



## Training: Stakeholder Engagement

### Course1. Module 2.: Theory of Stakeholder Engagement

Addis Ababa  
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## Outline of the training

- Theory of stakeholder engagement
  - Definition, Potentials, Opportunities, Benefits
  - Commitment and principles
  - 5 phases of stakeholder engagement

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## Who are stakeholders?

Stakeholders are persons or groups who are **directly or indirectly affected by a project**, as well as those who may have **interests in a project** and/or the ability to **influence its outcome**, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses.

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## Definition

- Engagement means **integration**
  - But at the same time engagement recalls the concept of the „**dedication**“ of interlocutors (active role)
- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• <b>YES</b></li> <li>• Activate a process</li> <li>• Actively get involved</li> <li>• Interactive communication</li> <li>• Confront each other for:</li> <li>• Verfyng relevant aspects</li> <li>• Implement and revise policies and strategies</li> </ul> | <ul style="list-style-type: none"> <li>• <b>NO</b></li> <li>• Make surveys</li> <li>• Public relations</li> <li>• One-way communication (top-down approach)</li> <li>• Institutional form: consultancy and negotiations</li> </ul> |
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# Potentials

- Strengthening of democracy by encouraging more active involvement by stakeholders
- Improvement in the quality and sustainability of public and private sector services
- Building greater stakeholder cohesion
- Tackling complex problems in public sector service design and delivery

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# Opportunities and focal points

- Correct and precise planning of all process steps with particular attention to the realisation of the first phases
- In order to produce useful results it is necessary to think about **selection criteria** which guarantee the **representativeness** and **inclusion** of stakeholders
- Only with the **total commitment of the top management** the process of stakeholder engagement can be an **efficient management tool** the organisation

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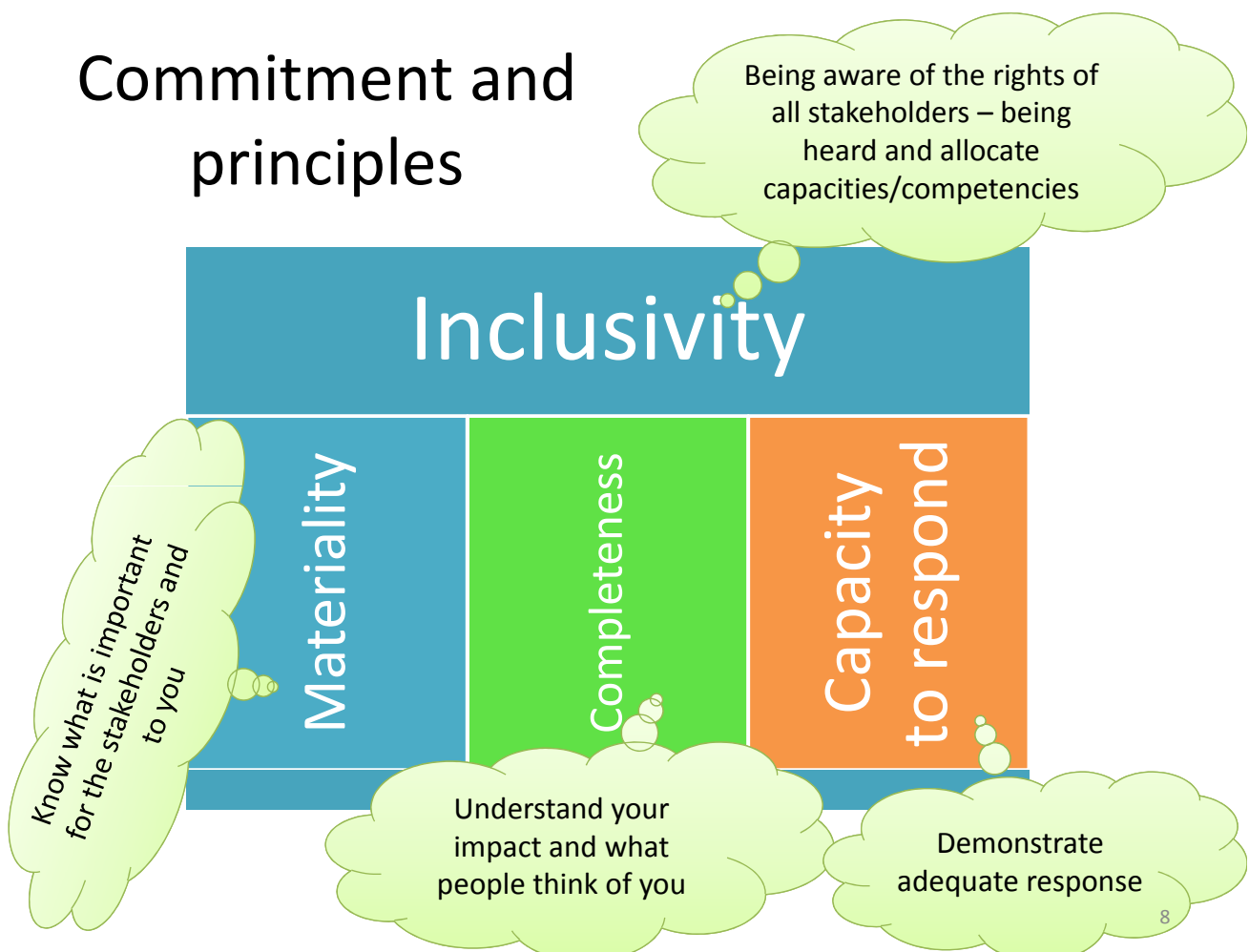
# Benefits

## Effective and strategically aligned stakeholder engagement can:

- Lead to more equitable and sustainable social development by giving those who have a right to be heard the opportunity to be considered in decision-making processes;
- Enable better management of risk and reputation;
- Allow for the pooling of resources (knowledge, people, money and technology) to solve problems and reach objectives that cannot be reached by single organisations;
- Enable understanding of the complex business environment, including market developments and identification of new strategic opportunities;
- Enable corporations to learn from stakeholders, resulting in product and process improvements;
- Inform, educate and influence stakeholders and the business environment to improve their decision-making and actions that impact on the company and on society;
- Build trust between a company and its stakeholders;

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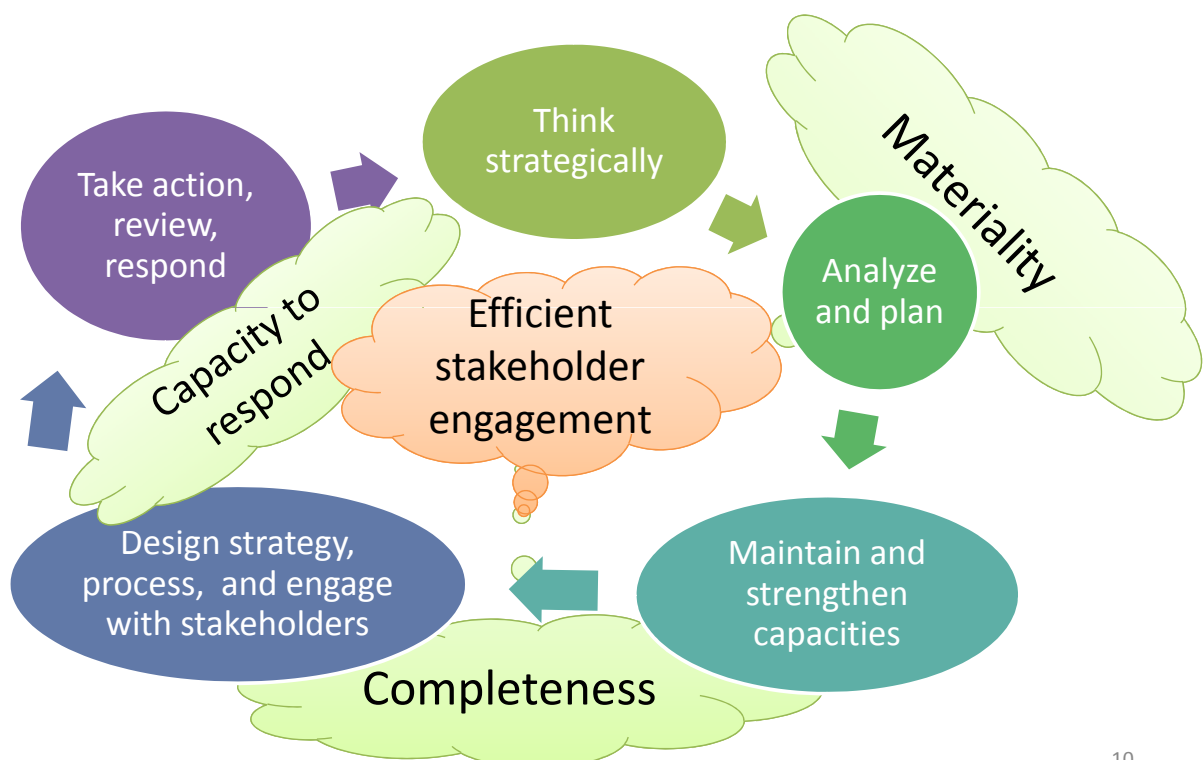
## Commitment and principles



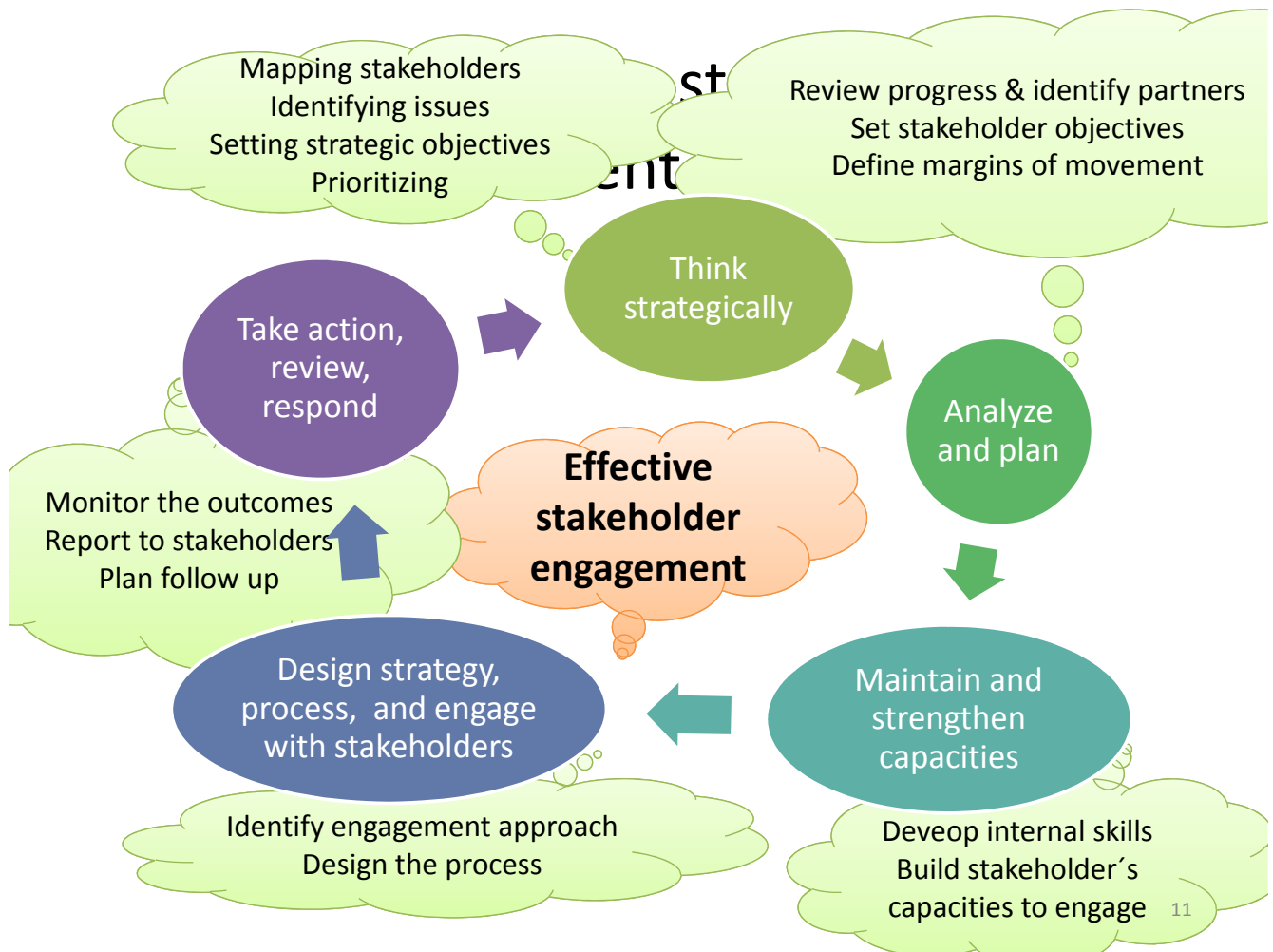
- Activate a process of dialogue and interactive communication
- Confront and verify duties and expectations in order to implement and revise policies and strategies
- Be open to integrate expectations into the strategy
- Take initiatives, inform, communicate results and respond to the stakeholders

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# 5 phases of the stakeholder engagement process







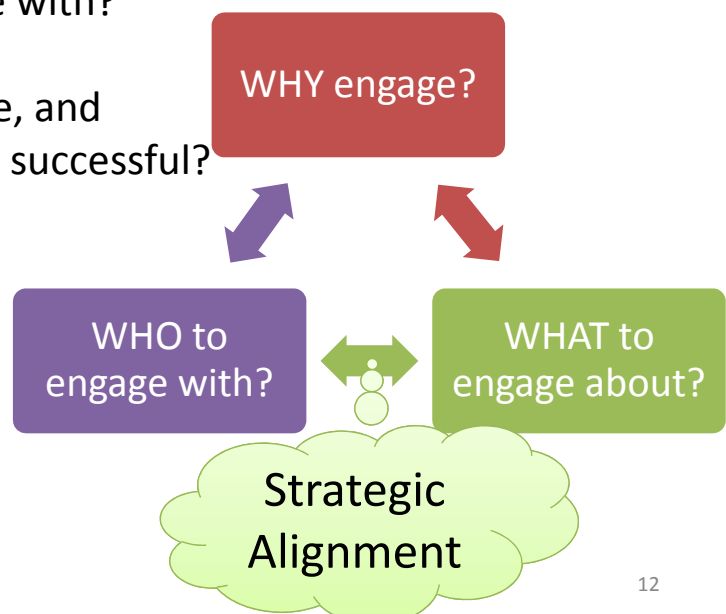
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## Phase 1

Think strategically

- Why do you and your stakeholders want to engage?
- What do you need to engage with?
- About what issues?
- What do you want to achieve, and
- how will you know if you are successful?

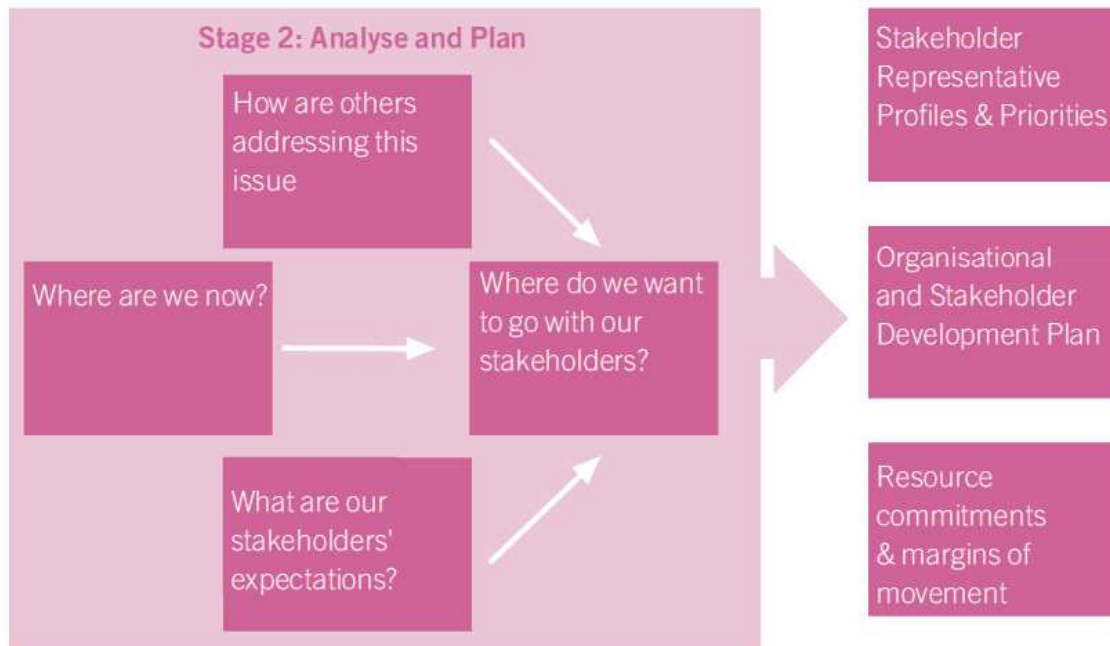


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## Phase 2

Analyze and plan

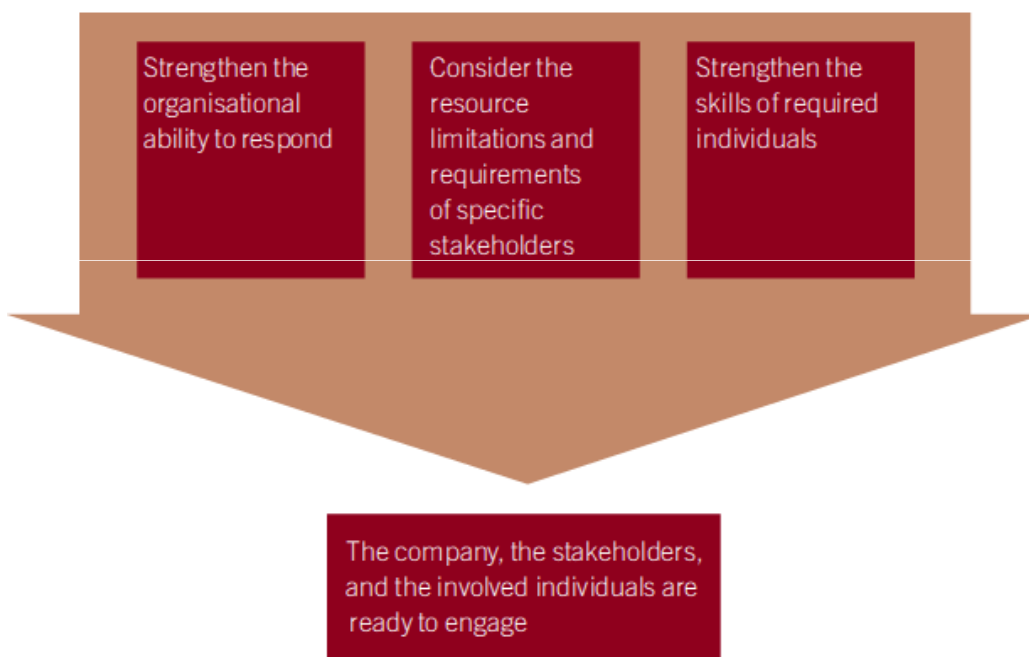


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## Phase 3

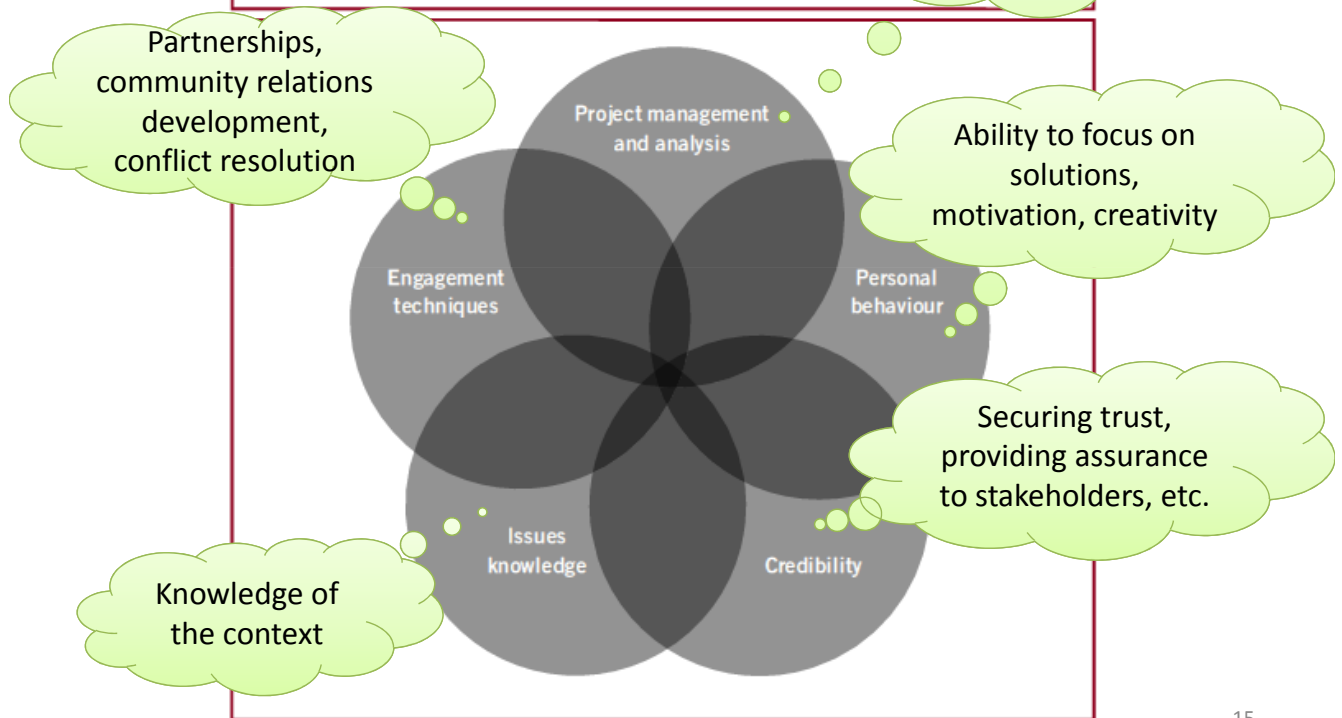
Maintain and strengthen capacities



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## Engagement Skills and Characteristics Map

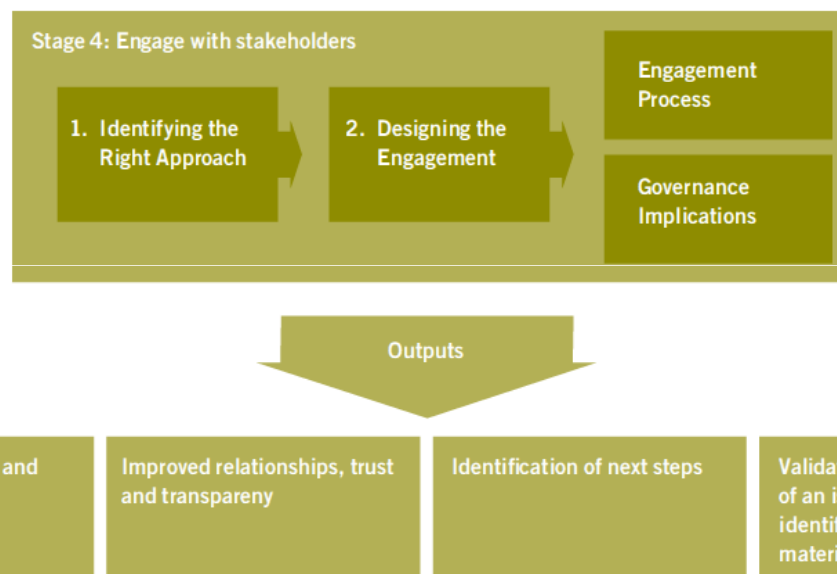


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## Phase 4

Design strategy, process, and engage with stakeholders



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# Phase 5

Take action,  
review,  
respond

## Stage 5: Act

What next?  
What decisions  
need to be taken?

How to report  
and feedback on  
engagement?

What can we learn  
from the process  
itself?

Reporting and  
assurance

Action Planning

Further  
improvements to  
the engagement  
process