dividend.</td>
<td>For example, it may be important for the managing director to present a united front with the other directors on the board, even if there is conflict in the team behind closed doors.</td>
</tr>
</tbody>
</table>
Bohai is forced to part ways with his marketing manager

Head office has contacted Bohai, the managing director for Asian markets, to tell him that a complaint has been made through the whistle-blowing website for the organisation and an investigation is being launched. To begin with, no one knows who the complaint has been made about or the problem that is being investigated. However, once the interview process begins, Bohai is visited by his marketing manager, who asks to speak with him in private.

In his office, the marketing manager is visibly upset, and says, “I think I have just done something that will cost me my job.” The marketing manager is a trusted member of the senior management team and Bohai is shocked by the revelation.

The investigating team had asked the marketing manager whether he had any relatives working for the organisation. He had answered “no”, but had failed to disclose that although he had no relatives working in the organisation, his daughter’s boyfriend and the son of his new partner both worked in his department.

Technically the marketing manager had not lied in answering the question, since the two individuals were not blood relatives. However, he had not told the whole truth when he should have informed the investigating team of his family association to these two employees.

The whistle-blowing allegation was regarding favouritism towards these individuals by the marketing manager. The marketing manager was well liked and a high performer. The investigation found no wrong doing.

As a managing director, Bohai was firm but fair and he had a zero tolerance approach to wrong doing, which meant that despite the outcome of the investigation, he had felt he was in an impossible situation. He had dismissed other people for similar infractions and if he did not sack the marketing manager it would seem like he was showing favouritism. His reputation for fairness was at stake.

Secondly, truthfulness and being able to trust his team was of particular salience for Bohai and he felt that this had been violated. Eventually Bohai decided to sack the marketing manager.

Stakeholder mapping

As explored in Chapter 1, a stakeholder map is a commonly used visual tool that represents a stakeholder’s characteristics. Johnson and Scholes (1999) adapted the Mendelow Matrix (see Page 17) to assign a stakeholder relationship strategy that the organisation should adopt to manage particular stakeholder groups according to their level of influence/power and interest.
**NEED TO KNOW: THE POWER AND INTEREST MATRIX**

**HIGH POWER, LOW INTEREST**
- Meet their needs
- Keep satisfied

**LOW POWER, HIGH INTEREST**
- Show consideration
- Keep informed

**LOW POWER, LOW INTEREST**
- Least important
- Minimal effort

**HIGH POWER, HIGH INTEREST**
- Key player
- Engage closely

---

**Figure 1:** The power and interest matrix (Johnson and Scholes, 1999)

---

**Table 2:** Stakeholder relationships

<table>
<thead>
<tr>
<th>High power, low interest: Keep satisfied</th>
<th>It is important that this group is kept satisfied. Keeping this stakeholder group from developing a high level of interest means reassuring them that the project is progressing as planned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low power, high interest: Keep informed</td>
<td>You should keep this stakeholder group informed because they have a high level of interest in the project. In order to manage this stakeholder group, it is necessary to provide enough information to the stakeholder to justify project plans and avoid resistive behaviours.</td>
</tr>
<tr>
<td>Low power, low interest: Minimal effort</td>
<td>The management of this stakeholder group requires minimal effort because they will accept what they are told by others and can be easily influenced.</td>
</tr>
<tr>
<td>High power, high interest: Key players</td>
<td>This group of stakeholders are “key players”. It is important to invest in the relationship with this stakeholder group and educate them on the project plans in order to get them on board. Management of this group requires consultation and strong communication to avoid restrictions in project implementation.</td>
</tr>
</tbody>
</table>

In many ways, these stakeholder relationship strategies are obvious but it is the stakeholders who have high power and seemingly low interest, which are, according to Johnson and Scholes (1999), the most difficult to develop an engagement plan for. Although they may appear as if they have little interest in your project, if they start showing more interest in your project or organisation they pose a greater risk from underinvestment in the stakeholder relationship.
Furthermore, mapping stakeholders in this way assumes that stakeholders have a static position, which is fixed throughout the life cycle of a project or the organisation. The reality is that a stakeholder’s interests may change because of a changing context. So, for example, shareholders have shown in the past little interest in the levels of executive pay, approving the recommendations of remuneration committees. However, the increased interest and discontent with the gap between pay and performance has meant that more recently shareholders as a stakeholder group are rejecting recommendations and putting pressure on organisations to manage excessive executive pay.

**OVER TO YOU**

**Activity 3: Why would stakeholder positions change?**

Consider the stakeholder list you used in Activity 7 in Chapter 1. Think about reasons why these stakeholders may change their position in the future. What issues are most likely to change the stakeholder positions? How does this help you build a picture of the issues that are important to the stakeholder groups?

---

**Stakeholder triage**

Clayton (2014) introduced the concept of **stakeholder triage** to provide a quick way of grouping stakeholders by evaluating them against a limited but salient range of criteria. This analysis method seeks to help you prioritise which stakeholders to focus on. Clayton (2014) concentrates on two dimensions:

<table>
<thead>
<tr>
<th>Stakeholder impact</th>
<th>The stakeholder’s ability to affect your project or organisation through their power or influence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder attitude</td>
<td>The emotional state that accompanies a stakeholder’s interest or concern.</td>
</tr>
</tbody>
</table>

**Table 3: Stakeholder triage (Clayton, 2014)**
Clayton (2014) offered four strategies to proactively manage strategic stakeholder relationships to negate possible resistance to your project or organisational strategy:

**Woo and win**
This involves spending time with the stakeholders and focuses on building a close relationship that goes beyond simply informing them, but still keeping them involved in discussions regarding areas of influence. Ensuring your actions are ethical, the purpose is to win over the stakeholder to avoid resistance.

**Support and encourage**
Although these stakeholders are unlikely to obstruct your project, they do require your support to help them promote what you are doing.

**Engage and harness**
The group has the potential to have a significant impact on your project. Invest time to win their support and co-opt them into endorsing you as part of your woo and win campaign.

**Monitor and outvote**
Although these stakeholders have a low potential impact, you should be prepared to spend some time influencing a group that, although has weak power and can be outvoted, may have a greater impact if their resistance increases.
Activity 4: How to woo and win

Watch the video “How to Manage a Great Project – Stakeholder Triage”: https://www.youtube.com/watch?v=8cNZvFPSHwk

Working in pairs if possible, consider methods that you could adopt to woo and win stakeholders.

For example, inviting the stakeholder to a corporate away day activities such as a sporting fixture.

Forcefield analysis

Developed by Lewin (1951), Force Field Analysis is a method which can be used to inform your decision making in regards to your strategic stakeholder relationship management plan. It provides a visual overview of the strength of different forces and their source, which impact upon a project or organisational change issue. For example, an organisation may be driven to change to remain competitive in the market place and avoid their product or service becoming obsolete. At the same time, a lack of resources or the cost of new product development may be a restraining force.

![Forcefield Analysis Diagram](image)

Figure 3: Force field analysis (Lewin, 1951)
Lewin’s Force Field Analysis was adapted for stakeholders by various authors including Connelly (2015). When you have identified the particular project area of change that will affect your stakeholder group, which you are going to conduct a force field analysis on, you will need to consider all the forces that impact upon the project or strategy and capture them as common themes. These will be captured as driving forces that support the project, policy or restraining forces, which will impact the change negatively. Once all the themes have been captured, categorised force field analysis weighs the magnitude of that force in relationship to the other forces. This can be done using a Likert scale from one (weak) to five (strong). The totaled scores will provide you with an understanding as to whether the restraining forces are greater than the driving forces, or vice versa, which can help inform your decision making as to whether the project or policy may face too much opposition for it to be viable. If the forces are out of balance then there will be change in what Lewin termed as the social equilibrium. However, depending on the strength of the force, this will determine whether the change that occurs is desired.

Force field analysis provides another tool that assesses which stakeholders are a driving force or a restraining force and the strength and impact of their opposition. Like the sociogram captured in Chapter 1, it also brings the opportunity to cluster the stakeholder support and resistance around particular themes, which would enable you to develop an engagement plan to woo and win over specific stakeholders and move them through change.

**OVER TO YOU**

**Activity 5: Conduct a force field analysis**

Pick a project task or policy change related to your workplace or studies.
- Which stakeholders are affected or could affect the project task or policy change?
- What priorities and concerns do those stakeholders have regarding the project task or policy change? Group these issues into themes.
- List the themes in two columns: Driving forces and Restraining forces.
- Now weight these themes in accordance to the impact that force will have on the project task or policy change, from 1 (weak) to 5 (strong), and add these to your analysis.
- Add up the weighting for the driving forces to arrive at a total force weighting, and repeat for the restraining forces.
- What do the scores tell you about the actions you may have to take to woo and win over specific stakeholders?

For example, completing a class assignment.

**Driving Forces** include: achieving a good grade, passing the course, competitive job markets, job opportunity, sense of achievement, progressing onto the next module, avoiding getting into trouble with tutor/parents, other coursework deadlines and needing to keep on top of workload.

**Restraining Forces** include: part-time job, family commitments, new film at the cinema, opportunity to go out with friends, commitments to sports club, difficulty in getting hold of research materials, feeling stressed and procrastination over settling down to do the assignment.
Transformers

An additional stakeholder analysis tool offered by Clayton (2014) is that of the stakeholder impact chart, which allows you to graphically represent the impact on two dimensions: the motivation to help or hinder and the potential impact. The chart separates the stakeholders who are supportive and those who are critical of your efforts, as well as examining the strength of the relationship that you have with the stakeholder. Clayton (2014) offers four levels of stakeholder based on impact:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bystander</td>
<td>Low impact stakeholders who are little more than observers in the process.</td>
</tr>
<tr>
<td>Tinkerer</td>
<td>Marginally more impactful than a bystander, the tinkerer will make attempts at improving or repairing elements of the project but their involvement remains casual.</td>
</tr>
<tr>
<td>Modifier</td>
<td>The impact of this stakeholder can result in minor changes to the project but their impact is not as great as that of a transformer.</td>
</tr>
<tr>
<td>Transformer</td>
<td>These stakeholders have the potential to be game changers, transforming the project (positively or negatively).</td>
</tr>
</tbody>
</table>

Table 5: Types of stakeholder and their impact (Clayton, 2014)
2.2 Prioritising resources for an engagement plan from a strategic perspective

Stakeholder engagement is iterative of the process of activity between the organisation and the stakeholder, aimed at developing a broad and inclusive consensus of project planning and performance. During this process, it is important that you prioritise the use of resources in relation to a particular project to develop an efficient and effective engagement plan. The strategic plan should seek to develop collaborative partnerships with key players, apex stakeholders and manage potential risk with stakeholders, who during the initial analysis are identified as being of low interest and low influence/power.

Stakeholder engagement

A stakeholder engagement plan provides a structure as to how each stakeholder relationship will be managed, based upon the type of relationship and how strong it needs to be. This is done in order to achieve your project or organisational strategic objectives, which we identified earlier using the Mendelow Matrix (Chapter 1.2) and Stakeholder Mapping: Power and interest matrix (Chapter 2.1).

Clayton (2014) developed a simple stakeholder prioritisation tool to evidence the priority that should be given to stakeholders in regards to prioritisation. He identified three tiers of stakeholder:
Tier One

Identified as “customers, shareholders, directors, senior managers and key managerial and operational staff” (Clayton, 2014: p. 180), these stakeholders should be treated with greater levels of differentiation with a strategy that is narrowly tailored and customised to their needs.

Tier Two

These stakeholders are “statutory, regulatory and compliance stakeholders to whom legislation or policy gives you responsibility,” and although some segmentation is required in regards to stakeholder engagement, the engagement activities are more consolidated than those used in Tier One.

Tier Three

The remaining stakeholders, classed as “all other stakeholders”, are parties who you choose to engage with, either because it is ethical, for reasons of fairness, or because it helps manage a risk. The engagement activities for this group are broad and generic.

Table 6: Three tiers of stakeholder prioritisation (Clayton, 2014)

![NEED TO KNOW: STAKEHOLDER PRIORITISATION](Revision on the go)

Figure 5: Stakeholder prioritisation (Clayton, 2014)
Different strategic postures can be used to identify the engagement strategy that will be used for each stakeholder including:

1. **Accommodating** – making significant concessions to the stakeholder (for example, including stakeholder requests for changes in your project plan).

2. **Collaborating** – working together with the stakeholder (for example, partnerships or alliances).

3. **Consulting** – active consultation (for example, navigating complex issues to arrive at a mutually beneficial compromise).

4. **Informing** – sharing information openly (for example, being transparent in what information is shared regarding the plans for the project).

5. **Promotional** – influencing the stakeholder through persuasion (for example, using marketing material and promotional tactics).

6. **Defensive** – defending your position with strong counter-arguments (for example, providing a frequently asked questions sheet).

7. **Assertive** – fighting to maintain organisational stance (for example, suppressing reports that contradict your desired position).

---

**CASE STUDY: STAFF BOARD GETS SMART**

**Aisha develops a plan**

The staff board was a newly created internal project group that had been implemented by the people director. Aisha, along with six of her colleagues, had been invited to become members of the staff board. However, the remit of the board was vague and there was significant debate among the team as to what it was the staff board were allowed to do.

**Setting a purpose**

Following some work with a consultant, the staff board set out a clear vision of what it was that they wanted to achieve as a team. For many members of the group, this meant that they were stretching the boundaries of what they thought might be allowed by the senior management team, but were encouraged to consider how to influence internally to ensure that they got the necessary buy in, support and budget allocation to achieve their purpose.

**The stakeholders**

The staff board identified who their stakeholders were and the influence/power and interests of each of them. They realised that each of the board of directors had a different reason for potentially supporting the staff board, but if the project group could get all the directors on board, many of their desired goals could be facilitated. They also realised that they would need to engage with the employee base and other managers in the business to buy in to their purpose and temporarily bring people onto the various projects that the staff board wanted to get involved with.
Chapter 2
Engaging with Stakeholders

A Tier 1 engagement plan

A customised communication plan was devised for each of the individual’s directors. This included what the content of the communication would be, who would be responsible for making it happen, and also a plan to engage with the directors’ intrinsic motivation by appealing to their social nature and matching the staff board members with directors as their mentors. A communication plan was worked out for different department heads depending upon their particular interest in what the staff board would have to offer.

Long-term preparation to achieve the desired goal

The stakeholder engagement plan was executed as scheduled and after three months representatives of the staff board were called upon to present their strategic priorities to the board of directors. Having spent several months building a coalition of support, the staff board’s purpose was unanimously signed off, budget was allocated and several managers had already signed off the secondment of their staff to key project proposals.

Clayton (2014) offers a variety of strategies using the strategic postures measured against two dimensions: the level of engagement and the level of collaboration. The result is a comprehensive set of recommended stakeholder engagement strategies (Clayton, 2014: p. 184).

<table>
<thead>
<tr>
<th>AVOID – Withdrawing from stakeholders</th>
<th>COLLABORATE – Working with stakeholders</th>
<th>COMPETE – Working against stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concede</td>
<td>Accommodate</td>
<td>Assist</td>
</tr>
<tr>
<td>Appease</td>
<td>Placate</td>
<td>Support</td>
</tr>
<tr>
<td>Notice opportunities</td>
<td>Take opportunities</td>
<td>Look for opportunities</td>
</tr>
<tr>
<td>Avoid</td>
<td>Monitor</td>
<td>Respond</td>
</tr>
<tr>
<td>Identify risks</td>
<td>Guide</td>
<td>Scan for problems</td>
</tr>
<tr>
<td>Outvote</td>
<td>Counter</td>
<td>Defend</td>
</tr>
<tr>
<td>Over-rule</td>
<td>Manipulate</td>
<td>Dominate</td>
</tr>
</tbody>
</table>

Figure 6: Stakeholder engagement strategies (Clayton, 2014)
Stakeholder benefits matrix

Atkinson (1999), in reviewing the benefits that could be considered as success criteria in project management, suggested measurable benefits for the stakeholder community. These include:

- satisfied users
- social and environmental impact
- personal development
- professional learning
- contractors profit
- capital suppliers
- content project team
- economic impact to surrounding community

“See the big picture… be aware of the results expected… and look for long-term benefits.”

Shenhar (1997)

The benefits register is a tool that records all the positive outcomes associated with the programme, usually in relation to particular stakeholders. It involves four key phases:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify</td>
<td>Identify who the main stakeholders are, how they fit in regards to their interest, who they are connected with and how they can influence positively or negatively.</td>
</tr>
<tr>
<td>Assess</td>
<td>Determine the resources that the stakeholder commands, what you want from them and what information and/or benefits they want from you. This is a starting point for understanding why resources should be allocated to engage different stakeholders.</td>
</tr>
<tr>
<td>Plan</td>
<td>Clarifying how stakeholders wish to receive information, whether or not they like to communicate and how often.</td>
</tr>
<tr>
<td>Risk/Benefit analysis</td>
<td>Finally, a risk/benefit analysis will be needed to identify what opportunities and threats the stakeholder poses and how this might be negated.</td>
</tr>
</tbody>
</table>

Table 7: Key phases of the benefits register (Atkinson, 1999)

Clayton (2014) suggested a key question that needs to be answered: “What is in it for the stakeholder?” This is where the benefits matrix tool provides a valuable addition to stakeholder management.
### NEED TO KNOW: STAKEHOLDER BENEFITS MATRIX

<table>
<thead>
<tr>
<th>Programme benefits</th>
<th>No. 1</th>
<th>No. 2</th>
<th>No. 3</th>
<th>No. 4</th>
<th>No. 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit 1</td>
<td>wholly</td>
<td>partially</td>
<td></td>
<td>wholly</td>
<td></td>
</tr>
<tr>
<td>Benefit 2</td>
<td>partially</td>
<td></td>
<td>wholly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit 3</td>
<td>wholly</td>
<td>wholly</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adverse impacts</th>
<th>No. 1</th>
<th>No. 2</th>
<th>No. 3</th>
<th>No. 4</th>
<th>No. 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>partially</td>
</tr>
<tr>
<td>Impact 2</td>
<td>wholly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact 3</td>
<td>wholly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 7:** Stakeholder benefits matrix (Clayton, 2014)

### OVER TO YOU

**Activity 6: What do they want?**

Write the name of two stakeholders from your workplace or studies with which you are familiar. List them in the table below.

Identify what resources these stakeholders command and what it is that you want from them.

Review the success criteria list offered by Atkinson (1999).

What are the benefits and adverse impacts that are relevant to your stakeholders? Consider whether the stakeholder is wholly or partially impacted and complete the matrix below.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources they command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What do we want from them?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Inter-relationship between stakeholders

As explored in Chapter 1.2, the inter-relationship between stakeholders can be mapped using an inter-relationship map. Using language associated with internet networks, Clayton (2014) suggests several roles in a social network that are played by stakeholders. These include:

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hub (H)</td>
<td>The centre of the inter-relationship structure between stakeholders, the hub has significant influence over other stakeholders and has a high number of social connections.</td>
</tr>
<tr>
<td>Connector (C)</td>
<td>The bridge between several distinct stakeholder groups, the connector is well connected but is less influential than the hub. Their relationship between stakeholder groups enables them to be conduits of communication, sharing information and as such influencing perceptions of truth.</td>
</tr>
<tr>
<td>Feeder (F)</td>
<td>Although often on the outside of a group, the feeder does have the ability to feed into a group through strong relationships and therefore is impactful and influential, with their ideas heard.</td>
</tr>
<tr>
<td>Outlier (O)</td>
<td>An external contributor, their inter-relationship with other stakeholders is weak.</td>
</tr>
</tbody>
</table>

Table 8: Stakeholder roles in a social network (Clayton, 2014)
Resource planning

In planning your stakeholder engagement campaign, there are three factors that need to be taken into account:

- **People** – who will be responsible for engaging with activities, formalised roles and responsibilities with regards to stakeholder management.
- **Time** – setting key deadlines when certain actions needs to be completed. These milestones set out the significant events or stage in the life, progress and development of the engagement campaign.
- **Budget** – what financial resources will be allocated to what activities; how much and when.

### 2.3 Reviewing the success of engagement plan objectives

The purpose of reviewing the success of engagement plan objectives, including from the perspective of the organisation and its stakeholders, is to ensure that you are aware of how effective the implementation of your engagement plan is in comparison to your engagement plan. This enables you to be in control of the stakeholder engagement process and make adjustments to ensure that the stakeholders are being engaged appropriately.

#### Check the receipt and understanding of the message

There are a number of methods that can be used to check the receipt and understanding of the message by key stakeholder groups. For example:
Engaging with Stakeholders

Chapter 2

Survey
One way of getting information from a stakeholder is to conduct a survey to monitor their attitudes. This is an appropriate method if you have a large number of stakeholders, for example, a student survey by a college. Time must be spent ensuring that precise questions are used which are valid and reliable.

Focus group
A focus group is a more personal method of surveying the attitudes of stakeholder groups. A selection of participants, who are representative of the stakeholder group as a whole, are invited to a facilitated discussion that is designed to understand what they think about a particular topic.

Observation
Where you are in close contact with the stakeholder group, it is possible to observe their actions and monitor their attitudes based on their behaviour.

Response rates
Monitoring the response rate to a survey will enable you to understand whether the project or organisational strategy is well received by stakeholders. A good response rate would suggest that stakeholders believe there is value in responding, suggesting that they are engaged in the process.

Click through rates
Stakeholder engagement can also be monitored in quantitative terms when reviewing the proportion of individuals who have followed a hypertext link to a particular website. This click through rate is a common measure of success for online campaigns.

Table 9: Methods to check stakeholders’ understanding

OVER TO YOU

Activity 7: A survey of student stakeholders

As students, you are key stakeholders for your educational establishment. If available, find the student survey results for your college. If not, locate some for an establishment online.

• Review the questions that were asked in the survey. What do they tell you about the engagement objectives of the college?

• Critically evaluate the survey results. What do the results tell you about how engaged the students are with these objectives?

For example: www.topuniversities.com
Review success of the engagement plan

The strategic stakeholder relationship engagement plan is not a linear process, but requires monitoring of the successful implementation of the engagement plan over a period of time against the objectives set. Being aware of how the engagement plan is performing, collecting and analysing data in relation to progression can be done in a number of ways.

Monitoring the stakeholder engagement progress involves becoming aware of the success of your implementation versus the desired performance that you planned for. Progress can be monitored formally or informally, with a regular schedule for reporting progress. A performance audit enables you to monitor the response to the engagement plan in terms of stakeholder perceptions and attitudes. Data can be collected using surveys, focus groups and observation (see previous section), and this can illustrate progress made using a chart showing average attitude over time. This will give an understanding of the stakeholder engagement trend and the evolution of stakeholder attitudes over time.

A stakeholder balance sheet can be used to provide an understanding of the position of stakeholders at a given point in time. This separates stakeholders into two categories:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>These are stakeholders that are positive about the project and supportive of the objectives laid out.</td>
<td>These stakeholders are resisting change and may provide a barrier to future progress.</td>
</tr>
</tbody>
</table>

Table 10: Stakeholders as assets or liabilities

Over time you can capture those stakeholders who have moved from being liabilities to assets and examine the work that still needs to be done to maintain stakeholders in the asset category and invest in the stakeholders who are liabilities.

CASE STUDY: MONITORING STAFF ATTITUDES DURING A CHANGE PROGRAMME

Dhruv conducts an employee opinion survey

The organisation that Dhruv was working for was merging with another, bigger organisation. The change was significant and involved a phased integration of systems, teams and organisational structure. The merger was complicated, involving a number of restructures and some redundancies. The concerns for the senior management team were how to maintain motivation and staff engagement during the merger process.

The employee opinion survey

Both companies had a history of running an annual employee opinion survey (EOS) to monitor overall staff satisfaction. It was decided to run a shorter opinion survey specifically focused on the feelings of staff around the change process. It was decided that a survey would be sent out prior to the merger starting and then at regular intervals, specifically when key milestones were achieved, such as the completion of consolidating the finance function.
Monitoring engagement trends over time

Unsurprisingly, staff engagement and motivation levels dropped once the implications of the merger were under way. The survey allowed Dhruv and his team to analyse which particular departments were struggling the most. The senior management team were advised on the trends emerging; action plans were put in place to increase the use of management availability to answer questions and present progress reports on the merger. Feedback forums were to be used to find out what could be done to improve staff morale.

Although the results of the EOS were depressed, the use of the survey allowed Dhruv to develop action plans to manage areas which were particular struggling and provide advice to managers as to what support was needed and where.

Following the merger, it became clear that engagement levels were increasing again and that the work done over the change process was achieved during a difficult period.

2.4 Recommend strategic changes

Each stakeholder engagement project has distinct phases, which leads to needing to make different strategic changes in order to respond to stakeholder perceptions and/or adapt to changing conditions.

The progression through the change cycle stages will dictate what messages should be delivered and what interventions can be used to deliver those messages. Using Lewin’s (1947) three-step change model, Clayton (2014: p. 194) identified a progression plan – change programme.

![Progression plan – change programme](image)

Figure 8: Progression plan – change programme (Clayton, 2014)
Revise messaging and/or media

Using the media to ensure that stakeholders receive and/or retain the message for the purposes of engagement with key stakeholders in line with objectives requires specialist advice and knowledge from people who have a background in public relations. There are three types of media, which can be used to engage stakeholders, these include:

- **Broadcast media** – such as radio and television.
- **Print media** – such as magazines, newspapers and journals.
- **Web media** – such as podcasts, blogs, vlogs and social media.

Monitoring the change in stakeholder perspectives means that the sources of change explored in Chapter 1.1, SPECTRES can be reviewed to understand how your media campaign is impacting stakeholder engagement.

Stakeholder perceptions can be measured using a number of evaluation methods. This requires you to adopt a systematic assessment methodology to identify the impact that your engagement plan is having on stakeholder perceptions in order to provide direction as to how to respond to changing conditions and adapt the engagement plan. The key question to ask yourself is what evidence you need to identify perception. There are a myriad of data sources available to gain insight into stakeholder perceptions.

**Qualitative measures**

Qualitative measures are based upon opinions, motivations and underlying reasons. This may include measures such as:

- **Shareholder reports**: providing insights into the opinions of stakeholders who have a vested interest in your project or organisation.
- **Stakeholder mapping**: identifying shifts in political strength, personal power or hierarchical authority of groups and individuals of your identified stakeholder group.
- **Surveys**: employee opinion survey, customer feedback, market research data, brand value and cultural health checks to identify shifting opinions of stakeholder groups.
- **Proficiency**: benchmarking, continuous improvement, productivity, performance management.

**Quantitative measures**

Quantitative measures are based upon facts and figures. This may include measures such as:

- **Trading figures**: revenue, cost, price and profit.
- **Customer Insight**: number of customer complaints, customer satisfaction, survey and market data, retention.
- **Supplier Information**: favourable trading terms, supplier feedback survey and fulfilment of orders.
- **Regulation**: compliance levels, regulator reports and recognition of meeting industry standards, such as quality marks.
Carrie makes university a hub of HR

A few years ago I began working as a programme lead on an MA Human Resource Management (HRM) programme at a local university. The programme had been running for nearly 30 years and was in significant decline after years of mismanagement. My tenure coincided with an opportunity to change how the programme was run, reformatting the programme to a blended learning programme that was in line with market needs. However, the biggest barrier to recruiting students was the poor reputation of the programme in the local business community.

A PR campaign

Working with the marketing department at the university, a number of press releases were created that introduced me as the new MA HRM programme leader, sharing the vision for the new style programme and the university as a hub of HR and a feature of the new cohort of students joining the university as the start of the academic year. The website was updated with similar information and a social media campaign was started to give HR insights via the HR hub Twitter account. I was filmed for an informational video seminar on “what is Human Resource Management”, which was broadcasted on an open source learning portal.

The result

The new blended learning programme introduced was successful and the university hosted a HR panel event, which included the chief executive of the HR professional body in the UK. Regular HR seminars and learning events were attracted to the university, including the local HR directors forum, which began meeting on the university campus. Student numbers in Year 2 of the programme tripled and the reputation of the programme began to improve significantly.

Activity 8: The impact of a media campaign

If you are part of a class, work in groups to critically review a recent national or local political campaign that took place in your country or one that you are familiar with. Research the broadcast, print and web media that was used by the parties involved in the campaign.

- What does your research reveal in regards to changes made by the campaigning parties in their messaging?
- What were the changes made in response to? Refer to SPECTRES.
- What impact did the media used have on stakeholder engagement? It may help to review opinion polls on voting intentions before, during and after the campaign.
- In your opinion, was the campaign successful or unsuccessful? Give reasons for your answer.
Balanced stakeholder engagement scorecard

Kaplan et al (2005) introduced the concept of the balanced scorecard to create measures across a range of different parameters to ensure that work is not effective in one area at the expense of effectiveness in other areas.

Using the balanced scorecard means you can consider four distinct perspectives relating to the stakeholder engagement objectives. Clayton (2014: p. 206) renamed the four criteria to develop a balanced stakeholder engagement scorecard. He named these as:

<table>
<thead>
<tr>
<th><strong>Efficacy</strong></th>
<th>Efficacy is the ability to produce the desired result. It has some links to Kaplan et al (2005) internal process evaluation criteria. In the balanced stakeholder engagement scorecard this is focused on:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• identifying stakeholders</td>
</tr>
<tr>
<td></td>
<td>• stakeholder analysis</td>
</tr>
<tr>
<td></td>
<td>• stakeholder engagement planning</td>
</tr>
<tr>
<td></td>
<td>• actions versus plan</td>
</tr>
<tr>
<td></td>
<td>• results</td>
</tr>
<tr>
<td><strong>Ethics</strong></td>
<td>Ethics relate to the principles guiding behaviour. The areas focused on in the balanced stakeholder engagement scorecard are:</td>
</tr>
<tr>
<td></td>
<td>• monitoring and compliance processes</td>
</tr>
<tr>
<td></td>
<td>• training and familiarisation</td>
</tr>
<tr>
<td></td>
<td>• practices and complaints</td>
</tr>
</tbody>
</table>
Impact evaluates the effect that the actions taken during the stakeholder engagement process have had on stakeholder engagement, positively or negatively. There is some alignment with the financial evaluation criteria outlined by Kaplan et al (2005), which monitors the performance and resources used. In the balanced stakeholder engagement scorecard this includes:

- benefits and burdens
- environment and societal costs and risks

Finally, alignment refers to the position of various elements of the stakeholder engagement process. This is similar to the customer/stakeholder evaluation criteria proposed by Kaplan et al (2005). In this model it includes:

- the alignment of engagement practices to organisational values
- the alignment of engagement goals to organisational goals

Table 11: Criteria to develop a balanced stakeholder engagement card (Clayton, 2014)
**Stakeholder engagement management maturing levels**

Carroll and Buchholz (2014) offer three maturing approaches to stakeholder engagement management. The three approaches are:

<table>
<thead>
<tr>
<th>Strategic</th>
<th>This approach considers stakeholders from the perspective of reducing resistance and avoiding stakeholder reprisals. It is an instrumental view, which perceives stakeholders as being useful but having to be rendered as a means to achieving project or organisational goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-fiduciary</td>
<td>This measures the fiduciary responsibility that an organisation has to its stakeholders who have economic or legal power that must be managed. This offers a wider definition of fiduciary responsibility beyond simple shareholder return on investment.</td>
</tr>
<tr>
<td>Stakeholder Synthesis</td>
<td>Reaching beyond the economic impact of the organisation’s activities, the stakeholder synthesis approach introduces the unseen responsibilities of the organisation, including its ethical and moral responsibilities.</td>
</tr>
</tbody>
</table>

Table 12: Approaches to stakeholder engagement (Carroll and Buchholz, 2014)

Clayton (2014) introduced basic stakeholder engagement management maturity model. This includes five levels of stakeholder management that an organisation or project leader may progress through as their stakeholder engagement process becomes more sophisticated:

<table>
<thead>
<tr>
<th>1</th>
<th>Ad-hoc</th>
<th>Informal process owned by individuals as there is no formal recognition of the need for stakeholder management.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Novice</td>
<td>Developing awareness of the need to systematise stakeholder management. Some generic guidelines issued but no formal training or uniformity of tools.</td>
</tr>
<tr>
<td>3</td>
<td>Repeatable</td>
<td>Documented stakeholder management processes and policies, clear responsibilities and limited training offered. A simple, centrally held tool kit is available.</td>
</tr>
<tr>
<td>4</td>
<td>Managed</td>
<td>Stakeholder management is formalised with the establishment of clear metrics and implementation and decision-making guidelines. Formal best practice procedures are followed with formal training and sophisticated tools being made available.</td>
</tr>
<tr>
<td>5</td>
<td>Embedded</td>
<td>Stakeholder management and the engagement process is part of the culture of the organisation. Skills, knowledge, techniques and tools are all reviewed and updated on an ongoing basis. Recognition is given to individuals demonstrating expertise.</td>
</tr>
</tbody>
</table>

Table 13: Levels of stakeholder management (Clayton, 2014)
**Stakeholder management maturity model**

- Ad-hoc
- Novice
- Repeatable
- Managed
- Embedded

![Figure 10: Stakeholder management maturity model (Clayton, 2014)](image)

**READING LIST**

- David Foster, Jan Jonker, (2005) “Stakeholder relationships: the dialogue of engagement”, *Corporate Governance: The international journal of business in society*, Vol. 5 Issue: 5, pp.51–57. (This article will be available in your online student resources.)

**Summary**

Making time to critically analyse the strategic relationships that an organisation has with its stakeholder in order to decide how best to engage with them will enable those involved to understand what is driving the behaviour of stakeholders throughout the project or organisational strategy life cycle. Very often, it can seem like particular individuals or groups are being deliberately obstructive and resisting change without good reason. However, most people want to succeed and their attitude may be driven by misunderstanding or a genuine belief that the actions being taken are detrimental to success.

Analysing stakeholder relationships therefore is simply about understanding the response of stakeholders to a particular situation and how that response can impact, positively or negatively, on the progress of the project.

An engagement plan needs to be devised to prioritise resources in relation to managing stakeholder perspectives and making a plan for how best to utilise the people, time and budget allocated to the project.

The constantly changing nature of the organisational context means that it is necessary to review and recommend changes in order to successfully engage with stakeholders and respond to changing conditions. As the approach that an organisation takes to stakeholder management matures, the process of stakeholder engagement will become more embedded in the way things are done within the organisation.
Introduction

A stakeholder engagement communication plan considers what communication methods will be used and what message will be delivered at what point in the communications schedule, which runs throughout the entire project or organisational strategy. Stakeholders should be segmented to receive messages, which vary in frequency, method and content. It is important that communication happens throughout each phase of a project and it is a fundamental part of stakeholder management and engagement.

Learning outcome

On completing the chapter, you will be able to:

3 Develop relevant communication approaches and messages that would be used at each stage of the stakeholder engagement plan.

Assessment criteria

3 Develop relevant communication approaches and messages that would be used at each stage of the stakeholder engagement plan.

3.1 Justify the key components of the message that need to be communicated, customising it for different stakeholder groups as necessary in relation to a specific project.

3.2 Recommend, with justification, communications that will engage the key strategic stakeholders for a particular project in line with its objectives.
Background

A communication plan encompasses more than simply deciding whether the communication method should be face-to-face, written, online or broadcast in order to ensure your message reaches your stakeholders.

A communication plan builds upon the analysis of strategic stakeholder relationships (see Chapter 1 and Chapter 2). It helps to describe the nature of the message, the scope of the communication and the meaning behind the communication plan choices made. Through the life of the project or the organisational strategy the communication strategy will overlay, the stakeholder engagement plan identifies what interests the communication needs to address directly, defining what information is shared with the stakeholder and how often they receive communication. These decisions are based upon stakeholder priorities and the level to which they affect, or are affected by the project or organisational strategy.

"Strategic thinking in terms of forms of communication, degree of collaboration, development of policies or programs, and allocation of resources, will need to be thought through very carefully."

Carroll and Buccholtz (2014)

The communication plan therefore defines how you choose to engage with different stakeholder groups, dictating the format, frequency and content of the communication you choose to utilise.

Activity 1: Communication strategy

Read the article by Sherry Finney, (2011) “Stakeholder perspective on internal marketing communication: An ERP implementation case study”: (This article will be available in your online student resources.)

Finney (2011) states that “Communication strategy, particularly, is one area that requires a tailored approach to meet stakeholder needs.” Critically evaluate this statement.
3.1 Key components of the message that need to be communicated

When developing stakeholder communications, you must be prepared to justify the key components of the message that you need to communicate, ensuring you customise it for different stakeholder groups as necessary in relation to a specific project.

Crafting the message to achieve strategic intent

Communication planning requires that you start with what Stephen Covey (1989) calls “the end in mind.” This means deciding what outcome you want in regards to stakeholder engagement with the communication and what tone you need to set in order to achieve that outcome. When crafting your communication message, you need to ensure it is:

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear</td>
<td>The message needs to be unambiguous, easy to understand and avoids language which can be misinterpreted.</td>
</tr>
<tr>
<td>Consistent</td>
<td>Different messages to the same and different stakeholders must be compatible, avoiding conflicting information or contradictions.</td>
</tr>
<tr>
<td>Targeted</td>
<td>The communication is aimed at a specific audience, both in terms of a communication channel and in a way that they would like to be communicated with.</td>
</tr>
<tr>
<td>Compelling</td>
<td>The message should invite stakeholders in, arousing their curiosity to find out more and be meaningful.</td>
</tr>
<tr>
<td>Persuasive</td>
<td>The message should be crafted to change how the stakeholder thinks about the project or organisational strategy.</td>
</tr>
<tr>
<td>Powerful</td>
<td>As well as being memorable, a powerful message will be a call to action, resulting in the stakeholder doing something, or doing something differently, as a result.</td>
</tr>
</tbody>
</table>

Table 1: Crafting a communication message
Activity 2: The strategic intent of corporate communications

Choose an organisation with which you are familiar. Search the website for investor information and download a copy of the shareholders’ annual report. Working with a partner, critically review the document to identify the stakeholder message.

- What is the strategic intent behind the messages in the annual report?

Critically evaluate the message against the following criteria. Is it:

- Clear?
- Consistent?
- Targeted?
- Persuasive?
- Powerful?

Crafting the message to achieve strategic intent

Figure 1: Crafting a message to achieve strategic intent
Adapting messaging

If stakeholder communication is to be effective, the message will need to be adapted to ensure it is relatable to the targeted stakeholder group. The stakeholder pyramid illustrates how to change your engagement and communication strategy according to the importance of the stakeholders:

![The stakeholder pyramid (Clayton, 2014)](image)

**Figure 2:** The stakeholder pyramid (Clayton, 2014)

Another way to make your message compelling to the audience is to challenge the stakeholder with a question, which can be repeated throughout the message and engages with them to want to find out more. A provocative question can cause stakeholders to want to seek out an answer, and as such, structured communication around questions and answers will incite curiosity.

Frequently asked questions (FAQs) are a list of common questions and answers which relate to a specific topic.

**Activity 3: Questions and answers**

Write a list of questions and answers relating to your favourite film or book. Craft these into a compelling communication to persuade someone to see the film or read the book.
Storytelling

Stories can be used as a gentle form of persuasion because they build trust whilst allowing the one telling the story to control perceptions. Stories have been used to develop culture memories for as long as human society has existed. Stories record our history in a memorable way, establishing context and creating a curiosity in the listener to want to know more.

According to Heath and Heath (2007), stories are one of six key principles that contribute to ‘sticky’ (memorable) compelling communication. The remaining five principles are:

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simplicity</td>
<td>Keeping the communication simple and focused on fundamental points.</td>
</tr>
<tr>
<td>Unexpectedness</td>
<td>Surprise and unexpected twists.</td>
</tr>
<tr>
<td>Concreteness</td>
<td>Rich in detail with relevant examples.</td>
</tr>
<tr>
<td>Credibility</td>
<td>The story is trustworthy and believed not necessarily because it is true but because it echoes the aspirations of the listener/reader. Credibility lends ethos.</td>
</tr>
<tr>
<td>Emotions</td>
<td>A sticky story stir strong emotions. Emotion leads to pathos.</td>
</tr>
</tbody>
</table>

Table 2: Key principles contributing to compelling communication (Heath and Heath, 2007)

OVER TO YOU

Activity 4: Develop a story

Write a short story about your studies. How would you persuade a potential student to sign up to take the ABE Level 6 Diploma in Business Management? When you have finished writing your story, work with a partner to critically review your story against the five principles outlined by Heath and Heath (2007). Give your story a rating, marking it from 1 (strongly disagree) to 5 (strong agree) against each of the principles.
Go beyond logic

The whole point of stakeholder communication is to create messages that appeal to the stakeholder audience. Three modes of persuasion are identified within the framework of stakeholder communication. They are:

| Ethos          | Relates to the credibility of the messenger and whether it has the authority and expertise, which is assessed by the stakeholder to be trustworthy. Messages therefore need to be honest, consistent and credible. |

**Figure 3:** Principles of compelling communication
Pathos
Is the use of messaging to appeal to the stakeholder’s emotional needs? This appeal will either pull the stakeholder towards something by tapping into their desire, or push the stakeholder away from something through the use of fear. It consists of engaging with the self-interest of the stakeholders on an emotional level.

Logos
Logical appeal is linked to using rational argument and intellectual authority based upon facts and evidence. Messages using logos develop the case to support your argument.

Table 3: Methods of persuasion in stakeholder communication

Effective stakeholder messages will use a balance of all three elements to engage with what the stakeholder thinks, feels and believes to be true.

Ethos, Pathos and Logos

Using people’s skills to best advantage

Excellent stakeholder management requires all members of the project team to work together to play their role in the stakeholder communication plan. Each team member will need to build their own stakeholder networks and take any opportunity offered to influence stakeholders. Depending on the skill set of the team, there are wide range of ways that team members can get involved:

- informal communication with stakeholders, for example, emails, conversations etc.;
- formal meetings and stakeholder presentations;
- hosting stakeholder consultations meetings;
- acting as a facilitator at stakeholder events;
- writing content for newsletters or social media.
Whatever methods of persuasion are used, what the project team needs to do is play to the strengths of the individual team members to persuade the stakeholders. For example, if a team member has strong emotional intelligence, they will be able to contribute to the pathos of the stakeholder.

**Gentle persuasion**

Nye (1990) introduced the concept of soft power, referring to the ability to attract, co-opt and persuade. Originally linked to foreign policy, the concept focuses on the power that the influencer has in regards to attributes and achievements that provide an advantage in power games. Soft power is:

> The ability to achieve goals through attraction rather than coercion.

*Nye (1990)*

Nye (1990) argued that soft power is just as important hard power, enabling changes in behaviour in others using persuasion and attraction to avoid conflict and competition. In many ways, gentle persuasion seduces the stakeholder into co-operation.

**Behavioural economics and hidden influence**

Stakeholder management has links to behavioural economics, which is a theory of decision making that starts with the premise that human behaviour is irrational, but if we can gather sufficient data, it is largely predictable. This is relevant to stakeholder management because the behaviour of stakeholders affects an organisation’s ability to achieve its goals. Therefore, if your feedback relating to the study guide is positive, and you and your fellow students pass this module successfully, we can predict that it is likely that your tutor will encourage you to continue with your studies and use study guides in the future.

Packard (2007) researched how the advertising industry manipulated consumer hopes, needs and fears in order to sell goods and services. This goes beyond soft power, suggesting that it is possible to manipulate stakeholders into impulsive and self-destructive behaviours. The hidden influence that Packard (2007) refers to is a sinister power, which means that consumers knowingly commit irrational acts and exhorts advertisers to moderate their behaviour and focus on fact-based presentations. The same exhortation can be made to those engaging in stakeholder communication. There is a fine line between persuasion and manipulation, and it is important to keep this in mind when devising your stakeholder engagement plan.

---

**Activity 5: Is it persuasion or manipulation?**

Critically review a selection of literature from organisations that you would consider yourself to be a stakeholder of. For example, a sport club, your organisation or the college.

- Can you identify any areas where the communication from the organisation uses “soft” rather than “hard” power?
- What, in your opinion, makes a message manipulative rather than persuasive? Give reasons for your answer.
Stakeholder engagement as part of corporate culture

In an ideal world, stakeholder engagement would be part of the way things are done in the organisation. Commitment to its stakeholders enables the business to build trust with its various stakeholder groups. If engagement becomes the cultural norm for the organisation, it is possible for the organisation to manage risk and shield the organisation from threats to its financial health. A positive stakeholder engagement culture prioritises stakeholders in the decision-making process, leading to higher levels of commitment and satisfaction.

<table>
<thead>
<tr>
<th>Customer and client service</th>
<th>Relegating the “customer is always right” ethos, a corporate culture focused on staff engagement brings balance to the competing stakeholder needs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product and service development</td>
<td>There is a wider range of stakeholders involved in the early stages of product and service development.</td>
</tr>
<tr>
<td>Management and leadership</td>
<td>Leaders are consciously involved in stakeholder engagement and prioritise time spent with stakeholders.</td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>Consistency of stakeholder engagement processes is maintained through the development of policies and procedures.</td>
</tr>
<tr>
<td>Competencies and capabilities</td>
<td>Staff are trained in stakeholder engagement tools and techniques.</td>
</tr>
<tr>
<td>Incentives and performance reviews</td>
<td>Reward and punishment are used to build culture.</td>
</tr>
<tr>
<td>Stakeholder engagement processes and tools</td>
<td>The culture is supported by a foundation of principles and tools.</td>
</tr>
</tbody>
</table>

Table 4: The effect of stakeholder engagement
3.2 Justifying recommendations for communications that will engage the key strategic stakeholders

The basic approach to selecting which communication method to employ is based upon the stakeholder pyramid (see Section 3.1) and the principle that you should communicate with stakeholders in the way in which they would like to communicate.

There are a wide range of communication mechanisms which can be used to engage with your stakeholders. Clayton (2014) offers a comprehensive list of formal and informal communication methods; a few examples are given in Table 4, which he segments into modes of delivery:

<table>
<thead>
<tr>
<th>Mode</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td>Conversation, seminars, training, surveys interviews.</td>
</tr>
<tr>
<td>Distance</td>
<td>Tele-conferencing, webinars, video or messaging.</td>
</tr>
<tr>
<td>Written</td>
<td>Press releases, memos, display boards, articles, case studies, reports.</td>
</tr>
<tr>
<td>Online</td>
<td>Blogs, websites, podcasts, social media.</td>
</tr>
<tr>
<td>Broadcast</td>
<td>TV, radio, in-house magazines.</td>
</tr>
</tbody>
</table>

Table 4: Formal and informal communications methods (Clayton, 2014)

OVER TO YOU

Activity 6: Methods of communication

Working in a group, if possible, write down all the different methods of communication you can think of under the following headings:

<table>
<thead>
<tr>
<th></th>
<th>Formal</th>
<th>Informal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Due to a cacophony of information that modern stakeholders are subjected to, the chosen communication method will need to engage the key strategic stakeholders for a particular project in line with its objectives, and with its ability to make a pathway through other communication that is competing for the stakeholder’s attention.

The method chosen will be based upon the engagement approach:

<table>
<thead>
<tr>
<th>Partner</th>
<th>Communication methods need to be two-way and enable stakeholders to participate in joint learning, decision making and action planning. Informal face-to-face communication and online tools that enable sharing of information are appropriate for this stakeholder group.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborate</td>
<td>Two-way communication is still appropriate for this stakeholder group, but the engagement will need to limit responsibility and be focused on the delivery of particular tasks. Face-to-face communication methods may still be used but they will be more formal.</td>
</tr>
</tbody>
</table>
Involve

This communication method means that there is a limited two-way engagement, with the responsibility for the project sitting with you and the organisation. The communication methods are aimed at asking questions of the stakeholders and providing a channel for stakeholders to answer those questions. This communication method limits stakeholder influence to data in decision-making processes.

Engage

At this level, communication methods are a one-way channel aimed at broadcasting information to all stakeholders or stakeholder groups who are part of a targeted and segmented engagement campaign. The focus is on communicating a tailored message for the particular target audience, but uses a variety of channels such as email, webinar, and newsletters to reach a larger audience.

Inform

Broad one-way communication with information that is available in the public domain and relies on the stakeholder choosing to pay attention to the engagement message. In many ways, the communication methods chosen at this level add to the communication noise that you are trying to cut through to engage with key stakeholders at the partner and collaborate level. Stakeholder messages at this level rely on the stakeholder choosing to engage with the information provided.

Table 5: Partner engagement approaches

Critique of different communication methods

Different communication methods for distinctive stakeholder segments can cause problems, both for the stakeholder and for your ability to devise a stakeholder communication plan. Despite the exhortation to engage in two-way communication to partner, collaborate and involve, the majority of stakeholders are subject to an overreliance on one-way communication methods. It could be argued that the behaviour of individuals devising stakeholder communication is related to the behavioural economics (see Chapter 3.1) notion of irrationality, whereby, although you know that face-to-face two-way communication is the correct strategic choice, time and financial resource constraints result in the use of communication methods being chosen because they are the simplest to execute. The end result is that less time is spent on face-to-face consultations with stakeholders who are less influential. Making use of stakeholders with low influence/power could engage their levels of interest, subsequently increasing the potential to positively impact upon stakeholder goodwill.

If stakeholder analysis is inaccurate or based on a static snapshot in time, the communication methods chosen may be inadequate to positively influence stakeholder adoption of your project or organisation strategy. As discussed in the diffusion of innovation section (see Chapter 1.2), Rogers (2003) highlighted the importance of communication channels, especially the use of interpersonal communication and relationship channels in achieving mutual understanding and successfully navigating the decision-making process to persuade individuals to adopt an innovation.

Resource considerations also need to balance the design and content advantages of printed materials with cost constraints and the speed at which it becomes redundant. Although traditional print material has been replaced by email, online surveys or online content, print is perceived as more credible than information on the internet.
Achieving an integrated approach

Clayton (2014: pp. 188–189) offers a number of campaign planning tools to help you to achieve an integrated approach across inter-related stakeholder groups.

The basic stakeholder communication plan helps you to plot each element of your communication against each stakeholder:

<table>
<thead>
<tr>
<th></th>
<th>Stakeholder 1</th>
<th>Stakeholder 2</th>
<th>Stakeholder 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Message:</strong> what to communicate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tone</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Medium:</strong> method of communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Feedback:</strong> how will we test understanding?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Timing or frequency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Person responsible</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 6: Basic stakeholder communication plan*
An alternative approach allows you to focus on the communication that you wish to make:

<table>
<thead>
<tr>
<th>Circulation: Stakeholders who will receive it</th>
<th>Communication A</th>
<th>Communication B</th>
<th>Communication C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature: Medium and style of communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Message: Information or persuasive argument</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner: Who will design and publish the communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback: how will we test for understanding?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timing or frequency</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 7: Alternative stakeholder communication plan**

A communication approach grid (Clayton, 2014: p. 191) integrates the messages you need to get across all inter-related stakeholders and all media available to you to help you develop a combined message/medium communication approach:

<table>
<thead>
<tr>
<th>Newsletter</th>
<th>Formal Report</th>
<th>Briefing meeting</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress updates</td>
<td>Staff and line management</td>
<td>Senior management</td>
<td></td>
</tr>
<tr>
<td>Process design briefings</td>
<td></td>
<td>Senior management</td>
<td>Line management</td>
</tr>
<tr>
<td>New product schedule</td>
<td>Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-launch briefing</td>
<td></td>
<td>Senior management</td>
<td>Staff and line management</td>
</tr>
</tbody>
</table>

**Table 8: Communication approach grid**
Communication with Stakeholders

Chapter 3

Activity 7: Develop a communication approach grid

Revisit your stakeholder list from Chapter 2, Activity 3 and develop a communication approach grid to create an integrated communication campaign across inter-related stakeholder groups.

<table>
<thead>
<tr>
<th>Communication Medium</th>
<th>Progress updates</th>
<th>Process design briefings</th>
<th>New product schedule</th>
<th>Pre-launch briefing</th>
</tr>
</thead>
</table>

**Lobbying and the use of public affairs**

**Lobbying** covers a wide variety of techniques and practices used by lobbyists to influence, persuade and obtain support in areas that relate to activities involving vertical relationships between organisations. These affect and are affected by government policy and also horizontal relationships between different groups, and are involved and concerned with policy development in a particular area of interest.

Public affairs practitioners can include people from a diverse range of organisations, predominately in the private sector. These include professional lobbyists, trade associations, interest groups, non-governmental organisations (NGOs) and charities. More recently, there has been an increase in citizen participation in lobbying due to the advent of technology, allowing the quick dissemination of information and a cheap communication channel to receive responses from interested parties.

The purpose of lobbying in public affairs is to ensure that issues relating to specific policy areas are present on the agendas of decision makers and other key stakeholders.

**CASE STUDY: THE CLIMATE CHANGE LOBBY**

**The road to the Paris accord**

Climate change is not a new phenomenon. From a scientific perspective, scientists have been arguing that human activity has had a negative impact on climate since the late 19th Century. Shortly after the end of the Second World War, compelling evidence began to develop relating to the effect of carbon dioxide on global temperatures. However, climate change remained on the fringes of public consciousness until the beginning of the 1990s, where there was a consensus that greenhouse gases impacted upon climate change.
1950s and 1960s

The climate change lobby began in the laboratories of climatologists around the world, who used scientific research methods to give advice to governments on the warming effect of human emissions. At the end of the 1960s, NATO developed environmental initiatives relating to tackling acid rain and the greenhouse effect. The World Wide Fund for Nature was founded in 1961.

1970s and 1980s

The mainstream media picked up on several scientific research studies and the evidence regarding global warming was presented at the first World Climate Conference in 1979. By the early 1980s, a changing consensus around climate change was beginning to develop. The campaigning organisation Greenpeace, which acts to change attitudes and behaviour in order to protect and conserve the environment, was founded in 1971.

1980s

More conferences followed and the growing consensus began to impact government policy, specifically in the Vienna Convention (1985), which addressed the issues of CFCs and ozone depletion, and the Montreal Protocol (1987), which introduced regulations relating to acid rain.

Modern climate change

Research on climate change continues to expand and grow with stakeholders in the fields of atmospheric sciences, numeric modelling, behavioural sciences, geology and economics working to influence government policy and action in the area of environment protection. The culmination of nearly seventy years of climate change lobbying in public affairs resulted in 195 signatories signing the Paris Agreement within the United Nations Framework Convention on Climate Change (UNFCCC) in April 2016. This is the world’s first comprehensive climate agreement aimed at reducing global warming.

OVER TO YOU

Activity 8: Identifying lobbyists

Revisit your research into the political campaign from Chapter 2, Activity 8. Can you identify the lobbyists who were trying to influence, persuade and obtain support for their cause during that campaign?

List the lobbyists and the methods that were used to influence the campaign below.
Summary

The development of relevant communication approaches and messages used at each stage of the stakeholder engagement plan requires you to know who your stakeholders are, identifying the key players and developing a communication plan for engaging with them. Crafting the messages that you wish to communicate and customising them to influence and persuade different stakeholder groups to engage with your project requires you to develop a clear, consistent and targeted strategic intent and communications which are compelling, persuasive and powerful. By taking these steps you enable your project to have a greater chance of success. However, you need to implement your strategy in order to successfully communicate with your stakeholders and this is where some plans fall down.
Introduction

Stakeholder management exists because stakeholders can affect and are affected by your project or organisation strategy. Individual stakeholder reactions are not the whole story; these reactions will impact upon the reactions of others. Therefore, your project’s objectives are not independent of context and our dependent on each other. Resistance occurs when stakeholders are uncomfortable or feel their security is under threat. If stakeholder fear and uncertainty is not managed through proper planning then stakeholders will become an opposing force and threaten the success of your project.

Learning outcome

On completing the chapter, you will be able to:

4 Recommend how to deal with the stakeholder resistance that might be encountered with a project’s objectives and the way a project is planned to be implemented.

Assessment criteria

4 Recommend how to deal with the stakeholder resistance that might be encountered with a project’s objectives and the way a project is planned to be implemented.

4.1 Assess the response to your engagement campaign in order to identify early indications of resistance so that prompt action can be taken.

4.2 Recommend practical ways of managing and resolving conflict so that stakeholder engagement can be achieved in line with the project’s objectives.
Background

Stakeholder resistance is probably one of the biggest fears of those involved in stakeholder engagement activities. At its very worst, resistance can lead to catastrophic conflict, such as organisations that have battled with trade unions, leading to loss of business and profit over a period of time. At its best, resistance may be something as simple as procrastination over providing information that you need for a project, which can result in minor delays and missed project deadlines. Acknowledging that resistance is a possibility in stakeholder management will enable you to develop a process to counter any resistance you may come up against.

Activity 1: Stakeholder resistance

Research an act of stakeholder resistance. Examples of resistance that you might research include: shareholders holding a company board of directors to account; trade unions balloting for employees to strike after a breakdown in communication with company management; project overruns; or customers boycotting a company’s products.

• Critically evaluate the reasons why the stakeholders adopted a resistance mentality.
• What recommendations would you make to prevent such a situation occurring in the future?
4.1 Assessing the response to your engagement campaign

Assessing the stakeholder response to your stakeholder engagement campaign enables you to identify early indications of resistance so that you take prompt action to manage resistance.

The response cycle offers an iterative process of monitoring to enable you to regain control if the stakeholder response is negative or you are already facing a significant level of resistance from your stakeholders.

**NEED TO KNOW: THE RESPONSE CYCLE**

![Diagram of the response cycle](image)

**Figure 1:** The response cycle (Clayton, 2014)

The response cycle demonstrates that as the engagement plan progresses, if the response of the stakeholder is significantly different to that which you were anticipating (Step 1: Identify), it is possible to revisit your analysis (Step 2: Analyse), and if necessary restart the stakeholder engagement process (Step 3: Plan and Step 4: Act). A critical review of your initial stakeholder analysis (Step 5: Review) may reveal the identification of new stakeholders that need to be included in the engagement plan.

**Identifying and managing resistance**

Clayton (2014) introduced the onion model to provide an overview of how stakeholders resist change. As you deal with each layer of resistance, there will appear another layer, and another, and another, with each layer getting progressively more uncomfortable to deal with.

> Before you can handle resistance, you need to be able to recognise what is happening and understand the nature of the resistance you are receiving.

Clayton (2014)
Clayton (2014) identified six levels of resistance and offered a practical response for each level:

<table>
<thead>
<tr>
<th>Level of Resistance</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not understand why we need to change</td>
<td>Using evidence that resonates with what the stakeholder thinks, feels and believes demonstrates that failing to change is not an option.</td>
</tr>
<tr>
<td>I do not understand why this changed</td>
<td>If the failure is a simple lack of understanding, moderate your message so that the stakeholder can understand. However, if the message has been misunderstood and the stakeholder has got the wrong impression, you need to detect the misunderstanding and correct it.</td>
</tr>
<tr>
<td>I do not like this change</td>
<td>In the case of loss aversion, constructively engage with the stakeholder to diminish the security of the status quo. Where the stakeholder will genuinely be worse off, be honest and act with integrity in your dealings. Where the concern is related to whether what you are doing is genuinely the right thing to do, listen to the concerns of your stakeholder and be respectful.</td>
</tr>
<tr>
<td>I do not like change</td>
<td>This type of resistance is linked to fear and has its origins in the emotional reaction of the stakeholder regarding the implications of change. Address stakeholder fears on a personal level, guiding the stakeholder through the transition.</td>
</tr>
<tr>
<td>I do not like you</td>
<td>In this instance, get to the root cause of the resistance. Understand what went wrong previously, find a way to deal with it (which requires ethical behaviour) and consistently demonstrate that it will be different this time.</td>
</tr>
<tr>
<td>I like to resist</td>
<td>Hopefully these people will be removed during a recruitment process, but if they are an identified stakeholder then you need to get them removed.</td>
</tr>
</tbody>
</table>

### Table 1: Six levels of resistance to change
Whatever resistance you encounter during the implementation of your stakeholder plan, ensure that you listen carefully to understand where on the onion model the stakeholder’s resistance is coming from. Address the concern in order to negate the resistance.

**OVER TO YOU**

**Activity 2: A personal onion model**

Think about a recent situation where you have found yourself resisting change. Critically reflect on what layers of the onion model your resistance was stemming from and consider how your resistance could have been managed differently.

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**CASE STUDY: A MANAGER WHO LIKES TO RESIST**

**Lorenzo’s project falls at the first hurdle**

Lorenzo was an external training provider who had agreed a leadership development programme with the chief executive of a large multi-site organisation. The project was a significant piece of work; he had been instructed to liaise with the learning and development manager to get the names of participants and begin the process of scheduling in the dates for the workshop and coaching.

**I do not understand why we need to change**

Lorenzo emailed the learning and development manager with the details he had agreed with the chief executive, but rather than providing the information requested, Lorenzo received a phone call demanding why the leadership programme was happening. A little taken aback, Lorenzo explained that the contract had been agreed and he was following the direction of the chief executive.

**I do not understand why this changed**

Before agreeing to provide participant names, the learning and development manager wanted to revisit the leadership development programme outline. The exercise became a renegotiation of the programme, both in regards to its structure and budget.

**I do not like this change**

Even after concessions were made to get the programme up and running, the learning and development manager continued to resist efforts to get a list of participants and book dates for the programme to go ahead. Her communication with Lorenzo and his staff was overwhelmingly negative, rude and on many occasions unprofessional.
I do not like change

The learning and development manager’s behaviour began to get more and more erratic. The chief executive met with the learning and development manager to try and understand what the issue was. The response given was in relation to other organisational changes that were going on and the issues that the learning and development manager had with her line manager, the HR director who had introduced a new strategy that changed the projects that the learning and development manager was working on.

I do not like you

Eventually, Lorenzo met with the learning and development manager and asked her directly whether she had a problem with him. The learning and development manager highlighted that she did not like to work with external training providers and did not understand why the chief executive had signed off the programme in the first place.

I like to resist

After almost three months of resistance, the HR director asked Lorenzo for copies of some of the more destructive communications he had received from the learning and development manager. Lorenzo began dealing with the HR director directly, and within two days had received the participant list and dates were scheduled. A few months later, the learning and development manager had left the organisation.

The onion model

Figure 2: The onion model (Clayton, 2014)
Delivering tough messages

According to Clayton (2014), there are six steps to delivering tough messages. These are:

<table>
<thead>
<tr>
<th>Step</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Preparation</td>
<td>Research the situation thoroughly and make a plan of what it is you want to say to your stakeholder.</td>
</tr>
<tr>
<td>2: Create safety</td>
<td>Do not deliver tough messages in public spaces. Create a safe environment in which to talk through the issues.</td>
</tr>
<tr>
<td>3: Deliver your message</td>
<td>Provide clarity in your explanation when delivering a concise message. Most importantly, be respectful of the situation and the stakeholder.</td>
</tr>
<tr>
<td>4: Pause</td>
<td>Give the stakeholder time to absorb what has been said and give room for them to respond. Listen to their response and when you do talk avoid being defensive.</td>
</tr>
<tr>
<td>5: Invite a dialogue</td>
<td>You might be delivering a tough message, but it does not mean that there is no space for dialogue. Allow the conversation to flow, sharing what you and the stakeholder think, feel and believe, for as long as needed.</td>
</tr>
<tr>
<td>6: Next steps</td>
<td>As the conversation draws to a natural close, review the agreed next steps. Understand that the parting may lack exuberant cheerfulness as the stakeholder may need time to process the discussion.</td>
</tr>
</tbody>
</table>

Table 2: Six steps to delivering tough messages (Clayton, 2014)

OVER TO YOU

Activity 3: Delivering a tough message

Consider someone with whom you need to have a difficult conversation. Develop a plan for your conversation with them:

- Is confrontation the right approach?
- How will you best do this?
- What do you need to know about them to develop an understanding of your position? Are you being overly judgemental?
- What are your main arguments/points? Avoid over-generalising and consider your evidence.
- What are your fall-back positions? How does their behaviour/actions adversely affect yours, other people or the situation?
- What is the issue for them? What reasons might there be for their actions and behaviour that might alter how you approach the issue?
- What outcome are you looking for? What does success look like?
4.2 Practical ways of managing and resolving conflict

Although not an ideal situation, sometimes stakeholder resistance can lead to real conflict. However, there are practical ways of managing and resolving conflict so that stakeholder engagement can be achieved in line with the project’s objectives.

Dealing with conflict

When conflict happens, in many ways strategic stakeholder relationships have broken down and stakeholder engagement has failed. However, when conflicting with a stakeholder or stakeholder group, it is important that the wider stakeholder communication plan mitigates any fallout from the conflict. You must also keep in mind that conflict can escalate beyond something as simple as miscommunication, which can be resolved with a simple conversation to result in all-out hostility and litigation.
**NEED TO KNOW: ESCALATION OF CONFLICT**

- All-out hostility
- Litigation
- Disciplinary action
- Arbitration
- Mediation
- Facilitated conversation
- Talking and listening
- A quiet chat
- Minimal intervention
- Ignore the issue

*Figure 3: Escalation of conflict (Clayton, 2014)*

**OVER TO YOU**

**Activity 4: Conflict escalated**

Working with a group, discuss your experience of a conflict that has escalated. This may be something that happened to you personally, or a situation you are aware of, either within your own network or something you are aware of in the news.

Review the conflict in regards to what part each party played in escalating the conflict.

Develop a timeline for the conflict as it moved through the conflict escalation modes.

Critically review what actions could have been taken by either party in the conflict to stop its escalation.
Achieving mutual agreement

Use of negotiation to achieve mutual agreement.

Stakeholder engagement, especially on the partner and collaborate continuum (Chapter 3.2, p. 70), can be characterised as a form of negotiation between the stakeholder and the organisation. Negotiation is a process of exchange and bargaining aimed at reaching mutual agreement. It is in some ways soft conflict, in that rather than pushing the two parties apart, the communication is aimed at finding solutions to problems and finding an outcome which is of benefit to both parties. This process aims to reach agreement between the different parties. In order to negotiate, it is essential that you develop great interpersonal skills, including:

- effective communication skills
- active listening
- rapport building
- problem solving
- decision making and assertiveness
- managing difficult situations

Clayton (2014) outlines four steps to the negotiation process:

<table>
<thead>
<tr>
<th>Preparation</th>
<th>Set out the outcome you wish to achieve and develop a good understanding of the stakeholder.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>Build rapport and ensure you are negotiating with the decision maker. Ask the stakeholder to outline their objective.</td>
</tr>
<tr>
<td>Bargaining</td>
<td>This is where the negotiation happens, establishing trading positions and ensuring that both you and your stakeholder trade concessions to satisfy both your interests.</td>
</tr>
<tr>
<td>Close</td>
<td>Bring the negotiation to a close when an agreement can be reached.</td>
</tr>
</tbody>
</table>

**Table 3:** Four steps to the negotiation process (Clayton, 2014)

**The soft conflict of negotiation**

**Figure 4:** The soft conflict of negotiation (Clayton, 2014)
Ensuring sustainability of outcome

Using an ethical approach to messaging and behaviour to ensure sustainability of outcome is not easy to achieve. Carroll and Buchholtz (2014) suggest that there is a mutual dependency between all stakeholders. It is recommended that organisations follow “the Clarkson principles” to guide the ethical treatment of key stakeholders to move from transactional stakeholder management to that of stakeholder symbiosis.

“In the future, development of loyal relationships with customers, employees, shareholders, and other stakeholders will become one of the most important determinants of commercial viability and business success.”

*Carroll and Buchholtz (2014)*

<table>
<thead>
<tr>
<th>Principle 1</th>
<th>Acknowledge and monitor concerns of legitimate stakeholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 2</td>
<td>Listen and communicate with stakeholders.</td>
</tr>
<tr>
<td>Principle 3</td>
<td>Adopt processes and behaviour that is aligned to stakeholder concerns.</td>
</tr>
<tr>
<td>Principle 4</td>
<td>Recognise interdependence between stakeholders and the organisation.</td>
</tr>
<tr>
<td>Principle 5</td>
<td>Work co-operatively to reduce risk.</td>
</tr>
<tr>
<td>Principle 6</td>
<td>Avoid activities that risk human rights.</td>
</tr>
<tr>
<td>Principle 7</td>
<td>Acknowledge potential conflicts.</td>
</tr>
</tbody>
</table>

*Table 4: The Clarkson principles*

Crisis management

Textbook stakeholder engagement planning does not capture the reality of having to manage a crisis management in case of disaster or emergency. Developing a disaster or crisis plan requires deep thought to be given to what you would do in a crisis, and preparing and planning to be able to respond quickly when a crisis does occur.

Clayton (2014) outlines the first three steps of crisis management as:

1. information gathering;
2. brief the spokesperson;
3. identify the questions that stakeholders and the media may ask. Prepare answers to these questions.

Contingency planning will allow you to identify important stakeholder “what if” situations. However, where a situation arises that is not pre-planned, then you must quickly identify the important stakeholders and reassure them that the situation is under control. Staff who are not part of the official media response team must stick to the script. Ensure only those who have had media training are authorised to speak to the media.

If the crisis is big, for example, the Deepwater Horizon oil spill in 2010, it would be advisable to appoint advisors to help navigate the crisis and minimise reputational damage.
OVER TO YOU

Activity 5: Crisis management

Working in pairs, if possible, critically review a crisis that you are familiar with.
What controls were in place and what was the plan for managing the crisis? Give evidence for your response.
In your opinion, what went well with the organisation’s response to the crisis? What recommendations would you make to develop a crisis plan?

READING LIST

• Mario Minoja, Maurizio Zollo, Vittorio Coda, (2010) “Stakeholder cohesion, innovation, and competitive advantage”, Corporate Governance: The international journal of business in society, Vol. 10 Issue: 4, pp. 395–405. (This article will be available in your online student resources.)
• Kirsi Aaltonen Jaakko Kujala, Päivi Lehtonen, Inkeri Ruuska, (2010) “A stakeholder network perspective on unexpected events and their management in international projects”, International Journal of Managing Projects in Business, Vol. 3 Issue: 4, pp. 564–588. (This article will be available in your online student resources.)

Summary

Stakeholder management enables you to manage stakeholders who affect and are affected by your project or organisation strategy. How individual stakeholders react to change is not the whole story. When resistance occurs, stakeholders may feel uncomfortable or feel their security is under threat. Managing stakeholder fear and uncertainty through proper planning protects your project or organisation from stakeholders becoming an opposing force and threatening the success of your project.
Glossary

**Apex stakeholders** Stakeholders who can influence many other stakeholders but are little influenced by others. They are hard to influence, but if you can do so you can then influence many others.

**Attitude** The emotional state that accompanies a stakeholder’s interest or concern.

**Balanced Scorecard** Creates measures across a range of different parameters to ensure that work is not effective in one area at the expense of effectiveness in other areas.

**Basal stakeholders** Those who have changeable views and are easily influenced by others.

**Behavioural economics** A theory of decision making that starts with the premise that human behaviour is irrational, but if we can gather sufficient data, is largely predictable.

**Benefits register** A tool that records all the positive outcomes associated with a programme, usually in relation to a particular stakeholders.

**Contractogram** A form of sociogram that captures the relationships of those who are contracted to one another.

**Collaborative relationships** Two or more people or organisations working together to achieve a common goal.

**Impact** The ability to affect the realities of the world through power and influence.

**Influence** The ability to affect other people’s attitudes and behaviours.

**Interest** The level of concern with a project.

**Lobbying** Activity which seeks to influence a person or decision.

**Milestone** A significant event or stage in the life, progress or development of a person, nation, etc.

**Negotiation** An active dialogue which seeks to end in an agreement between all parties.

**Neutral stakeholder** A stakeholder who is undecided about an issue.

**Power** The ability to impose your will over people or events.

**Primary stakeholder** One who is readily influenced by others, but they are also good at influencing others and can therefore have significant impact on perceptions.

**Secondary stakeholder** One who is readily influenced by apex and primary stakeholders. They have an important role to play in the project and may have limited influence over others.

**Sociogram** Sometimes called a “social network diagram” – a simple way to map relationships between stakeholders.

**Soft power** The ability to attract, co-opt and persuade.

**Stakeholder** Anyone who has an interest in what you are doing.

**Stakeholder engagement** The process of actively contacting, communicating with and influencing a stakeholder.

**Stakeholder map** A visual tool that represents a stakeholder’s characteristics.

**Stakeholder triage** A quick way of grouping stakeholders by evaluating them against a limited but salient range of criteria.

**Strategic** Identifying aims/interests and establishing how to achieve them.

**Transformer** A high-impact stakeholder who can potentially act as a game changer and transform the project you are working on.