

Unit 14: Develop working relationships with stakeholders

Unit reference number: F/506/1982

QCF level: 4

Credit value: 4

Guided learning hours: 20

Unit summary

All organisations have stakeholders, both internal and external. Engaging with stakeholders involves establishing good lines of communication and maintaining a constructive relationship with them. This relationship with stakeholders is important to ensure that the organisation responds to their needs and is able to manage any competing priorities. Stakeholder relationships that are unmanaged or mismanaged can result in negative consequences for an organisation.

In this unit you will learn that stakeholders are individuals or organisations that shape the operation of a business and/or are affected by the actions of the business. You will understand the importance of developing good working relationships with stakeholders and the consequences of poor engagement.

You will also develop the skills needed to plan for stakeholder engagement, such as stakeholder mapping, and the competences needed to develop and maintain productive working relationships with stakeholders.

Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

Learning outcomes	Assessment criteria
<p>1 Understand working relationships with stakeholders</p>	<p>1.1 Analyse stakeholder mapping techniques</p> <p>1.2 Explain how influencing skills and techniques can be used to enhance the relationship with stakeholders</p> <p>1.3 Explain how expectation management and conflict resolution techniques are applied to stakeholder management</p> <p>1.4 Analyse the advantages and limitations of different types of stakeholder consultation</p> <p>1.5 Evaluate the risks and potential consequences of inadequate stakeholder consultation</p>
<p>2 Be able to determine the scope for collaboration with stakeholders</p>	<p>2.1 Identify the stakeholders with whom relationships should be developed</p> <p>2.2 Explain the roles, responsibilities, interests and concerns of stakeholders</p> <p>2.3 Evaluate business areas that would benefit from collaboration with stakeholders</p> <p>2.4 Evaluate the scope for and limitations of collaborating with different types of stakeholder</p>
<p>3 Be able to develop productive working relationships with stakeholders</p>	<p>3.1 Create a climate of mutual trust and respect by behaving openly and honestly</p> <p>3.2 Take account of the advice provided by stakeholders</p> <p>3.3 Minimise the potential for friction and conflict amongst stakeholders</p>

Learning outcomes	Assessment criteria
4 Be able to evaluate relationships with stakeholders	4.1 Monitor relationships and developments with stakeholders 4.2 Address changes that may have an effect on stakeholder relationships 4.3 Recommend improvements based on analyses of the effectiveness of stakeholder relationships

Unit amplification

AC1.1: Analyse stakeholder mapping techniques

- *Types of stakeholder:* primary, secondary, key, internal, external, connected
- *Stakeholder mapping:* purpose, e.g. identifies potential conflicts, gaps, contradictions or incompatibilities between stakeholders, supports on-going two-way communication; mapping process, e.g. identifying key stakeholders, defining their concerns and issues, assessing their level of commitment or resistance
- *Mapping techniques:* e.g. basic stakeholder analysis (Bryson 1995), power versus interest grids (Eden and Ackerman 1998), stakeholder-influence diagrams (Eden and Ackerman 1998); features of techniques, e.g. two-by-two matrix, stakeholder interest and power as dimensions; importance of influence relationships; benefits and limitations of techniques; suitability of contexts

AC1.2: Explain how influencing skills and techniques can be used to enhance the relationship with stakeholders

- *Influencing skills:* probing and listening, e.g. reflective questions, active listening; building rapport, e.g. signposting, framing and reframing, pacing; persuading, e.g. mirroring; assertiveness; negotiating (concessions, win-win)
- *Influencing techniques:* e.g. determining outcomes and objectives of the engagement process; setting the scene; understanding needs and values of other party; empathy
- *Impact on stakeholder relationship:* e.g. encourages shift from a transaction basis for business towards relationship basis; recognition of stakeholder needs; encourage support from powerful stakeholders; maintains open lines of communication

AC1.3: Explain how expectation management and conflict resolution techniques are applied to stakeholder management

- *Managing expectations:* process, i.e. setting expectations, articulating risks and issues, communicating progress, monitoring expectations, influencing expectations; skills needed, e.g. influencing skills, communication skills, negotiation skills (concessions and compromises)
- *Conflict-resolution techniques:* different approaches, e.g. avoidance, domination, accommodation, consensus, compromise; facilitation; negotiation
- *Use of expectation management and conflict resolution techniques:* e.g. generating and negotiating solutions; seeking stakeholder input during planning; addressing concerns before they escalate; clarifying and resolving issues in a timely manner

AC1.4: Analyse the advantages and limitations of different types of stakeholder consultation

- *Methods of consultation: e.g.* focus groups/workshops; surveys and opinion polls; Web 2.0 tools events/roadshows; individual meetings/interviews; governance
- *Analysis to include:* advantages and limitations; suitability of methods to different types of stakeholder and the purpose of the consultation; clarity where decision-making power lies

AC1.5: Evaluate the risks and potential consequences of inadequate stakeholder consultation

- *Risks and potential consequences: e.g.* failure to achieve goals; damage to organisational reputation; lack of stakeholder acceptance; potential negative impact on customer retention and loyalty; negative publicity; conflicting views