Series on Effective Stakeholder Engagement[1]

Understanding and visualising your stakeholder community

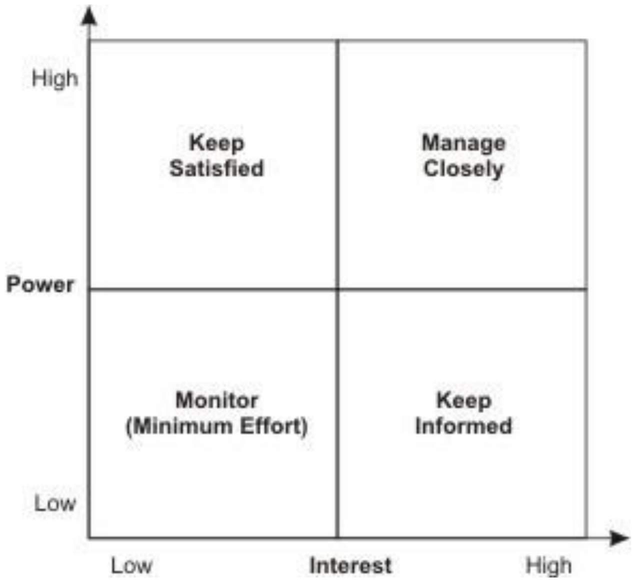
By Dr. Lynda Bourne

Collecting data about your stakeholder community is one thing; making effective use of this data requires its transformation into information that can be used to support decision making and action. For most people this involves being able to 'see' the information in context.

Stakeholder visualisation requires the mapping of complex data into a format that allows managers to 'see their community' and understand where stakeholder engagement activities will be most useful so they can direct their limited resources to achieve the best returns from the effort invested - there is never enough time or resources to fully manage every aspect of a stakeholder community. Unfortunately, in most situations a simplistic 2x2 matrix is not sufficient!

The world loves 2×2 matrices – they help make complex issues appear simple. There are a range of matrices designed for managing project and program stakeholders that achieve this result; unfortunately in most situations simple shifts to dangerously simplistic very quickly.

The problem with the simple 2×2 view of the complex world of a typical stakeholder community is the assumption that everyone falls neatly into one of the four options and everyone categorised as belonging in a quadrant can be managed the same way. A typical example is the 'power and interest' matrix:

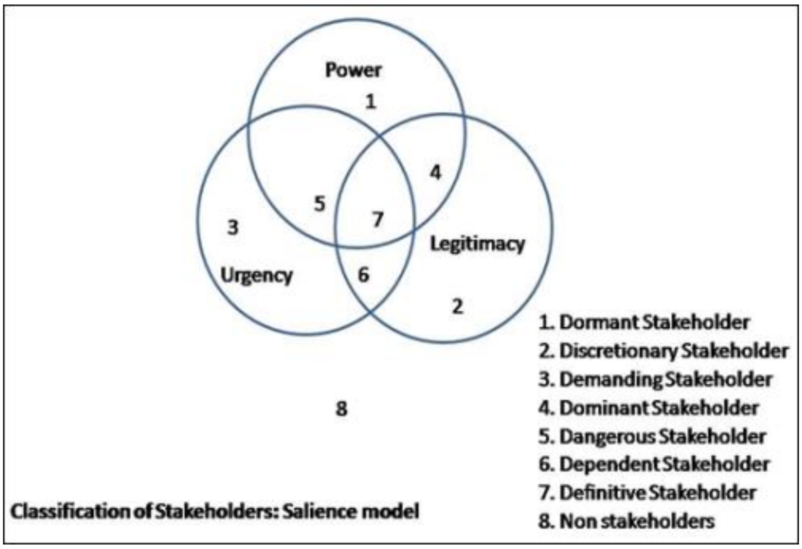


[1] This series of articles on effective stakeholder engagement is by Lynda Bourne, PhD, Managing Director of Stakeholder Pty Ltd (Australia) and author of the books *Stakeholder Relationship Management* and *Advising Upwards*, both published by Gower (UK). Dr. Bourne is one of the world's leading authorities on program/project stakeholder relations. Her author profile can be found at the end of this article.

In these various matrices, power tends to be one dimension, and can usually be assessed effectively, the second dimension can include Interest, Influence, or Impact none of which are particularly easy to classify. A third dimension can be included for very small numbers of stakeholders by colouring the 'dots' typically to show either importance or attitude.

The problem is you may have a stakeholder assessed as high power, low interest who opposes your work, who you desperately need to be actively engaged and supportive (eg, your project sponsor) – 'keep satisfied' is a completely inappropriate management strategy.

The Salience Model developed by Mitchell, Agle, and Wood. (1997) introduces the concepts of urgency and legitimacy.



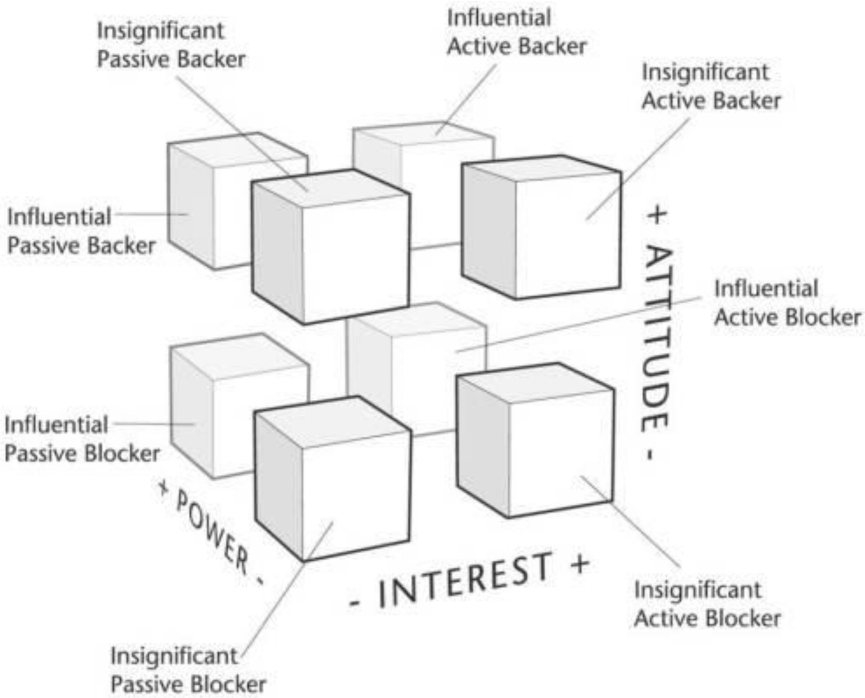
Classification of Stakeholders: Salience model

Urgency refers to the degree of effort the stakeholder is expected to expend in creating or defending its 'stake' in the project, this is an important concept! However the concepts of 'legitimate stakeholders' and non-stakeholders are inconsistent with stakeholder theory[2] and most authorities' definition of a stakeholder – anyone who believes your project will affect their interests can make themselves a stakeholder (even if their perception is incorrect) and will need managing. This model also ignores the key dimension of supportive / antagonistic.

The three dimensional Stakeholder Cube is a more sophisticated development of the simple 2×2 chart. The methodology supports the mapping of stakeholders':

- Interest (active or passive);
- Power (influential or insignificant); and
- Attitude (backer or blocker).

[2] For more on '***stakeholder theory***' see: https://mosaicprojects.wordpress.com/2014/07/11/understanding-stakeholder-theory/



This approach facilitates the development of eight typologies with suggestions on the optimum approach to managing each class of stakeholder (Murray-Webster and Simon, 2008[3]). However, the nature of the chart makes it difficult to draw specific stakeholders in the grid, or show any relationships between stakeholders and the activity. However, as with any of the other approached discussed so far, the classifications can be used to categorise the stakeholders in a spreadsheet or database and most of the key dimensions needed for effective management are present in this model. The two missing elements are any form of prioritisation (to focus effort where it is most needed) and the key question *'Is the stakeholder in the right place?'* is not answered.

Information needed for a full assessment

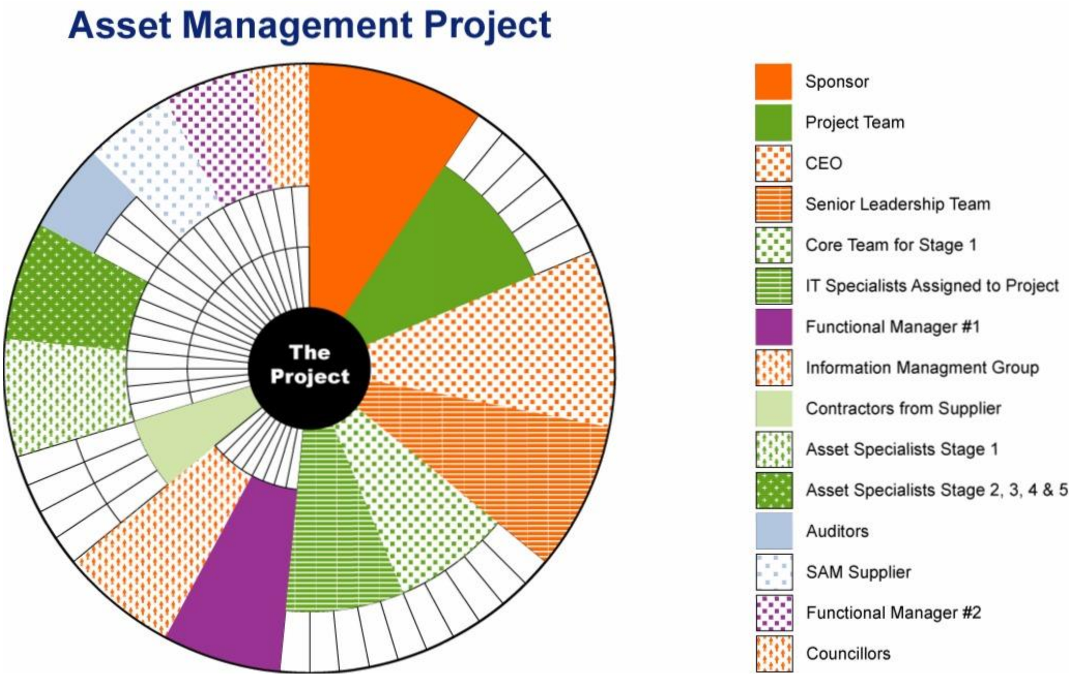
Rather then categorising stakeholders based on one or more factors, the ESEI approach to stakeholder management uses the assessments to first prioritise the stakeholders, then visualise the relative importance of the 'high priority' stakeholders before starting on the work of understanding these stakeholders to plan an effective engagement strategy.

The ESEI process for prioritising stakeholders was discussed in ***Stakeholder Identification and Prioritisation***[4]. The **Stakeholder** *Circle*® methodology[5] uses this data to create its primary visualisation tool the *'stakeholder circle'*.

[3] For more information see www.luciusconsulting.com

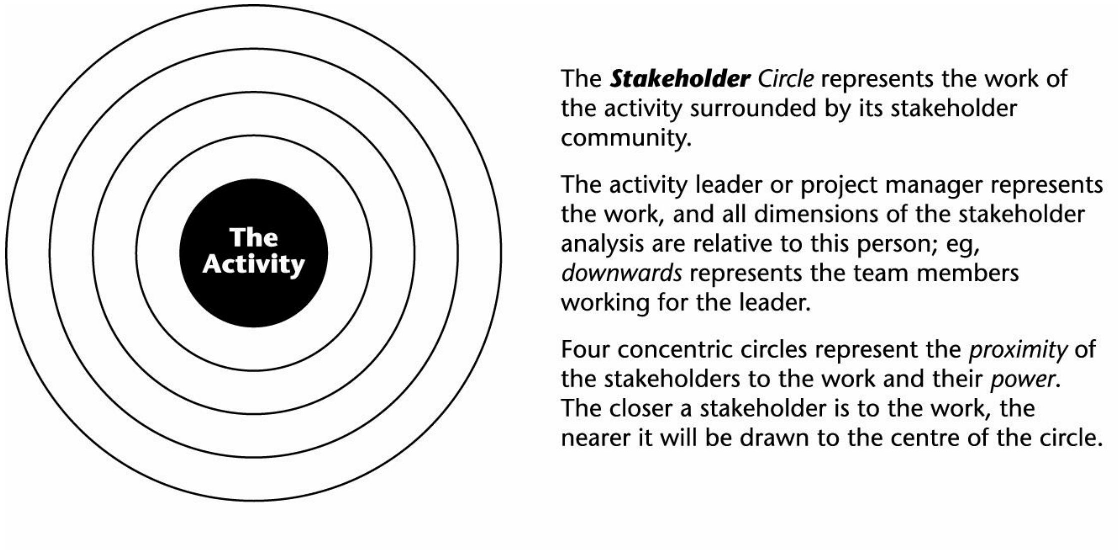
[4] See: http://pmworldjournal.net/wp-content/uploads/2015/05/pmwj34-May2015-Bourne-stakeholder-identification-and-prioritisation-Series-Article5.pdf

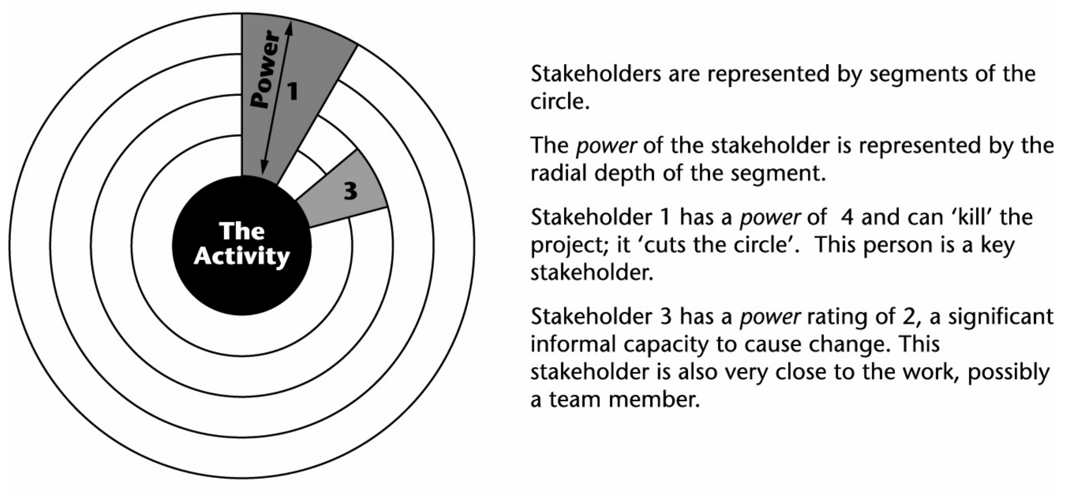
[5] The *Stakeholder Circle*® methodology underpins the ESEI approach to stakeholder management; see: http://www.stakeholdermapping.com/

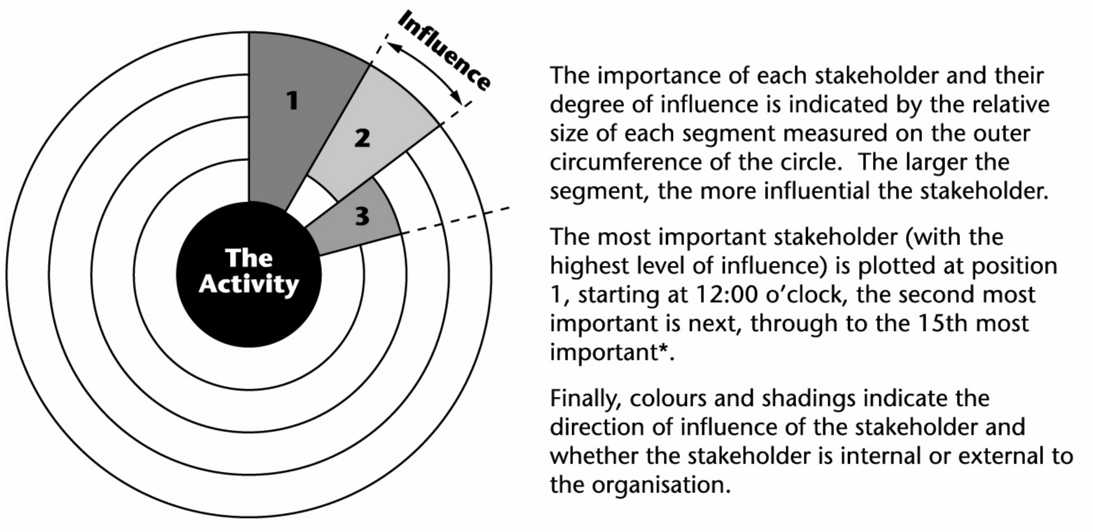


Stakeholder Circle® for Council Asset Management Project

The *Stakeholder Circle* is an information rich diagram. The basic structure is created from the assessment of power, proximity and urgency used in the prioritisation process:







Colour is used to define the direction of the stakeholder compared to the manager of the 'activity' with dark toning indicating an internal stakeholder and pale toning an external stakeholder, patterns are simply used to distinguish between the segments:

- Orange = Upwards (more senior management)
- Green = Downwards (team and suppliers)
- Blue = External stakeholders
- Purple = Peers of the manager

The *Stakeholder Circle®* is designed to show the top 15 stakeholders 'at this point in time' graphically, experience suggests that actively assessing and managing this number is about right for most projects, other stakeholders can be dealt with through more routine communication channels.

Once you have a clear picture of your stakeholder community, the next step is assessing their attitudes towards the work and planning your engagement activities, more on this next month.

About the Author

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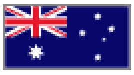

Dr. Lynda Bourne is Managing Director of Stakeholder Management Pty Ltd – an Australian based company with partners in South America and Europe. Through this global network she works with organisations to manage change through managing the relationships essential for successful delivery of organisational outcomes. Lynda was the first graduate of the RMIT University, Doctor of Project Management course, where her research was focused on tools and techniques for more effective stakeholder engagement. She has been recognised in the field of project management through her work on development of project and program management standards. She was also included in PMI's list of 50 most influential women in PM.

She is a Fellow of the Australian Institute of Management (AIM) and a Fellow of the Australian Computer Society (ACS). She is a recognized international speaker and seminar leader on the topic of stakeholder management, the Stakeholder Circle® visualization tool, and building credibility and reputation for more effective communication. She has extensive experience as a Senior Project Manager and Project Director specializing in delivery of information technology and other business-related projects within the telecommunications sector, working as a Senior IT Project Management Consultant with various telecommunications companies in Australia and South East Asia (primarily in Malaysia) including senior roles with Optus and Telstra.

Dr Bourne's publications include: *Stakeholder Relationship Management*, now in 2nd edition, published in 2009, *Advising Upwards* published in 2011, and Making Projects Work, published in 2015. She has also contributed to books on stakeholder engagement, and has published papers in many academic and professional journals and is blogger for PMI's *Voices on Project Management*.

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To see previous articles in this series by Lynda Bourne, visit her author showcase in the PM World Library at http://pmworldlibrary.net/authors/dr-lynda-bourne/