PM World **Journal**   *Stakeholder Management is no longer optional*
Vol. IV, Issue XII – December 2015   *Effective Stakeholder Engagement*
www.pmworldjournal.net   Series Article 10   Dr Lynda Bourne

Series on Effective Stakeholder Engagement[1]

Stakeholder Management is no longer optional

By Dr. Lynda Bourne

Apart from the practical consideration that projects are done by people for people and that people are stakeholders who will decide if your project is successful or not; the regulatory and political environment is changing. In many situations effective stakeholder management is becoming a mandated necessity.

Two standards that are increasingly used to benchmark 'effective stakeholder engagement' are ISO 26000 and GRIG4 - this article looks at their consequences.

International Standard, ISO 26000:2010, *Guidance on social responsibility*

Each ISO International Standard represents a global consensus on the state of the art in the subject of that standard, ISO 26000 is no different. It is intended to assist organisations in contributing to sustainable development by encouraging them to go beyond mere legal compliance and actively support the communities in which they operate to the benefit of the community and the organisation. ISO recommend that in applying ISO 26000, it is advisable that an organisation take into consideration societal, environmental, legal, cultural, political and organisational diversity, as well as differences in economic conditions, while being consistent with international norms of behaviour.

ISO 26000 provides guidance on:

1. Concepts, terms and definitions related to social responsibility
2. Background, trends and characteristics of social responsibility
3. Principles and practices relating to social responsibility
4. Core subjects and issues of social responsibility
5. Integrating, implementing and promoting socially responsible behaviour throughout the organization and, through its policies and practices, within its sphere of influence
6. Identifying and engaging with stakeholders
7. Communicating commitments, performance and other information related to social responsibility.

The perception and reality of an organization's performance on social responsibility can influence, among other things:

- Competitive advantage
- Reputation

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[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.

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- Ability to attract and retain workers or members, customers, clients or users
- Maintenance of employees' morale, commitment and productivity
- View of investors, owners, donors, sponsors and the financial community
- Relationship with companies, governments, the media, suppliers, peers, customers and the community in which it operates.

None of the above happens without recognising the importance of stakeholders and proactive stakeholder engagement. Clause 5 in the standard addresses two practices of social responsibility:

- An organization's recognition of its social responsibility, and
- Its identification of and engagement with its stakeholders.

The framework for ISO 26000 positions stakeholder engagement as one of the two 'fundamental practices':
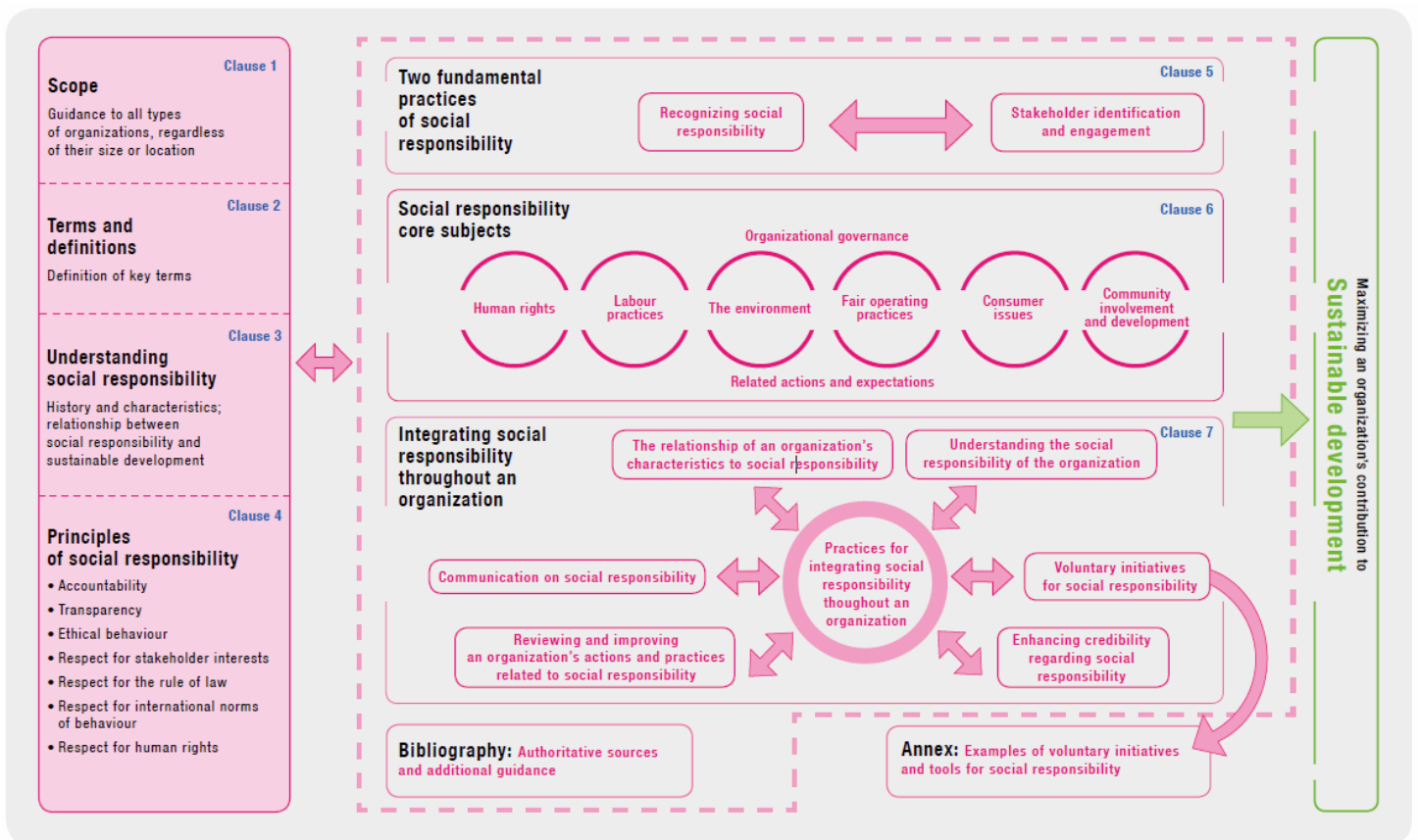
The Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a network based non-governmental organization that aims to drive sustainability and Environmental, Social and Governance (ESG) reporting. GRI also has regional 'Focal Points' in Australia, Brazil, China, India and the USA.

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GRI provides Guidelines to support organisations interested in reporting on the topics covered by ISO 26000 as part of its comprehensive Sustainability Reporting Framework, which is created through an international multi-stakeholder, consensus-based process. The fourth edition of the guidelines 'G4' include *Reporting Principles*, *Standard Disclosures* and an *Implementation Manual* for the preparation of sustainability reports by organisations, regardless of their size, sector or location. The Guidelines also offer an international reference for all those interested in the disclosure of governance approach and of the environmental, social and economic performance and impacts of organisations.
For more on GRIG4 see: http://www.globalreporting.org.

What this means for you!

More and more organisations are adopting ESG objectives, either voluntarily to gain a competitive advantage, in response to various regulatory imperatives, or to comply with various stock exchange listing rules. This means the organisation has a need to implement effective stakeholder identification and engagement strategies and to report on their effectiveness.

While this may be of minimal interest to a small internal project, any significant outward facing project has to be aware of their organisation's objectives and commitments and support their achievement. The **ESEI** way to achieve this is to make effective stakeholder engagement a core part of your project management methodology - it helps create successful projects and increasingly links to your organisations commitment to ESG.

The bandwagon is rolling - your stakeholders will increasingly come to expect authentic and effective engagement from your project team. The only choice you have is to decide to be proactive and take the **ESEI** route to making stakeholders a core part of your project success or wait until a major stakeholder engagement issue 'blows up' and struggle to deal with the problems retrospectively.

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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/