

The influence of stakeholder involvement in the success rates for change and development initiatives

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Abstract— In this work we are going to undertake the analysis of stakeholder involvement for taking or changing new initiative within the Blue Horizon Company. Nowadays consumers, employees and investors are more aware than ever of the activities going on in the business sector. We categorized the stakeholders and have investigated the degree up to which a stakeholders can be involved in the business, worked out the areas in which they should or should not be involved and hence estimated a success rate. Methods have been crafted to engage them. A critical analysis is being done that whether this approach can be useful for minimizing the hindrance occurring in propagation of the mission and vision of the company. The work elaborates that whether their involvement in Blue Horizon can help creating a consistent problem solving synergy. Further we have suggested some recommendations and precautions followed by the solution to these problems.

Index Terms— influence of stakeholder involvement in the success rates for change and development.

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Identification of issue or problem

1 Introduction

The complexity of the market, social and environmental changes occurring day by day demands the involvement of stakeholders in a decision making process. Since stakeholders don't necessarily possess any part of financial risk for the company while proposing their suggestions, their point of view is entirely different from rest of the

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decision makers. Their involvement doesn't guarantee a consensus but can help avoiding conflicts through mediation. This collaboration can result a better result with a 'shared vision'.

1.2 Statement of the Research Problem

This research work examines about the

influence of stakeholder's engagement in success rates for altering and making decision in Blue Horizon Company.

1.3 Who will benefit?

The idea of involving stake holders for taking initiative may benefit the consumer and stakeholders directly. Although the company will also be benefited in monetary term, but its more advantage will be enjoyed by the customer.

Blue Horizon will be able to provide better services to the customer if it know the ways to improve itself and manages to take preminent initiatives on best time in light of suggestions being made in the Executive Report.

1.4 Method for Investigation and Analysis

We will go through various similar companies and will present you the cases where stakeholders were practically and directly

engaged in decision making process of the company. Various references from journals and books will be cited to support the argument.

The validity and reliability of the findings can be judged from the facts and figures presented to the client and the authenticity of the sources referred. We wish to present and refer from the most reliable resources with a considerable impact factor.

2 Research Study Literature Related to the Issue/Problem

The stakeholder involvement in policy-making has much increased importance in recent years especially in case of quality management. The increasing complexity of the market and social environment demands for their participation. European Union regulations also demands for empowering public by concept of societal participation.

We categorize stake holder in to two different categories based on their jobs enlisted below:

- Internal Stakeholders
- External Stakeholders

Internal stakeholders are the employees of the company while external stakeholder category consists of finance resources like banks, local government, customers and clients. The external stakeholders may be less evident but

equally important as internal stakeholders. Both the categories have their own interests and needs that are needed to be addressed to understand their importance in policy making.

Companies engage with internal and external stakeholders in so many different ways depending upon their size needs and nature of the occurred problem. Their scope of involvement also varies from project to project. Stakeholders can be engaged either by simply informing them about different activities going on in the company or by directly involving them in meetings. Since stakeholders most of the time tend to be rigid in their opinions when not provided with ample opportunities to take part in providing the input so it is necessary to predetermine that particular juncture from which a stakeholder will be involved in the policy making process.

Not all the stakeholders are aware of the corporate environment so it is recommended to manage some informal meeting in order to create a relaxed atmosphere in which some groups of stakeholders can meet the respective persons in the company to brainstorm on their mutual interest. Involvement of senior management in these informal meeting is must otherwise it will not persuade the stakeholder to believe that their opinion is really matters. One of the

effective techniques to take the opinion of stakeholder is to develop a questioner which is simply a set of multiple choice questions including the options like disagree, strongly disagree, agree and strongly agree. These questioners may be directed to the local groups and communities to develop mutual expectations. Setting up some projects in cooperation with stakeholders can help keeping the stakeholders informed about company activities. Using newsletters or the company website of the Blue Horizon can also be used to give the stakeholders an opportunity to provide its comments and suggestions. Besides all these options there are some sectors that have forums for multi-stakeholders that various companies can join to get an access to the representatives of key stakeholder.

2.1 Case Study Literature Related to the Issue/Problem

We went through various cases of tourism industry where there is an ample business because of cruise lovers. The case study literature we found the best so far in context of cruise tourism industry is the one done by Nestor Mendez from George Washington University entitled "Cruise Tourism in Belize: Expanding the Stakeholder Base to Ensure a Wider Distribution of its Economical Benefits". It states that more involvement of stakeholder leads

to a greater distribution of the economic benefits. Belize Cruise Tourism made some very good policies based on various aspects and performance parameters especially related to environmental issues but were agreed upon after the consultation of all the stakeholders. The company expanded their stakeholder base that resulted in an immense number of people being aware and educated. The more people got involved in decision making, the better policy was crafted at the end. This involvement of stakeholders in the decision making resulted that the cruise visitors increased from 851,436 to 1 million in 2006. The average expenditure of per person was increased up to \$20 that added up almost US \$ 17 million into the Belizean economy by the end of 2006.

We found another case study that in this context that evolves stakeholders for opinion in a tourism project. The paper is entitled "Stakeholder Assessment and Collaborative Tourism Planning: The Case of Brazil's Costa Dourada Project" by L.Medeiros de Araujo and Bill Bramwell from Sheffield Hallam University. Costa Dourada Project is a regional initiative to promote tourism covering ten municipalities in the state of Alagoas situated in the north east Brazil. The project area covers about more than 100 km. It is economically a poor region of the country and has the population of almost 148,100. This research paper reviews approaches to analyze stakeholders who are being affected by

the tourism project and who are supposed to participate in the collaborative tourism planning. This case study is about collaborative planning that involves all the stakeholders and can be defined as the process for resolving conflict and advancing shared visions involving set of diverse stakeholders. The case study prescribes to go for one way collection of stakeholder opinion conducting telephonic surveys and using questioners about the problems. Several planning meeting were conducted by the representatives involving individuals from national, regional and local government along with 235 stakeholders from various municipalities. Out of these a 38 stakeholder group representatives were said to be affected by the tourism project. These 38 representatives were selected to cover a broad range of their interests. The planners undertake the analysis of all of their interests and crafted an effective policy for Costa Dourada Project.

2.3 Conceptual and Theoretical Literature Related to the Issue/Problem

We have worked out some of the assumptions that are untold and underlying while doing stakeholder analysis.

- All the stakeholders are educated enough to understand the nature of the policy and problems being discussed.
- Stakeholder involvement leads to better

management and enhances stability and profitability.

- All the stakeholders are interested in decision making process.
- All the stakeholders are homogenous within one category in perception.
- Ethical considerations are irrelevant in policy meetings and stakeholders are not gaining advantages over the others.
- Stakeholders are morally neutral
- Not all the stakeholders possess a financial risk for the company.
- There are no negative responses from stake holders and all are plausible and realistic.
- There is positive relationship among the stakeholder representatives.
- Increasing number of stakeholders will result in better policy decision.

All these assumptions are there supposed to be essential and ought to be taken under consideration while making better policy. These assumptions help the company overcoming the resistance being faced. Success rates will marginally increase if these assumptions are followed otherwise an essence of biasness will be mixed in the policy. Since Blue Horizon being a big cruise tourism company possesses an immense number of stakeholders, it becomes a necessity of the company to follow these

assumptions to control and manage their stakeholders.

2.4 Options Identified in the Literature for Approaching the Problem

This particular problem of making cohesive problem solving synergy by utilizing stake holders can be resolved by a number of ways.

- Keeping stakeholders in touch and informing about company activities by utilizing media including newspapers, pamphlets and company websites.
- Conducting telephonic surveys and distributing questioners among the stakeholders.
- Increasing number of stakeholders can lead to better policy initiatives.
- Categorizing stakeholders by doing a better stakeholder analysis.
- Conducting the policy planning meeting in various times and junctures.
- Following the prescribed assumptions while conducting policy meetings.

2.5 Summary of the Literature Review

The complexity of the market, social and environmental changes occurring day by day demands the involvement of stakeholders in a decision making process. Not just the company

but also the internal and external stakeholders are influenced and benefited by the engagement of stakeholders in policy making and changing initiatives. We went through authentic resources with similar cases around the globe in order to approach the problems. A stakeholder can be involved in the policy initiative by a number of ways. They can be informed about company activities via print and electronic media. Their opinion can be gathered by conducting telephonic surveys or by distributing questioners. Planning meeting can also be conducted engaging the stakeholders in various episodes and chunks. We presented two authentic case studies of similar context showing fruitful results for involving stakeholders in decision making. The assumptions prescribed while engaging the stakeholders in decision making should be kept in mind.

3 Conclusions

3.1 Recommendations

Engagement of stakeholders in decision making influences and increases the success rate up to substantial percentage. Various case studies demonstrated that not only their involvement the number of stake holder also affects the probability of making better decisions. Stakeholders can be engaged in policy initiatives by number of ways including the conduction of telephonic surveys, awareness of company activities through print and

electronic media or managing a one way communication by distribution of questioner among stakeholder representatives about particular problems. The stated precautions and assumptions while engaging the stakeholders should be kept in mind.

Blue Horizon should do the stakeholder analysis as a very first priority to identify its potential stakeholders and follow the steps defined in this research work. We suggest Blue Horizon to use its website along with social networking site to aware its stakeholders about the latest development within the company and engage periodically occurring meetings that will undertake the analysis of interests of its stakeholders which will lead towards the formation of a cohesive and effective problem solving synergy.

3.2 Approaches and Options

Two different models were found to engage with stakeholders:

- Informing and getting the stakeholder opinion using print an electronic media.
- Conducting periodical series of meetings with stakeholder representatives.

We have mentioned two successful cases following both of these above mentioned approaches. The first approach involves only a one way communication while the second one involves a direct face to face discussion. First one is rapid solution to engage stakeholder but less effective

than second while second one is time consuming but more effective than the first. We suggest the CEO to go for a stakeholder analysis to identify its potential stakeholders and choose one of the suitable approaches to engage the stakeholder in policy initiatives. Our paper provides a verity of solution unlike other papers covering only one approach. Blue Horizon is recommended to go through this paper and brainstorm to select an appropriate strategy defined to make a decision making synergy. The content and findings of the Executive Report established us as a credible source of expertise on the problem. We recommend the client to identify their strengths, weaknesses and workout the opportunities. They should device a plan and schedule to engage and inform stakeholders for meeting and consult us again in case of a query. All of our findings are applicable and already practiced by other companies. The client has to follow the steps defined and keep the precautions in mind and execute the plan. It will be presumptuous to state any numeric value for returns on investment but the profitability will be increased up to substantial percentage.

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