



MANAGING EXTERNAL STAKEHOLDER EXPECTATIONS

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Uphold public interest

INTRODUCTION



- ❑ As public participation becomes increasingly embedded in national and international development, it is becoming crucial for decision-makers to understand who is affected by the decisions and actions they take, and who has the power to influence their outcome (*the stakeholders*).
- ❑ References to stakeholders are commonplace and the requirement to engage stakeholders in public/private sector organizational strategies are a key priority in current government policy.
- ❑ Many of these organization's recognize that stakeholder engagement is not about giving the public a list of options to choose from – it's about drawing them in right from the start, so that their views, needs and ideas shape options and the services that flow from them.

DEFINITIONS



Important definitions:

- **Stakeholder** - Groups or an individual who have something to gain or lose through the outcomes of an organization's planning process, programmes or projects. Stakeholders have different degrees of influence or interest in an organization, but may not necessarily be impacted by it. They include Users Providers, Regulators and can be divided broadly in two categories.
 - ❑ **Internal stakeholders:** are members of an organization who have a financial interest or otherwise , in a company and are involved in the operations or decisions of the company.
 - ❑ **External stakeholders:** individuals or groups outside an organization who have an interest in the success, failure and direction of an organization . customers/clients, suppliers, investors, community groups (NGOs, Civil society groups, women/youth groups, etc), Government regulators, media, Celebrities, local business community, Consultants, Trade Unions, etc.

DEFINITIONS CONTINUED



- **Stakeholder Engagement** - process of effectively eliciting stakeholders' views on their relationship with the organization or project
- **Stakeholder Analysis** - is a technique used to identify and assess the influence and importance of key people, groups or organizations that may significantly impact the success of an activity or project.
- **Stakeholder Management** - is essentially stakeholder relationship management. It is the relationship and not the actual stakeholder groups that are managed.

IMPORTANCE OF MANAGING EXTERNAL STAKEHOLDERS EXPECTATIONS



- External stakeholders should voice their opinions. They can influence the long-term impact and direction of an organization or project (Dredging).
 - ❑ Engaging with stakeholders is crucial to the success of any organization.
 - ❑ May prevent a business from doing something in a community.
- Effective engagement helps translate stakeholder needs into organizational goals and creates the basis for the development of strategies or marketing plans – competitive advantage, risk mitigation..... Collaborative partnerships
- It ensures that an organization has greater clarity and a shared vision amongst its key influencers
- It brings people together to pool knowledge, experience, and expertise to co-create solutions
- It helps to reduce the level of risk in an organization and improves governance

WHY IS MANAGING EXTERNAL STAKEHOLDERS EXPECTATIONS ALWAYS HARD?



Did we really want to reach out to negative people?



No one is responsible

The CEO has left – who cares if we did not talk with some key people?



I am the manager/Head of department – I don't have time to work with all of my stakeholders



Even if it is a constitutional requirement, do we need to engage our stakeholders?

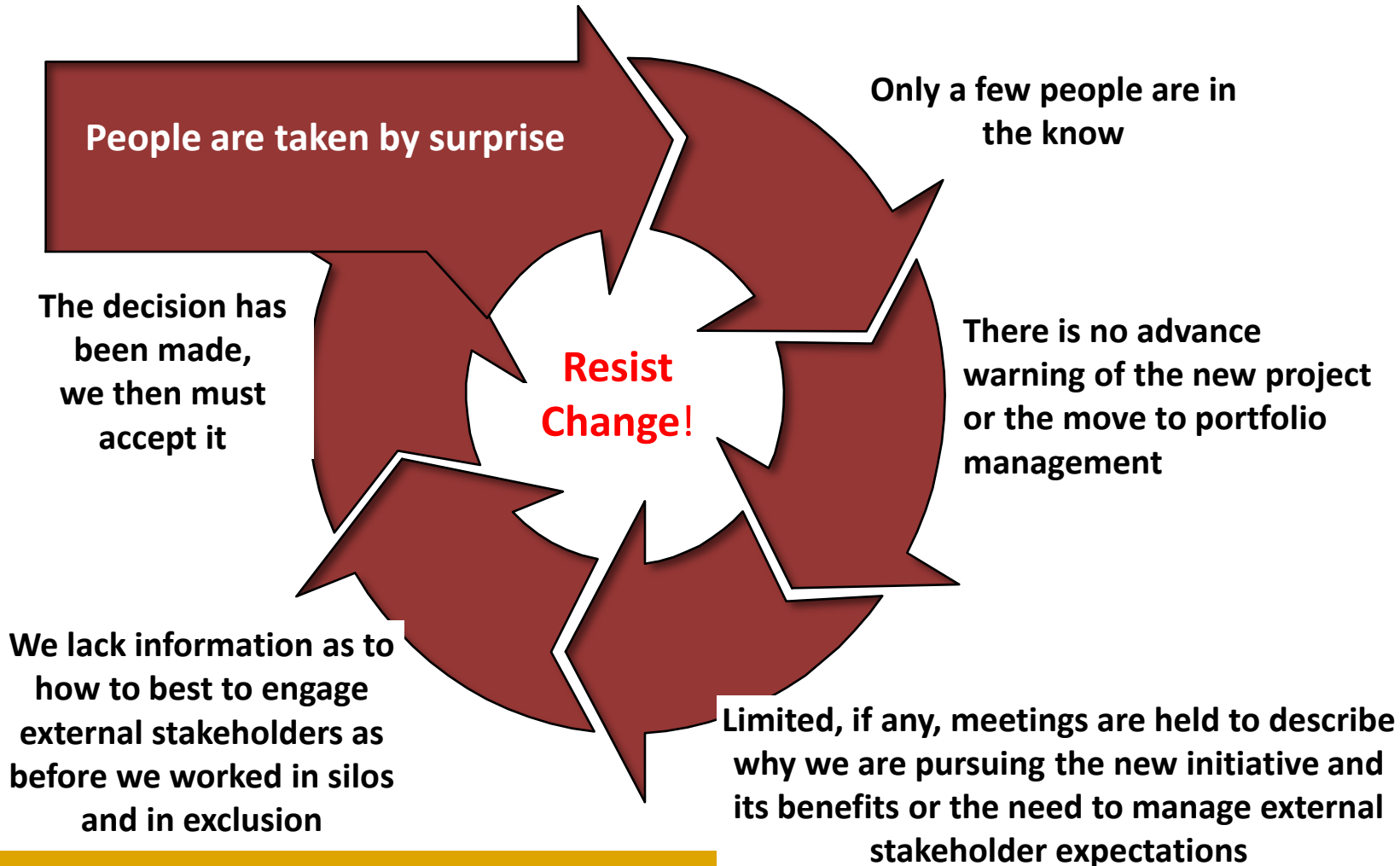


The program is over – and I really do not care if some key stakeholders still had concerns – I got my salary increment or promotion

WHY IS MANAGING EXTERNAL STAKEHOLDER EXPECTATIONS HARD?



**Remember often the Problem
is a Lack of Information**



KEY PRINCIPLES FOR EFFECTIVE STAKEHOLDER MANAGEMENT



Common principles based on International Best Practice include the following:

Commitment
(demonstrated when the need to understand, engage and identify the community is recognised and acted upon early in the process)

Integrity
(occurs when engagement is conducted in a manner that fosters mutual respect and trust)

Create a **business relationship that is mutually beneficial**

Respect
(created when the rights, cultural beliefs, values and interests of stakeholders are recognised)

Transparency
(demonstrated when stakeholder concerns are responded to in a timely, open and effective manner)

Inclusiveness
(achieved when broad participation is encouraged and supported by appropriate participation opportunities)

Trust (achieved through open and meaningful dialogue that respects and upholds the beliefs, values and opinions of stakeholders)

STAKEHOLDER ANALYSIS



To understand the needs of external stakeholders and effectively integrate them into organizational goals or vision, an analysis is critical:

“Stakeholder analysis is the process of assessing a system and potential changes to it as they relate to relevant and interested parties. This information is used to assess how the interest of those stakeholders should be addressed in a project plan, policy, program or other action.” - Wikipedia

Steps in Stakeholder Analysis:

- a) Identify and map internal and external stakeholders
- b) Assess the nature of each stakeholder's influence and importance
- c) Construct a matrix to identify stakeholder influence and importance
- d) Monitor and manage stakeholder relationships.

DEVELOPING AND IMPLEMENTING AN EXTERNAL STAKEHOLDERS ENGAGEMENT PLAN



A Stakeholder Engagement Plan (SEP) seeks to define a technically and culturally appropriate approach.

- ❑ The **SEP** is a useful tool for managing communications with its stakeholders.
- ❑ The goal of a **SEP** is to improve and facilitate decision making and create an atmosphere of understanding that actively involves the affected persons and other stakeholders. It is time bound.

DEVELOPMENT OF A STAKEHOLDERS ENGAGEMENT PLAN - SEP (WHAT, WHO, HOW)



Before beginning the consultation process, it is useful to think about:

- ☐ What are the strategic reasons for consulting with stakeholders at this stage?
- ☐ Who needs to be consulted?
- ☐ What are the priority issues (for them and for you)?
- ☐ What is the most effective method/s of communicating with stakeholders?
Who within the organization/project is responsible for what activities?
- ☐ Are there any other engagement activities that need to happen in the proposed timeframe?
- ☐ Are there opportunities to collaborate to ensure key project messages are consistent and avoid consultation fatigue?
- ☐ How will the results be captured, tracked, reported and disseminated?

A **SEP** that clearly outlines answers to these questions helps save time, reduce costs, and keeps stakeholder expectations in check.

EXAMPLE OF AN SEP FRAMEWORK



- ❑ **Step1: Purpose of the Plan:** Could be a wide range of objectives from meeting regulatory requirements, building trust and relationships, to gaining broad community support to obtain 'social license to operate'
- ❑ **Step 2: Requirements:** Are there any regulatory, corporate and internal requirements that need to be met?
- ❑ **Step 3: Identification of Stakeholders:** List key stakeholders who will be consulted about the project
- ❑ **Step 4: A summary of previous engagement activities:** This is to identify key stakeholder issues and opportunities to date that shape the focus and boundaries for the engagement plan
- ❑ **Step 5: Stakeholder Engagement Program:** Outline the strategies, methods of engagement, what information will be disclosed, in what format
- ❑ **Step 6: Timeline:** Provide a schedule for undertaking the program
- ❑ **Step 7: Roles and Responsibilities:** Outline the team structure, and who will be responsible for what task
- ❑ **Step 8: Monitoring and Reporting:** Describe how and when the results of the engagement activities will be reported back to stakeholders, and any plans to involve stakeholders or third parties in monitoring of the engagement activities.

CONCLUSION



It is important that organizations understand the impact they have in a community. External stakeholders are **partners** rather than **adversaries** or distractions.

- ❑ Managing external stakeholder input and expectations is important when a business is growing (project), and needs the support of the surrounding power players (**influencers**).
- ❑ One of the best ways of managing external stakeholders is to **prepare ahead** of time for them. Plan growth strategies and consult with external stakeholders while in the planning process to get their input, and develop strategies where everyone wins. While this doesn't **prevent** all adverse action it greatly **mitigates** aggressive adverse action.
- ❑ External stakeholders **appreciate** being part of the process; it gives the appearance of some level of control. You want the external stakeholders on your side whenever possible. Business is just easier that way.

CONCLUSION CONTINUED



- ❑ Another way a large corporation can build **positive relationships** with external stakeholders is to run **community campaigns** in which employees are given time to volunteer for local organizations supported by the company. This gets people out in the community building positive relationships from the ground up. (CSR helps).
- ❑ In managing external stakeholder expectations, **communication** is key in cultivating relationships. As long as external stakeholders have a clear and realistic idea of what they can expect, you'll be more easily able to work with them in order to get the support that you need, whether it's financial support, supplies, or publicity.





THANK YOU

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