How to build and maintain stakeholder relationships management essay

Organizations change constantly, a projects stakeholder set will change as stakeholder change roles within the organization, move into different roles or leave the organization to take up roles in other organizations. For whatever reason, the ability of individual stakeholder to influence the project may increase or decrease. Most project management methodologies define ways to identify project stakeholder, and then base their entire communications strategies on this initial, and only, identification. Many projects fail because stakeholders do not continue to support the vision or objectives of the project. In many cases this is because the team does not recognize changes in the relative power or position of key stakeholder and fails to make appropriate adjustments in their stakeholder management activities.

This study reported upon in this paper is focused on support for project managers in building and maintaining relationships with project stakeholder. This is accomplished through using a practical methodology that allows the project team to identify and priorities the project's stakeholder and then stakeholders' needs of the project – to develop an appropriate relationship management strategy.

The underlying assumption for this research is the stakeholder management is extremely difficult, the project manager and his/her project team members must identify, engage and sustain relationships with a diverse set of groups and individuals (including themselves) who can impact the project in many ways.

HOW TO BUILD AND MAINTAIN STAKEHOLDER RELATIONSHIPS

GOTTA QUIRK (1999 – 2012):

Communication and trust is the main source for creating a lasting relationship between stakeholders. Through effective communications and building trusting relationships, organizations should be committed to ensure that all stakeholders are involved in shaping the decisions of organizations in a meaningful manner. The commitment to actively build and maintain long-term relationships with stakeholders is based on two fundamental guiding principles – communication and trust.

These two principles shape the development of stakeholder relations philosophy which includes: ENMAX Corporation (2012):

Encouraging stakeholder participation in the decision-making process

Providing timely information

Open, and honest communication

Listening to stakeholder concerns

Respecting diverse opinions

Seeking mutually beneficial solutions

Learning from each other

Moreover, stakeholder relationships that are unmanaged or mismanaged have a number of less than favorable consequences for companies. These

include unnecessary expenses, and a lack of buy-in to processes and initiatives aimed at transforming the company. However, stakeholder management is a difficult undertaking for organizations because it requires investment and commitment to a long term structured process. While there are a number of efficient information management tools available through marketing, it is important to start with the big picture – who are we going to be speaking to and how?

BY IDENTIFYING THE STAKEHOLDERS

Particularly in larger organizations, this process is a critical one because the network of stakeholders with an investment or interest in a business is broader than we would originally have imagined. Consider that likely stakeholders include the board, management, other employees, customers, suppliers and the community within which we operate. It is important when making this list that we gather and collate as much information as possible about the individuals and groups on it. This will enable us to start thinking through appropriate and targeted communication with them.

BY PRIORITIZING THE STAKEHOLDER

However noble our intentions regarding stakeholder relationship management are, there unfortunately have to be some individuals and group who's needs are more important and who require prioritization if we intend maintaining their support. While this sucks for the interns, the chairman of organizational board will be pleased to know that you have his best interests at heart. Prioritizing begins with segmenting a list into groups and then listing them in order of importance. This process needs to be completed with the organizational goals and the level of stakeholder information in mind.

Ultimately, this will ensure personalization and consistency across communication channels at a later point in the process.

BY UNDERSTANDING THEIR NEEDS

Stakeholders require consistent and regular communication and service. However, their individual distinctiveness requires that this communication be personalized and targeted. This is difficult enough in the corner store but is universally impossible across larger organizations; the number of individuals is just too great. The next thing is to understand each group. A key part of this is to know what information they have, how accurate it is, how it aligns with the organizational goals and what information they need. This should align with the process of prioritization, with the groups at the bottom needing the least amount of information and the groups at the top needing the most.

BY BUILDING TRUSTIN RELATIONSHIPS

Collaborative partnerships depend on trust. Partners must communicate effectively and resolve conflicts, especially about sensitive issues like distribution of rewards and the involvement of host organizations – the " in laws". As in any relationship, attention must be given to renewing the relationship and sustaining the commitment of the partners by building and maintaining support of the parent organization, evaluating progress and celebrating success.

BY ENCOURAGING THE STAKEHOLDERS

This is the act of giving someone support, confidence, or hope that it is well even though they do not see it. When we encourage our stakeholders, it

makes them feel the company do have plans for them and that would make them hold on.

BY SATISFYING THE STAKEHOLDERS

Satisfaction is important in maintaining a good relationship because when one is not satisfied, they would always look for a place where they would be satisfied. Even the study of economics makes us to understand that man is insatiable. So as a company, let's look for a way to satisfy the stakeholders needs.

BY ENGAGING WITH THE STAKEHOLDERS

Now the easy part is over and you actually have to find an innovative and efficient manner in which to communicate with these stakeholders. Whatever tactics you use, it is helpful to have a communication plan in place so that the process runs smoothly without negatively impacting on productivity. Using a collaborative software package could be the answer, particularly if you want to keep a specific group up to date about a specific project. Regular status reports are useful and email newsletters are very effective for those individuals who are not privy to sensitive information. Going one step further, these can be divided into an internal and an external newsletter; the first being only for staff and the second for clients and interested parties. For small groups and occasionally large ones, meetings are a good way to get a message across and invite buy in and feedback. Remember that in order to be effective, this engagement should be two-way. Stakeholders need a forum to air concerns and grievances while having the comfort of knowing they will get a response. Neglecting this element of communication is bound to undermine the ultimate goals of your organization.

Regardless of tactics though, the important part of this aspect of the process is to understand and manage stakeholder expectations. The stakeholders need to know when to expect communication and what sort of communication to expect.

MONITORING THE ENGAGEMENT EFFORTS

There is little point in engagement with the stakeholders if it is perceived to be token or ineffectual. While it's admirable that you are trying, this lack of efficacy is not going to encourage buy-in and may undermine your company, particularly if the negativity spreads. It is thus important to track and monitor your efforts and gauge the response to them. Speak to individuals directly, encourage feedback and through email tracking assess whether people are reading the information that are been disseminated. Tweak your efforts accordingly. Part of this is keeping a finger on the pulse of the company's reputation which is also important. Conduct surveys if necessary and establish who thinks what and why. Knowing what the perception is will go a long way toward finding the necessary means to turn it around.

ISSUES THAT MAY AFFECT STAKEHOLDER RELATIONSHIPS AND THE POSSIBLE AREAS OF CONFLICT

CIM (1998):

The issues that may affect relationships are likewise the same as the areas of conflict, and this is certainly the opposite of the factors that builds relationship. For example, when a stakeholder's interest in an organization is different from that of other stakeholders group, this may affect the

relationship between stakeholders or cause conflict to an extent. Another example is trust, when there is no trust in an organization; it could also affect a relationship or cause conflict. Also consider when there is no:

Control mutuality (think " mutual control") — the degree to which parties agree on who has the rightful power to influence one another.

Trust — one party's level of confidence in and willingness to open one's self to the other party.

Commitment — The extent to which each party believes and feels that the relationship is worth spending energy to maintain and promote.

Satisfaction — The extent to which each party feels favorably toward the other because positive expectations about the relationship are reinforced.

Exchange relationships — In an exchange relationship, one party gives benefits to the other only because the other has provided benefits in the past or is expected to do so in the future.

Communal relationships — In a communal relationship, both parties provide benefits to the other because they are concerned for the welfare of the other — even if they get nothing in return.

STRENGTHENING AND RESOLVING CONFLICT IN RELATIONSHIPS

ASSESS THE STRENGTH OF THE RELATIONSHIP

The first thing is to survey the stakeholder group using some variant of the questionnaire, this will reveal how weak or strong the relationship is and

where it is weak or strong. For example, in one project I did, we learned the organization had excellent scores with all stakeholder groups on all but one of these six factors. So improving stakeholder relationships in that case was a matter of focusing on that one factor.

BUILD STAKEHOLDERS TRUST IN THE ORGANIZATION

Consistently treat stakeholders fairly.

Whenever the organization makes important decisions take stakeholder opinions into account and otherwise demonstrate concern for stakeholders.

Keep organizational promises.

Demonstrate competence by doing what was proposed.

PAY ATTENTION AND RESPOND TO WHAT STAKEHOLDERS SAY AND DO

Demonstrate the belief that stakeholder opinions are legitimate by responding to them.

Give stakeholders a say in the organization's decision-making process, especially in those areas that affect the stakeholder group.

DEMONSTRATE COMMITMENT TO STAKEHOLDERS

Show stakeholders that the organization wants to maintain a long-term relationship with them.

Engage stakeholders to build loyalty to the organization.

SATISFY STAKEHOLDERS

Identify and enhance the ways stakeholders benefit from their association with the organization.

Make interacting with the organization a " delightful" experience.

Make stakeholders feel they are important to the organization.

MOVE BEYOND AN EXCHANGE RELATIONSHIP TO A COMMUNAL RELATIONSHIP

As noted above, exchange relationships are those in which two parties in a relationship expect a benefit in return for a benefit — tit for tat. These relationships are the basis of most for-profit businesses. That is, a customer expects a certain quality product in exchange for the money he/she spends, and the organization expects the money in return for the product. Employees expect pay, benefits and a sense of fulfillment and organizations expect work and engagement.

A communal relationship goes beyond that. One party in the relationship believes the other will give benefits with no expectation of a return. An example of this is corporate social responsibility programs, such as when a bank goes beyond the basic business exchange to " give back" to the community by supporting programs that benefit neighborhoods. Some argue that this corporate giving is not really selfless in that the organization expects good will in return for the benefit it bestows on the community. And this may be. Nevertheless, when a stakeholder believes an organization helps people without expecting anything in return, the relationship is at a

different level than if the stakeholder believes the organization only trades benefit for benefit.

THE IMPORTANCE OF MONITORING AND REVIEWING

DIY Committee Guide (2012)

Both research and common sense support the notion that we need to monitor the performance of stakeholder on an ongoing basis. If we are ever to know how we are doing, the management committee should use reports against its annual operational plans to review progress towards meeting the strategic aims and objectives. Therefore, they must ensure that whoever is doing the work is keeping appropriate records so that progress can be assessed. This will involve, at the implementation stage of the plan, being clear what systems and structures are required. The things you decide to measure will give an indication of how well you're doing, hence, the name indication or performance measures.

Before completing your plan, you need to agree how and when it will be monitored and reviewed and what information the Management Committee needs to receive in order to review progress.

When reviewing progress towards achieving the strategic aims and objectives, the Management Committee should:

-ensure that activities are kept within the parameters of the agreed strategic aims and objectives;

-ensure that activities are consistent with organization's vision, mission and values; and

-keep under review internal and external changes which may require changes to the organization's strategy or affect their ability to achieve their objectives.

GETTING FEEDBACKS

The quality of a partnership can be analyzed by getting feedback from the stakeholders through questionnaires or interviews

CONCLUSION

In closing, I'd like to re-emphasize the importance of assessing the strength of the relationship at the outset. That there are six factors to manage when building relationships is a great insight. But to manage we must be able to measure. This tells us not only where to focus our efforts but also whether we have succeeded.