

Module 5

Stakeholder Management



Module 5: Stakeholder Management

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Learning Objectives

- To understand why and how stakeholder management becomes one of the key areas related to CSR.
- To learn about benefits and obligations in the context of stakeholder management.
- To be able to identify stakeholder needs and establish cooperation with them.
- To be able to establish valuable networks that may foster innovation and creativity.
- To learn about stakeholder identification / stakeholder dialogue tools and know how to apply them in practice.
- To understand the relevance and value-added of such practices.

Unit 1

Stakeholder management - one of the key areas related to CSR

Topic 1: What is Stakeholder and Stakeholder management?

Stakeholders: Those people or groups who are (intentionally or unintentionally) affected by or who can affect the activities of your organization / your activities.

Key stakeholders: Those stakeholders who are most important to the success of your organization.

Stakeholder analysis help to:

- Set long, medium and short term goals
- Define priorities and action plans
- Adapt to unforeseen changes

By involving your stakeholders in the appropriate way - by ensuring that they are engaged with your work - you will improve the likelihood of sustaining a service improvement project.

Topic 1: What is Stakeholder and Stakeholder management? (continuation)

Working with stakeholders and engaging them in the business process is important at all stages of any project. However, there are some key stages where engaging stakeholders is more crucial than in others:

1. **Before you launch** the project it is wise to get yourself a supportive (as much as possible) circle of stakeholders. Active communication about your plans from the very beginning will give them a feeling of participation and importance, thus gaining you a favourable stakeholders attitude towards you and your project. Yet you have to be careful to learn about each of your stakeholders and understand their current position towards your project.
2. **Agreeing on the work at different stages** will help you to understand how committed (or resistant) to your project different stakeholders are and evaluate how likely they are to carry out the actions agreed and what (or who!) may stand in their way.
3. **At the end of the project** ensure that all that your stakeholders are aware of the changes that have been put in place and the lessons that have been learnt.

Topic 2: How Stakeholders influence Corporate Social Responsibility?

Corporate Social Responsibility (CSR) means that company integrates social and environmental concerns in their business operations and interactions with their stakeholders. CSR shows the responsibilities of company for its impact on society and helps businesses to achieve economic, environmental and social balance in line with the needs of both - its stakeholders and investors.

Triple Bottom Line – economic term referring to the idea that companies should focus on profit, people, and the planet, thus treating all three as equally important and giving them the same attention.

Depending on Stakeholders and their influence over the business developing an effective CSR strategy might be a challenging task. Thus, businesses should think not only about what the best general outcome for society might be but also how the interest of the company's stakeholders can be satisfied. Ideally, value for both parties should be created in every connection between the company and its stakeholders.

Topic 3: Different Types of Stakeholders

There are different stakeholders and they create different impact on your activities.

There are many different ways to categorize your stakeholders, yet we would recommend working with a simple and effective categorization model below.

- **Customers**
- **Employees**
- **Investors Stake**
- **Suppliers and Vendors**
- **Communities**
- **Governments**



Topic 4: Stakeholder management techniques

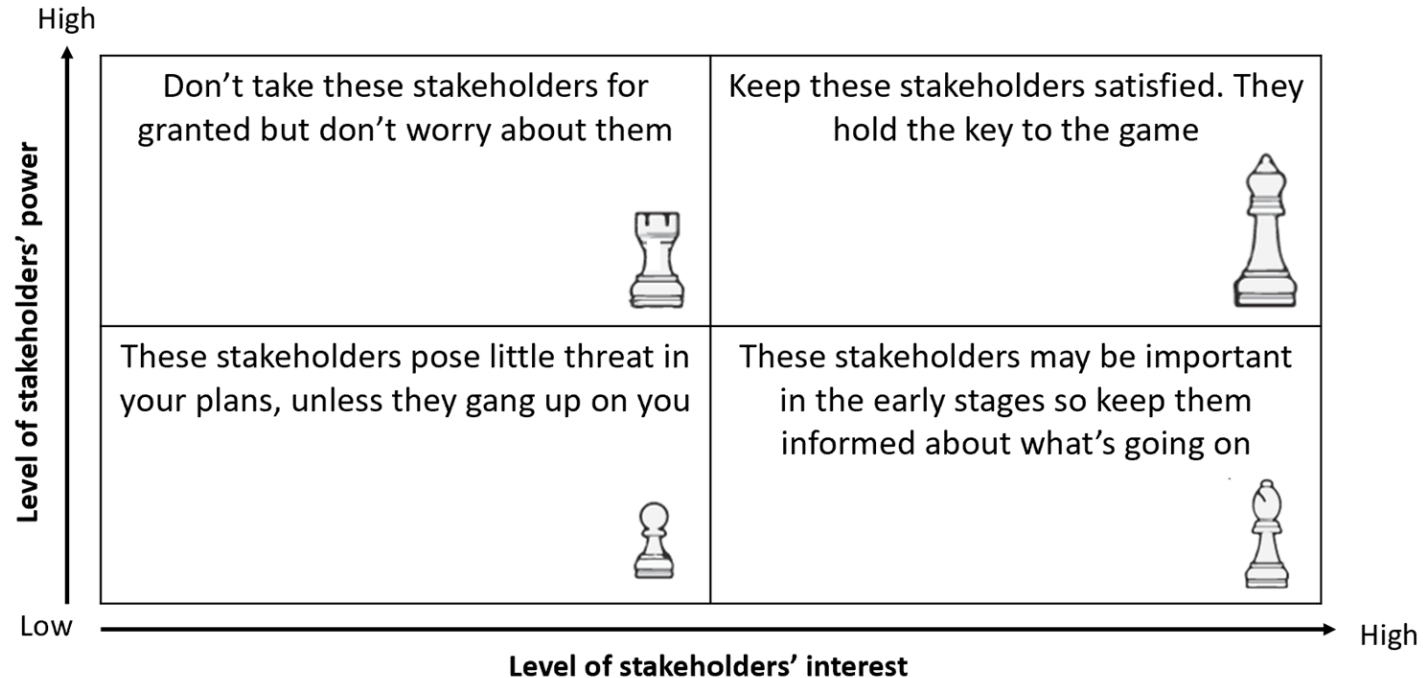
Well structured and implemented stakeholder management will help your business to avoid project delays, resource drain, political intervention or project termination. Thus it is necessary to spend as much time as needed for an effective stakeholder identification and understanding of their needs and possible triggers. It will help you to reduce risk and deliver a successful project.

Strategies to manage different stakeholders:

1. **Stakeholder mapping**
2. **Influence of the stakeholder**
3. **Identify the triggers for each stakeholder**
4. **Look for opportunities**
5. **Proactive mitigation**

Topic 5: Stakeholder management techniques

INFLUENCE OF THE STAKEHOLDER



Unit 2

Importance of Establishing Cooperation with NGOs

Learning Objectives

- To understand the concept of non-governmental-organization (NGO) and how it is functioning.
- To be able distinguish between different types of NGO.
- To learn different ways of business-NGO collaboration and how it is beneficial for both sides.
- To acquire knowledge of how to choose the right NGO for your company.
- To learn about inspiring business-NGO collaboration that has a profound impact on the society.

Topic 1: What is NGO?

NGO – is an acronym for non-governmental organization. It usually operates as a non-profit entity focusing on tackling social or political issues such as marine life protection or human rights.

NGOs possess the strengths, experience and knowledge to reach those people who need help and, due to various causes, are not able to use services provided by governments and/or public institutions. Government and business cooperation with NGOs is essential, especially in such fields as education, healthcare and community development.



Topic 2: Different types of NGOs

NGOs are categorized by their type of work and level of operation:

1. Type of work:

- Charities
- Service
- Participation
- Empowerment

2. Level of operation:

- Community-based organizations (CBOs)
- City-wide
- National NGOs
- International NGOs



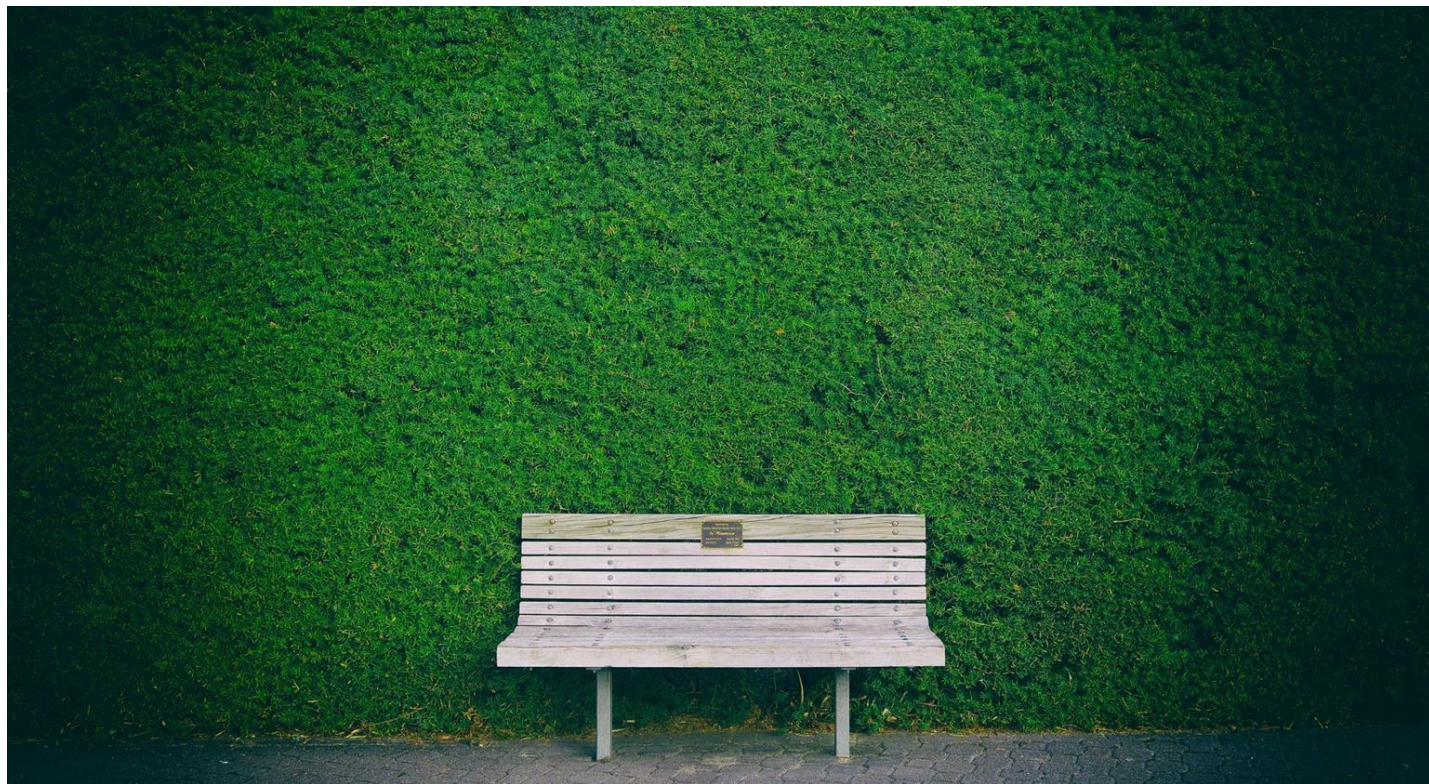
Topic 3 : How NGOs are funded?

NGOs are funded primarily through:

- grants
- loans
- membership fees
- private donations

They are also able to get funding from government organizations without losing their NGO status. Getting help from the government doesn't mean they lose their freedom to act freely and must follow imposed political agenda.

Combining sponsorships with CSR through non-governmental organizations (NGOs) can be a win-win case both for the company and the NGO.



Topic 4: Why it is beneficial to work with NGOs?

Customers worldwide are increasingly becoming concerned about sustainability. This influences their decision over what products to choose and what brands to associate themselves with. Company should think about its activities from the start in order to reduce the risk of scandals associated with, for example, uncontrolled emissions corruption, leading to bad media coverage.

Benefits of working with more environmentally and socially responsible products:

- it can contribute to a better company's reputation and branding
- it can help to attract top level professionals to work with you
- investors are becoming more concerned about the level of responsibility in companies they invest in as part of the due-diligence process

Through business-NGO cooperation, companies can reduce risk, increase innovation, and engage employees and other stakeholders, which contributes to improved branding.

Topic 5: How companies cooperate with NGOs?

There are three stages of strategic alliances between business and non-profit (NGO) partnerships:

- **Philanthropic** - when business support NGO financially but are not involved in its activities
- **Transactional** - business is moderately involved in NGO activities, practise a more frequent communication compared to Philanthropic partnership and include NGOs in its business strategies.
- **Integrative** - business engage a large set of resources in this partnership and carry out many activities together. The collaboration is of strategic value to both participants.



Topic 5: How companies cooperate with NGOs? (continuation)

Companies can use this **practical four-step guide** to develop a mutually beneficial cooperation with NGOs. It's also a practical tool to evaluate already established cooperation agreements:

1. Select a cause that is aligned with your corporate goals.
2. First commit to a cause, then pick your partners.
3. Put all your assets to work, especially your employees.
4. Communicate through every possible channel.



Unit 3

Cooperation with governmental institutions and science as a way to foster sustainable innovation

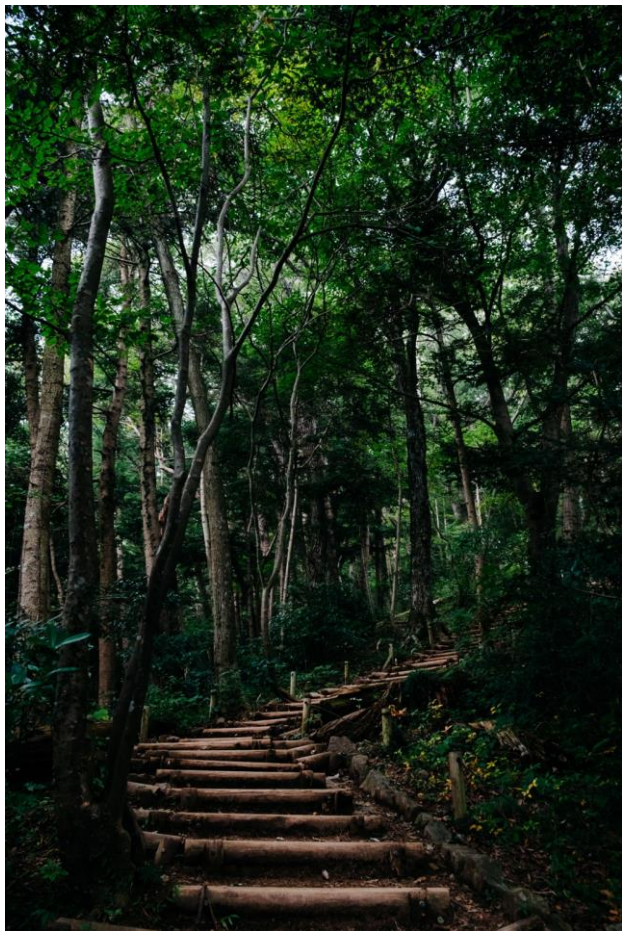
Learning Objectives

- Learn what is sustainable innovation and why it is important to focus on developing it.
- Analyse different types of sustainable innovation and its impact on the planet and society at large.
- Learn how to initiate a dialogue with government and how it could positively impact your business.
- Learn how universities are helping startups to develop innovation and scale its business.
- Analyse your own business in the context of sustainability and be able to categorize its services and products.

Topic 1: What is Sustainable Innovation?

1. Sustainable Innovation couples environmentalism's protection of natural systems with the notion of business innovation while delivering essential goods and services that serve social goals of human health, equity, and environmental justice. Sustainable Innovation is created by people around the world to challenge and solve poverty, environmental justice, and resource scarcity.

2. At the organizational level, **sustainability innovation** applies to product (service) and process design as well as company strategy.



Topic 1: What is Sustainable Innovation? (continuation)

Watch a short Youtube video explaining what is a Sustainable Innovation:

<https://youtu.be/NWNB1QDxWd4>

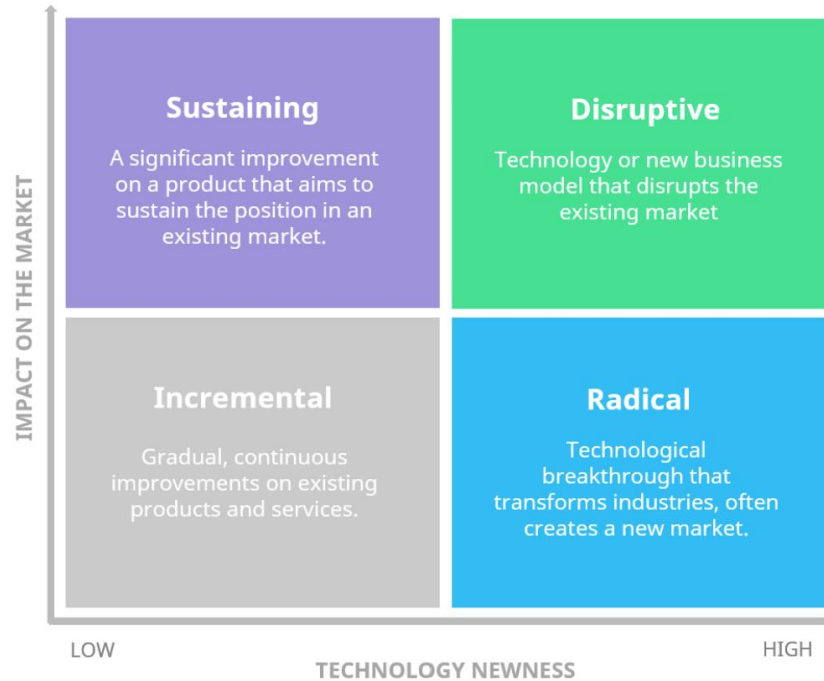


Sustainable Innovation Definition, Elementary Style

Topic 2: Understanding Sustainable Innovation

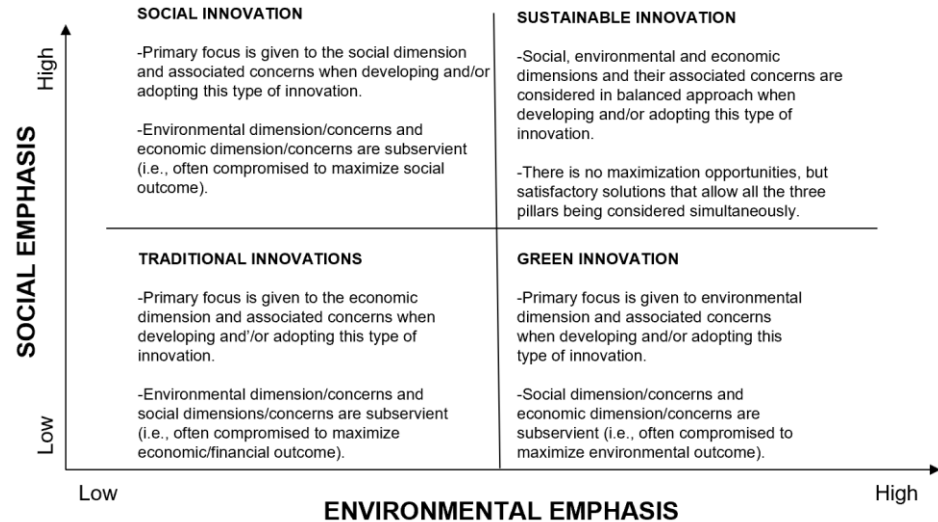
Depending on the impact on the market and technology type innovation fall into these 4 categories:

- Sustaining
- Disruptive
- Incremental
- Radical



Topic 2: Understanding Sustainable Innovation

For innovation to be *sustainable* businesses must consider its social and environmental impact.



Topic 3: Examples of Sustainable Innovation

Examples of Sustainable Innovation:

- The Smog Free Project
- Zéphyr Solar
- The Green Building Initiative



Topic 4: Government as a Partner

There is an increasing interest expressed by the governments worldwide to support, collaborate with and promote innovation within high-risk startups due to their flexibility and focus on developing novel solutions to market opportunities. Yet it is advisable for startups to be proactive and introduce themselves to target governmental bodies themselves.

Ways for startups to work with the Government:

1. **Develop relationships** with government stakeholders early. Introduce yourself and show willingness to cooperate when solving issues in area of your work.
2. **Participate in the process** of Policy making in the area of your business. It will help you to gain valuable insights of governmental apparatus and thus build trustworthy relationships with influential people.
3. Think about **including a government relations professional** in your team early at your business development stage to maximise results and save valuable resources.

Topic 4: Government as a Partner (continuation)

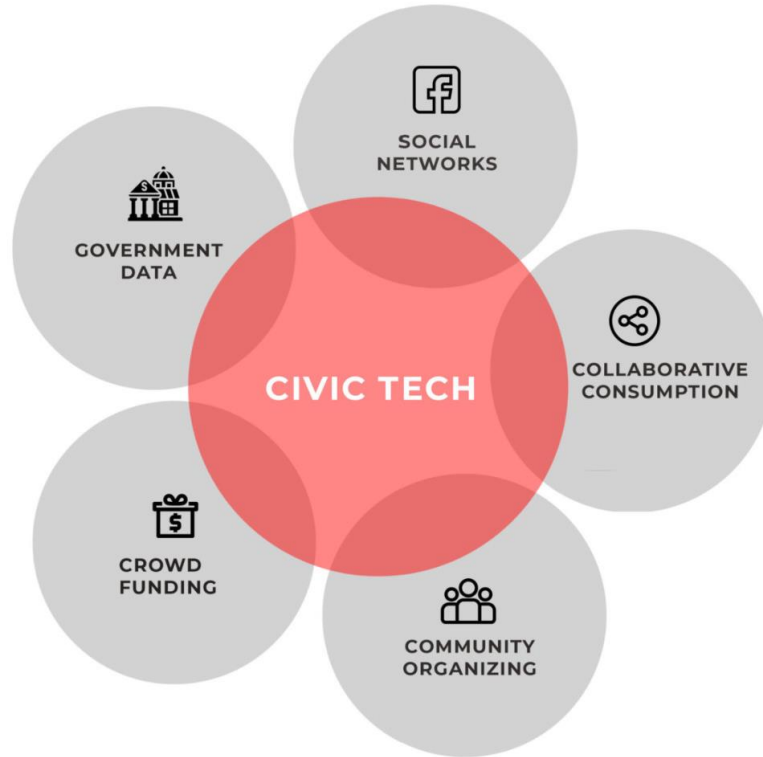
Successful examples of startup-government collaboration

GOVTECH:

- GovtechLab

CIVICTECH:

- Decidim Barcelona
- CitizenLab



Topic 5: University as a Partner

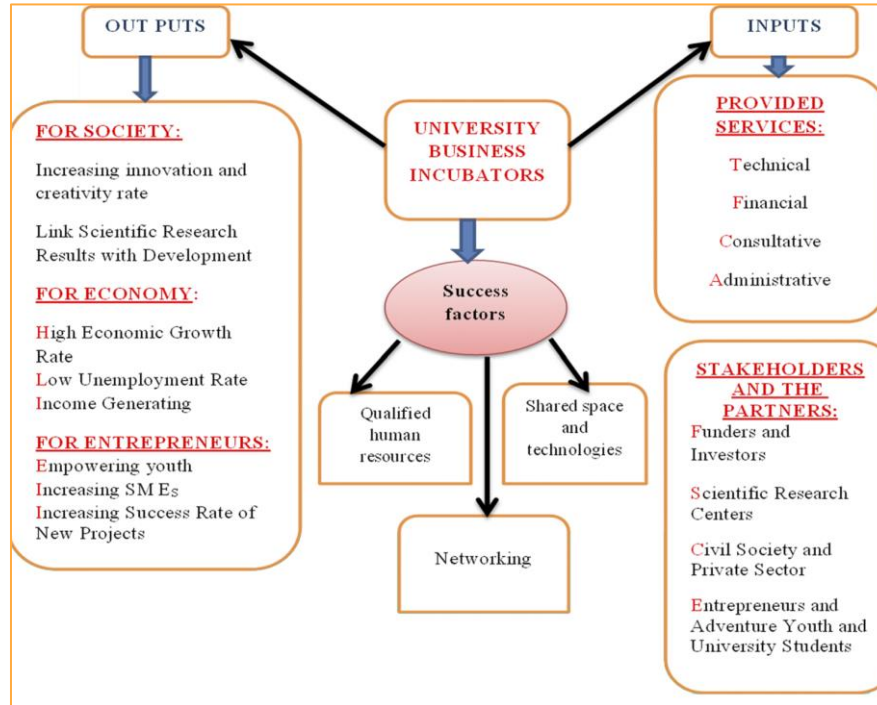
At the beginning of your new business venture it is crucial to allocate your limited resources in a smart and most efficient way. Turning to universities for help is a mutually beneficial decision that might greatly contribute to the success of your business.

Universities are interested in participating when innovation is being developed and are keen on giving their students or even pitching already designed innovations to:

- Research
- Expertise advice
- Man-power (extra hands and brains)
- Pilot building and testing

Topic 5: University as a Partner (continuation)

The following scheme outlines benefits of using Universities as startup incubators.



Unit 4

Materiality Analysis

Learning Objectives

This module will enable participants to:

- Recognise the importance of Materiality Analysis in developing a strategic approach for CSR
- Explain the steps of a Materiality Analysis
- Understand the benefits of a Materiality Analysis
- Discuss a Materiality Matrix

Topic 1: CSR in Action

Implementing CSR in an organization is a 7 step process:

STEP 1: Define the Purpose and the Vision

STEP 2: Appoint a CSR representative

STEP 3: Define Priorities

STEP 4: Identify the Stakeholders

STEP 5: Developing a Strategic Approach for CSR using
Materiality Analysis

STEP 6: Implementation – Monitoring - Evaluation

STEP 7: Reporting & Disclosures

Although, Steps 1-3 seem to be relatively straightforward, **Steps 4 and 5 are the most important** and critical ones in building a strategy for CSR.



Topic 2: Materiality Analysis

STEP 5: DEVELOPING A STRATEGIC APPROACH FOR CSR USING MATERIALITY ANALYSIS

Having recognized the priorities and identified the stakeholders, the next step is to build a strategic approach for CSR.

Companies will include in this strategic approach actions related to:

RESPONSIBILITY TOWARDS ENVIRONMENT	RESPONSIBILITY TOWARDS SOCIETY	RESPONSIBILITY IN THE WORKPLACE	RESPONSIBILITY IN THE MARKETPLACE
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In order to decide the specific actions, companies usually carry out a **Materiality Analysis**.

Topic 2: Materiality Analysis (continuation)

MATERIALITY ANALYSIS

- **A materiality analysis** is a method to identify and prioritize the issues that are most important to an organization and its stakeholders.
- “Material” are “those topics that have a direct or indirect impact on an organization’s ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large”.
- Materiality means analyzing which issues are the most important of being addressed by businesses. After identifying potential sustainability issues thought to be directly relevant to an organization’s value chain, these issues are analyzed using 2 different lenses: 1) what’s the potential of each issue to positively or negatively impact organizational growth, cost, or trust and 2) how important is each issue to stakeholders.
- The ultimate result is a visual representation of which issues should be prioritized according to their importance to the company’s success and stakeholders’ expectations (that can directly affect the first).

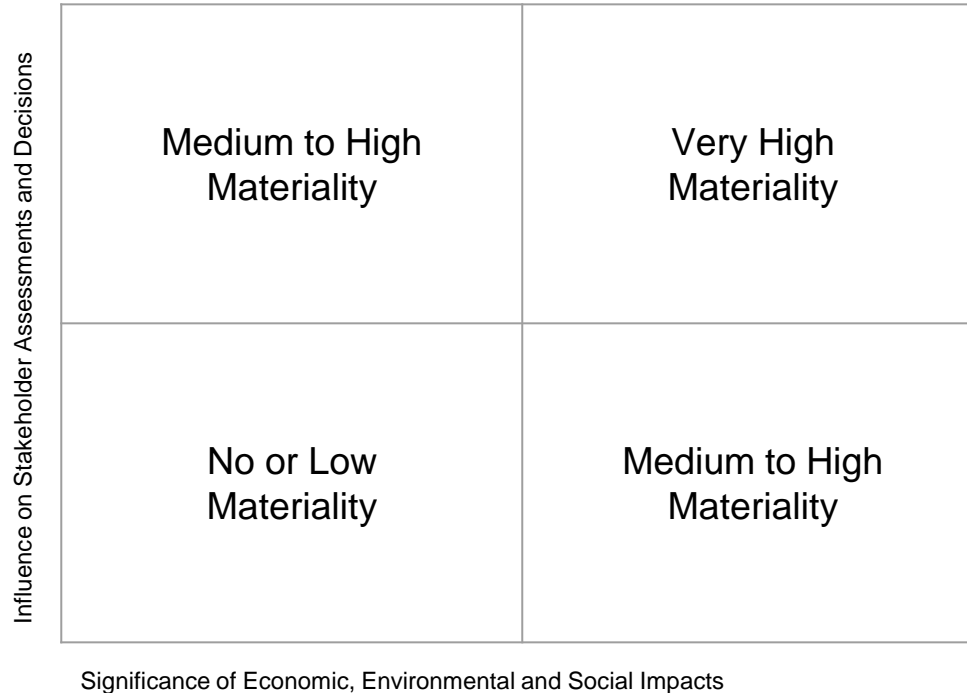
Topic 3: Benefits of Materiality Analysis

- It's an opportunity to analyse business risks and opportunities, and to eventually re-adjust and improve their business strategy;
- It's a chance to understand where organizations are creating or reducing value for society;
- It's a way of making a business case to senior executives about why and how to report environmental – social – governance (ESG) data;
- It provides the knowledge and means on how to measure different performances (financial, social and environmental);
- It inherently means spotting trends and, therefore, anticipating emerging issues;

Topic 3: Benefits of Materiality Analysis (continuation)

- Assessing the opportunities ahead allows for the development of new products or services and, therefore, staying ahead of the competition;
- It allows organizations to focus their efforts on allocating resources better;
- The analysis will allow companies to meet the sustainability reporting expectations of stakeholders;
- It increases the chances of better satisfying stakeholders' demands;
- The results and data from the materiality assessment can be used to design content for CSR Reports or for communications with individual stakeholder groups like investors, partners, customers or employees.

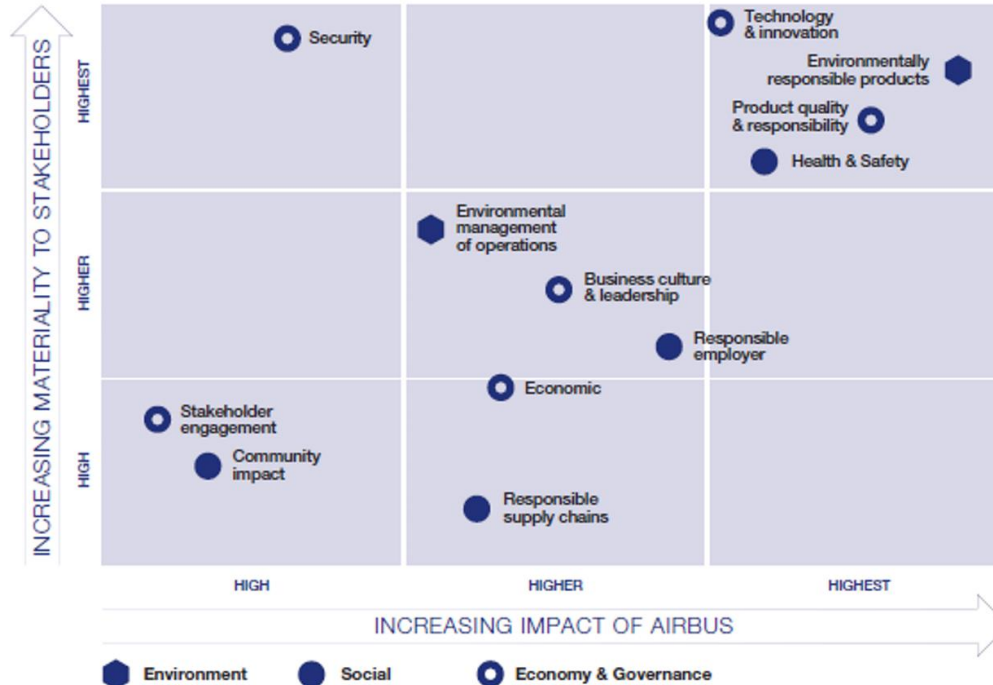
Topic 4: Materiality Matrix



Topic 5: Examples of Materiality Analysis



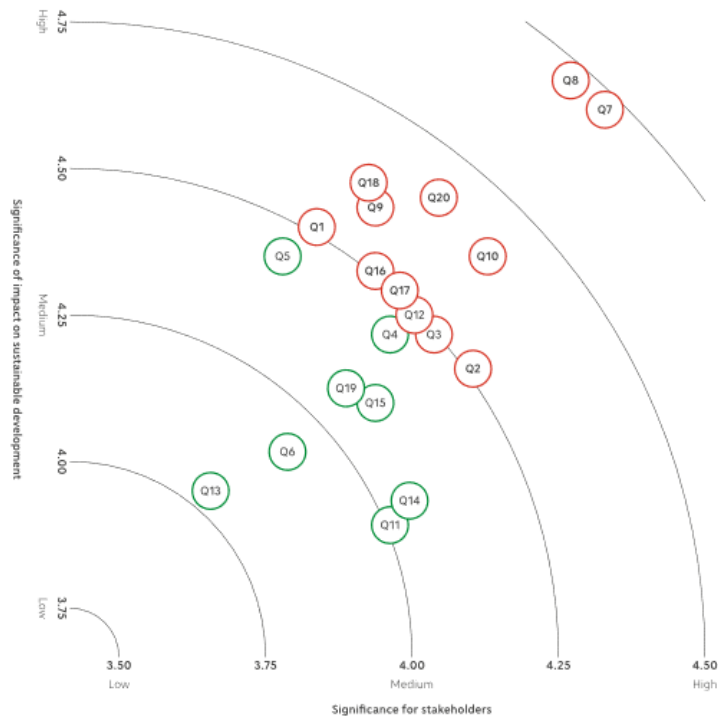
Topic 5: Examples of Materiality Analysis (continuation)



Topic 5: Examples of Materiality Analysis (continuation)

MATERIALITY ANALYSIS

PIRAEUS BANK



- Q1 Creation of economic value
- Q2 New technologies
- Q3 Responsible financing/investments, social and environmental banking products/services
- Q4 Financial inclusion
- Q5 Commitment to the Principles for Responsible Banking of the United Nations
- Q6 Responsible procurement
- Q7 Protection of personal data
- Q8 Compliance with the regulatory framework
- Q9 Corporate governance
- Q10 Risk management
- Q11 The Bank as a responsible employer
- Q12 Commitment to safeguard human rights in a healthy and modern working environment
- Q13 Empowering corporate culture
- Q14 Open and timely communication
- Q15 Assessment of climate, environmental and social risk
- Q16 Improving environmental performance
- Q17 Supporting local communities
- Q18 Promotion of tangible and intangible cultural heritage of the country
- Q19 Connecting culture to the environment and sustainable development
- Q20 Supporting the new generation

Unit 5

Stakeholder identification tools, stakeholder dialogue tools

Learning Objectives

- To acquire a set of different tools for stakeholder management and efficient communication with them.
- To learn what is Stakeholder Mapping, how it can be done and why it is crucial for your business.
- To learn what is Stakeholder Risk Management and way to identify it, and adapt it for your business.
- Analyse your stakeholders needs and prepare a plan for effective communication with them.

Topic 1: Collaboration with Stakeholders

Recommended steps to follow for a quality collaboration with your stakeholders:

1. Identify stakeholder
2. Identify interests of stakeholders
3. Identify conflict resolution
4. Facilitate conflict resolution
5. Develop project goals and double-check with stakeholders
6. Develop requirements and specifications of the desired end results of the project and double check with stakeholders.
7. Follow-up on stakeholder interests throughout the whole project.



Topic 2: Stakeholder Mapping

Stakeholder mapping is the visual process of laying out all the stakeholders of a product, project, or idea on one map. It is the main tool to get a visual representation of all the people, organizations and/or institutions who can influence your project and how they are connected.

Mapping stakeholders is a strategic business tool which identifies and assesses the effect of different individuals or groups of stakeholders on the organization. Stakeholder map can also demonstrate their level of interest in issues that affect the organisation against the level of influence, or power, they have to exercise those interests.

Stakeholders can be plotted on a graph to reflect their level of interest in issues that affect the organisation against the level of influence, or power, they have to exercise those interests.

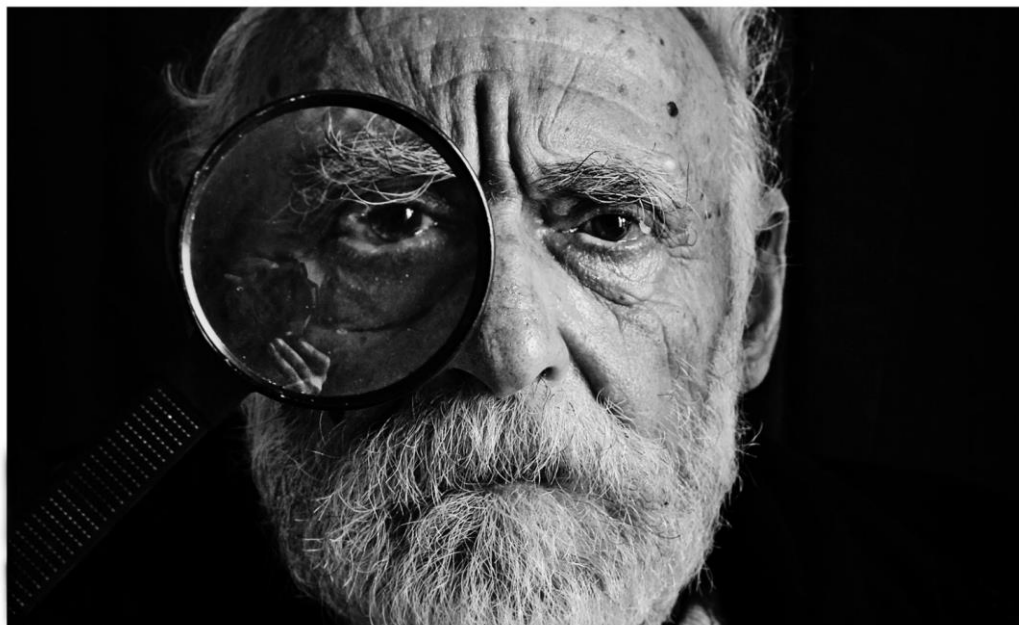


Topic 3: Understanding your Stakeholders

Before engaging with any of your identified stakeholders, make a thorough analysis of their needs. Ask yourself the following question:

What do you know about your stakeholders?

- What is important to them?
- What do they care about?
- What are they most concerned about?
- What are the challenges they face?



Topic 4: Stakeholders Risk Management

Once the stakeholders are identified the next stage is to identify their role in your project:

- What is their stake in the project?
- How they could contribute to the project / what do you need from them?
- What might be their possible attitudes towards your project that might negatively affect it (a.k.a. risks)?
- How your project will be affected if they are not engaged?

	Stake in the project	What do we need from them?	Perceived attitudes/risks	Risk if they are not engaged
Authority	Ministry of Agriculture, Ministry of Health, Ministry of Commerce, General Administration of Quality Supervision,	Experienced staff to be involved in establishing regulations and standards; supervision and inspection of pesticide residues	Know the importance of pesticide residues, have done and will do many tasks to reduce pesticide residues	Without policy support, the project cannot be executed, or will face significant uncertainty
	Farmers who plant tea, vegetable, fruits	Need them to raise awareness, comply with regulations, implement changes, and take action	Pesticides improve the production and export, lack of interest to reduce pesticide use	Could create significant barriers to project outcomes
Pesticide producers and users	Pesticide producers retailers	Need them to raise awareness and comply with regulations	More concerned with profit than safety	Could be the barriers to project or plan
	Domestic and international consumers	Increase awareness, take better protective measures, wash food to reduce pesticide residues	Concern about food quality, integrity, safety	They are advocates of the project
Consumers	Media	Put pressure on the government and food production system	Lack of interest in project, only interested in hot issues	Could be advocates, or barriers to the project
	Agricultural products or food industry association	Provide information about the industry	Worried about industry profits	Data may not be obtainable
	Scientific research	Find scientific methods to reduce pesticide use	Concern about pressure of adapting the new method	Lack of scientific research data
	International trade	Increase foreign exchange, reduce the export risk	Worried about the use of new detection methods	Could bring barriers to implementation and delay progress
Other Stakeholders				

Topic 5: Communication with Stakeholders

Efficient communication with stakeholders helps you to build credibility, creates a feeling of transparency and shows stakeholders that relationship with them is valuable to you.

To make communication with various interest groups simple and organized, you can use Communication Plan.

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Topic 5: Communication with Stakeholders (continuation)

Before creating communication plan you can identify stakeholders interest and their influence over your project to decide how often and what type of communication to use.

Stakeholder Map: Who Needs What?

