



Stakeholder analysis

Description

Stakeholder analysis, informed by stakeholder theory, is a tool for developers and others to identify and work with key people, groups or organisations (stakeholders) that have a vested interest in a policy, project or programme and can influence its viability and progress. The technique allows decision makers to identify the interests, goals and roles of the different stakeholders. That allows them to anticipate, understand and respond to their reactions to a proposal from the earliest planning stages. The analysis provides information that allows developers, planners and other decision makers to work with all key stakeholders and for these stakeholders to maximise their contribution. They can maximise their contribution by identifying and adopting the most appropriate forms of engagement. The technique can be a useful first step in building the relationships needed for a successful participatory project.

How and when the tool is used

The steps in the process include:

- Identifying all the stakeholders, using the same sort of techniques used in planning consultation processes. So, this involves brainstorming, asking key agencies and other stakeholders, and carrying out a community profile. For a tourism-related project, stakeholders are likely to include public, private and community interests. They might include government agencies, tourism and recreational groups, tourism operators, environmental and conservation groups, current and potential visitors, local host communities and so on. Stakeholders include all those whose support or criticism could affect the success of the project.
- The next step is prioritising stakeholders, for instance according to their support for the project, their ability to facilitate or block its progress, and the degree of impact they could have on the progress. This will require research to identify their interests: these might include their different expectations of the project; its benefits or costs to particular stakeholder groups; and the resources stakeholders may have available or might withhold (thus affecting progress). Each stakeholder group can then be assessed in relation to their influence on and importance to the project.
- Understanding the stakeholders, the next step, may involve researching the political and social context within which they operate. It would also involve researching their social characteristics, political influence and access to resources; and how they will be affected by and respond to the project. Understanding any conflicts of interest between stakeholders and the nature of their networks and interrelationships would also be helpful. Also, their capacity to participate would need to be known, as well as how best to engage with them and keep them informed. Research methods would involve direct contact with the stakeholders, for instance through interviews and focus groups. These first three steps could take several weeks.
- The final step, stakeholder involvement, would be informed by the previous research steps and involve establishing appropriate strategies for engaging with each stakeholder group. Management aims might include one or more of the following:
 - building relationships with stakeholders;
 - winning over or gaining the support of stakeholders to attract more resources for the project and facilitate its progress if necessary; using their views to shape the project at an early stage;
 - adapting project plans to respond to their needs and expectations;
 - encouraging mutual understanding;
 - enhancing negotiation and deliberation over conflicts of interest.

Because stakeholder groups' needs, views and capacity and motivation to be involved are constantly evolving, their involvement in project planning and other activities needs to be flexible. Ongoing monitoring and evaluating of stakeholder needs, views and motivation needs to occur so that there is an evidence-base for making adjustments to their involvement in the project and any resulting project-related actions.



Application

Stakeholder analysis is relevant to planning at policy, project and programme levels. As this implies, the tool can be used to identify and work with shareholders at sub-community, community, regional and national levels.

While stakeholder analysis has mainly been used in the corporate and business sector, attention has been given in New Zealand to the usefulness of the technique in three main areas. They are: resolving environmental conflict (for instance relating to transport infrastructure), achieving sustainable management (for instance in work that Landcare is carrying out) and progressing government initiatives like e-government. Its growing popularity has been attributed to an increasing recognition of how the characteristics of stakeholders influence decision-making processes.

Our Evaluation

While a formal process is not always necessary, some form of stakeholder analysis is critical to any successful public participation process.