

# Lecture 5

## Stakeholder Engagement

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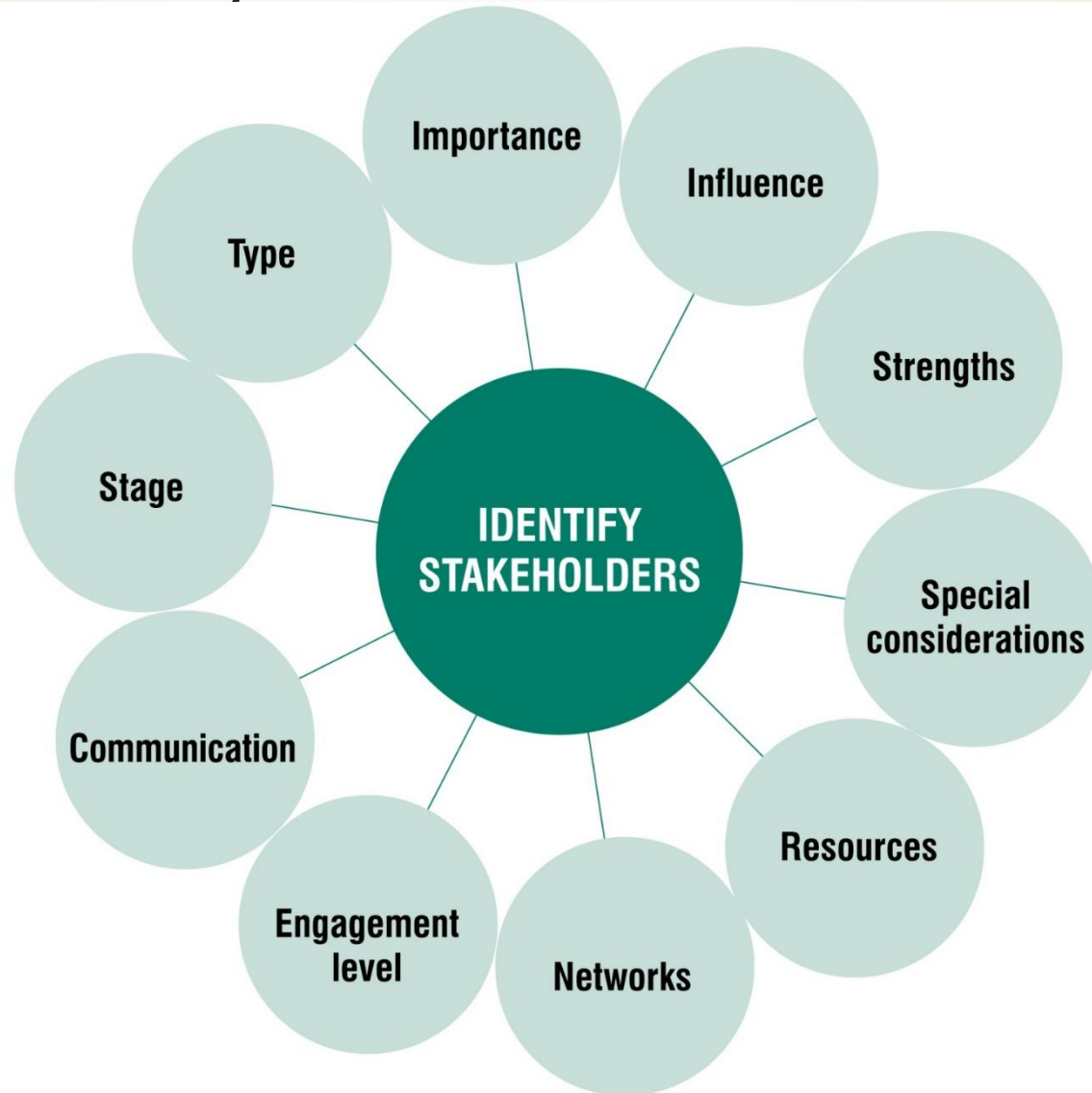
International Summer Semester 2016

Sungkyunkwan University

## Who are stakeholder

- *Individuals and groups who may affect or be affected by the actions, decisions, policies, practices or goals of an enterprise*

# How to Identify Stakeholders



# Key analyses

## Attitude

- Supportive
  - Indifferent
  - Opposed
- Interested or not interested?*
- Approachability?
  - Flexibility?
  - Ability to 'block' if remaining opposed?

## Influence

- Decision-maker
  - Policy – maker
  - Access 'gate-keeper'
- Supportive or opposed?*
- Accessibility?
  - Open-mindedness
  - Willingness to use influence to change outcome (+ or -)

- Mark degree of confidence in estimate

[ Write goal here ]					
Stakeholders	Att		Inf		Actions
	E	C	E	C	
mate					
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## Stakeholder Types

- Primary Stakeholders – directly affected
- Secondary Stakeholders – indirectly affected
- Influencing Stakeholders
- Sub-groups – within each of the above categories

# Different Layers of Stakeholders

7



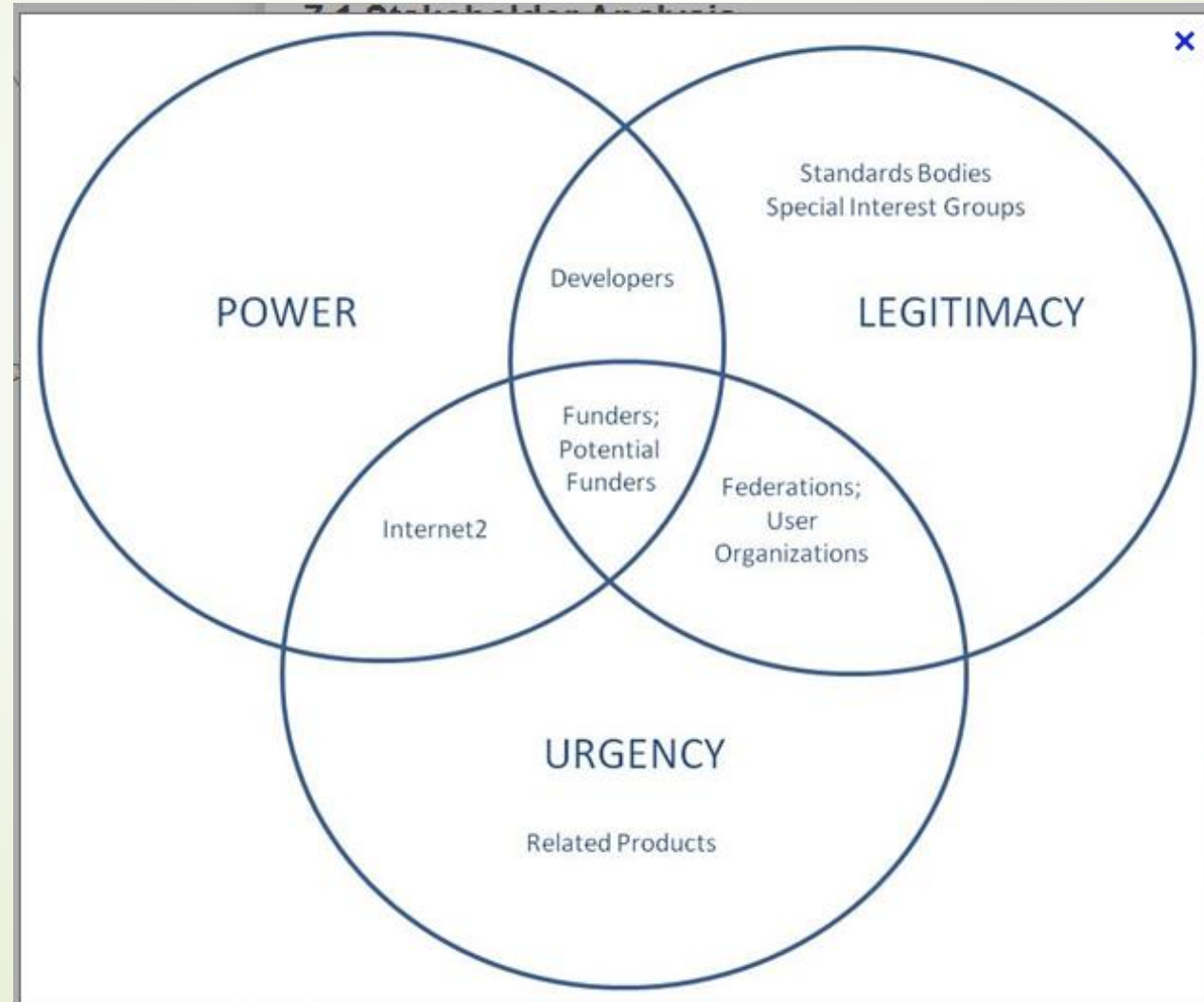


## VIP stakeholders

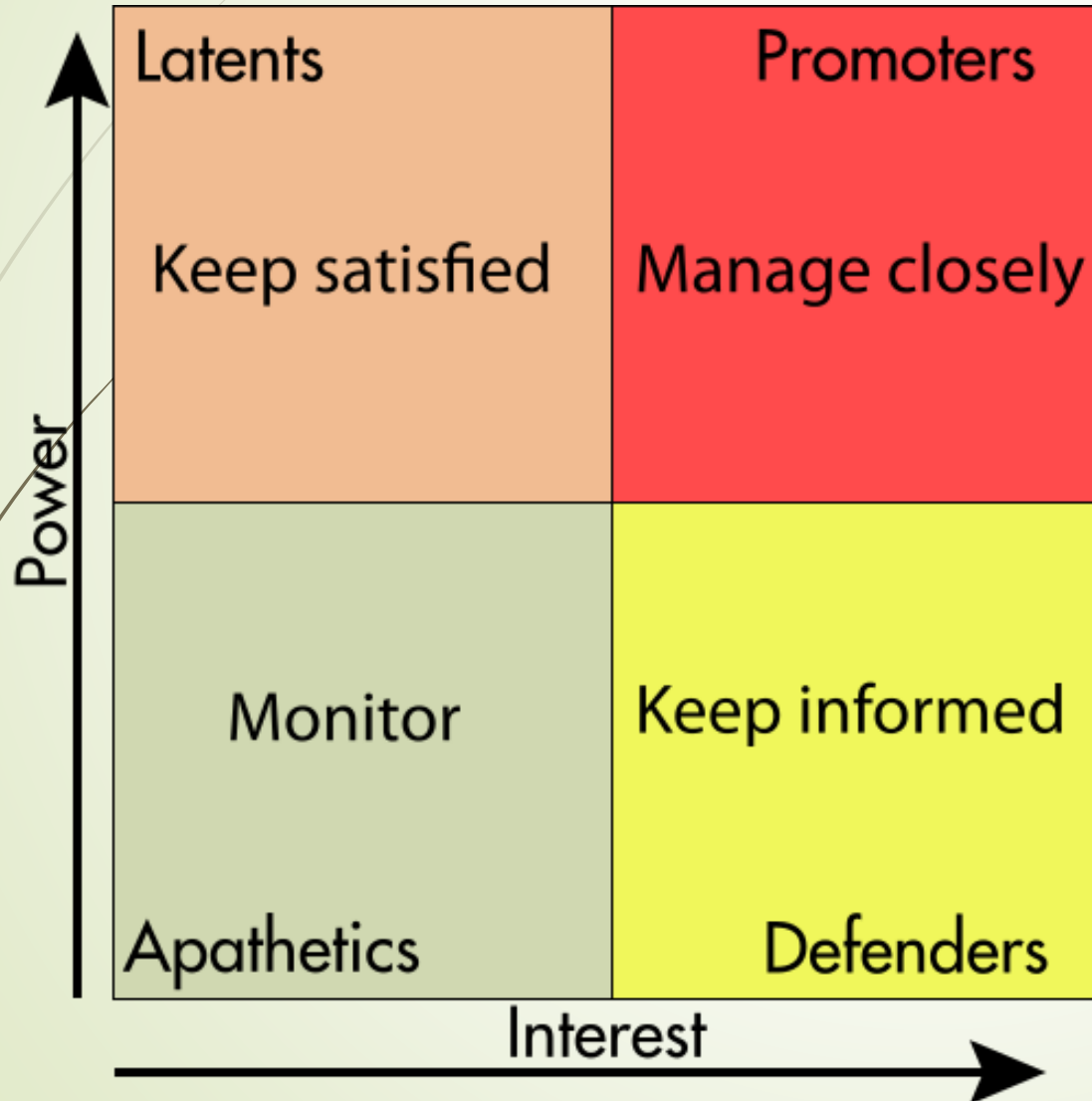
- Who is most important?
  - The group with the money?
  - The group with the most influence?
  - The 'trouble-maker'
  - The group with the biggest network?
  - The group at the end of it all?
- Some stake holders are more important



# A commonly Used Tools for Stakeholder Mapping



# Balancing Stakeholder Interests: Review the Mendelow Grid



Be mindful of marginalized groups whose 'low influence' may come from poor opportunity

## Practice of stakeholder analysis

There are two canteens for students and faculty respectively in the International Hall of SKKU. Due to a shortage of space, SKKU has recently planed to merge these two canteens into one for both students and faculty. Please use the distributed the form to conduct stakeholder analyses using the Mendelow Grid



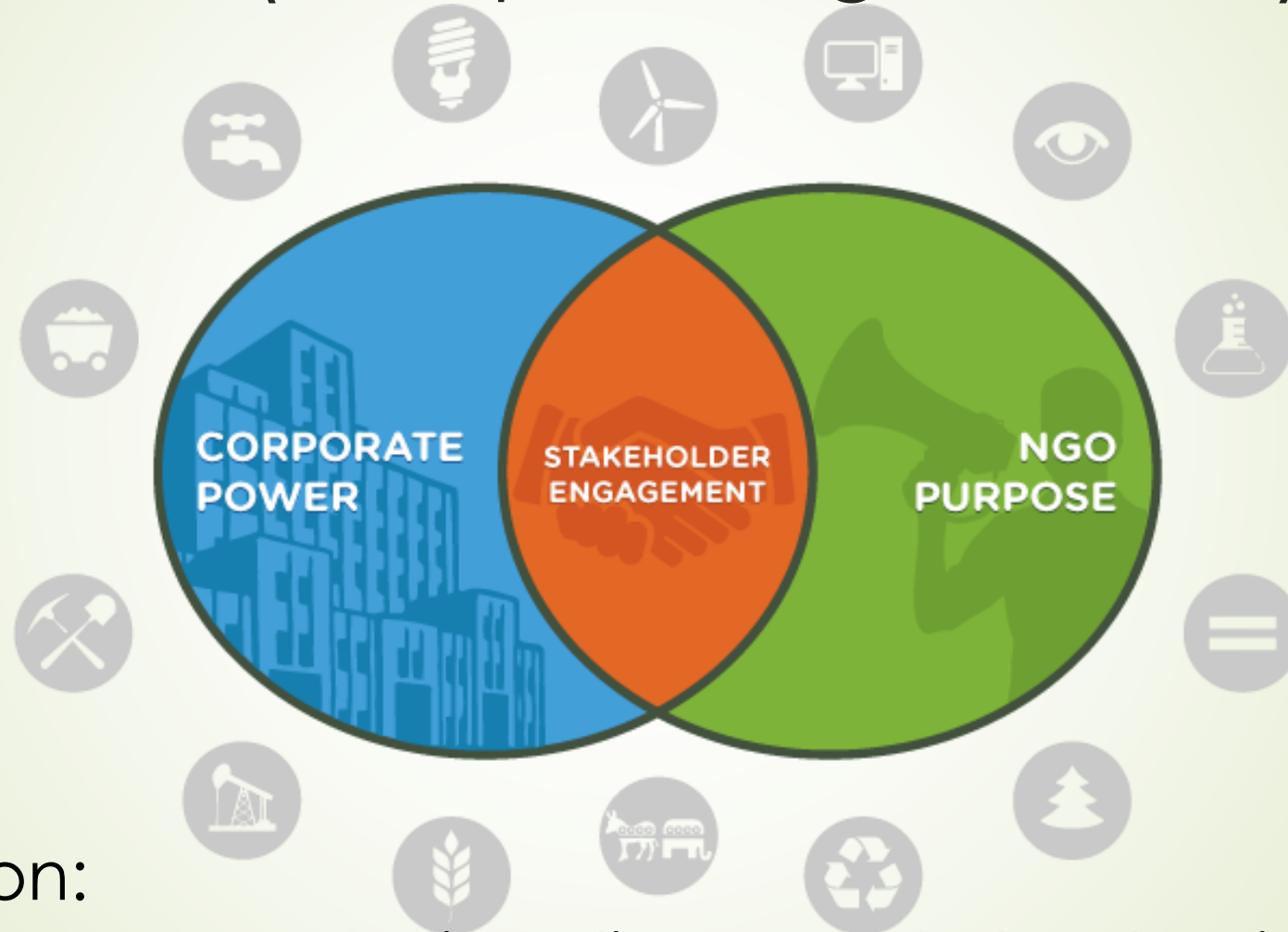
# ***What is stakeholder engagement?***

- ☐ Series of activities that seek to inform, consult and ensure the participation of stakeholders.
- ☐ Allows stakeholders to have an influence on the outcome on plans and projects.
- ☐ Ranges from informing stakeholders to actively consulting them in cooperative decision making.

## Stakeholder Engagement From Non-Profit Organization's View

- Stakeholder engagement is the systematic and proactive integration of feedback from a host of individuals and organizations who feel they have a stake in an organization's operations. (Future500)
- <https://www.youtube.com/watch?v=VHGTsEwbOJY>

# Future 500 (Non-profit organization)



Mission:

To engage and align diverse stakeholders in support of systemic solutions to urgent global problems.



# HISTORY

- Non-profit organization that began in 1995 in Aspen, Colorado.
- Now it has established the main office in San Francisco with affiliate offices in Portland, Oregon; Washington D.C.; Beijing and Tokyo.
- It is supported by an extensive network of correspondents, advisers, and senior fellows worldwide.



# Top 10 Tips for Stakeholder Engagement

- 1. HUMANIZE THE COMPANY
- 2. INFORMAL > FORMAL
- 3. BE PROACTIVE, NOT REACTIVE
- 4. LISTENING > TALKING
- 5. START WITH AREAS OF COMMON GROUND
- 6. DON'T SOUND LIKE A PR FLACK
- 7. SOCIAL MEDIA IS YOUR FRIEND
- 8. NOT ALL STAKEHOLDERS ARE CREATED EQUAL
- 9. DESIGNATE AN INTERNAL CHAMPION
- 10. IDENTIFY THE REAL ISSUE





## Why engage and what are the benefits?

*Effective and strategically aligned stakeholder engagement can:*

- ❑ **Lead** to more equitable and sustainable social development
- ❑ **Give** those who have a right to be heard
- ❑ **Allow** for the pooling of resources to solve problems
- ❑ **Inform**, **educate**, and **influence** stakeholders



# Why engage and what are the benefits?

Continued...

- ❑ **Build** trust among and between stakeholders
- ❑ **Enhances** cooperation and provides the potential to build consensus and avoid conflict among stakeholders
- ❑ **Increases** transparency in project activities and legitimacy of decisions
- ❑ **Enhances** accountability in decision-making related to the issues in stake

## The key principles of stakeholder engagement:

- ☐ Information disclosure
- ☐ Communication
- ☐ Consultation and participation
- ☐ Involvement
- ☐ Cooperation and partnerships



# Engagement Process



The diagram illustrates the engagement process as a sequence of five overlapping circles, each containing a step. The steps are: Inform, consult, involve, collaborate, and empower. The circles are arranged horizontally and overlap from left to right. The text 'Inform → consult → involve → collaborate → empower' is written across the circles in a bold, white font.

**Inform → consult → involve → collaborate → empower**



Below the engagement process diagram, three yellow circles represent the stakeholders involved. From left to right, they are labeled: Funding agency, NGO, and Beneficiary. Each circle has a dark red outline and contains its label in bold black text.
















**Funding  
agency**

**NGO**

**Beneficiary**



# Case study - Samsung Electronics

- Stakeholder Engagement English Summary (2011) –  
- Stakeholder Engagement English Summary (2012) –   
- Stakeholder Engagement English Summary (2013) –    
- Stakeholder Engagement English Summary (2014) –      

## Communication channels

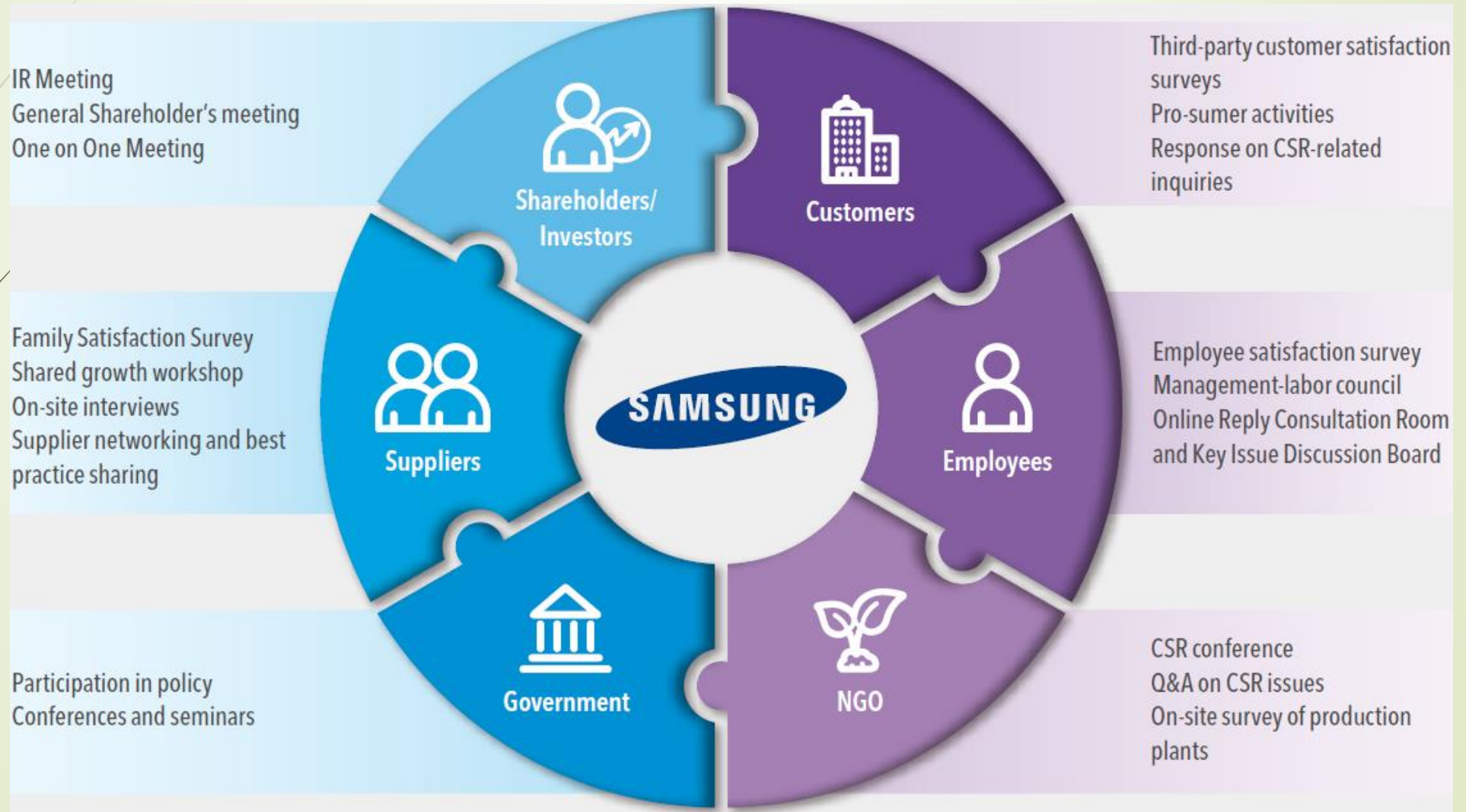
- Samsung Electronics uses an array of communication channels to engage stakeholders in productive and relationship-driven conversation.
- The company hosts public stakeholder forums and maintains online blogs in an effort to encourage stakeholders to express their honest points of view on any matter related to the company.



## Who are the stakeholders of Samsung?

- Samsung pursues open, relationship-driven communication with stakeholders in order to promote shared growth.
- Samsung's' definition of stakeholders has been expanding over the years.

# Communication channels with stakeholders (2012)



# Communication channels with stakeholders (2013)



# Stakeholders

- (2011) Customers, Business Partners, Shareholders/investors, NGOs, Employees, Local Communities, Government and Press
- (2012) Shareholders/investor, customer companies, suppliers, NGOs, and government
- (2013) Shareholders, customers, employees, NGOs, local communities, suppliers, mass media, and the government.
- (2014) Customers, shareholders, investors, employees, suppliers, government agencies, industry associations, research institutes, NGOs, and local communities that directly and indirectly affect its business operations as its stakeholders.

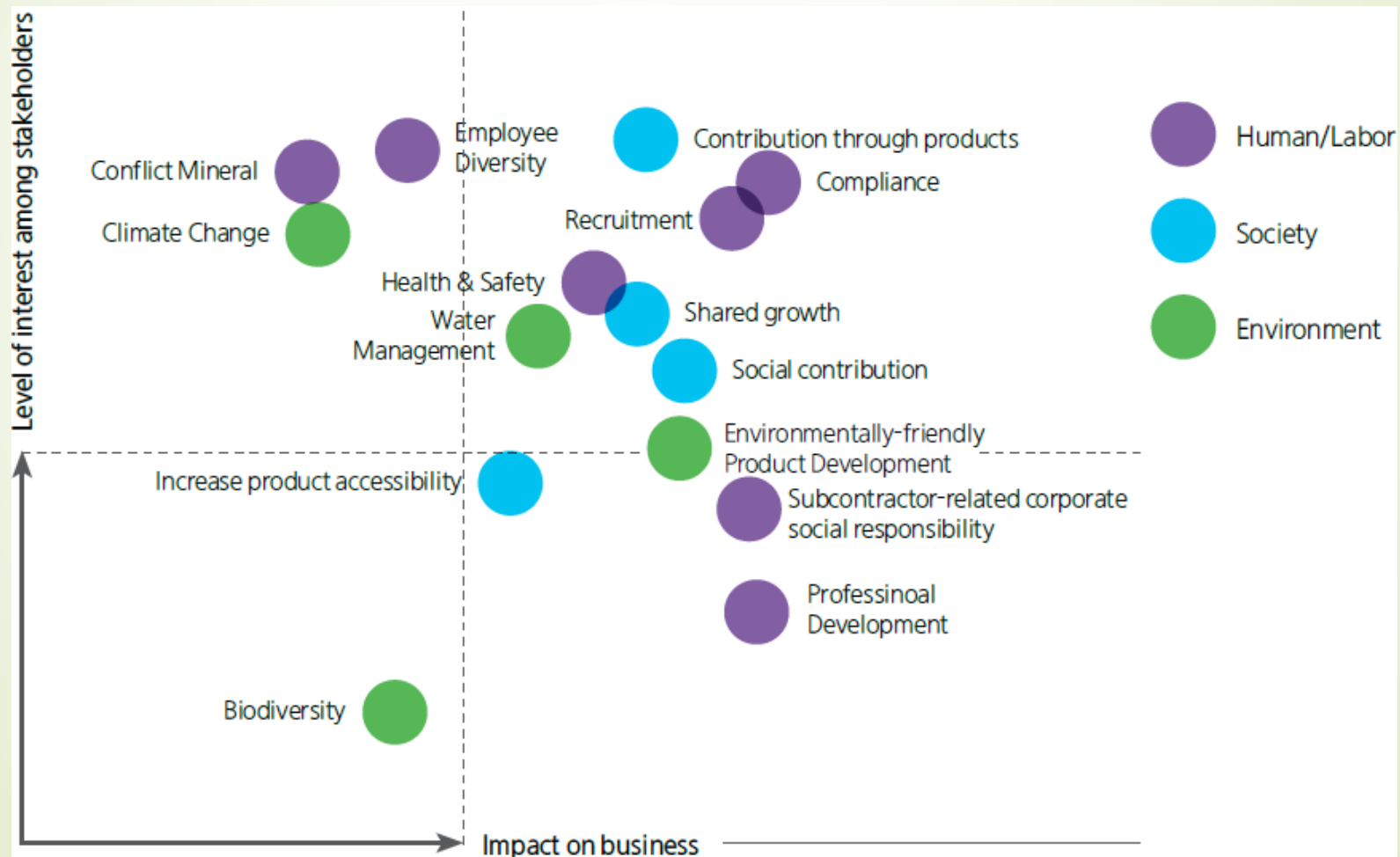
## Values and implements dialogue

In order to facilitate effective communication with stakeholders, Samsung Electronics has designated a specialized communications department for various stakeholder groups. Each of these departments holds forums, responds to inquiries, conducts surveys and runs advisory groups for its particular group of stakeholders.



# Material issues (2013)

Samsung Electronics received consultation from PwC, an independent multinational professional services firm, regarding its selection of material issues mapped according to the impact on business and the level of interest among stakeholders



# Materiality Test (2014)

- Samsung conducts a materiality test every year to choose the issues to be included in its sustainability report. The materiality of issues was assessed based on Significance on Samsung's business and Influence on stakeholders' assessment and decision-making.
- Step 1 : Communicating with Stakeholders
- STEP 2. Reviewing and Analyzing Internal Data
- STEP 3. Analyzing External Environments and Benchmarking
- STEP 4. Identify the Pool and Sustainability Management Issue
- STEP 5. Prioritizing and Conducting Material Issues
- STEP 6. Reviewing the Validity of Material Aspects and Developing Reports
- STEP 7. Stakeholder Communication



# Practical Procedure

