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Stakeholder Engagement

A stakeholder is a person or group that influences or is influenced by the work of an organisation. Internal stakeholders are those who work within or directly for the organisation, including owners, board members, staff and volunteers. External stakeholders are those impacted by the work of the organisation, such as government, media, clients, partners, competitors, regulators and the local community.

‘Stakeholder theory’ is a dominant perspective in contemporary business management theory. This suggests that organisations have a responsibility and obligation to consider the interests and values of all stakeholders in their decision-making, not just owners or shareholders.

Stakeholder engagement involves a constructive and ongoing dialogue with stakeholders, and a genuine commitment to recognise and respond to their interests. It is therefore important for an organisation to identify their stakeholders and systematically engage with them, in order to increase the support of stakeholders and obtain the benefits of their engagement. Good stakeholder engagement involves determining who is responsible for engaging, the most appropriate time to engage, and monitoring and reporting on outcomes. This can promote greater collaboration, transparency and more effective economic and operational outcomes.

SCoA has developed both a stakeholder analysis and stakeholder management plan, the key steps of which are reproduced below:

Stakeholder Analysis

Step One: Identify Stakeholders

- Identify activities of the organisation related to stakeholder management
- Identify types of stakeholders: e.g. Federal, State and or Local Government, partner organisations, peak bodies and others.

Step Two: Assess Stakeholders

- Identify ‘power’ and ‘interest’ of each stakeholder, where
 - Power is the stakeholders’ ability to influence the work of your organisation
 - Interest is their interest in your work
- Power and interest can inform level of engagement and correspondence with the stakeholder, indicated on the following page

Power	high	KEEP SATISFIED	MANAGE CLOSELY
	low	MONITOR	KEEP INFORMED
		Low	High

Step Three:

Prioritise stakeholders

- Assess the ‘commitment’ and ‘contribution’ of each stakeholder, where
 - Commitment is the desire the stakeholder agrees with and is willing to support the organisation’s work (disagrees, neutral, supportive, committed)
 - Contribution is the extent a stakeholder’s involvement would impact the organisation’s outcomes (critical, desirable, non-essential)
- Map out stakeholders based on these categories prioritise them accordingly, as below:

Contribution	Critical				
	Desirable				
	Non-essential				
		Disagrees	Neutral	Supportive	Committed
	Commitment				

Stakeholder management

1. Develop an action plan for stakeholder management
2. Action the stakeholder plan
3. Monitor the stakeholder plan
4. Review the plan annually

An example stakeholder management plan can be viewed on the following page:

Stakeholder	Communication approach	Key Interests and Issues	Current Status	Desired Support	Actions Desired	Person Responsible	Actions & Communications	Timing