Stakeholder Management

WHAT IS STAKEHOLDER MANAGEMENT?

Stakeholder management is the process of identifying, engaging, and managing individuals or groups who impact or are impacted by business decisions. It focuses on alignment, communication, and relationship-building to achieve results.

Stakeholder
[ˈstāk-ˌhōl-dər]

A party that has an interest in a company and can either affect or be affected by the business.

Stakeholder Management

- Stakeholder Identification
- Stakeholder Analysis
- Stakeholder Communication
- Stakeholder Engagement

FOUNDATIONS OF STAKEHOLDER AWARENESS AND INFLUENCE

Stakeholder awareness involves recognizing both formal and informal influencers. Influence grows by understanding motivations, constraints, and priorities.

- Building clarity, alignment, and execution capability
- Designed for managers in matrix environments

PRINCIPLES OF STAKEHOLDER MANAGEMENT

Principles of Effective Stakeholder Management

Identify
Determine individuals and groups that are directly and indirectly impacted or have an interest in the project.

Understand
Think through the potential needs, expectations, and concerns of stakeholders.

Strategy
Communication and engagement strategy is the key to positive relationships with stakeholders.

Prioritise
Group stakeholders based on their level of interest and potential impact on the project.

Manage
Regular communication helps to maintain relationships and manage stakeholder expectations.

Respond
Timely response to concerns and feedback goes a long way to help build trust and gain support.

Most execution challenges arise from stakeholder misalignment. Effective stakeholder management is a core business capability. Projects fail when stakeholder expectations are not addressed. Proactive engagement reduces resistance. Misalignment causes delays, rework, and escalation. Early alignment prevents execution issues.

- Most execution failures are stakeholder-related
- Delays and escalations stem from misalignment
- Stakeholder management is a business capability

WHY STAKEHOLDER MANAGEMENT BREAKS DOWN?

Breakdowns occur due to

- Assumptions replace alignment
- Late stakeholder involvement
- Overuse of authority
- Task-focused communication

INTERNAL AND EXTERNAL STAKEHOLDERS

Internal stakeholders include teams and leaders; external stakeholders include customers and partners.
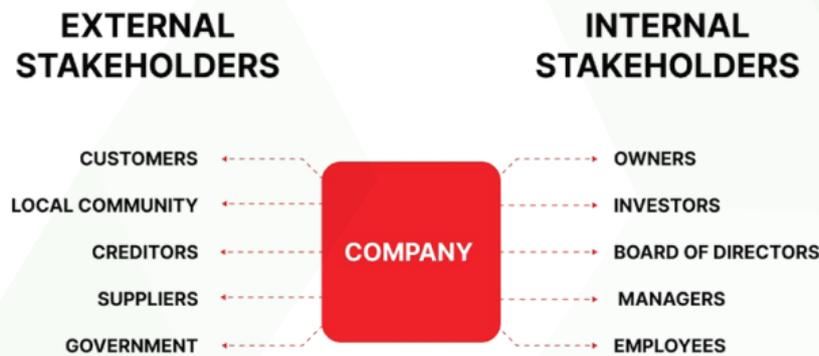
AUTHORITY VS REAL INFLUENCE

Authority comes from role; influence comes from trust and credibility. Influence drives execution. Authority may get short-term compliance. Influence creates long-term commitment and execution. In today's matrix, collaborative, and knowledge-driven workplaces, leaders rarely have full control—but they still need results

The key to successful leadership today is influence, not authority. Results come from influence built on trust, not from authority enforced by position.

INFLUENCE VS AUTHORITY

Influence   Authority
The key to successful leadership today is influence, not authority.

VISIBLE AND HIDDEN STAKEHOLDERS

Not all stakeholders are visible. Hidden stakeholders can create major indirect impact.

01 **Visible Stakeholders (Primary/Proximate)-**

These stakeholders have formal roles and direct influence on outcomes.

- **Directly Involved:** Customers, employees, investors, shareholders, suppliers, partners
- **Easily Identified:** Have formal roles, direct contracts, or obvious power to demand attention
- **Impact:** Their needs (profit, service, employment) are central to business operations

02 **Invisible Stakeholders (Secondary/Marginalized)-**

Invisible stakeholders lack power but may affect ethics, compliance, or reputation.

- **Indirectly Affected:** Local communities, environmental groups, future generations, marginalized populations, regulatory bodies, informal internal influencers
- **Lacking Power:** Often powerless, unheard, or lack proximity, making them overlooked in traditional analysis
- **Impact:** Their silence can hide significant risks, ethical considerations, or untapped potential

5S OF STAKEHOLDER SUCCESS

5S of Stakeholder Success is a practical, business-focused framework that helps organizations systematically understand, engage, and create long-term value for all key stakeholders—clients, employees, partners, vendors, leadership, and even society.

1. Scan
Identify all stakeholders connected to the business—clients, employees, partners, leadership, vendors—and understand who matters most.

2. Segment
Group stakeholders based on their role, influence, and importance so the right attention and approach is given to each group.

3. Sense
Understand stakeholder needs, expectations, challenges, and concerns through listening, interaction, and feedback.

4. Strategize
Create clear, customized plans and actions to meet stakeholder expectations and deliver meaningful value.

5. Sustain
Maintain long-term relationships through follow-ups, feedback, trust-building, and consistent value delivery.
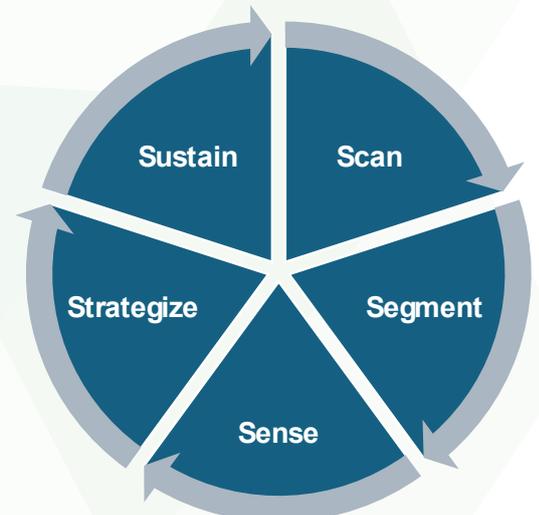
3C OF INFLUENCE

1. Credibility

Credibility is built through consistency and delivery. It reduces escalation.

- Built through competence, reliability, and consistency
- Stakeholders trust people who deliver repeatedly
- Credibility reduces the need for escalation

Question to reflect:
Do stakeholders trust my judgment?

2. Clarity

Clear communication strengthens understanding and alignment

- Clear articulation of intent, impact, and expectations
- Influence increases when messages are simple and outcome-focused
- Ambiguity weakens influence

Question to reflect:
Am I clear about what I need and why it matters?

3. Connection

Strong relationships allow healthy disagreement and trust

- Relationships enable smoother conversations during pressure
- Emotional intelligence matters during resistance and conflict
- Connection allows disagreement without damage

Question to reflect:
Have I invested in the relationship before needing influence?

STRATEGIES FOR MANAGING STAKEHOLDER EXPECTATIONS

- Involve stakeholders — 06
- Address concerns — 05
- Be transparent — 04
- 01
- Identify key stakeholders — 02
- Develop a communication plan — 03
- Use multiple channels

MENDELOW'S MATRIX

Mendelow's Matrix is a stakeholder analysis tool that helps leaders identify how to engage different stakeholders based on their level of power and level of interest in a project or decision.

By mapping stakeholders into four categories, managers can decide where to focus effort, communication, and influence. This approach ensures that key stakeholders are managed closely, while others are kept informed or monitored appropriately, reducing risk and improving execution.

The four quadrants explained briefly:

High Power – Low Interest (Keep Satisfied)

Stakeholders in this quadrant can significantly impact the project but may not be concerned with day-to-day details. The focus should be on keeping them satisfied through high-level updates and addressing concerns promptly, without overwhelming them with operational information.

High Power – High Interest (Key Players)

These stakeholders have strong influence and a deep interest in the project's success. Their support is critical for decision-making and execution. They should be actively managed, involved in key discussions, and regularly updated to maintain alignment and commitment.
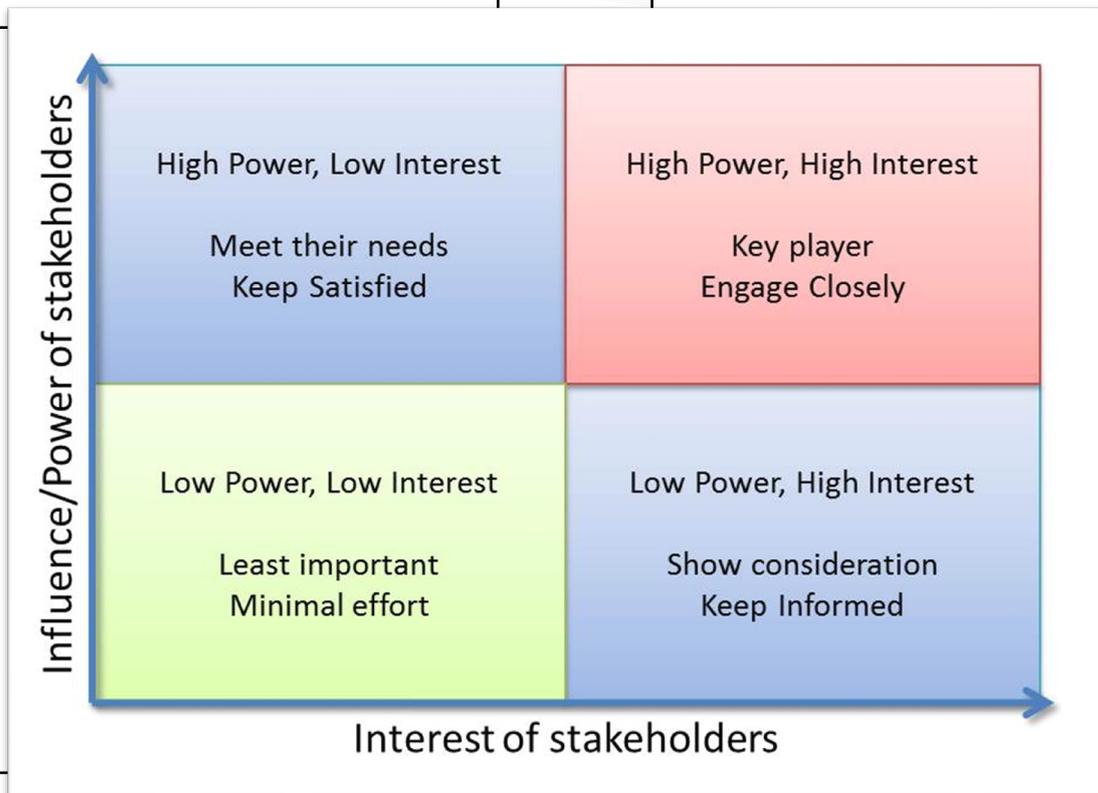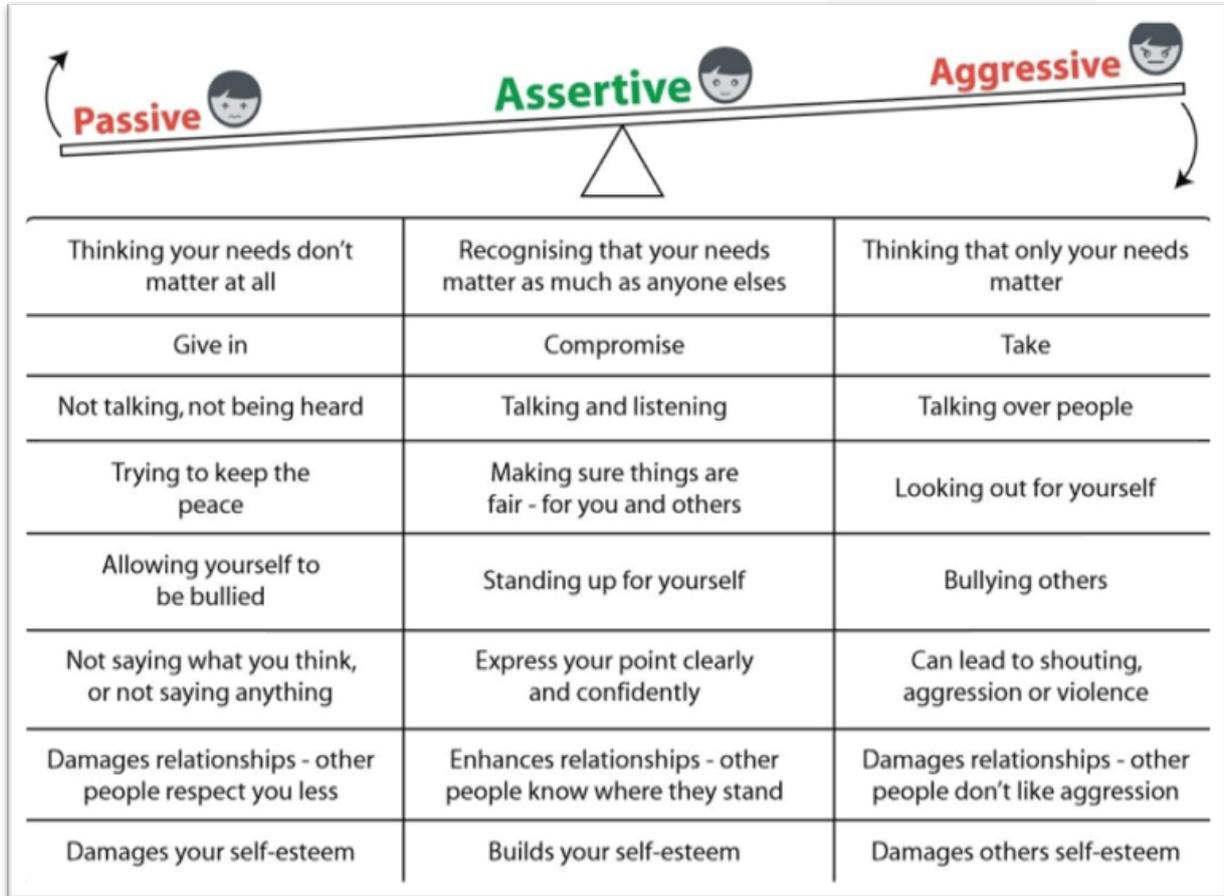

Low Power – Low Interest (Monitor)

Stakeholders here have limited influence and minimal interest in the project. They require minimal engagement but should still be monitored periodically to ensure that their concerns do not increase or unexpectedly impact the project.

Low Power – High Interest (Keep Informed)

These stakeholders are highly interested and often directly affected by the project, but they lack formal influence. Keeping them well-informed and engaged helps build support, reduces resistance, and ensures smoother implementation at the operational level.

06

ASSERTIVE COMMUNICATION: THE MIDDLE PATH

Passive	Assertive	Aggressive
Thinking your needs don't matter at all	Recognising that your needs matter as much as anyone elses	Thinking that only your needs matter
Give in	Compromise	Take
Not talking, not being heard	Talking and listening	Talking over people
Trying to keep the peace	Making sure things are fair - for you and others	Looking out for yourself
Allowing yourself to be bullied	Standing up for yourself	Bullying others
Not saying what you think, or not saying anything	Express your point clearly and confidently	Can lead to shouting, aggression or violence
Damages relationships - other people respect you less	Enhances relationships - other people know where they stand	Damages relationships - other people don't like aggression
Damages your self-esteem	Builds your self-esteem	Damages others self-esteem

STRUCTURING EFFECTIVE STAKEHOLDER CONVERSATIONS:

- Open with context and intent
- State the issue or ask clearly
- Link to impact on outcomes, risk, or timelines
- Close with clarity on ownership and next steps

WHY CREATE A STAKEHOLDER COMMUNICATIONS PLAN

Creating a stakeholder communications plan can be useful when your engagement is comms-heavy and you need to coordinate, collaborate, and plan ahead.

Clear Messaging
Go into more detail on your messaging and channels than you can cover in your stakeholder engagement plan.

Cover Specifics
Create plans tailored to specific stakeholder groups or audiences.

Collaborate
Coordinate your efforts with other departments and get others involved in your communications efforts.

WHY CONFLICT HAPPENS WITH STAKEHOLDERS

- Conflicting priorities and KPIs
- Ambiguous ownership and accountability
- Late involvement or surprises
- Perceived lack of respect or inclusion

## THOMAS - KILMANN CONFLICT MODES (TKI MODEL)

UNDERSTANDING CONFLICT STYLES

- Conflict is not good or bad, how it is handled matters
- Individuals default to certain conflict styles under pressure
- Awareness of one's style improves stakeholder outcomes
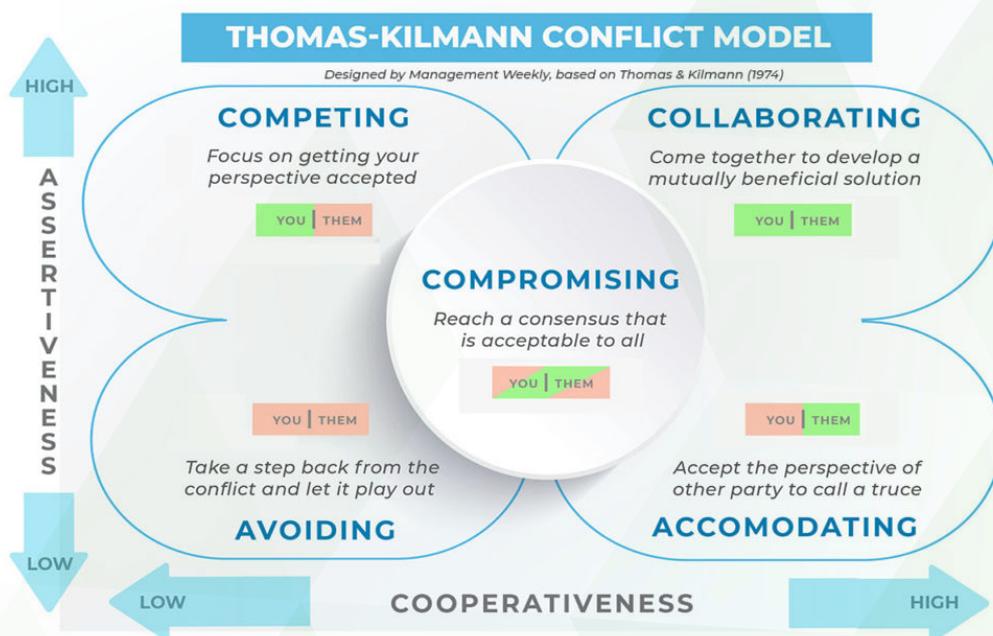
CHOOSING THE RIGHT CONFLICT MODE

- No single style is always correct
- Effectiveness depends on:
  - Stakeholder power and interest
  - Time pressure and risk
  - Long-term relationship importance
- Skilled leaders flex their style intentionally
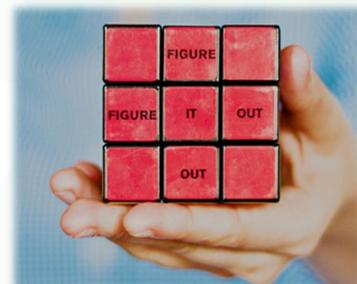
CONFLICT STYLES & STAKEHOLDER POWER

- High Power stakeholders require thoughtful style selection
- Overuse of competing increases resistance
- Overuse of avoiding creates escalation later
- Collaboration works best for critical, long-term stakeholders

CARE Model for Difficult Conversations

The CARE model is a structured approach to handling difficult conversations. It is particularly useful in professional settings where communication is essential for resolving conflicts and fostering trust. The model encourages to

- Clarify- facts, issues, and perspectives
- Acknowledge- concerns and emotions
- Resolve with agreed actions and ownership
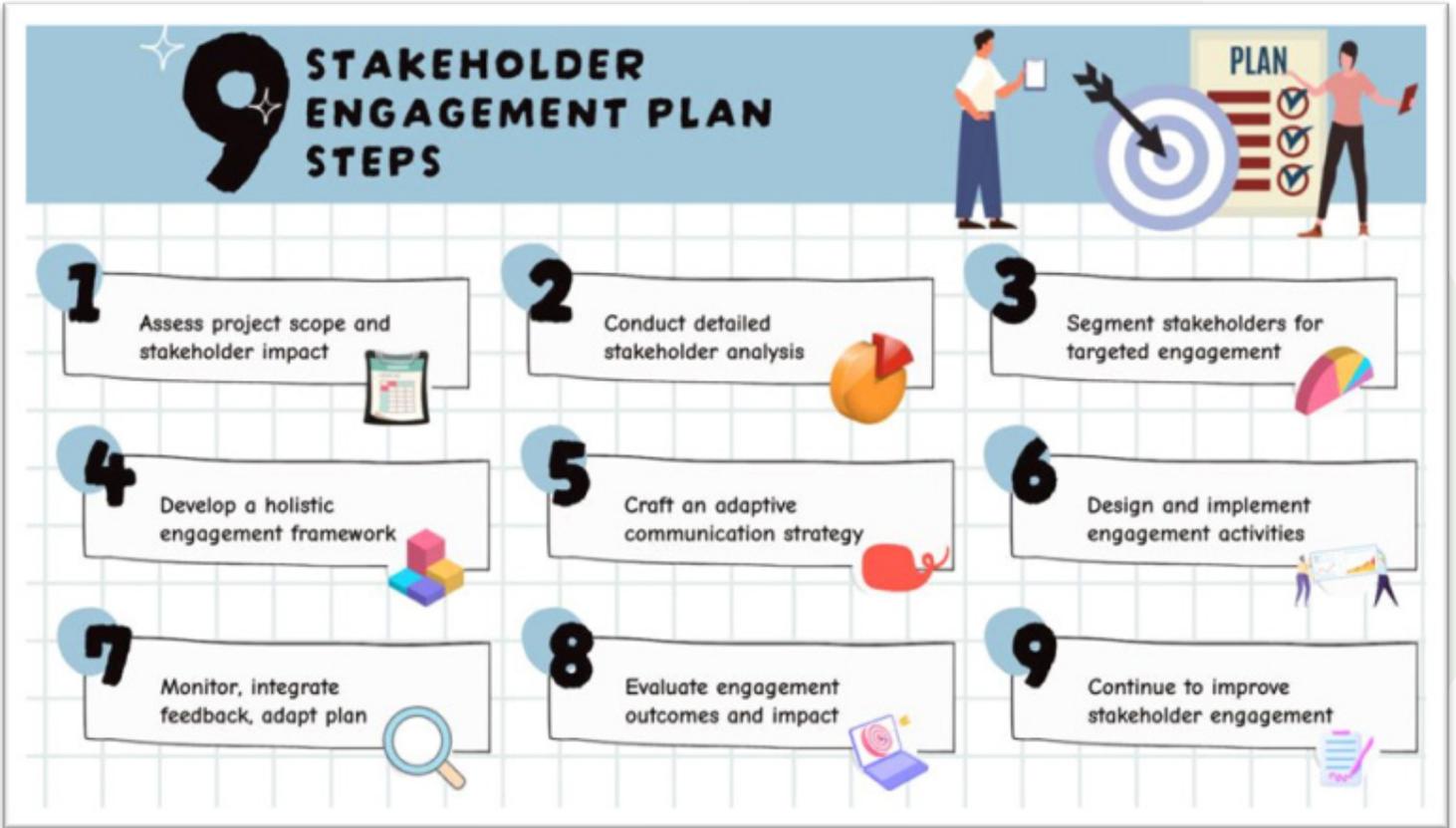- Engage through follow-up and reinforcement

Engage through follow-up and reinforcement

Clarify facts, issues, and perspectives

Resolve with agreed actions and ownership

Acknowledge concerns and emotions
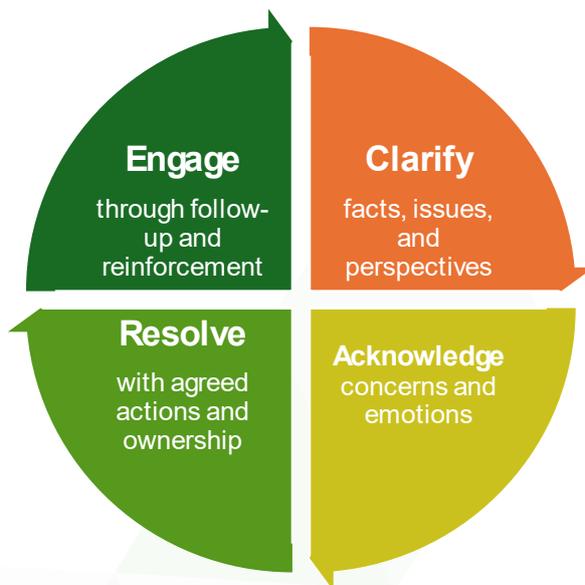
APPLYING CARE WITH CONFLICT STYLES

- CARE provides the structure
- Thomas–Kilmann provides the style choice
- Together, they enable confident, respectful conversations
- Reduces emotional reactions and escalation

FROM MAPPING TO ENGAGEMENT STRATEGY

- Mapping identifies who matters
- Conflict style defines how to engage
- Engagement strategy must adapt to stakeholder behaviour
- One approach does not fit all stakeholders

9 STAKEHOLDER ENGAGEMENT PLAN STEPS

1. Assess project scope and stakeholder impact
2. Conduct detailed stakeholder analysis
3. Segment stakeholders for targeted engagement
4. Develop a holistic engagement framework
5. Craft an adaptive communication strategy
6. Design and implement engagement activities
7. Monitor, integrate feedback, adapt plan
8. Evaluate engagement outcomes and impact
9. Continue to improve stakeholder engagement

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