

How to plan for strategic stakeholder engagement

Your stakeholders can be powerful allies or barriers in achieving your strategic goals. Here's how to get the most of those relationships



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Leadership is about strategic thinking — identifying the need for change and determining the most appropriate strategic project to accommodate the needed change. Stakeholder engagement is one of the most important methods available to leaders to build the necessary support to meet the challenge of change and to achieve strategic projects. This work of [leadership](#) is a difficult, yet necessary component for organisational success.

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During my service as a CEO of a [local government](#), my community's population was growing at an above average rate for over a decade. This population growth required large capital investments for new schools, roads, emergency services and more. The growth also required organisational change in order to acquire new capabilities to undertake the projects, such as adding personnel, securing funding, and creating a positive “can-do” organisational ethos. Achieving these necessary changes, required stakeholder engagement from both within and outside the organisation, to not only garner support for change but also to reset my local government's priorities.

I knew that stakeholder engagement was necessary because in a previous attempt to achieve major organisational change, I had failed, largely because of the lack of stakeholder involvement. By not engaging stakeholders, I had unwittingly created a “top-down” decision-making process; thus, no one else had an interest in helping to reach the goal. Additionally, by not informing

stakeholder groups, misinformation cascaded through the community, creating mistrust. My effort ultimately failed. I learned the hard way that stakeholder engagement is vital to success.

An answer to your question

Let's begin by first defining what is meant by strategic project. A strategic project is an endeavour that is intimately linked to the organisation's future success and viability. Strategic projects have the ability to alter the community for very long periods of time or seek long-term improvements to the community's socio-economic well-being.

It is an undertaking that answers the question, "What is the purpose of our strategic goal?"

Whether you are able to reach your strategic goal is, at the end of the day, a question of people. You need the right people on your team, doing the work, but you also need to make sure your stakeholders are on board or at the very least don't work against you.

Stakeholder engagement efforts should be undertaken only after careful consideration and establishing a willingness to assign the necessary human and financial resources to the effort

Stakeholder engagement provides an important opportunity to communicate the purpose of your project, generate creative solutions and outcomes while also identifying potential pitfalls and how they may be avoided.

Stakeholder engagement also has the potential to build trust, provide [transparency](#) and create an opportunity for social learning, all of which may enhance an organisation's ability to achieve success. Stakeholder engagement accomplishes these important purposes because it provides a venue for incorporating the diverse interests and knowledge of the participants.

Designing and implementing a meaningful stakeholder engagement effort is time consuming and requires detailed work. As such, stakeholder engagement efforts should be undertaken only after careful consideration and establishing a willingness to assign the necessary human and financial resources to the effort.

So how best to engage, manage and communicate with stakeholders about strategic projects?

Elements of strategic stakeholder engagement

It is crucial that a well-thought out plan that addresses how the entire stakeholder process will be managed from beginning to end is developed because stakeholder engagement is a complex undertaking with many interrelated elements.

To do this, first determine the purpose for inviting stakeholder participation. In the case of strategic projects, stakeholders can help determine if the project's goal is appropriate, the ability of the project to achieve the goal, while also evaluating the best method for achieving the goal's purpose. Yet, some items should be off-limits to stakeholder consideration. For instance,

identifying the need for change is not a task for stakeholders; rather, it is the task of leadership because most individuals and groups (i.e., stakeholders) resist change. In essence, stakeholders are engaged to determine how best to achieve a strategic project, not to determine if the project should be achieved; that is a different process indeed.

When carefully planned and implemented, stakeholder engagement offers the ability to improve strategic endeavours, improve trust and accountability and enhance success

In addition, the stakeholder plan should include an evaluation element to articulate what went well, what did not proceed favourably and what should be revised in future efforts.

Even though stakeholder engagement efforts are highly complex, there are basic guidelines that should be followed. Briefly stated, these include:

1. Identify all of the stakeholders at the start of the project. Stakeholders can be identified by considering who may be affected by the project by asking the following questions for those who are internal and external to the organisation:
 - Who is already directly or indirectly involved with the project?
 - Who gains or loses?
 - Who will use the project or its deliverables?
 - Who has the authority over the project and its outcome?
 - Who may provide support?
 - Who may cause the project to fail?

Other techniques include conducting a brainstorming session with co-workers or using the snowballing approach where initially identified stakeholders are asked to identify others.

2. Recognise the benefits and pitfalls of diversity. Diverse stakeholder groups bring a variety of perspectives to the table which is helpful for identifying problems and solutions. In addition, diversity may also surface opposing viewpoints while also bringing together members of different cultural backgrounds. These two conditions may lead to inappropriate behaviours from those not comfortable working in such an environment. Managing diversity entails ensuring that the policies and practices for having, as well as voicing, various perspectives on an issue are in place while at the same time minimising negative fallouts. Therefore, managing diversity is critical to success.
3. Be very clear about boundaries and set them at the very beginning. Critical elements in your plan should include the roles and responsibilities of stakeholders, scheduled deadlines, stakeholder decision-making authority, how participation will occur, how recommendations are developed and agreed upon, and finally how closure for discussion

items and the entire effort will occur. A lack of clear boundaries is one of the most common causes of a failed stakeholder process because it leads to misunderstandings about roles and responsibilities, and such misunderstandings may lead to distrust. For instance, if you are engaging stakeholders for the purposes of obtaining feedback and suggestions, yet fail to define this boundary, the stakeholders may believe that their participation consists of some co-decision-making authority for selecting the preferred alternative. Thus, if they are not allowed to help select the preferred alternative it may be perceived as a snub or betrayal.

4. Develop and implement a communication plan. Ensure that all stakeholder groups are fully and equally informed. The plan should also recognise that different stakeholders may require different forms of communication; newsletters may be sufficient for some while others may desire face-to-face updates.
5. Establish a dispute resolution process. Differences of opinion and complaints often arise during the engagement process. To address such matters, a fair and transparent process that includes deadlines for resolutions, should be included in the plan.
6. Clearly communicate that external events and decisions may alter the strategic project. Oftentimes, decisions or events external to the stakeholder process alters the scope of the strategic project such as new budget constraints. These uncertainties and their effects should be described early on to avoid stakeholders' disillusionment.
7. Regularly remind everyone of key principles. As stakeholder efforts progress, it is typical for stakeholders to forget the original purpose, goals and boundaries of the effort. Therefore, giving stakeholders regular reminders of the effort's purpose, boundaries and key elements is really important.
8. Practice active listening. Plans prepare ourselves for future activities. Once we start the activities, however, plans should be revised to adjust to operational realities. Active listening helps us determine what should be revised and when such revisions should occur. Active listening requires full concentration, understanding, responding and also remembering what is being said. Practising active listening will also help lead to more informed communication with stakeholders.
9. Be attentive to stakeholder dynamics. The risk of misunderstandings, inappropriate behaviour and power-plays among stakeholder groups may occur. Thus, it is important to monitor group dynamics and intervene as necessary to keep the endeavour moving in a positive manner.

Effectively engaging, managing and communicating with stakeholders on strategic projects is a complex undertaking. Yet when carefully planned and implemented, stakeholder engagement offers the ability to improve strategic endeavours, improve trust and accountability and enhance success. Two examples of stakeholder plans that have most of these elements are:

- [The Government of Saint Lucia's Geothermal Resource Development Project, Stakeholder Engagement Plan](#)
- And the [Tonga Climate Resilience Transport Project, Stakeholder Engagement Plan](#)

— *John Duffy*

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