COLLECTIVE LEADERSHIP INSTITUTE

Stakeholder Analysis

Factsheet 12

Compass Tool Path:
Tool / Collaboration Ecosystem / Understand System Patterns

Stakeholder Analysis

What will you learn?

The step by step approach to a stakeholder analysis by using the influence/interest grid

What will it help you with?

Determining what type of engagement process is required to create sufficient interest in the multi-stakeholder collaboration

Creating the basis for a strategic conversation within the core group about who is needed for the multi-stakeholder collaboration and how to approach different stakeholders.

When is this factsheet particularly relevant?

Most importantly in Phase 1 of the **Dialogic Change Model.**

For an in-depth understanding of making collaboration work, please view our open access publication

Kuenkel. P., Kuehn, E., Stucker, D., Williamson, D.F. (2020)

Leading Transformative Change Collectively
A Practitioner Guide to Realizing the SDGs

compass-tool.net | collectiveleadership.com

What is a stakeholder analysis?

An important pathway towards understanding systems patterns as part of the necessary context analysis is understanding the **landscape of stakeholders** in relation to their **interest** in and their **power to influence change**. This is best done in a stakeholder analysis. There are many tools available that dialogic process facilitators can use for this purpose. This factsheet builds on a freely available tool that many stakeholders are familiar with: The Stakeholder Landscape Analysis1 (Kuenkel et al. 2011).

Stakeholder Analysis is best done in the **core group** that intends to initiate the multi-stakeholder collaboration. It is always contextual, hence created in relation to the goal or purpose of a collaborative initiative.

The tool helps to develop a strategic view of the human and institutional actors' willingness to engage for collaborative change around a particular issue. Although the Stakeholder Landscape Analysis can be used throughout all phases of the **Dialogic Change Model**, it is crucial to create such an analysis at the outset of any envisaged collaborative change process.

How to conduct a stakeholder analysis

The grid for Stakeholder Landscape Analysis has four quadrants:

- **The upper right quadrant locates high-influence, high-interest stakeholders:** These are the people dialogic process facilitators must make the greatest effort to engage fully. Ideally, a selected number of stakeholders located here become part of the core group (container).

- **The upper left quadrant locates highly influential, but low-interest stakeholders:** Dialogic process facilitators need to assess how important they are including their influence on success and failure as well as the risk of not engaging them. In that case, they need to invest enough work into keeping these stakeholders informed at least. Should they be needed, it is best to gain their interest, but not overload them with information. Building good relationships is paramount, if it is necessary to involve them directly. Hence, their interest needs to be raised.

- **The lower right quadrant locates low-influence, but highly interested stakeholders:** If these stakeholders' interest is high, there must be a reason. For example, they may be affected groups, advocacy groups, communities, or, for example, small-scale producers that are interested in a better business environment. Often, these stakeholders have important information, perspectives or experiences. But they may lack the capacity to make their voices heard, so they need support in doing this. They may also be badly organized and need institutional strengthening to increase their influence. Stakeholders in this quadrant can become important supporters of the multi-stakeholder collaboration. They need to become engaged, supported and adequately informed to keep their level of interest high. Dialogic process facilitators must assess how important the point of view or experience of these actors is to the multi-stakeholder collaboration: this should be a criterion for actively involving them in the process.

[1] A similar version of this tool is available online at www.changingminds.org/disciplines/change_management/stakeholder_change/interest_influence.htm

- **The lower left quadrant locates low-influence, low-interest stakeholders:** They need to be monitored in the sense that they might get interested at a later stage. There is no need to involve them, but their role might need to be reviewed periodically, because their status can also change.

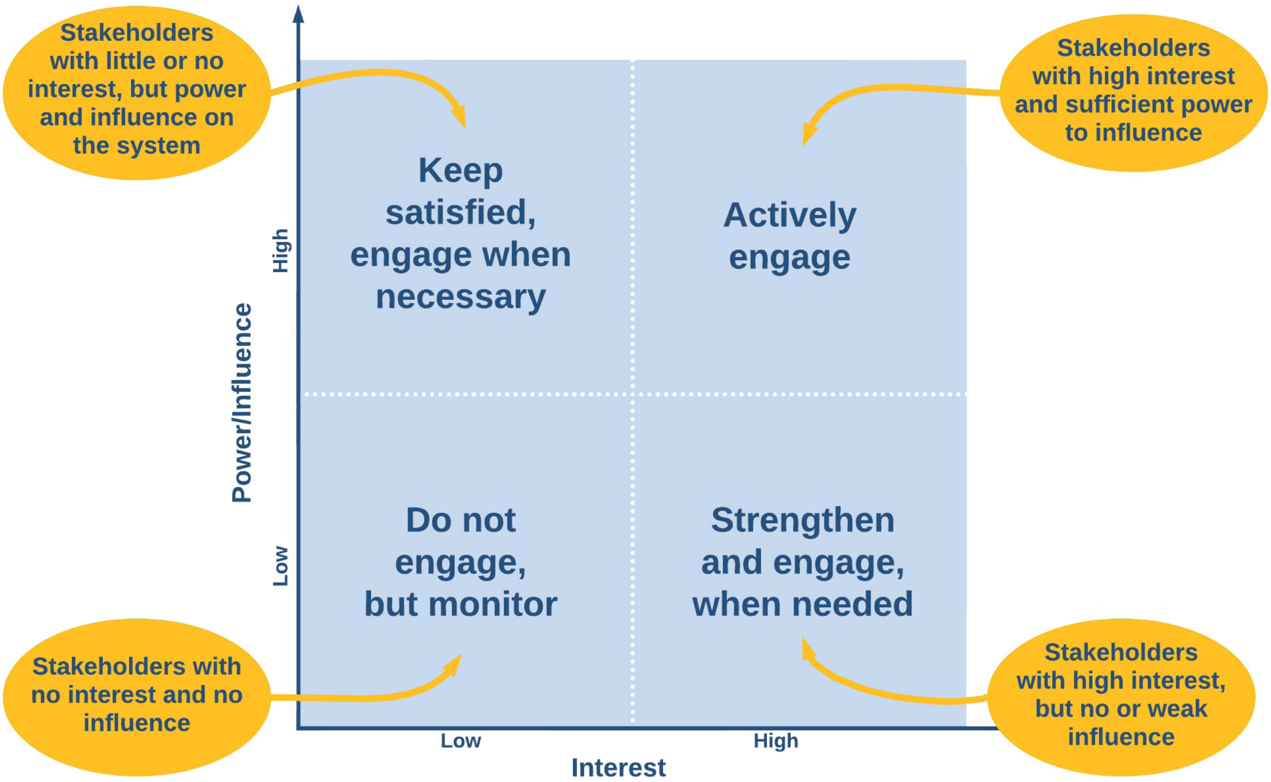

Figure 1: The influence/interest grid for the stakeholder landscape analysis

The application of the interest / influence grid is particularly helpful in order to be able to assess:

- What kind of "engagement" process is needed to arouse sufficient interest in stakeholder cooperation,
- Which stakeholders need to be supported so that they can contribute their positions to the cooperation,
- Which stakeholders (institutions or individuals) absolutely must support the cooperation.

These are the steps to take:

Step #0: Define the purpose of the collaborative change

This may be the goal of the envisaged multi-stakeholder collaboration, or if not yet clearly defined, at least the purpose of the envisaged change.

All following steps are done with this goal or purpose and mind, and stakeholders' positions are gauged in relation to their interest in or power to influence the goal or purpose.

Step #1: Create a list of the stakeholders relevant to the success of the stakeholder dialogue initiative

The first step is to create a general list of important stakeholders relevant for the issue or the achievement of the preliminary goal. In order to not arrive at a list that is too long, it is important to focus on the most relevant stakeholders: Those already active in the field of work, in a collaborative process, or actors and organizations who are potentially interested in cooperation. However, it is important to not leave out stakeholders that the core group may not have access to, but could make the multi-stakeholder collaboration fail.
For a start, compile a list that is not longer than 30 stakeholders.

Step #2: Assess stakeholders' influence and interest

The task now is to categorize stakeholders according to their potential interest in and influence on the goal, and place them on the grid accordingly. It is important to make a realistic assessment of the current situation (do not place them where you think they should be, but where they are according to your assessment). Cross-check your results if you have placed most stakeholders in the high interest/high influence quadrant: is this the reality?

When plotting stakeholders' positions on your grid, consider marking the stakeholders who you see as advocating or supporting your initiative in green, and those whom you expect to block or criticize your initiative in red.

Step #3: Consolidate and interpret your findings

After discussing the results of the interest/influence grid, consolidate the conclusions. Consider the following questions related to the key stakeholders for the success of the Stakeholder Dialogue:

- Are key stakeholders sufficiently interested and influential (in upper right quadrant), or is there a need to raise their interest in the goal?
- Are key stakeholders interested, but have little influence? How can you strengthen their voice?
- Are key stakeholders influential, but show little interest? How can you raise their interest?
- Are there key stakeholders you do not know enough about to be able to assess their interest or influence? How can you learn more about them?

Step #4: Develop a good understanding of how best to engage the most important stakeholders

Discuss the findings and explore strategies to move the key stakeholders that are important for the success of a project or initiative, towards the upper right quadrant: This is where the Collaboration Ecosystem will emerge. Think about how an initial container representing the stakeholder system should be composed (see **factsheet 2:** "Building Containers for Change"). The stakeholders need to be sufficiently influential (not all need to be powerful, but they need to be able to have a voice in the process) and highly interested.

Fig. 2 shows an example of a grid, for which a core group has recommended to engage certain stakeholder specifically by getting a powerful stakeholder more interested in the multi-stakeholder collaboration, and by supporting a weaker, but highly interested stakeholder, to gain more influence. The result of the specifically designed engagement process will then be a group of stakeholders in the upper right quadrant that can become a core group as a container for change.

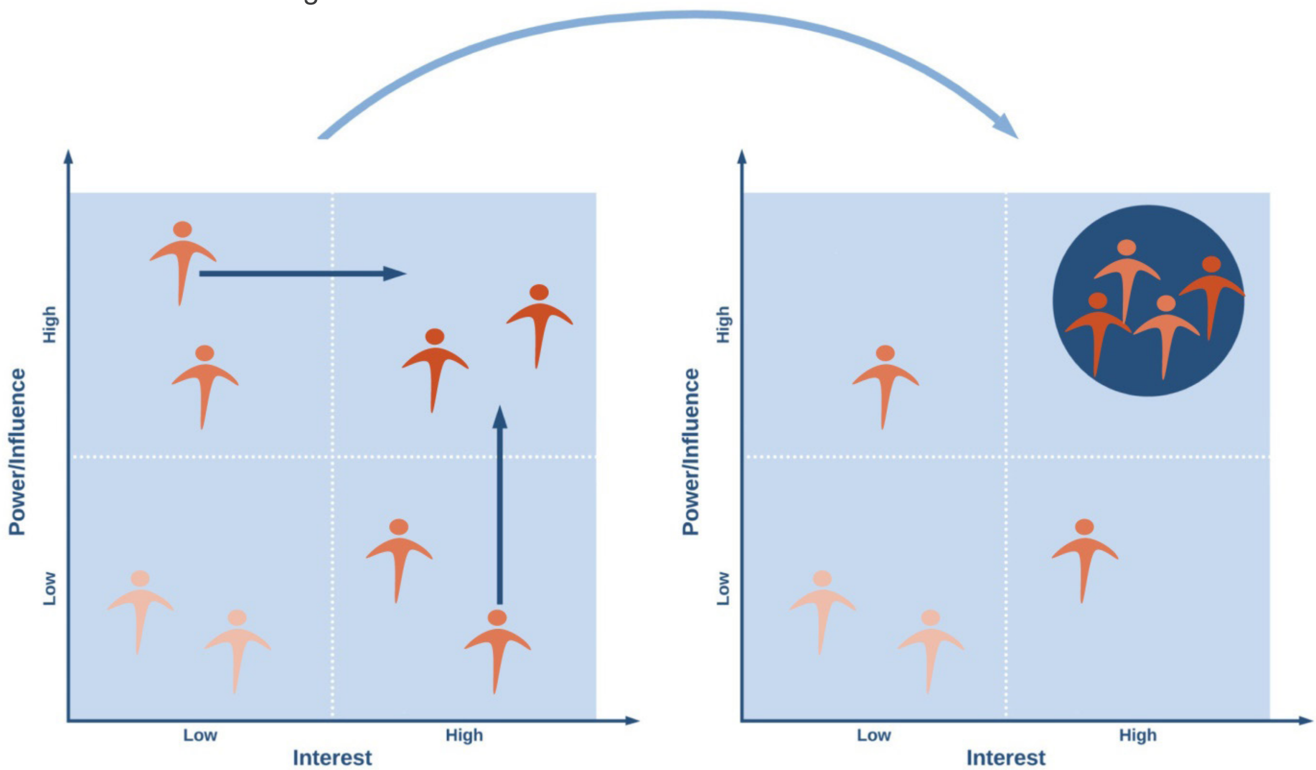

Figure 2: Engaging Stakeholders towards the High Influence/Interest Quadrant
(Source: Collective Leadership Institute)

If at the beginning of a multi-stakeholder collaboration not enough stakeholders can be located in the upper right quadrant, it is time to step back and think about how to change this situation first, before moving on. The third step in Phase 1 – building a container for change – may be endangered. This does not necessarily mean that the intention or goal of the envisaged collaboration is wrong, but it means that there are other steps to do, before the process can move towards a Phase 2. Sometimes, information about a certain sustainability challenges is missing; hence an information campaign might be the first step. In other cases, there might be influential actors not only not interested, but blocking change. This may require a background diplomacy strategy to change their attitude, relationship building, or a polite invitation to an exposure trip to experience the challenge or how other stakeholders see it. Again, in another case, weaker stakeholders may need to receive some sort of capacity development, before they can engage in the multi-stakeholder collaboration. The Influence/Interest Grid becomes the basis for developing engagement strategies. The diagnosis of systems patterns helps to identify the entry points for engagement conversations with different stakeholders (see**factsheet 15**) .

The stakeholder landscape analysis creates a basis of developing **high quality process architectures** (see **factsheet 1**)**.**

Although a stakeholder analysis is mostly done in the Phase 1 of the **Dialogic Change Model**, it might be necessary to re-do the stakeholder analysis, once the container has been established, or at a certain point during Phase 3, when adjustments in the implementation strategy might become necessary. It is certainly important to do a renewed stakeholder analysis, if a multi-stakeholder collaboration moves into Phase 4.

COLLECTIVE LEADERSHIP INSTITUTE

Office Europe
Kurfürstenstrasse 1
14467 Potsdam
Germany
Phone: +49 331 5816 5960
germany@collectiveleadership.com

Office South Africa
11 Abelia Street, Mont Claire
7785 Cape Town
South Africa
Phone: +27 83 772 0958
southafrica@collectiveleadership.com