

STAKEHOLDER ANALYSIS

by Will Allen and Margaret Kilvington

Stakeholder analysis is the identification of a project's key stakeholders, an assessment of their interests, and the ways in which those interests affect project riskiness and viability. It contributes to project design by identifying the goals and roles of different groups, and by helping to formulate appropriate forms of engagement with these groups.

Stakeholders are persons, groups or institutions with interests in a policy, programme or project. Primary stakeholders are immediate communities of interest. Secondary stakeholders are the intermediaries in the process, and may include government agencies and other institutional bodies. Often these groups do not think of themselves as stakeholders, because they feel they own the process. A rule of thumb for ensuring that key stakeholders have been included in the process is to question whose support or lack of it might significantly influence the success of the project. This is a particularly good test for expert and activist groups, both of whom commonly claim to speak for a wider representation than may be the case, and whose capacity to articulate their concerns might easily cause other groups to be overlooked.

In the analysis we look at the stakeholder, and the relationship. Different types of relationship need different kinds of processes; some need more input to maintain. Stakeholders similarly can be quite specific, such as individuals or geographically identifiable groups of people. Others are more 'amorphous' and we have to think more laterally about how we are going to establish and maintain a relationship with them.

Why a stakeholder analysis?

A stakeholder analysis is just one (albeit usually the first) step in building the relationships needed for the success of a participatory project or policy. It provides a starting point, by establishing which groups to work with and setting out an approach so this can be achieved. In this way a stakeholder analysis also helps project initiators to assess the social environment in which they will operate.

In particular a stakeholder analysis can be used to:

- Identify and define the characteristics of key stakeholders.;
- Draw out the interests of stakeholders in relation to the problems that the project is seeking to address (at the identification stage) or the purpose of the project (once it has started);
- Identify conflicts of interests between stakeholders, to help manage such relationships during the course of the project;
- Help to identify relations between stakeholders that may enable "coalitions" of project sponsorship, ownership and cooperation;
- Assess the capacity of different stakeholders and stakeholder groups to participate;
- Help to assess the appropriate type of participation by different stakeholders, at successive stages of the project cycle, e.g. inform, consult, partnership -- all of these have different possible models.

Conduction of a Stakeholder Analysis

Step One: Identifying major stakeholder groups

Identify and list stakeholders. Often it is better to do this with the help of a small group of people. Stakeholders can be individuals, groups, communities, organisations, etc. Also breaking stakeholder groups into smaller units (e.g. men and women, ethnic groups, locality, organisational departments) will often assist in identifying important groups who may otherwise be overlooked.

Stakeholder analysis is aimed at enhancing stakeholder involvement in participatory processes. prior to their actual involvement in decision-making activities. Thus stakeholders do not usually participate in this process. However, since stakeholder identification has consequences, analyses are likely to reflect the interests and agenda of the agency directing the exercise. This can be redressed later in the process by allowing the inclusion of more stakeholders as their interest comes to light.

Step Two: Determining interests, importance and influence

Draw out key interests for each stakeholder group in the initial list. Key questions could include:

- What are the likely expectations of the project by the stakeholder?
- What benefits are there likely to be for stakeholders?
- What resources are the stakeholders likely to commit (or avoid committing) to the project?
- What other interests does the stakeholder have that may conflict with the project?
- How does the stakeholder regard others on the list?

Next, assess the influence and importance of each stakeholder on the project. Influence refers to how powerful a stakeholder is; importance refers to those stakeholders whose problems, needs and interests coincide with the aims of the project. If these “important” stakeholders are not involved or assisted, then the project cannot be called a success.

Step Three: Establishing strategies for involvement

Plan strategies for approaching and involving each person or group. How to do this will usually depend on the results of the previous analysis. How involved each stakeholder is will depend on the appropriate type and level of participation. There is no need to involve reluctant stakeholders, and stakeholders may change their level of involvement as the process continues. Thus, partnerships should be flexible and designed to grow. Where the stakeholder is a group rather than an individual, you may need to decide whether all in the group participate or only representatives of the group.

Your feedback or comments about any of the material on this, or related, pages is welcomed. Please feel free to contact Will Allen allenw@landcareresearch.co.nz, Margaret Kilvington kilvingtonm@landcareresearch.co.nz, Garth Harmsworth harmsworthg@landcareresearch.co.nz or Chrys Horn hornc@landcareresearch.co.nz.

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