

# ALL ABOARD

The most successful people in business – as in life – are those who engage with their stakeholders. Mike Clayton explains how it's done

Engaging with stakeholders is an essential part of your day job. One humorous definition has a stakeholder as 'anyone who can spoil your day'. I prefer to think of them as the people who will determine the success – or failure – of what you are trying to achieve: whether it is winning a proposal, implementing a new way of doing things, or delivering a project.

As I argued in an earlier article (see 'From Start to Finish', *The Treasurer*, November 2014, page 42), we are all project managers now. A substantial part of most white-collar managerial and professional roles involves taking part in, or leading, projects and change initiatives for our employers. So it pays to attend to the people who can make us successful.

## Trivial process

The basic process for engaging with stakeholders is very simple – it consists of just five components. It is implementing the process rigorously that is hard work, and sometimes difficult. The five steps are:

### 1. Identify

Identify who your stakeholders are, and what your goals are for engaging with them. Your stakeholders may be individuals, groups or whole organisations. The more widely you spread your net at this stage, the more robust your plans will be. Also think about how you need to influence each stakeholder in order to achieve the results you want.

### 2. Analyse

The more you understand about each stakeholder, the more effectively you can engage with them and influence them. Because you will have limitations

on your time and resources, you need to prioritise your interactions with them and allocate your resources accordingly. So take time to understand just whom you have available to support you in the engagement process, and what skills and approaches they can bring to bear.

### 3. Plan

The third step is to draw up a campaign plan for engaging and communicating with your stakeholders. This involves setting out the messages you will give, the approaches you will take, who tackles each assignment and when, and how you will gauge and handle the feedback you get.

### 4. Act

This is where you engage your stakeholders and seek to harness their insights and influence their attitudes. Where you encounter resistance, you will need to handle this positively in

order to remove it where possible. Having powerful insights can help you to assess and handle resistance.

### 5. Review

The review cycle is critical to the success of your stakeholder engagement campaign. Constantly monitor the outcomes of your communication with stakeholders and reassess your plans where necessary. Periodically, step back and look at the big picture, also reviewing which new stakeholders are appearing on the landscape and how you need to engage with them.

## Influencing strategy

Crafting your engagement strategy so that you influence your stakeholders positively is, arguably, the most important single task. To succeed, you will need to understand which techniques will influence each stakeholder.



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In an earlier article (see 'Powers of Persuasion', *The Treasurer*, June 2014, page 58), I discussed the importance of three components of persuasion. A reasoned, logical approach is important, but it will never be enough to change minds. To do this, you need to add in two other factors. First is a sense of why your stakeholders should take you seriously. You must demonstrate your credibility, integrity and reliability if you want to build up the trust that is so vital to influencing people's attitudes. And the second additional factor is emotion.

Believe it or not, even the most hard-headed business decisions are most often guided by emotions – not slushy, B-movie emotions, but often one of the 'big three' business emotions (see box, right). And if you can appeal to these emotions in an appropriate way, your ability to persuade and align opinions will increase massively.

In building your strategy, consciously select from the wide range of engagement strategies that are open to you, such as consulting, informing, appeasing, collaborating, coercing (not often a good one), outvoting or cajoling.

### Soft power

Perhaps your most useful tool in engaging with stakeholders is gentle persuasion, or 'soft power'. US political scientist Joseph Nye coined this term in the context of international politics, but it is also a valuable concept here. Soft power is the ability to attract, co-opt and persuade, in contrast to 'hard power' (the ability to coerce) and 'economic power' (sanctions or bribery, essentially). We use soft power to:

- i. Shape our stakeholders' perceptions and opinions;
- ii. Reinforce supportive perceptions and opinions; and
- iii. Shift critical perceptions and opinions.

There are four sources of soft power. These are reputation, attraction, motivation and relationships.

## THE 'BIG THREE' BUSINESS EMOTIONS

### Values:

Business people have and often state their professional values openly. By aligning your proposals to my values, you make it hard for me to reject them.

### Desire:

Or even greed! The WAM factor (What About Me?) is always present and, while it may not always be wholly self-serving, I will always want to understand where the benefit to me is in your proposals. Can they help me to further my career, better serve my customers or strengthen my network, for example?

### Fear:

The shadow of the future is a powerful incentive to act. Be careful how you use this, but if a credible professional outlines the adverse consequences of one choice, this can make its alternative seem very appealing.

### 1. Reputation

As a professional, your first concern has probably been to build a reputation as a skilled and reliable practitioner. In stakeholder engagement, that will be a huge asset to you, but you need more than this. The more you can enhance your reputation to include the more profound elements of integrity, wisdom and discretion, the easier you will find it to influence others.

### 2. Attraction

Three things will attract people to you. These are charm (being likeable, in other words); familiarity (we like people we see more often); and similarity (we like people we believe share something we consider important with us). Build your charm by smiling, making thoughtful gestures and paying genuine compliments. Create greater familiarity with your most important stakeholders by meeting them often and staying in touch between meetings. And become more similar to your stakeholders by learning more about them and emphasising what you have in common.

### 3. Motivation

There are four types of motivation, but soft power focuses on two of them: social motivation and intrinsic motivation. People like to feel part of a group, and to have some status within their group. Use this to engage stakeholders by building communities of interest and promoting

those stakeholders whose impact on your initiative are greatest.

Intrinsic motivation grows when we see how we contribute to something, the value of which we truly appreciate. It also comes from a sense of being in control. Nothing will cause stakeholders to resist more readily than them feeling you have stripped them of their autonomy.

### 4. Relationships

At the heart of soft power is the web of constructive relationships that you are able to build, grow and maintain. Strong relationships open up the possibility of engagement strategies such as collaborations that are not possible otherwise. A strong relationship is a big investment, but when it is used widely, it can yield the greatest dividends.

### Engaging to the core

Most professionals default to an ad hoc approach to engaging stakeholders. They do it – sometimes well – when they perceive the need, but otherwise it slips down their agenda and off the page, crowded out by other priorities. But when you stop to think about it, everything you do touches on stakeholders of one sort or another. How would it be if you could build coalitions and alliances constantly throughout your professional practice? What if you started to use some of the many tools available to do this, not well, but excellently, and with ease? How much more effective would you be as a professional then? ♡

Mike Clayton is author of four books on project management and three on advanced business communication skills. His most recent book is entitled *The Influence Agenda: A Systematic Approach to Aligning Stakeholders in Times of Change*. Contact Mike via [www.mikeclayton.co.uk](http://www.mikeclayton.co.uk)

## WHY 'STAKEHOLDER ENGAGEMENT' AND NOT 'STAKEHOLDER MANAGEMENT'?

Many readers will be more familiar with the term 'stakeholder management', so why do I prefer 'stakeholder engagement'? The answer is simple: it is about respect. I feel it is more respectful to engage with people than seek to manage them. You can't anyway, so why use that word? Stakeholders will think and do what they choose. By engaging with them respectfully, you optimise your chances of influencing their choices.