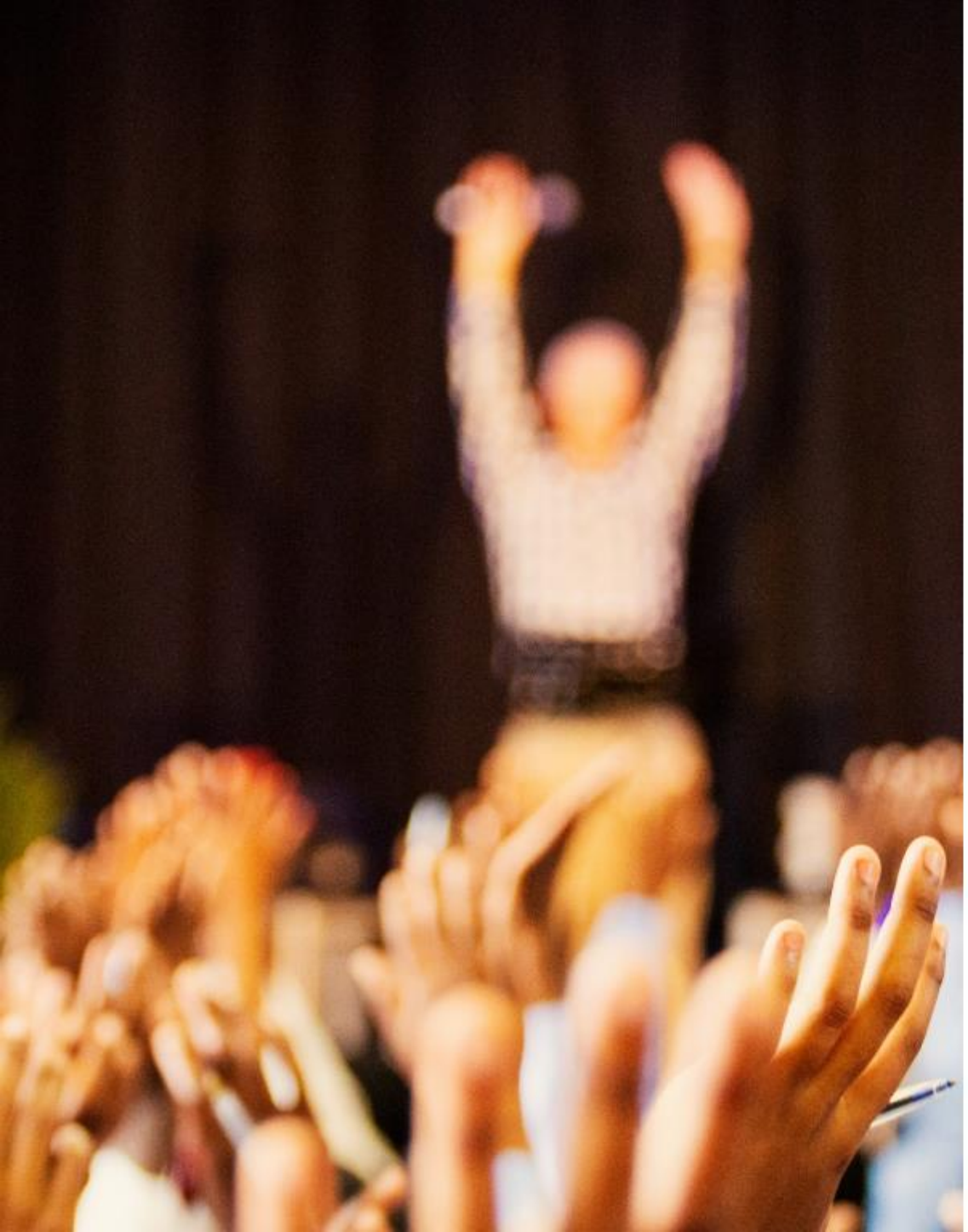
STAKEHOLDER ENGAGEMENT

A Quick Guide for Community Board Directors

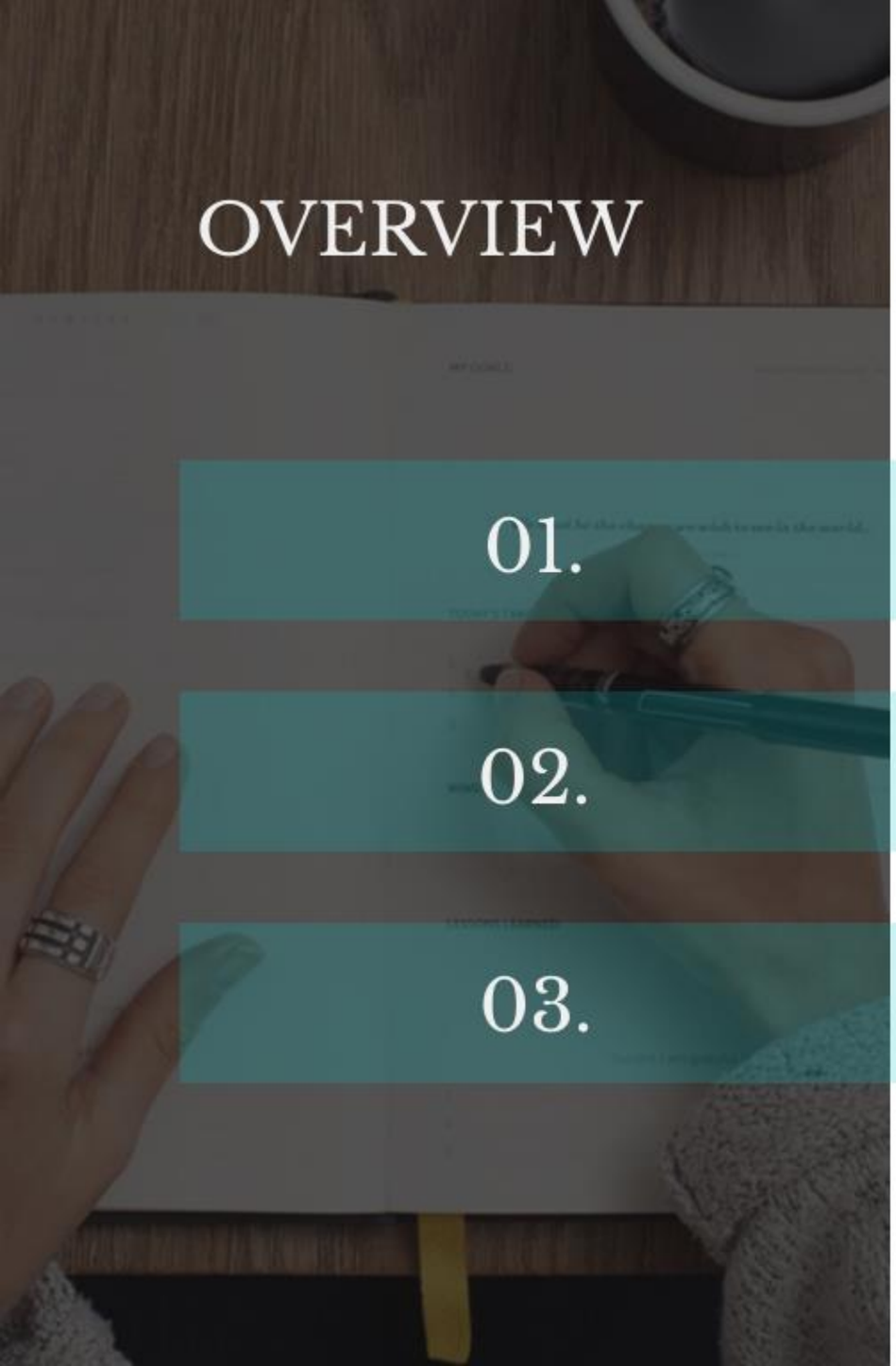


Is This Guide for You?

Are you:

- On the Board of an not-for-profit organisation?
- Seeking a quick guide for your Board to engage more meaningfully with stakeholders?
- Curious about the board's role in stakeholder engagement?

If you answered yes to any of the above, then this guide is for you.



OVERVIEW

01. What is Stakeholder Engagement?

02. Role of the Board

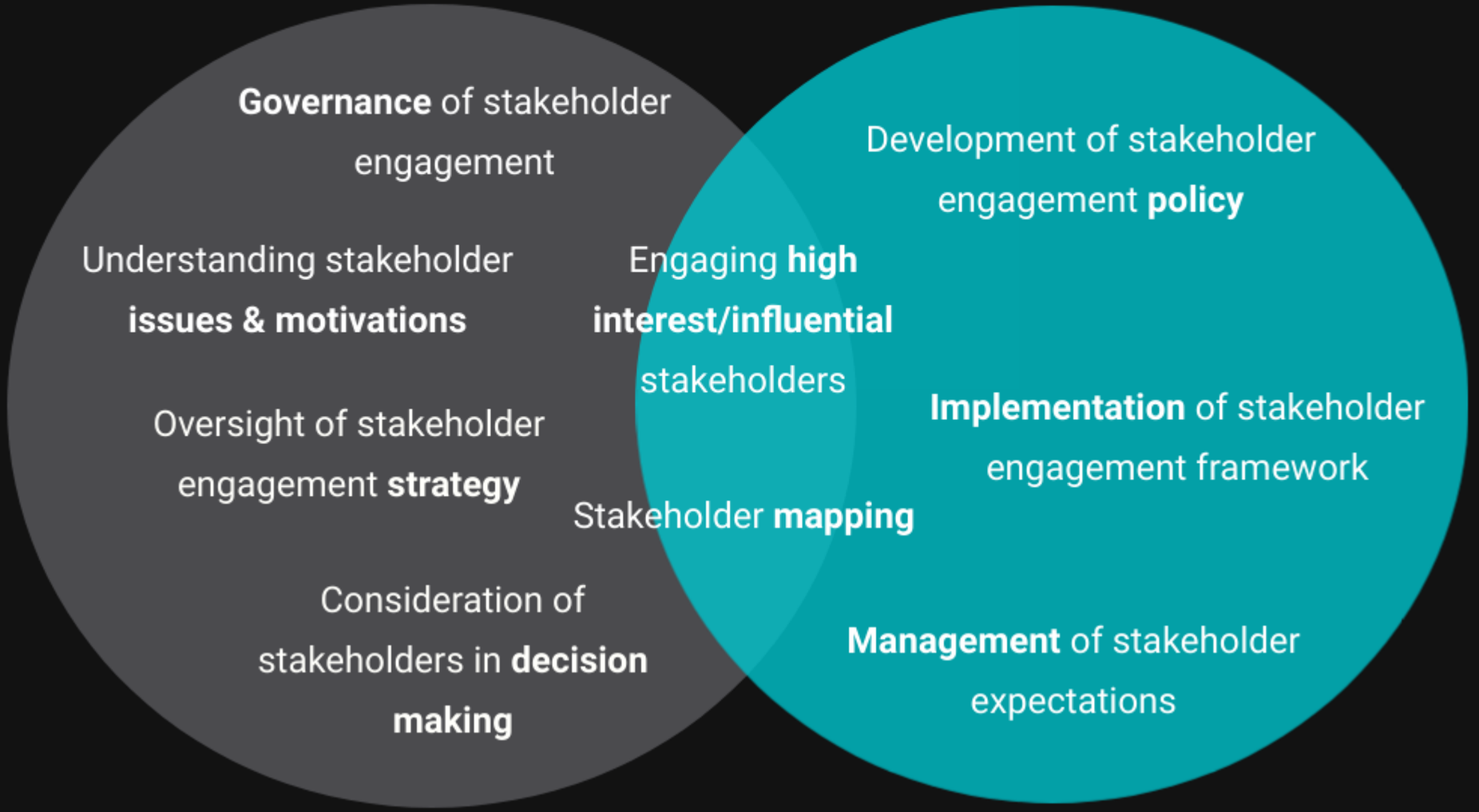
03. How is your Board tracking?

1 What is Stakeholder Engagement?

> **Stakeholder engagement** is the ongoing process of **identifying and engaging** with those who are part of an organisations **ecosystem**. This includes those who are affected by, support, or who have the capacity to **influence** the organisation as it delivers on its **purpose**.

BOARD VS MANAGEMENT

Role of the Board and Management in Stakeholder Engagement Activities



STAKEHOLDER ENGAGEMENT FRAMEWORK

A 4-step Process for Managing Stakeholder Engagement at an Organisational Level

1 IDENTIFY

- Who
- What

2 PLAN & DESIGN

- Identify
- Assess
- Setup

3 IMPLEMENT

- Culture
- People
- Systems and structures

4 REVIEW

- Collate
- Measure
- Evaluate
- Refine

STEP 1: IDENTIFY

Who Are Your Stakeholders?

? Who is involved directly and indirectly with the organisation?

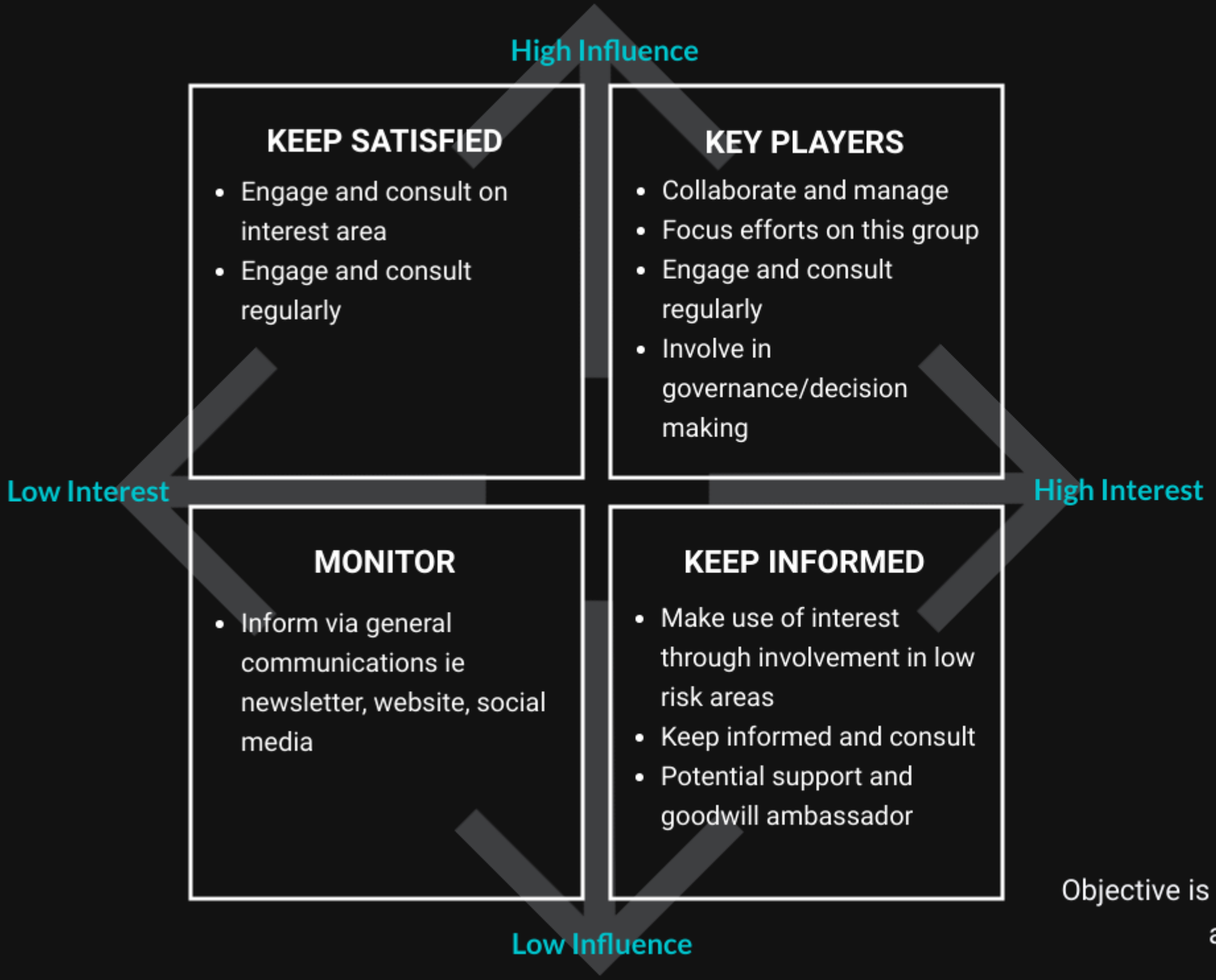
? Who is affected or impacted by the organisation?

? Who helps you deliver on your purpose, either through service or funding?

? Who has the ability to influence the success or reputation of the organisation?

Stakeholder Mapping

Organisations should undertake due diligence to determine the influence and interest of each of their stakeholders.



Key Items to Consider

Stakeholders power and interest may change over time

Ensure “key players” are identified upfront

Objective is to mitigate impact on the organisation and create actions to manage the risks

STEP 2: PLAN & DESIGN

A. Define current levels of engagement with each stakeholder

Inactive : Takes unilateral decisions without considering the stakeholder.
Reactive : Involves stakeholder out of self interest on an ad hoc basis.
Proactive: Attempts to anticipate stakeholder concerns.
Interactive: Ongoing relationship of mutual respect, openness and trust with stakeholder.

B. Assess organisations resources and capabilites

Consider what people, systems and time currently exists to support stakeholder engagement. Is this sufficient? What further investment is required?

C. Setup communication channels

What channels currently exist to communicate with stakeholders? Are they working? Who is not being reached? What further channels are required to fill the gaps? Consider multiple channels to tailor communications for different stakeholders.

D. Design policy and engagement model

Map out each stakeholder along with expectations, issues and any key risks. Set clear principles, objectives and review processes to maintain responsiveness.

STEP 3: IMPLEMENT

Three Principles to Consider When Implementing a Stakeholder Engagement Strategy.

1 Culture

Promote a culture of respect, transparency and honesty when communicating with stakeholders. Ensure activities are inclusive.

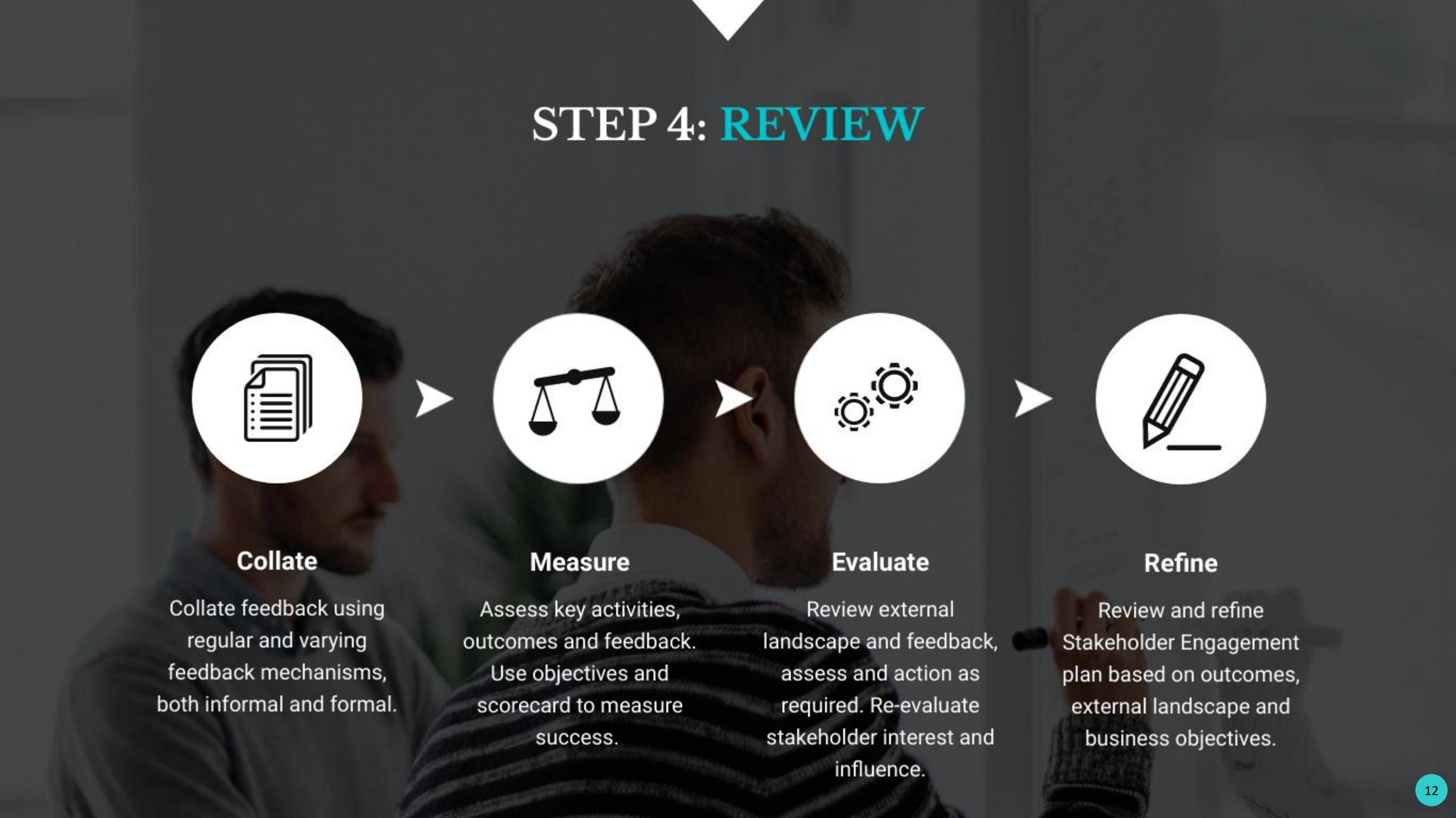
2 People

Define roles and accountabilities for stakeholder engagement. Consider individual strengths, skills and experiences of those engaging.

3 Systems and structures

Develop policy, systems and processes for delivering and reporting back on engagement activities.

STEP 4: REVIEW



Collate

Collate feedback using regular and varying feedback mechanisms, both informal and formal.

Measure

Assess key activities, outcomes and feedback. Use objectives and scorecard to measure success.

Evaluate

Review external landscape and feedback, assess and action as required. Re-evaluate stakeholder interest and influence.

Refine

Review and refine Stakeholder Engagement plan based on outcomes, external landscape and business objectives.

2 | Role of the Board

WHY BE INVOLVED?

MORAL OWNERSHIP
Promotes ethical decision-making.

ACCOUNTABILITY
Encourages awareness of stakeholder concerns and issues.

LEGAL IMPERATIVES
Promotes fairness and equity when addressing conflicting stakeholder interests.

RISK EXPOSURE
Understanding stakeholder risks helps generate more robust mitigation strategies.

VALUE CREATION
Enhances long-term organisational effectiveness and ability to deliver on purpose.

WHAT TYPE OF BOARD ARE YOU?

The Type of Board Will Determine Your Level of Involvement in Stakeholder Engagement Activities

PASSIVE

CEO has significant discretion. There is limited activity, participation and accountability of board members.

CERTIFYING

Certifies that CEO meets expectations. Board understands their role as independent directors.

ENGAGED

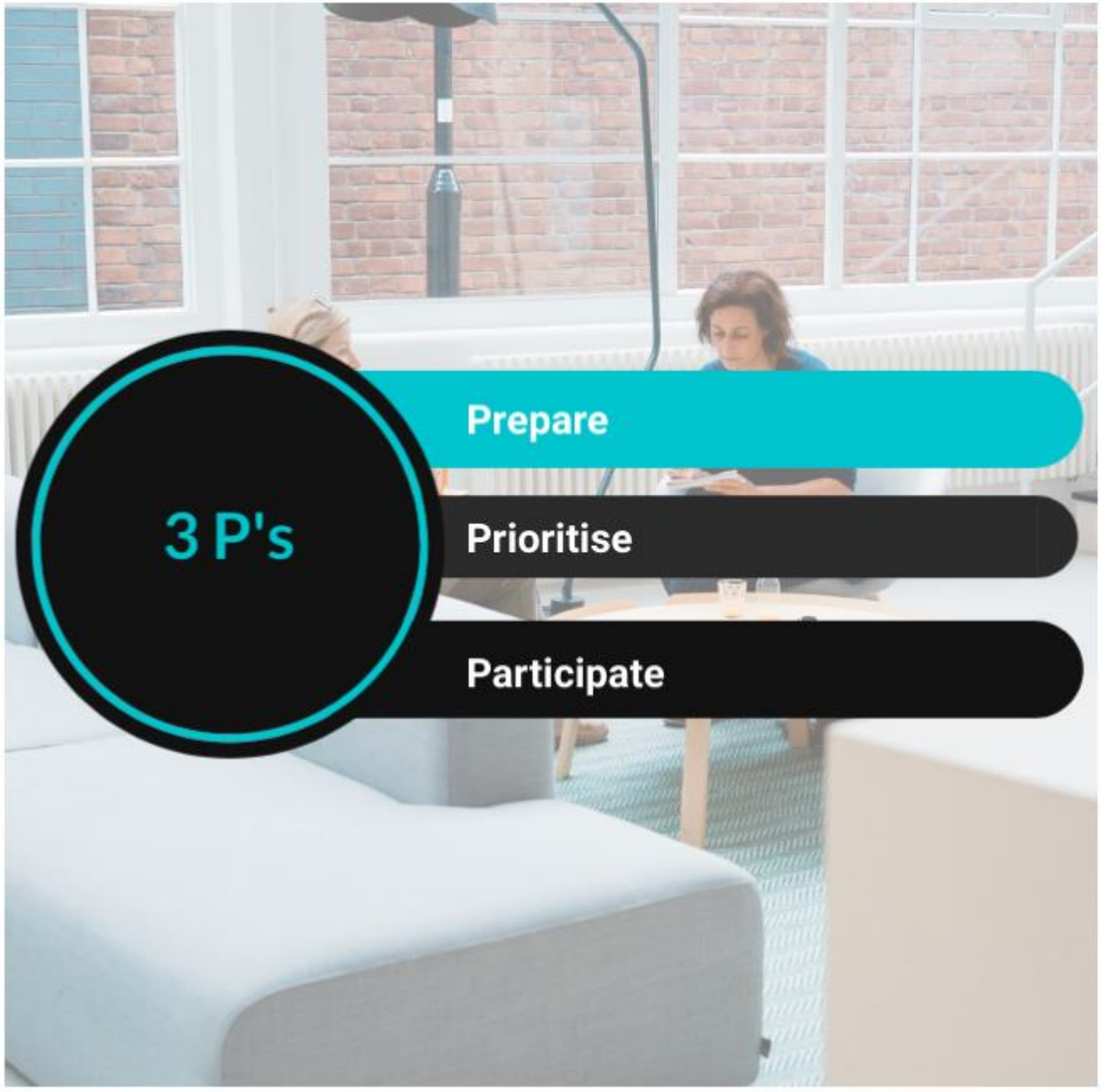
Board provides insight and support. Understands their monitoring role. Has a balanced skills matrix and assesses the work of the CEO.

INTERVENING

Intensely involved in decision making on key issues. Intense meetings, may hold them at short notice if required.

OPERATING

Makes key decisions, implements strategy. Fills gaps in management experience or skills.



Role of the Board

PREPARE

Ensure the community organisation has a framework and policy that underpins stakeholder engagement activities.

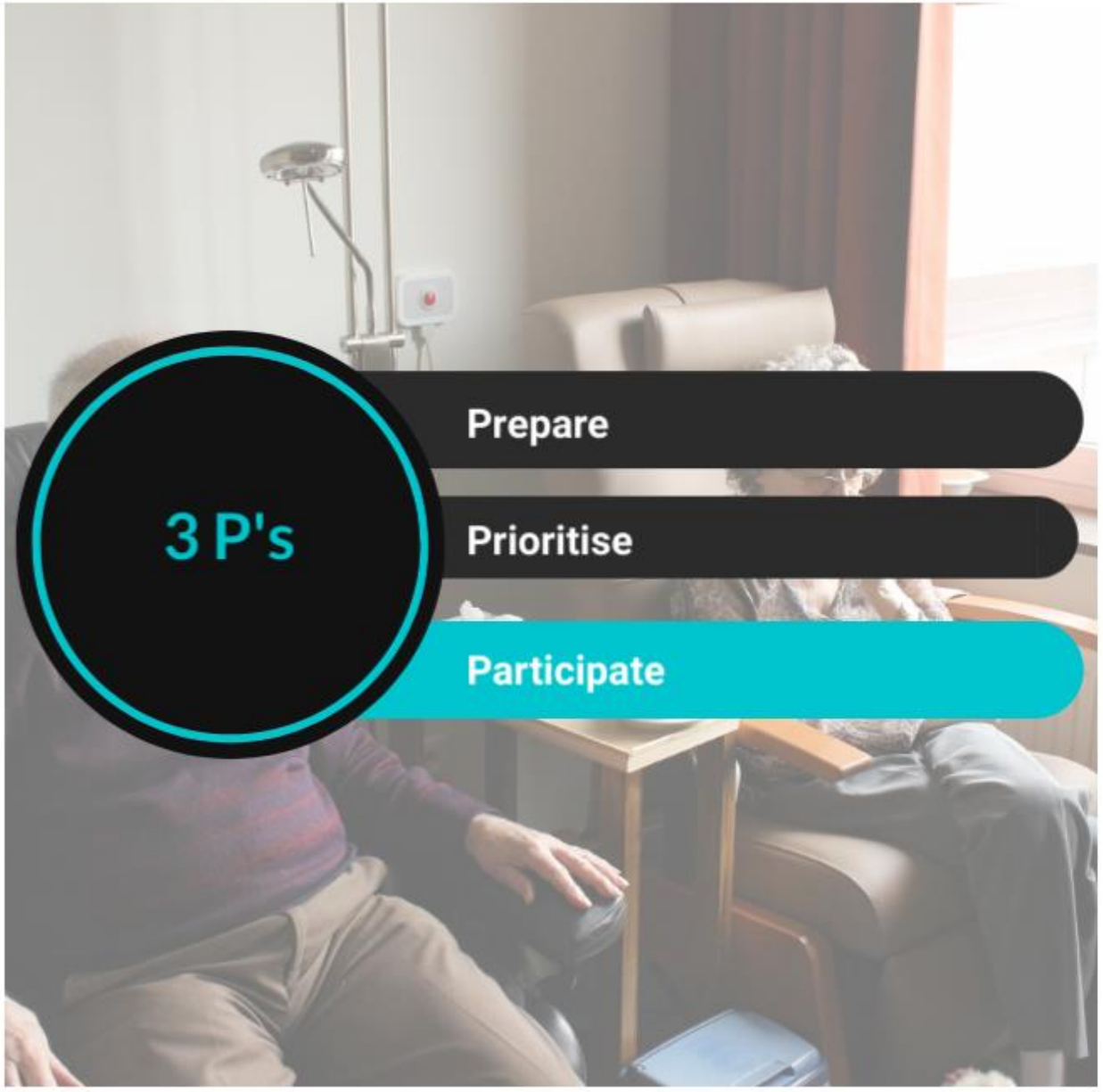
This should include delineation of responsibilities (between the board and management) and a process for raising and responding to stakeholder concerns.

Role of the Board

PRIORITISE

The Board should include a regular agenda item to assess stakeholder engagement activities and identify any emerging risks.

Part of this process may involve inviting management to present on recent activities and milestones, or commissioning third-party reviews of stakeholder engagement to gain an independent perspective.



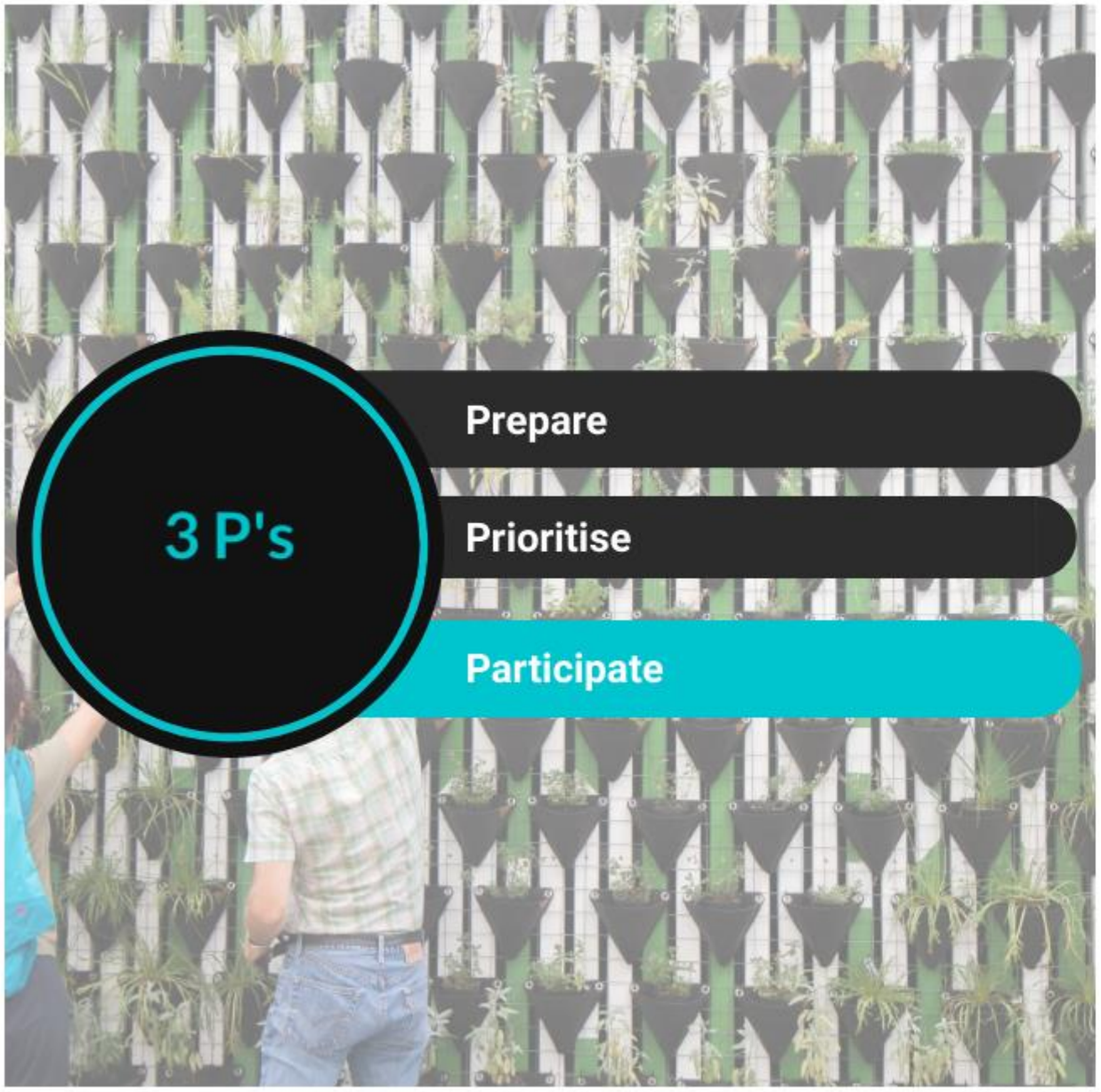
Role of the Board

PARTICIPATE

There are ways to assist Directors stay attuned to stakeholders as part of the decision-making process:

1. Begin meetings with a ‘stakeholder moment’ to engage Directors in the lived experience of one of its stakeholders.

2. Invite subject-matter experts to speak at meeting or social events to build understanding of business-critical stakeholder issues.



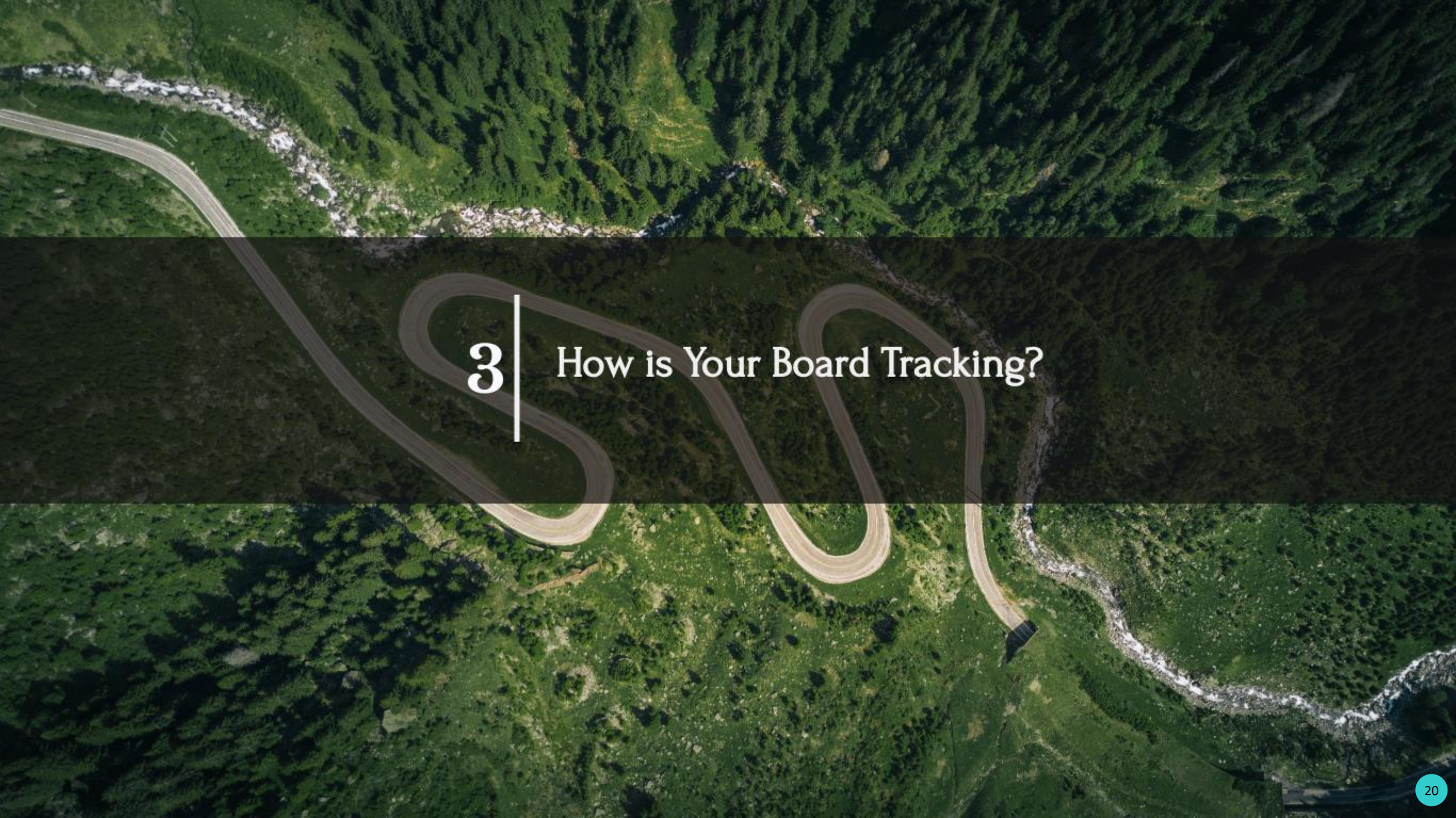
Role of the Board

PARTICIPATE (cont.)

3. Partner with academic institutions, stakeholder groups or think tanks to develop and host issue-specific learning opportunities or events.

4. Participate in sector relevant conferences, programs and fundraising events.

5. Visit operations and offices, or meet with staff and volunteers to hear of stakeholder experiences on the ground.



3 | How is Your Board Tracking?

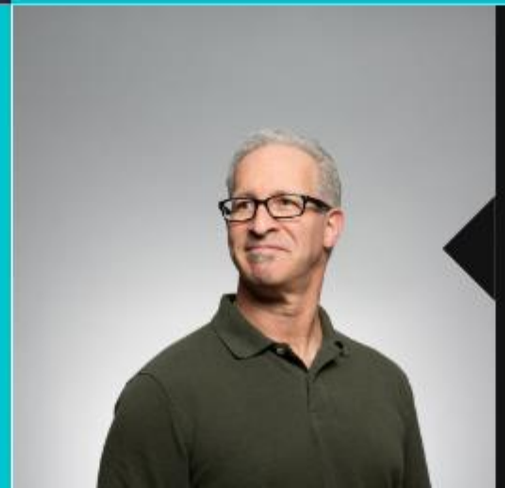
Who are the organisations key stakeholders? Do I understand their influence, expectations and issues?

Are stakeholders a consideration in relevant decision-making on our Board?

How does our Board assess and respond to stakeholder feedback?

Is there a framework in place to ensure meaningful engagement with stakeholders at all levels?

Is there a framework in place for how the organisation works with and protects vulnerable people?



What role do I play in stakeholder engagement? Is this clearly delineated from other Directors, the CEO and management?

BARRIERS TO SUCCESS

Governance 1

Lack of policy, procedures or an effective framework around how stakeholder engagement takes place within an organisation.

Credibility 2

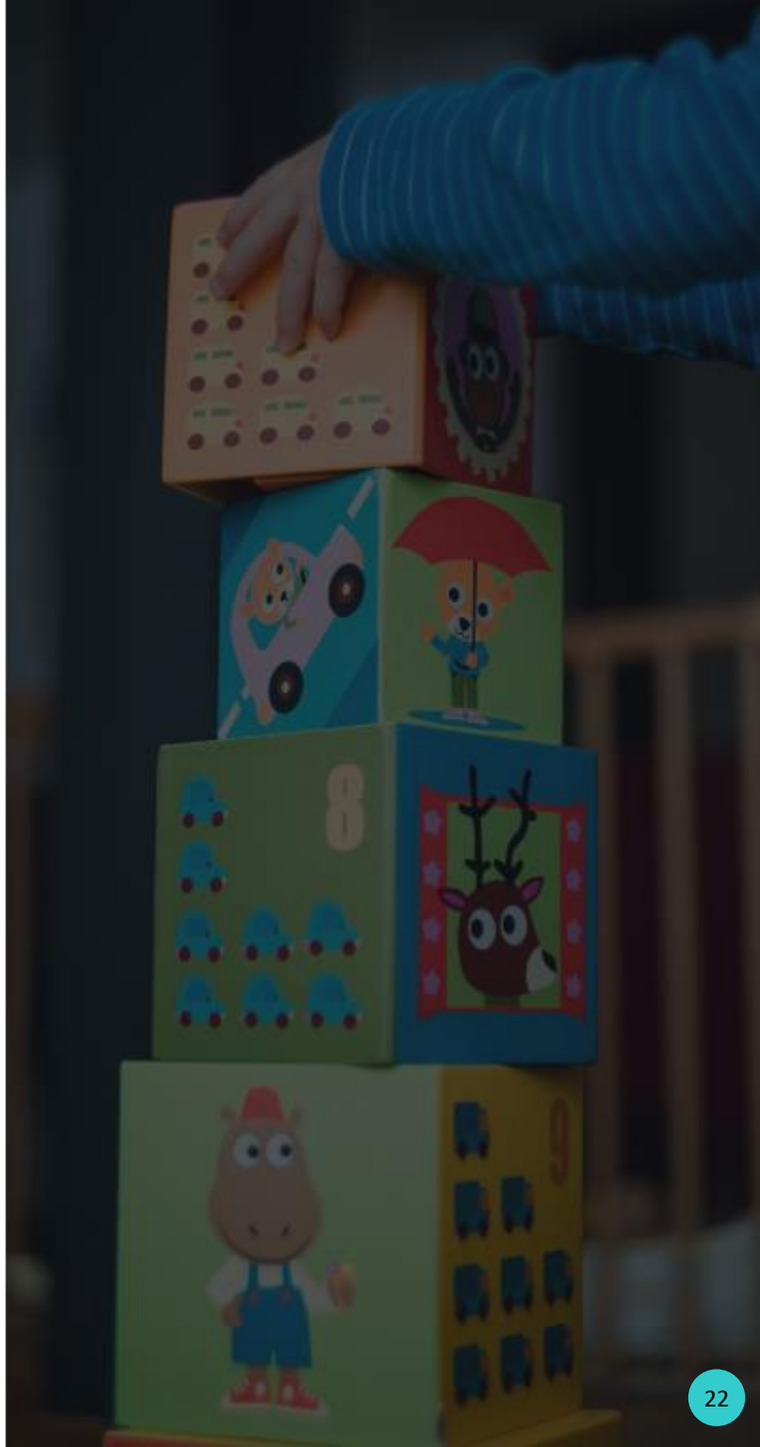
Lack of credibility, trust or seniority of person involved in engaging with individual stakeholders.

Awareness 3

A Board that is not attuned to the concerns, issues and drivers of key stakeholders.

Alignment 4

Lack of alignment between the approach of the Board and the approach of management.



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ENGAGING
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