This series of articles provides insight into working with other people. The first two articles are specifically concerned with Managing Stakeholder Relationships (MSR); what it is, why it is important and how to classify, and engage different categories of stakeholders.

MSR will be of use to those managers who serve on committees, those who are actively involved with their communities, those who are engaged in social responsibility programmes and those who are involved in negotiating change for the profession.¹

One-man band
How many times have you said 'If you want to get a job done properly, do it yourself!'

Right? Wrong!
If this is your mindset, you are assuming that:
• No one else can do it better than you – (Have your staff development systems failed?)
• There is only one way of doing things; your way! – (You know this because …?)
• You have enough time on your hands to do everything – (Really? Including your management work? Planning? QA? Communication, especially listening etc?)
• Delegation is a necessary evil – (So you don’t trust your staff?)
• Change has not, nor will it take place – (Never? You have an ark in the yard?)
• Change is unnecessary – (I presume that all you are doing is counting tablets?)

Organisations do not survive if their managers do not delegate, respond to change, develop staff, build strong links with clients and create social networks with other stakeholders. As has often been said, the only thing we know for certain about the future, is that it will happen (and even that is disputed by some).

The Power of Two
In times of rapid change, nothing is certain. One way of dealing with planning the future is to grope blindly in the dark on your own. In Africa, the concept of ubuntu suggests that cooperation and working with others is much more effective.¹ It is a value-based philosophy. Morality, compassion, care, understanding and empathy, integrity and honesty are its core values.

Developing trusting relationships is central to this philosophy. It is the foundation upon which to build loyal support and a network of interested parties to negotiate the way forward. A successful relationship is characterised by partnership, participation in decision making, satisfaction, flexibility, group power, and mutual dependency. There is a sense of commitment and social bonding with effective communication between all those involved.

Does this sound like the relationship that you have developed with your stakeholders? Using the criteria described above as the ideal, classify your relationships with the groups listed in Figure 1. Add any other groups in your specific environment. Any scope for improvement?

Is MSR really important?
If there is any doubt as to the importance of MSR, the following examples may help to clarify this.
• Where would soccer or rugby teams be without coaches, referees, administrators, supporters and sponsors? How much effort is invested in nurturing their support? Consider the amount of media coverage given to meeting the needs of fans for the 2010 Soccer World Cup. New stadiums, transport systems, security and even appeals to review of the laws governing public drinking and prostitution!²
• If you decided to introduce a new service (e.g. immunisation programme, HIV counselling, DOTS clinic, chronic disease management), would you do so without consulting those involved? And would you assume that because you provide the service, everyone would arrive at your pharmacy?
• If you decided to change the professional pricing structure, would you do so without consultation and negotiation? Of course not!

Not only do socially committed organisations recognise that they have a social responsibility, they regard social engagement as an active two way process. It helps the community

¹ Being an eternal optimist I hope that those who read the article will use it to get others involved in managing the future of the profession. Billy F
to identify with the organisation, guides the organisation in identifying future opportunities and provides the social cement that binds/ bonds the network.

The motivation to engage with stakeholders may be governed by market forces. Stakeholders vote with their feet and purses – clients, staff, and community groups exchange allegiance.

In other situations, social forces dominate. In these situations, the community uses the ballot to make consultation obligatory. Its social organs, parliament and the law courts, insist and enforce this process.

Social responsibility
The concept of corporate social responsibility has been around for a long time. There is disagreement on whether or not corporate social motives are genuine or merely part of marketing strategy. However, most business organisations recognise that a strong social network and a high social profile is an important strategic asset to be nurtured and developed. This has given rise to concepts such as relationship marketing, stakeholder analysis, value chain analysis.

All Clear
A principle to observe when involving stakeholders in decision making is to make sure that there is common understanding of all terms. For the purposes of this article, the following brief explanations are offered. (Some issues will be more fully discussed in Part 2.)

- **Stakeholders** are individuals, groups or institutions who have an interest in organisational processes or outcomes. Primary stakeholders are those who are affected, positively or negatively. Secondary stakeholders are the intermediaries who facilitate or hinder the delivery process. The priority is to identify and engage key stakeholders – those who have the most influence/power and who are the most important to successful change.
- A ‘stake’ is a claim (perceived or actual, legal or moral right), an expectation, or an interest (preference, taste, priority).
- **Relationships** are social bonds or links. They may be formal or informal, strong or weak, positive or negative, with different degrees of importance.

If we are together, nothing is impossible. If we are divided, all will fail.  
Winston Churchill

- **Trust** refers to the readiness to rely on others in whom one has confidence; that they will take actions that will result in a positive outcome rather than a negative outcome.
- **Predictability** is the extent to which expectations, power, allegiance and level of trust can be predicted. However, they are moving targets, should never be taken for granted, and must be reassessed at regular intervals.
- **Participation** is much more than attending a meeting. It is an active process in which parties open dialogue, and share their information and experiences. They actively consult and negotiate about the formulating and implementing new initiatives and how to improve on existing policies and procedures.

Some basic lessons
If stakeholders are suitably involved they are able to make valuable contributions. Ignore them, or underestimate their interests and they are capable of destroying the best laid plans. **First Lesson: Identify the key stakeholders and their issues very early in the planning process.**

MSR is not simply identifying interested parties or even analysing them. It is an active process of deliberate planning, implementing, monitoring and improving relationships. **Second Lesson: Be prepared for doing work rather than simply thinking.**

Effective engagement of stakeholder groups is the key to motivating them and obtaining their commitment. **Third Lesson: The emphasis is on managing the relationship, not the stakeholder.**

This means regular contact and involvement. A useful way of doing so is to develop an engagement plan for each stakeholder. This might sound like going overboard. But when you reflect on what is at stake and how important it is for a smooth, efficient transition from where you are now to where you want to be, the effort is worth it.

**Fourth Lesson: A key ingredient of the plan is communication – collecting opinions and facts from, and sharing the right information with the right people at the right time are critical success factors.**

In a nutshell....
Managing the relationships with stakeholders improves trust, provides a win-win outcome and secures the long term future of the organisation. Strategic planners want to minimise the challenges that will inevitably arise with implementing new strategies. Planning that is conducted in isolation from those that it will affect is unlikely to deliver the intended benefits.

In Part 2 of this series we consider a three phase process and discuss the principles to apply to introduce effective MSR. Being realists we also review some of the potential hurdles to success.

**References:**