

Stakeholder

Caroline Kealey



What is Stakeholder Communications?

Stakeholder communications is a specialized branch of strategic communications that is often hiding in plain sight. While stakeholder relationships can often have a make-or-break impact on an organization's ability to thrive, they tend to go largely under-recognized and under-treated.

Communicators who are able to craft targeted, strategic and sustained approaches to meaningfully connect with stakeholders are poised to offer unique value to their organizations. This is particularly true in the public and para-public sectors – stakeholder relationships are the lifeblood of organizations such as not-for-profits, government-funded agencies, associations and industry groups¹.

While stakeholder relationships are foundational to many organizations, they are chronically under-treated by corporate communicators. Frequently, stakeholders are lumped into communications plans and approaches as a generic audience.

The result? Stakeholders are served up vanilla messaging and mass communication tactics that lack the specificity and the relational quality required for impact. At best this traditional approach is sub-optimal, and at worst, it may be exposing organizations to an insidious risk of stakeholder relationship erosion or breakdown.

Just as high performance internal communications requires a fit-for-purpose, specialized approach to meet the specific needs of employees as a distinct, priority audience, so too does stakeholder communication.

This Guide addresses the key challenges communicators face in stakeholder communications, and presents a review of fundamentals and practical guidelines. It also introduces core tools for building a more robust approach to the practice through the development of a stakeholder map and relationship framework.

1 It's worth noting that while stakeholder communications is of particular importance in the public/para-public sectors, it's also gaining in significance in the private sector. Witness the August 2019 Business Roundtable representing 200 chief executives from the likes of Apple, Pepsi and Walmart, who issued a ground-breaking statement on the purpose of a corporation stipulating that *"While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. ... We commit to deliver value to all of them."*

Identifying Priority Stakeholders

A sure-fire way to identify priority stakeholder groups is to ask the question: Who would have the power to shut your organization down?

For example, if you work for a government-funded agency, the federal department you report to is a stakeholder of prime importance.

Fundamental stakeholder relationships may exist based on funding arrangements, but they may also be founded on other forms of currency such as partnerships, credibility or legitimacy. For example, if a national association loses the affiliation of its three biggest provincial members, the legitimacy of its mandate and advocacy platform may be critically wounded.

Challenges

Over the last 20 years, I have worked with hundreds of communicators in public and para-public sector organizations that rely on stakeholder relationships. These have included associations, NGOs, institutes, agencies and crown corporations.

While the organizations have differed significantly in their size, mandate and the nature of their stakeholder environment, they tend to share a remarkably consistent set of challenges:

- **There is a lack of consistent terminology internally.** Employees tend to use the words “stakeholder,” “partner,” “member” or “client” loosely and interchangeably. This lack of shared meaning is erosive to organizational alignment and performance – employees may be working together on a stakeholder initiative, but since they each have a different idea of who constitutes a “stakeholder,” they may be working at cross purposes.
- **The stakeholder communication problem is masquerading as a CRM project.** When organizations feel the heat of stakeholder relationship management problems, the overwhelming tendency is to reach for a technology solution. A tell-tale sign of stakeholder communication problems is an organization that has a (usually fledgling) customer relationship

management (CRM) initiative that may have been on the books for a matter of years. The CRM projects in such organizations usually lack the burning platform and strategic focus required for success; fundamentally, if the corporation doesn’t know who their stakeholders are, what to call different types of groups it works with or what they are supposed to do with these groups, no CRM system can solve those problems.

- **There is weak governance.** Even when organizations can define their stakeholders clearly, there tends to be a lack of clarity around roles, responsibilities and accountabilities in stakeholder relationship management. This leaves communications professionals vulnerable since they are often blamed when stakeholder relationships go poorly, yet typically are not enabled or empowered to fulfil an effective stakeholder communication or engagement function. Their efforts to advance stakeholder communications initiatives (such as a plan or stakeholder map) are often met with sharp resistance from leaders in other functional areas, who view such interventions as meddling in relationships which fall within their subject matter expertise.