

# **DEVELOPING COLLABORATIVE RELATIONSHIPS**

## **STAKEHOLDER MANAGEMENT & COLLABORATION**

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# ***Some Class Rules:***

- **To make the most out of this session PLEASE;**
- Turn-off your mobile phone or put it on mute.
- No eating in the classroom. Please use the common room on the second floor for this purpose.
- Be respectful of your classmates and lecturers
- I will go through the PPT slides and invite questions and/or feedback **at various points** during the session.



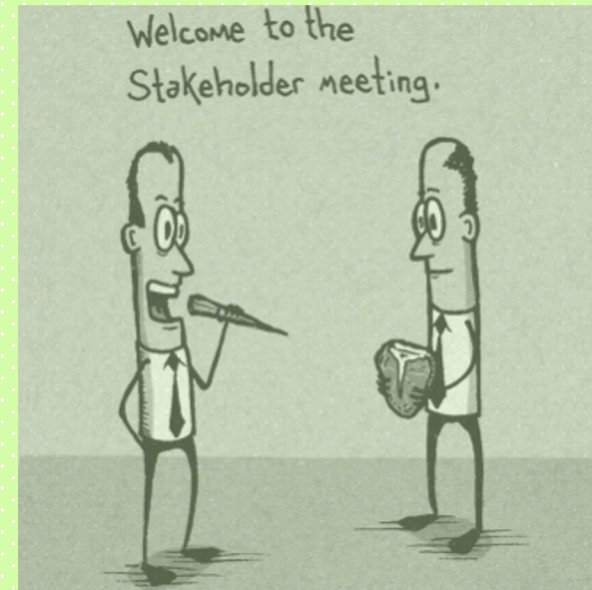
# LEARNING OUTCOMES

- To understand who Stakeholders are and their importance
- To distinguish between primary and secondary stakeholders
- To analyse them using stakeholder mapping
- To begin to develop strategies for managing them



# WHO ARE STAKEHOLDERS

- Stakeholders are groups or individuals who can affect or is affected by the achievement of a firm's objectives.
- They include employees, clients and customers, suppliers, shareholders, local communities, etc.
- Stakeholders can be divided into primary and secondary.



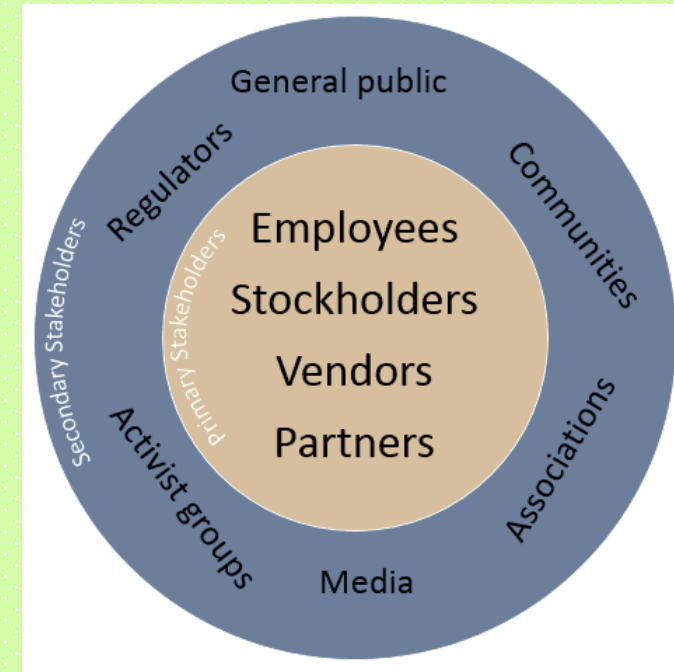
# PRIMARY V SECONDARY STAKEHOLDERS?

- Primary stakeholders:

- Have a direct relationship with your organization and form the core of your organization's activities
- Their level of and influence involvement is high
- (managers, shareholders, financiers, customers and suppliers)

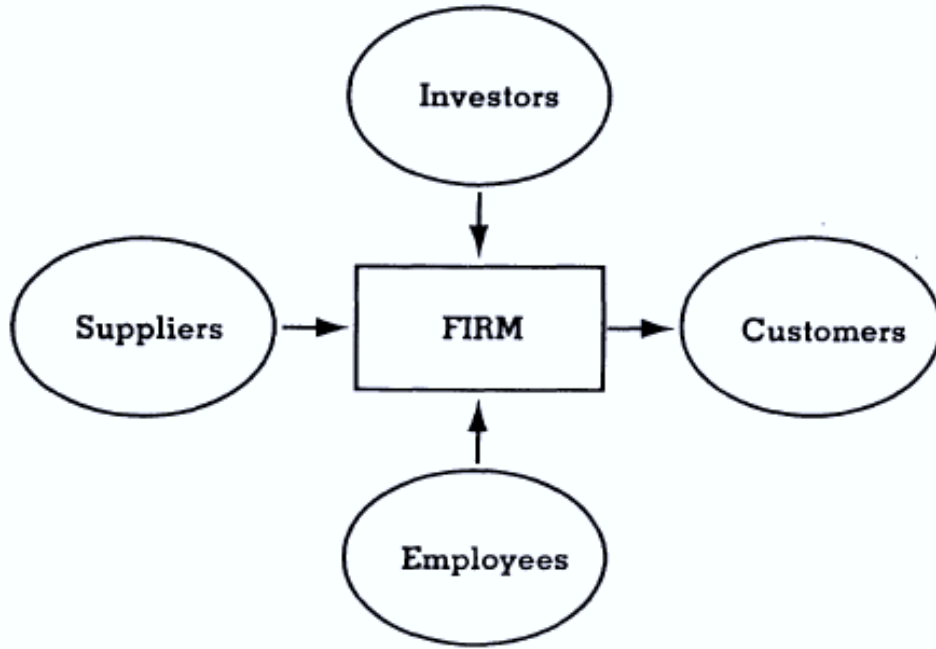
- Secondary stakeholders:

- Have an indirect relationship with the organization
- Those whose jobs or lives might be affected by the process or results of the activity. (such as communities, special interest or environmental groups, government, the media, or even society as a whole)
- Their level of and influence involvement is low

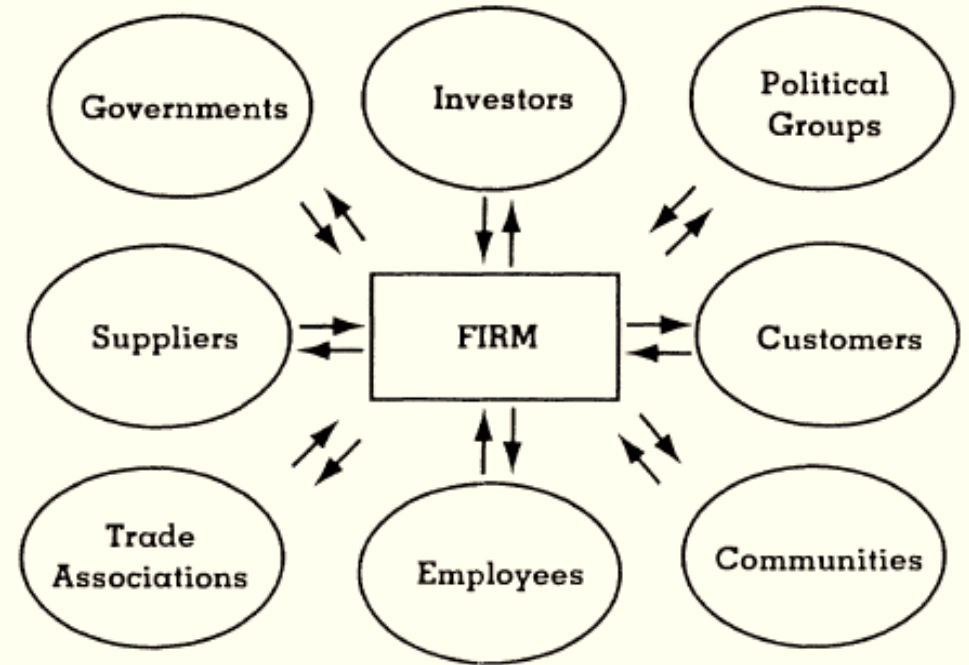




**FIGURE 1**  
**Contrasting Models of the Corporation: Input-Output Model**



**FIGURE 2**  
**Contrasting Models of the Corporation: The Stakeholder Model**



Source: Donaldson and Preston (1995)

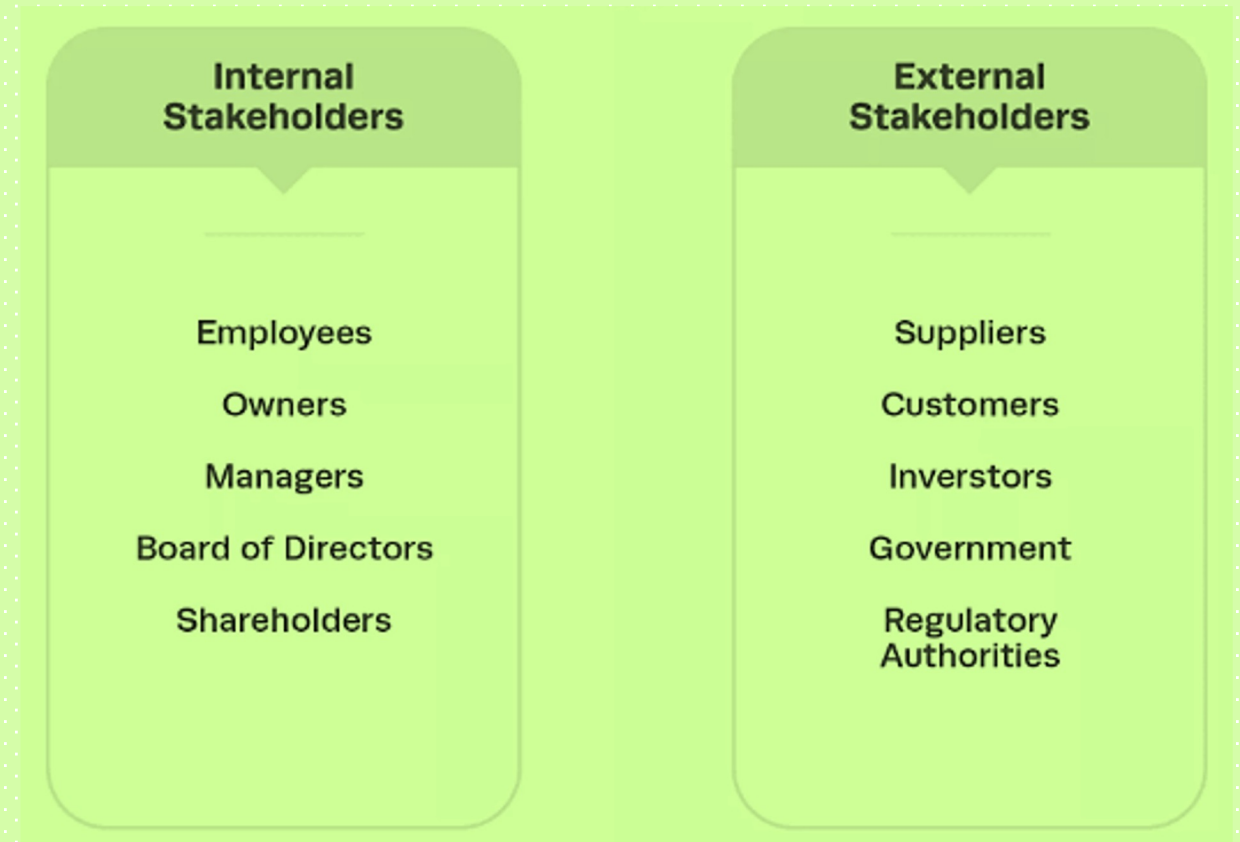


- Do businesses need stakeholders?
- Why are they important?



# IMPORTANCE OF STAKEHOLDERS?

- Expertise
- Leadership
- Reducing and uncovering risk
- Building relationships
- Higher rate of success





# STAKEHOLDER ANALYSIS

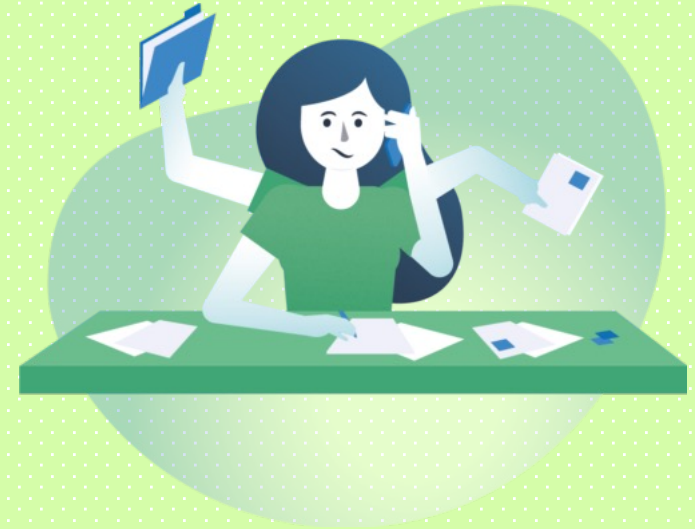


- Stakeholder analysis is the process of identifying an organisation's stakeholders and their interests, assessing their influence or how they are impacted by the organisation, so as to formulate strategies for managing relationships with them.

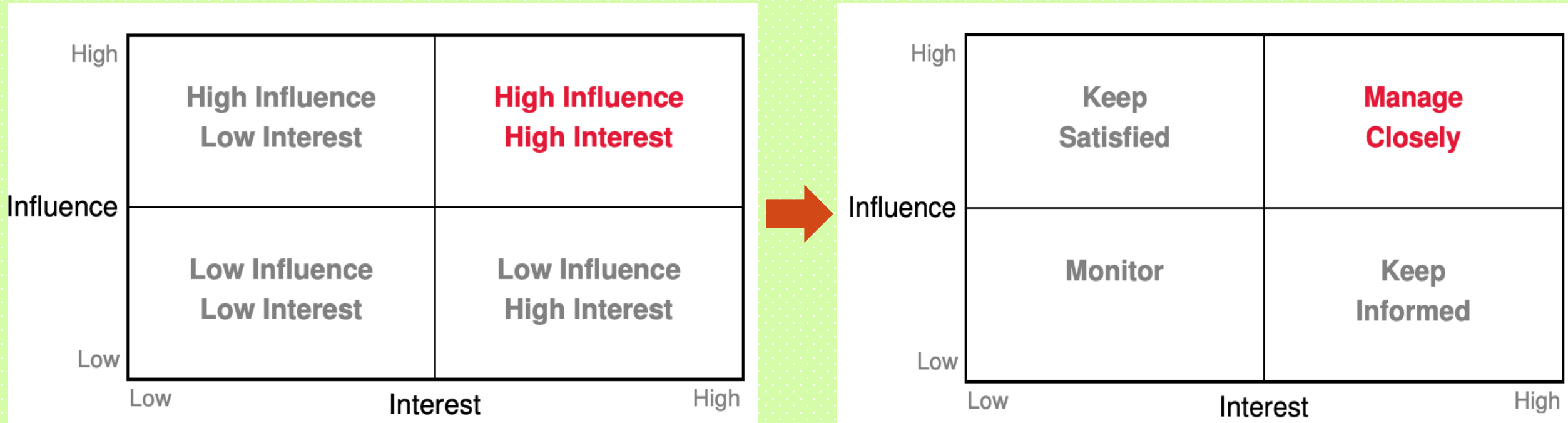


# STEPS IN CONDUCTING STAKEHOLDER ANALYSIS

- Brainstorm list of possible stakeholders.
- Determine their level of interest, importance and influence
- Decide what the organization needs from each stakeholder
- Stakeholder Mapping.
- Plan stakeholder involvement.



# STAKEHOLDER MAPPING



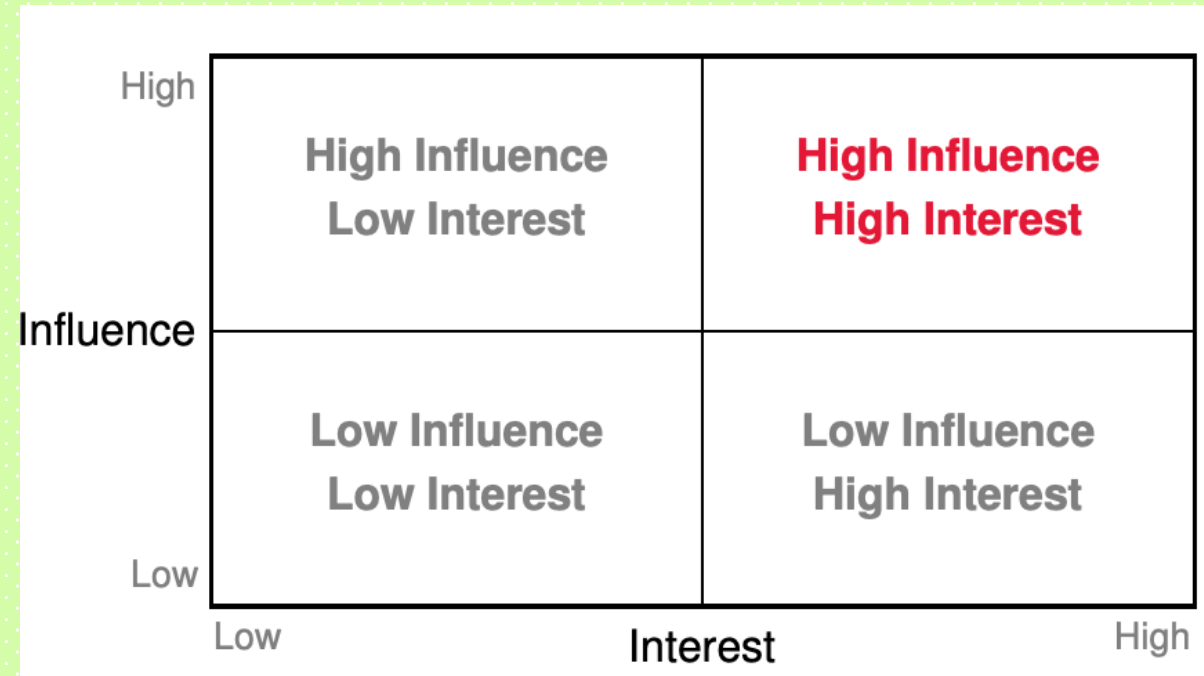
- **‘Interest’** measures to what degree stakeholders are likely to be affected by a project/activity, and what degree of interest or concern they have in or about it.
- **‘Power’** measures the influence stakeholders have over the project/activity, and to what degree they can help achieve, or block, the desired change.

Example: <https://youtu.be/bOIT1GKVMd8>

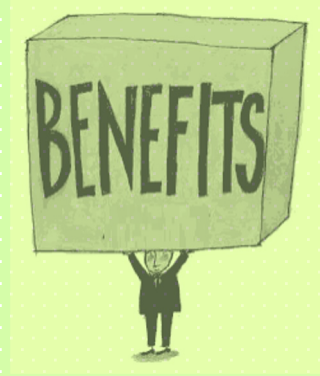


# STAKEHOLDER MAPPING ACTIVITY 1 (30MINS)

- In small groups of 5-7, answer the following task...
- Assuming your group is about to Start a Small coffee shop in Borough Market...
- List your stakeholders (primary and secondary)
- Map your stakeholders
  - Determine their level of interest and involvement



# BENEFITS OF STAKEHOLDER ANALYSIS



Stakeholder analysis can be used to:

- Identify and define the characteristics of key stakeholders
- Highlight the interests of stakeholders in relation to the purpose of the project or activity.
- Identify conflicts of interests between stakeholders, to help manage such relationships during the course of the project.
- Assess the capacity of different stakeholders and stakeholder groups to participate
- Help assess the appropriate type of participation by different stakeholders, at successive stages of the project cycle, e.g. inform, consult, partnership and the level of communication.





# SUGGESTIONS FOR EFFECTIVE STAKEHOLDER MANAGEMENT

- Treat them with respect.
- Provide information, training, mentoring, and other support they need to stay involved.
- Find roles that catch their interest and use their talents.
- Maintain their enthusiasm with appreciation, celebrations, and continual reminders of the effort's accomplishments.
- Engage them in decision-making at all stages - conception, planning, implementation, and evaluation of the project or activity.



# EVALUATING STAKEHOLDER INVOLVEMENT



- **Evaluate the stakeholder process:**
  - What could you have done to better identify stakeholders?
  - Which strategies worked best to involve different groups?
  - How successful were you in keeping people involved?
  - Did you provide any training or other support? Was it helpful? How could it have been improved?
  - Did your stakeholder analysis and management efforts have the desired effect? Were they helpful?
  - Did stakeholder involvement improve the work, effectiveness, and/or political and community support of the effort?



# STAKEHOLDER COLLABORATION

- Face-to-face negotiations allow different parties to fully explore issues and collectively come up with solutions that work.
- Being involved in the development of a solution causes stakeholders to become more likely to champion the management solutions and actively participate in them.
- Constructive discussion and planning takes time, therefore, there needs to be enough time for stakeholders to learn about each other, overcome their differences, and be “on the same page”.
- Conflict can be constructive, where there is a well-facilitated process to ensure all views are heard



# COMMUNICATION CHANNELS...

## Conventional

- Meetings
- Pressure groups
- Advocacy

## Traditional Mass Media

- Newspapers
- Billboards
- Television
- Radio

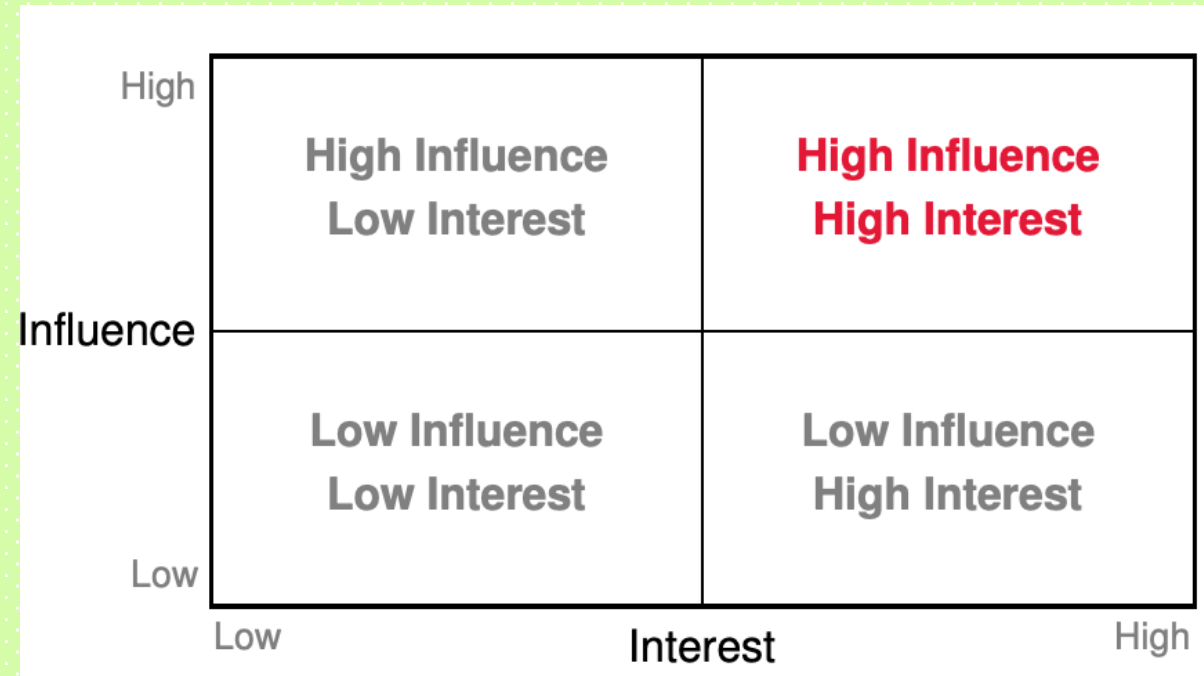
## Contemporary Media

- Social Networks
- Mailing lists
- Digital news etc.



# STAKEHOLDER MAPPING ACTIVITY 2

- Referring to your answers for stakeholder Mapping Activity 1.
- What is your preferred channel of communication for stakeholders with various levels of influence and interest?
- How would you evaluate the success of your stakeholder management?





# RESOURCES

- Freeman, R. E. (2009). Managing for stakeholders. In T. L. Beauchamp, N. E. Bowie, & D. G. Arnold (Eds.), *Ethical Theory and Business* (8th ed., pp. 56–68). Upper Saddle River: Pearson Prentice Hall.
- Donaldson, T. and Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications, *The Academy of Management Review*, Vol. 20, No. 1 pp. 65-91.
- <https://www.managers.org.uk/wp-content/uploads/2020/03/CHK-234-Stakeholder-analysis-and-management-1.pdf>

