

**STAKEHOLDER MANAGEMENT IN PRACTICE, A
CRITICAL REVIEW**

by

Débora Venâncio

A thesis submitted in partial fulfillment of
the requirements for the degree of

Masters in Management

Nova School of Business & Economics

Approved by

Milton de Sousa

1st Semester 2016/2017

STAKEHOLDER MANAGEMENT IN PRACTICE, A CRITICAL REVIEW

Abstract

The purpose of this Work Paper (WP) is to provide, based on real cases, a critical reflection on the applicability of three stakeholder management models. The three models developed by Mitchell (1997), Tulder (2003) and Preble (2005), while showing some similarities, provide different frameworks to support managers in the process of multi-stakeholder dialogue. The WP ends with recommendations for organizations that intend to use these models in their specific stakeholder management context.

Key words: Business, strategy, stakeholder, dialogue, planning, methodology, manager, organization responses, stakeholder management

“Stakeholder dialogue is a powerful catalyst for change. It promotes greater transparency, information sharing and inspires society to work together”¹

“Stakeholder dialogue is not letting others dictate how we run our business, but giving other the chance to help us do better”²

¹ The World Business Counsel for Sustainable Development (Undated)

² The Environmental Council (1999)

Table of Contents

Abstract.....	1
Introduction	3
The three stakeholder management models	5
Methodology.....	10
Real Cases used:	11
“Método do Consenso”:.....	11
Sustainability for the future of SEMEAR - Terra de Oportunidades	11
Multi-Stakeholder Dialogues for Women’s and Children’s Health	11
Stakeholder dialogues, a project developed by Collective Leadership institute,	11
Some sustainability reports	12
Analysis & Results	12
Set of Questions 1 - Stakeholder Identification and salience.....	12
Set of Questions 2 - Multi-stakeholder dialogue’s preconditions and criteria	15
Set of Questions 3 – SM & MSD Model	17
Conclusions and recommendations	19
“Mitchell’s model is a very completely model capable of guarantee key information for managers, but is also too much complex to apply in some cases.”	19
“Tulder’s criteria is applicable in the majority of cases, and represents a useful guide for stakeholders’ management planning.”	20
“Preble’s cycle is not the only structure design for MSD. The variety of options allows managers the possibility to choose or create their own process cycle.”	21
Annexes	22
Annex 1 Types of stakeholders based on Mitchell’s model.....	22
Annex 2: Summary of observations.....	23
References	24
Bibliography.....	26

Introduction

Nowadays, managing stakeholders strategically is perceived as an important way to increase the possibility of achieving success in the marketplace. In addition, the capability of managing stakeholders is extremely valuable since it is also useful to: develop key performance indicators (KPIs); align interests and concerns among organizations and their stakeholders; gain broader support for the decisions companies need to take; create a basis for collective projects and alliances; identify trends and future problems and prioritize these; avoid incidences that might receive negative public and media attention (Tulder 2003).

For an efficient Stakeholder management process, dialogue can be a precious instrument to facilitate communication between company, government, NGOs, science and other social groups. Because of this, the Multi-Stakeholder dialogue (MSD) process is closely associated to stakeholder management (SM). It can be part of a company's strategy and can be applied to all or only to some stakeholders that are identified and prioritized. But what is in fact MSD?

Multi-stakeholder dialogue is an interactive and proactive methodology, designed to create and implement consultation and cooperation in complex change processes that require different interest groups to be included and integrated (Collective Leadership Institute 2013)³. Basically this process brings together, relevant stakeholders to discuss suggestions, ideas, reflect and inform, in order to improve the company's performance, generate partnerships, solve public-private business-environmental problems and regional development. MSDs can involve a few people, representing diverse areas and different knowledge, or can involve a great range of different stakeholder. Stakeholder Dialogue is a vital stepping stone to achieve a common goal with success, MSDs should be related to existing national and sub-national planning processes, depending on the issue, the objective, the participants, the time available and many other factors

³ <http://www.stakeholderdialogues.net/learning/textbook/getting-started/>

(GIZ⁴, 2011). Beyond all advantages, it is important to have into consideration that, MSD doesn't change company's responsibilities. The company remains responsible for its own policy and conduct. As such, stakeholders have no right to be involved in all decisions, as many issues will remain internal (Tulder 2003). In addition, MSD is not a debate. While having similarities, it follows a different approach⁵ (see **Annex A** to understand the differences between debate and dialogues).

Businesses are experiencing a growing number of stakeholders, because firms are growing, becoming more international and, due to the emancipation of Stakeholders, with an increasing ambition to exercise their influence. Managers are becoming interested in dialogue, especially in multinational contexts. As a result, their strategies are often designed to involve all stakeholders, even with those who do not have, apparently, any direct connection with the firms' business⁶. However, they do not have a clear understanding of the stakeholder dialogue and the strategies associated to it. Managers tend to underestimate some problems and think that a reduced amount of rigorous forms of communication will suffice. Companies do not know what stakeholders are interested in, and stakeholders do not know which companies are already achieving their demands. When the message is not received by any party or is misunderstood, the hope is that discussions about societal issues remain confined to ways of how to prevent reputation damage. A structured communication, allows parties to avoid distrust and misunderstanding, opening place for discussion about changes and solutions.⁷

The purpose of this work project is to evaluate the criteria and steps for stakeholder dialogue which are part of theoretical models developed by several authors considered as specialists in the field. For such, several real cases are analyzed to shed some light on how managers are

⁴ Gesellschaft für Internationale Zusammenarbeit (GIZ)

Muel Kaptein and Rob Van Tulder, 2003, Toward Effective Stakeholder Dialogue

⁵ <http://www.stakeholderdialogues.net/learning/textbook/getting-started/the-concept/>

⁶ Tulder. Rob Van, & Zwart. Alex Van der, *International Business–Society Management*. <http://www.ib-sm.org/>

⁷ Tulder. Rob Van, & Zwart. Alex Van der, *International Business–Society Management*. <http://www.ib-sm.org/>

applying their stakeholder management strategies, and comparisons made between these and the theoretical models. Ultimately, conclusions and recommendations are drawn for future application. The main contributions of this analysis, in the context of stakeholder management, are: i) to improve the quality of decision-making in complex situations, ii) to guarantee a higher credibility in planning and decision-making, iii) to become more collaborative in cross-sector relationships, iv) to overcome possible stalemates and conflicts, and v) to ensure more effective results.

The three stakeholder management models

I. Ronald K. Mitchell (1997) – Stakeholder Identification and Salience

Mitchell's model came after the emergence of some models of stakeholder identification, such as Clarkson's model in 1995. Clarkson divides stakeholders in Primary stakeholders, Public stakeholders and Secondary stakeholders. This type of identification is a support however it is not sufficient to eliminate some gaps like for instance: determine the degree to which managers give priority to stakeholder claims, understand how dangerous or harmless each Stakeholder can be for company, does not take into consideration connections or possible connections between some groups of “stakes” (environmental policies with media, etc.).

To eliminate some of gaps mentioned above, **Ronald K. Mitchell**, developed a theory of stakeholder salience, based on the possession of 3 attributes: power, legitimacy and urgency. Legitimacy is a claim on a firm, based on a legal obligation, an at-risk status, or a stakeholder moral interest in the problems and gains created by firm/association's actions. Power is the aptitude to influence a behavior. Urgency is the capability that a stakeholder's claim has to call for immediate attention, adding an active component for a stakeholder capable to attain salience.⁸

⁸ R. K. Mitchell, B. R. Angle, and D. J. Wood, “Towards a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts,” *Academy of Management Review* 22(4) (1997), 853–886.

In this model, each attribute is not a steady state, which means that can change for any identity or during stakeholder-manager relationship over time; attributes are a socially constructed reality, not objective. Power and legitimacy are independent, occasionally linked but each one can be present regardless of the other. The same occurs for the urgency attribute; moreover, stakeholders might not be aware of possessing any attribute or not exercise it. The key propositions are:

“Stakeholder salience will be positively related to the cumulative number of stakeholder attributes—power, legitimacy, and urgency—perceived by managers to be present.”;

“Stakeholder salience will be low, moderate or high according to the number of attributes perceived by managers to be present”.

Based on this, Mitchell defines stakeholders in categories and subcategories. To better understand the interactions see **Annex B**.

- **Latent stakeholders:** only one attribute – **dormant stakeholders** have power, **discretionary stakeholders** have legitimacy and **demanding stakeholders** have urgency;
- **Expectant stakeholders:** have two attributes – **dominant stakeholders** have power and legitimacy, **dependent stakeholders** have legitimacy and urgency, **dangerous stakeholders** have power and urgency;
- **Definitive stakeholders** – have the three attributes;
- **Non-stakeholders** – have none of the attributes, little or no salience in the firm’s management.

Observe **Annex 1** to understand what is the impact of each one.

Given the complexity, is necessary a very detailed knowledge of each stakeholder, which allows managers to obtain an important set of information, like entity’s characteristics, behaviors, points of view, etc., and group them. The approach of the model can differentiate stakeholder possible actions, define individual risks, clearly distinguish each attribute, evaluate

stakeholder relationships systematically in a dynamic way. The model also has in consideration the actual and potential relationships that can be relevant; defines who has the capability to influence or to be influenced, addressing the risks and prioritizing stakeholders.

II. Rob Van Tulder (2003) – Toward Effective Stakeholder Dialogue

Rob Van Tulder, in his model, describes ten main conditions to MS dialogues' success. He considers this type of criteria as “preconditions” but, in fact, they are methods and tools capable to guarantee the quality of dialogue, before, during and after initiating the process. The aforementioned conditions and their definitions are:

1. To know and be understood. Parties must know each other and mutual areas of interest. There is essential to anticipate the consequences of the company's actions and who will act as representative of specific social interests.

2. Trust and reliability. A constructive dialogue increases the level of trust, but in the absence of any trust, the dialogue will never arise and, consequently, the level of trust cannot increase.

3. Clear rules for the dialogue. Clarify how to deal with confidential information and how different parties involved should treat constituents and media.

4. A coherent vision on dialogue. For the company, this implies that it should have a vision on the stakeholder discussions as a whole. The company should create a balance between accepting invitations from stakeholders and personally inviting stakeholders for meetings.

5. Dialogue skills. The parties must possess skills for taking part in a dialogue.

6. Expertise in the subject matter. A good dialogue demands good preparation. Conducting a proper dialogue requires some knowledge concerning the subject in discussion, so that all the parties know what they are talking about.

7. Clear dialogue structure. To promote a good dialogue, it is desirable that the parties have clear and explicit expectations about the possibilities and limitations of the dialogue.

8. Valid information as basis. Since dialogue is based on the information present by parties, this results in a natural inclination to manipulate, so it is important that the facts presented are beyond any doubt.

9. Successive meetings. A dialogue cannot be an on-off event, at the very least feedback has to be given on what has been agreed.

10. The feedback of results. Discussion partners do not act in isolation from those they are representing so, is important to support the conclusions and to see results of earlier meetings.

Tulder also defines a range of relevant questions for an organization to consider when setting up a dialogue. These questions are a way of ensuring that the dialogue structure is being well built and is taking into account various factors. These are:

“• How do we clarify for ourselves what the stakeholder dialogue specific objectives are?”

“• How do we decide which stakeholders we are going to talk to?”

“• How do we determine the topics for discussion?”

“• Who will represent the organization in the meetings?”

“• How can we determine the order of the meetings?”

“• How often should the meetings take place?”

“• How do we avoid leaving out stakeholders, which may result in them feeling excluded and cause a big fuss?”

“• How do we retain our freedom to make decisions and carry our responsibility for these?”

“• How do we avoid stakeholders abusing the trust we vest in them and the information we share with them?”

“• How do we avoid stakeholders developing the feeling that they are being or have been abused?”

“• How can we learn the most from the meetings?”

“• How do we avoid creating overly high expectations among the stakeholders about the content and follow-up of the stakeholder dialogue?”

“• How do we prevent a stakeholder dialogue from becoming a time consuming exercise?”

“• How can the dialogue be embedded in the management systems and the sustainability report that may be published?”

“• How can we know that the stakeholder dialogue satisfies the stakeholders’ wishes?” (All questions from Tulder 2003)

III. John F. Preble (2005) Toward a Comprehensive Model of Stakeholder Management

Over the years, many structured models have emerged, but none has become officially the reference. Even then, we can clearly see similarities and agreements between authors about the steps that should be followed to construct a good Stakeholder Management Process Model. Stakeholder identification and salience, for example, is unanimously accepted as one of the first things to do, but what should be the next step?

Having this in mind, Preble constructed a comprehensive stakeholder management process model that facilitates the implementation of stakeholder management and MSD in a cycle of six steps: 1st Stakeholder identification; 2nd general maturity of stakeholders’ claims; 3rd Determine performance gaps; 4th Prioritize stakeholders’ demands; 5th Develop organization responses; 6th Monitoring and control (**see Annex C** to visualize the steps).

1. Stakeholder identification: Identify all stakeholders in which the organization has an interest, as well as those who have an interest in the firm and could influence it. For this step Preble suggests Clarkson’s typology (1995) already addressed in this paper.

2. General nature of stakeholders' claims: What type of power they possess and what could be the best response for the firm to consider each stakeholder.

3. Determine performance gaps: Compare each expectation, need or demand to organization's behavior and see if performance gaps exist. Once identified, the company can investigate possible strategies and how they might intend to get it through stakeholder influence.

4. Prioritize stakeholder's demands: Preble mentions Mitchell's model, seen before, which classifies stakeholders as having a high/low strategic importance and evaluates the risks.

5. Develop organization responses: Develop policies, strategies and organizational responses to minimize those gaps and to attend to those priorities.

6. Monitoring and control: Basically, in this step, management analyzes, evaluates and controls if programs are heading the right direction and if strategies are still relevant, or if it is necessary to devise new programs.

Utilizing the outcome attained in step 6, the stakeholder management process recycles back to step 1 for periodic reexamination and continuous improvement.

Methodology

To develop a critical analysis on the application and veracity of the models described above, in the next topic of this WP, three sets of questions will be answered, in which there is a strong judgment of models with real-world cases. Of the three sets of questions, one set is meant for each model.

1) For Mitchell's model: How different real cases of stakeholder management identify and define stakeholders' salience? What differences and similarities are found with the Mitchell et al model?"

2) For Rob Van Tulder's model: To what extent the different examples follow the criteria suggested by Rob van Tulder? Are there other criteria to consider?

3) For John Preble's model: What are the main steps of each practical example? To what extent do they coincide with the process defined by Preble?

Real Cases used:

“Método do Consenso”: This case, consisted in the implementation of a hepatitis C elimination program that is financially compatible with the financial constraint condition of Portugal. An interview to Ricardo Baptista Leite was conducted (**Annex D**), member of parliament in Portugal, head of public health and principal responsible for the case implementation, to understand the methods used during the process and to compare them to the models;

Sustainability for the future of SEMEAR - Terra de Oportunidades, is a case that was started and is being developed by SEMEAR’s coordinator and me during the WP execution. This is a program of socio-professional inclusion of adults with Intellectual and Developmental Difficulty through certified training, personal and socio-professional skills development and post-training follow-up. The program has some long-term funding problems, so currently it is being held a stakeholder dialogue process to solve this situation. This case will be used as a practical approach for the models mentioned before, to understand the advantages and disadvantages when each one is applied;

Multi-Stakeholder Dialogues for Women’s and Children’s Health that is a guide that explains the mechanism of MSD used through which a wide range of stakeholders at national and sub-national level, engaged in promoting women’s and childrens’ health, to better identify challenges, align action, improve the implementation of essential RMNCH interventions, and assure accountability for resources and results;

Stakeholder dialogues, a project developed by the Collective Leadership institute, is a learning space for practitioners from the private and public sector, and also from civil society organizations, who are working on sustainable development issues. Stakeholder Dialogues.net builds a global network for change by encouraging practitioners and fostering

mutual support among change agents. It empowers people to use the dialogic change methodology and collective leadership for sustainability. The last two cases mentioned will be compared and used as alternatives to the suggested models.

Some sustainability reports of well-known multinational companies operating in Portugal like BMW, Galp, Solvay and McDonalds, will also be used as examples to answer to specific features of the questions.

Some sustainability reports of well-known multinational companies in Portugal like BMW, Galp, Solvay and McDonald's, will also be used as examples to answered specific features of the questions.

All cases selected were chosen because they portrait how stakeholder management was a crucial strategy and how Multi-stakeholder dialogue was used as part of it.

Analysis & Results

Set of Questions 1 - Stakeholder Identification and salience

To manage stakeholders, companies need to know who they are and which ones should be prioritized during the process. Before understanding what happens in the real cases, it is important to define what means being a stakeholder. **Annex E** shows different definitions of stakeholder that allows to conclude that stakeholder is any group or individual who can affect or is affected by the achievement of the organization's objectives (Tulder 2003). Can have or claim ownership, rights or interests in a corporation and its activities. They may not be directly linked to the company, but can strongly influence how organization is perceived by the public and the various governmental entities or have a great impact through the interaction with other stakeholders. This is why it is so important to select and group stakeholders in a proper way.

Multinationals, such as Galp's group, BMW's group, Solvay and McDonalds have in their sustainability reports, available on each one's website, clearly identified and described

stakeholders' salience. For identification, they used some key characteristics adapted to firm's size, industry, location of headquarters, ideology and operations. For salience, they constructed a "stakeholders map" (see **Annex F**), based exclusively on key issues related to organization's interests and strategies. Maps can have multiple images, shapes and aspects, and allow external individuals to obtain a visual image of the stakeholder's set that is relevant to the organization. The key issues for salience can be common concerns, stakeholder characteristic, stakeholder 'attitude' in interaction process, firm's expertise on the topic, possible impact on the company's reputation or even a combination of issues. To visualize, see the different stakeholders' maps in **Annex G**.

On "Método do Consenso" case, stakeholder identification was already implicit when the challenge arose, the steering committee knew exactly who were the key players. Then, the team grouped its stakeholders into three levels: 1. superior decision makers; 2. Those who have to implement the decisions; 3. Those who suffer the consequences of decisions. To prioritize them, team did not take into account the three attributes, they considered all stakeholders as priority because the important thing was to ensure that the consensus would be supported by all relevant stakeholders in the end. However, Ricardo Baptista Leite considered that, is possible to find "power" at each of its levels, legitimacy is a consequence of that power, but the urgency is not appropriate in this case.

Multi-Stakeholder Dialogues for Women's and Children's Health, selected stakeholders using the stakeholder map and learning from the previously assessments. After, the planning group suggested a criteria for selection of each key stakeholder group, based on the following characteristics: Ability of the individuals to articulate the views and experiences of a particular organization or constituency on the issue, while constructively engaging with and learning from other participants; The ability of the individuals to champion the actions that will address the key issues within their organizations/constituencies; The perceived legitimacy of the

representative(s) within their organization/constituency; The capacity of the representative to minimally commit their organization/constituency on issues of process, if not on issues of substance, within the context of the MSD.

For identify and prioritize stakeholders in SEMEAR program, coordinator team and I attempted to apply Mitchell's model. During first part of model implementation, was necessary the help of Clarkson's model (1997) because it has a simple view where we attached several players without a deeper market knowledge. Only after, was defined each stakeholder by attribute. In the end, although the difficulty in determining what attributes each stakeholder has, was obtained a very efficient outcome that helps a lot to find investors, but it requires a deep know-how about all stakeholders, what for small associations can be a problem. See **Annex H** to visualize the result.

Summing up, Mitchell's model can be very useful for managers because its construction implies a very detailed knowledge of each stakeholder, which allows to obtain an important set of information, like entity characteristics, behaviors, points of view, etc., and group them based on it. The approach of the model can differentiate stakeholder possible actions, define individual risks, distinguish clearly the differences of each attribute; The model also evaluates stakeholder relationships systematically in a dynamic way, assuming stakeholder-manager's relations as multilateral, not bilateral and independent. It has in consideration the actual and potential relationships that can be relevant, and define who have the capability of influence or be influenced addressing the risk and prioritizing stakeholders. Beyond all advantages, exist, in my opinion, a range of possible problems associated to the model, one of them is volatility that is given by the attributes' dynamism. It is necessary a constantly review of stakeholder conditions and economic status, verifying if a stakeholder is in possession of more attributes or not, otherwise stakeholders with new attributes that were ignored in past can cause terrible damages. Another problem is the dependence of the evaluations realizes by each manager. The

manager team's perception of stakeholder's attribute is crucial for efficiency of the model, if this work is not methodological, meticulous and empirical the reliability is lower, and in some cases can be expose to agency costs. In addition, the frontier between the possession of one attribute or another is strait and can often lead managers to an error of analysis that may misjudge some of the stakeholders.

Set of Questions 2 - Multi-stakeholder dialogue's preconditions and criteria

Specialists agreed that there are factors that can have a crucial influence on success and quality of outcomes achieved by MS dialogues. Creation of structures to support stakeholder-manager relationship promotes dialogue and a well structured dialogue leads us to a reliable and productive outcome. So it is perfectly natural that companies, projects and identities interested in the stakeholder dialogue approach, have define some criteria that is followed before, during and after the process.

In Collective Leadership institute's project, over last years, together with its partners, developed as well methods and tools very similar to Tulder's. The tools are: 1. Leadership and high-level sponsorship; 2. Cohesion and relationship-management; 3. Goal and process clarity; 4. Knowledge and competence; 5. Credibility; 6. Inclusivity; 7. Ownership; 8. Delivery and outcome-orientation, see **Annex I** for specific information. As we can see, they considered less key factors than Tulder (8 vs 10). Points 1,2,3,4,5 and 8 are very similar to the five points considered previously as the mainly points. In fact, looking for the definition of each one, is possible to conclude that they suggest the same idea of Tulder, but in a depth and concrete way. In this example, exist another two key factors added that are different from previous, 6 and 7. In my opinion the addition of this two points is positive, because they represent important issues which have a great weight in the managers' ideas, during stakeholder dialogue process. In terms of relevant questions, institute considered several range of key interrogations capable of analyze and help managers along of the MSD steps. The set of questions was divide by them in

purposes, which are: for creating resonance, consolidating agreements and establishing structures, planning the future together with stakeholders, understanding the context, clarifying common goals and resources, ensuring transparency and communication, creating results and celebrating success, establishing learning mechanisms, building next level container, creating management structures, establishing governance and learning systems

About the process of hepatitis C, was not defined, by steering committee, a criterion that could be used as base for process structuring. Although, Ricardo Baptista Leite, when questioned about what methods and tools defined by Tulder played an important character in the development of the “Método do Consenso”, he considered that points 1,2,3,4,5,8,9 and 10, were essential conditions, but point 6 and 7 not. The similar occurred with relevant questions, the commitment did not define questions to help them during the process, but in the interview some questions made, such as “how did you decide which stakeholders should be the main stakeholders, with whom should you create dialogue?”, were identical to Tulder’s criteria.

Multinationals and Multi-Stakeholder Dialogues for Women’s and Children’s Health examples, are not applicable in this case, because there is no information in their reports.

Looking inside the points, they seem to be necessary and logical, however some of them are a bit repetitive and extensive. The points 1,2,3,5 and 10 are fundamental parts of a dialogue’s structure, represent the basis for a process with a minimum of sense and are, in my opinion, the main points, without them is impossible develop any kind of MSD process. About points 4, 6, 8 and 9, they have a little more specific information added, that info is important for managers to have in mind, but this kind of information is implicit and closely related to first three points. Same occurs with point 7 that are extremely connected to point 5 and is consider an extension from it. In an overall view, although all key factors presented by Tulder make sense, they could be simplified by aggregating them in less points. Inside that points, should be explicit all info,

mentioned on the original and add more useful. This type of conclusion, will be proved right now, looking to real cases.

Set of Questions 3 – SM & MSD Model

Having the theoretical process designed before, the next examples show us how correct or not is Preble's process.

On **Annex J**, that concerns to Women's and Children's Health's case model, is represented the process followed by the organization. It was developed in 3 main phases each one divided into subtopics. 1st Phase: organization create a planning group, identify the relevant stakeholders and their interests and perspectives, and also identify a skilled facilitator. During Phase 2 there is a preparation of the dialogue process and the design and planning of the strategies. Phase 3 is the implementation of identified strategies, evaluation of results, feedback from stakeholders and monitoring of strategies that are under development. Comparing with Preble's model we can see that: In Phase 1 has been included the 1st, 2nd, 3rd and 4th steps; Phase 2 is the equivalent of 5th step; and the last phase is very similar or even equal to the step 6.

Collective Leadership Institute, constructed and suggested another different model, it is present on **Annex K** and was designed with 4 main Phases. Where the principal results on each phase are: **1. Exploring and engaging-** stakeholders explore factors that will influence the dialogue, create trust among key stakeholders, have feedbacks about quality for the dialogic initiative or change process, gain credibility, participate in stakeholder identification; **2. Building and formalizing-** Develop initial structures, get recommendation and clarity on the use of Stakeholder Dialogues, create agreements to collaborate in the Project or activity plans and implementation procedures; **3. Implementing and evaluating-** Show cases of success, achieve milestones, project implementation reports, public communication and media coverage, establish monitoring systems; **4. Developing further, replicating or**

institutionalizing- Extending the goal and stakeholder participation, institutionalizing a successful dialogue form, using the experience collected in another dialogue process. This cycle is quantitatively simpler but more qualitatively complex than Preble's process and, in contrast with the previous example, the similarities of each step are less, although last steps outcome is almost the same.

The Hepatitis' case was discussed in 4 phases: 1st The steering committee recognized the challenge and possible solutions; 2nd Was created an explanatory documentation, to communicate the challenge to stakeholders; 3rd Was started meetings with all intervenient, called by think tank, where was designed two oppose scenarios relating to the case that were exposed to key stakeholders; 4th reached a consensus to make the real solution possible. The 3 and 4 phases were meetings where was present a moderator, the three key stakeholders and steering committee. In this case, the process is completely different from Preble's, but, again, the last topic has a similar outcome.

When applied Preble Stakeholder Dialogue Process Model on SEMEAR's program, several steps cited, were involuntarily done simultaneously with others. For example, when we identified stakeholders based on the Mitchell's model (as suggested by Preble in his article) we were able to obtain results also for steps 2, 4 and part of step 3. So, in the end, the model was restructured to 4 steps: 1st Stakeholder identification and Prioritize stakeholder's demands; 2nd Determine performance gaps; 3rd Develop organization responses; 4th Monitoring and control.

In a more general view, the referred examples, quantitatively, have fewer steps. This leads to the conclusion that Preble's cycle can be reduced with aggregation of some steps. The first steps seem to be the most propitious to aggregation, because as shown in the examples, the successions of tasks presented in them are very interconnected, which allows one to perform the other at the same time. For example, the identification of a stakeholder also involves the

characterization of its position for the company, as well as the perception of their expectations, reason why the second and third steps of Preble can be added. However, this type of aggregation is only possible in the first 4 steps, because as we can verify Preble's steps 5 and 6 are also present in all the examples. In fact, develop organization responses, Monitoring and control are a common step, without them would not make sense perform any process, they represent the outcome from efficiently managing stakeholders. See **Annex 2**, that contains a summary of the observed results compared with the models.

Conclusions and recommendations

Stakeholder management has been improved in the strategic planning of companies. In fact, nowadays, this approach is like a requirement for business success. As prove, companies like BMW and others, have been reporting all experiences with its stakeholders, such as, strategical stakeholders' dialogues, projects developed or that intend to be developed by them, in their reports or informative notes. This requires a very well defined stakeholders' network and strong collective strategies, based on models or structures design to better apply them. Because of that, a clear view on the models developed by specialists is required once it is in this context that the analysis of the previous models allowed to draw some conclusions

“Mitchell’s model is a very completely model capable of guarantee key information for managers, but is also too much complex to apply in some cases.”

Identification and prioritization of stakeholders is an essential part for the beginning of any approach. Mitchell constructed a very complex model, where he allocated the various stakeholders by attributes. Applying this process of identification, allows us to obtain a range of crucial information about the possible actors that can influence our business in a direct or indirectly way. Information such as, behavior towards the company, risk, receptivity to communicating, etc. can be achieved through its application. However, most of the real cases observed do not consider or use this type of model, the complexity and comprehensiveness of

the model make it unattractive to managers. In majority, firms opt for other models, more easy to apply, or use partially the Mitchell's model, like in hepatitis's case, where prioritization may be related to some of the attributes, however, model was not followed by the committee. Other factor that makes the model unattractive to managers, occurs when a firm define a strategic communication relationship with all the stakeholders (as in multinational business), in these cases there is no clear prioritization of stakeholders and all actors are considered as priority.

My recommendation, given the output's completeness, is to apply the model when a good perception of the business environment is required and organization has enough resources, for example in an entrance into a new business or when exist a great risk of exposure to external identities exists. In others situations, like "Metodo do consenso", a partial use of the model can also be a useful solution for the company.

"Tulder's criteria is applicable in the majority of cases, and represents a useful guide for stakeholders' management planning."

The preconditions are a precious help for managers, to implement a Stakeholder dialogue with success and efficiency. Without them is almost impossible develop a structure with a strong body. Watching what were written by Tulder at almost two decades ago, we saw that, in some way, it was improved by other authors and firms, but the differences are not significant, which means that Tulder's criteria remains a good guide and a great help for managers of our days. Regarding the questions that Tulder consider as relevant, part of them are not applicable to some cases, but other part is extremely important to have in manager's mind. Although, in the majority of the cases, managers do not use this set of questions as base, they apply it unconsciously.

I seriously recommend, to managers, the use of both, Tulder's criteria and questions. They are very important when managers are constructing a stakeholder dialogue, look to them and

try to apply the majority is imperial for dialogue's success. If, for some reason, part of the criteria cannot be applied, managers should adapt it to their case or have it in mind for a proper check of process' structure. This small action can guarantee that all steps, that allow an efficient dialogue with stakeholders, are fulfilled. This detail at the end may be the difference between success and failure

“Preble’s cycle is not the only structure design for MSD. The variety of options allows managers the possibility to choose or create their own process cycle.”

Was found, in the examples, a wide variety of structures/steps used for the stakeholder management process. In fact, each company follows, essentially, similar parameters, but adapts them to the organization or the specific case. In some cases, organizations group some steps to execute the process in a more productive and less expensive way for managers and itself. All the cases observed have in common two steps mentioned by Preble, which leads us to conclude that they are transversal and required for any situation.

As recommendation, for easier application, Preble’s cycle should be reduced with aggregation of first steps because as shown in the examples, the tasks are very interconnected, which allows one to perform the other at the same time. In terms of application, taking into account the specificity of each case, the cycle should be adapted to each, which means that, each firm should structure its own plan, having as guide the Preble’s example.

To Finalize, **"Engage your stakeholders and work together with them to solve the task ahead. Then your worst enemies could just end up being your best friend."** - Thomas Kolster on The Guardian Sustainable Business

Annex 1 Types of stakeholders based on Mitchell's model.

Dormant stakeholders possess power to impose their will on a firm, but by not having a legitimate relationship or an urgent claim, their power remains unused. Dormant stakeholders have little or no interaction with the firm. However, because of their potential to acquire a second attribute, management should remain cognizant of such stakeholders, for the dynamic nature of the stakeholder-manager relationship suggests that dormant stakeholders will become more salient to managers if they acquire either urgency or legitimacy.

Discretionary stakeholders possess the attribute of legitimacy, but they have no other attribute. They are most likely to be beneficiaries of discretionary corporate social responsibility. The key point is that, absent power and urgent claims, there is absolutely no pressure on managers to engage in an active relationship with such a stakeholder, although managers can choose to do so.

Demanding stakeholders where the relevant attribute is urgency. They are irksome but not dangerous, bothersome but not warranting more than passing management attention, if any at all. Where stakeholders are unable or unwilling to acquire either the power or the legitimacy necessary to move their claim into a more salient status, the "noise" of urgency is insufficient to project a stakeholder claim beyond latency.

Dominant stakeholders are powerful and legitimate, their influence in the firm is assured, since by possessing power with legitimacy. It is clear, that the expectations of any stakeholders perceived by managers to have power and legitimacy will "matter" to managers. Thus, we might expect that dominant stakeholders will have some formal mechanism in place that acknowledges the importance of their relationship with the firm.

Dependent stakeholders lack power but have urgent legitimate. Here a dependent stakeholder moved into the most salient stakeholder class by having its urgent claims adopted by dominant stakeholders, illustrating the dynamism that can be modeled effectively using the theory and principles of stakeholder identification and salience suggested here.

Dangerous stakeholders have urgency and power attributes, this stakeholder will be coercive and possibly violent. The actions of these stakeholders not only are outside the bounds of legitimacy but are dangerous, both to the stakeholder-manager relationship and to the individuals and entities involved.

Definitive Stakeholders have all attributes. Managers have a clear and immediate mandate to attend to and give priority to that stakeholder's claim. The most common occurrence is likely to be the movement of a dominant stakeholder into the "definitive" category.

Annex 2: Summary of observations

Set of Questions 1 - Ronald K. Mitchell

“Método do Consenso”	<ul style="list-style-type: none"> • Does not use Mitchell model; • stakeholder identification was already implicit when the challenge arose
SEMEAR - Terra de Oportunidades	<ul style="list-style-type: none"> • Use Mitchell model; • 1st use Clarkson’s model • 2nd define each stakeholder by attribute using the model
Multi-Stakeholder Dialogues for Women’s and Children’s Health	<ul style="list-style-type: none"> • Does not use Mitchell model; • selected stakeholders using the stakeholder map and learning from the previously assessments
Stakeholder dialogues project	<ul style="list-style-type: none"> • There is no sufficient information about stakeholder identification
Sustainability reports	<ul style="list-style-type: none"> • Does not use Mitchell model; • They constructed a “stakeholders map”

Set of Questions 2 – Rob Van Tulder

“Método do Consenso”	<ul style="list-style-type: none"> • Was not defined, by steering committee • When questioned about what precondition could be consider as important, he considered that points 1,2,3,4,5,8,9 and 10, were essential conditions
SEMEAR - Terra de Oportunidades	<ul style="list-style-type: none"> • The points 1,2,3,5 and 10 are fundamental parts of a dialogue
Multi-Stakeholder Dialogues for Women’s and Children’s Health	<ul style="list-style-type: none"> • Tulder’s model is not applicable in this case, because there is no information in their reports
Stakeholder dialogues project	<ul style="list-style-type: none"> • Developed their Own preconditions • 1. Leadership and high-level sponsorship; 2. Cohesion and relationship-management; 3. Goal and process clarity; 4. Knowledge and competence; 5. Credibility; 6. Inclusivity; 7. Ownership; 8. Delivery
Sustainability reports	<ul style="list-style-type: none"> • Tulder’s model is not applicable in this case, because there is no information in their reports

Set of Questions 3 – John F. Preble

“Método do Consenso”	<ul style="list-style-type: none"> • Discussed in 4 phases • 1st recognized the challenge and possible solutions; 2nd created an explanatory documentation; 3rd started meetings; 4th reached a consensus.
SEMEAR - Terra de Oportunidades	<ul style="list-style-type: none"> • Preble model restructured for: 1st Stakeholder identification and Prioritize stakeholder’s demands; 2nd Determine performance gaps; 3rd Develop organization responses; 4th Monitoring and control.
Multi-Stakeholder Dialogues for Women’s and Children’s Health	<ul style="list-style-type: none"> • was developed in 3 main phases each one divided into subtopics • 1st Phase: create a planning group; Phase 2: preparation of the dialogue process and the design and planning of the strategies; Phase 3: implementation of identified strategies.
Stakeholder dialogues project	<ul style="list-style-type: none"> • Constructed and suggested a different model, designed in 4th main Phases • Exploring and engaging; Building and formalizing; Implementing and evaluating; Developing further, replicating or institutionalizing
Sustainability reports	<ul style="list-style-type: none"> • Not applicable

References

-
- The Partnership for Maternal, Newborn & Child Health. (2014). Multi-Stakeholder Dialogues for Women’s and Children’s Health. 2014, de The Partnership for Maternal, Newborn & Child Health Site web:
http://www.who.int/pmnch/knowledge/publications/msd_guide.pdf

- Rachel Thompson. (2016). Stakeholder Analysis Winning Support for Your Projects. 2016, de MindTools Site web: https://www.mindtools.com/pages/article/newPPM_07.htm
- Rachel Thompson. (2016). Stakeholder Management Planning Stakeholder Communication. 2016, de Mindtools Site web: https://www.mindtools.com/pages/article/newPPM_08.htm
- Mariëtte van Huijstee. (March 2012). Multi-stakeholder initiatives. March 2012, de Stichting Onderzoek Multinationale Ondernemingen Site web: <https://www.somo.nl/wp-content/uploads/2012/03/Multi-stakeholder-initiatives.pdf>
- Unknown. (2010). Multistakeholder Dialogue on Implementing Sustainable Development. 2010, de United Nation Site web: <https://sustainabledevelopment.un.org/index.php?page=view&type=13&nr=279&menu=1634>
- Stakeholdermap.com. Stakeholder Analysis, Project Management, templates and advice Source: The Stakeholder Paradox - Stakeholder, de stakeholdermap.com Site web: <http://www.stakeholdermap.com/stakeholder-paradox.html>
- Galp. (2016). Diálogo com stakeholders . 2016, de Galp energia Site web: <http://www.galpenergia.com/PT/Sustentabilidade/Envolver-as-partes-interessadas/Paginas/Dialogo-com-stakeholders.aspx>
- Kai Zobelein; Milena Pighi. (2014). Sustainable Value Report. 2014, de BMW Group Site web: https://www.bmwgroup.com/content/dam/bmw-group-websites/bmwgroup_com/responsibility/downloads/en/2014/BMW_Group_SVR2014_EN.pdf
- Ricardo Baptista Leite. (2016). Q&A with Dr Ricardo Baptista Leite. 2016, de The Economist Intelligence Unit Site web: <http://pathtozero.eiu.com/questions/qa-dr-ricardo-baptista-leite/><http://pathtozero.eiu.com/blogs/from-consesus-to-cure/>

- Stakeholdermap.com. Stakeholder Analysis, Project Management, templates and advice

Source: The Stakeholder Paradox - Stakeholder, de stakeholdermap.com Site web:

<http://www.stakeholdermap.com/stakeholder-analysis/stakeholder-salience.html>

- Mac Donalds. (2012 – 2013). McDonald’s Corporate Social Responsibility &

Sustainability Report. 2012 – 2013, de Mac Donalds Site web:

http://corporate.mcdonalds.com/content/dam/AboutMcDonalds/2.0/pdfs/2012_2013_csr_report.pdf

Bibliography

- PREBLE, JOHN F., 2005 *Toward a Comprehensive Model of Stakeholder Management*
- RONALD K. MITCHELL University of Victoria BRADLEY R. AGLE DONNA J. WOOD University of Pittsburgh, 1997, *Toward a theory of stakeholder identification and salience: define the principle of who and what really counts*
- MUEL KAPTEIN AND ROB VAN TULDER, 2003, *Toward Effective Stakeholder Dialogue*
- HUIJSTEE, MARIETTE V. & GLASBERGEN, PIETER, 2008, *The Practice of Stakeholder Dialogue between Multinationals and NGOs*
- J. Bendell, “Talking for Change? Reflections on Effective Stakeholder Dialogue.” A paper for New Academy of Business Innovation Network, 2000;
- Luc W. Fransen, Ans Kolk, 2007, *Global Rule-Setting for Business: A Critical Analysis of Multi-Stakeholder Standards*