Firefighters with Mississippi Task Force Urban Search and Rescue ride hoist to UH-72 Lakota while participating in Patriot South 20, at Guardian Centers in Perry, Georgia, February 28, 2020 (U.S. Army National Guard/Christopher Shannon)

Educating Our Leaders in the Art and Science of Stakeholder Management

By Alexander L. Carter

When the U.S. Army released its long-awaited critique of its successes and failures in the Iraq War, many questioned how honest the Army would be with itself.[1] A review of the documents, however, revealed an unflinching account of some of the Service's key failures in planning and executing military operations at all levels of engagement—strategic, operational, and tactical. One explanation for this failure is that Army leaders did not fully understand the operating environment in Iraq—its totalitarian government structure, tribal allegiances, underlying ethnic tensions, and aged infrastructure.[2] Planning assumptions were made without the benefit of insight, advice, and counsel from key individuals, particularly outside of military chains of command, who had sufficient influence and expertise to help the Service more effectively achieve its desired endstates in that theater.

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Soldiers prepare for next operational day in support of state efforts to provide mass COVID-19 vaccinations administered by New York State Department of Health, at Javits Convention Center in Manhattan, February 14, 2021 (U.S. Army National Guard/Sebastian Rothwyn)

How could such a well-trained Army, led by senior officers with decades of experience and education, miss opportunities to engage with these stakeholders? The answer is that our senior officers, for the most part, are not educated in stakeholder management—that is, how one engages others with sufficient power and influence or interest to solicit diverse inputs and opinions to address complicated or complex problems. Thus, this article seeks to bridge a perceived knowledge gap with leaders and their executive communication skills by introducing them to a more disciplined, formal approach of identifying, prioritizing, and engaging stakeholders. This article suggests new and creative ways to conduct stakeholder management (identification, prioritization, and engagement)—techniques borrowed from practices employed in the private and commercial sectors.[3]

Stakeholder Management

Stakeholder management is largely considered an invaluable skill set in the corporate world because engaging with investors is crucial to enabling the development of successful plans and strategies. Such executive abilities should also be considered part of a military leader's skill set in the joint force. Like the government, private-sector businesses grapple with changing threats, market dynamics, competitors, and even unforeseen events that have major impacts on their strategies. The outbreak of the novel coronavirus is an excellent example of an incident that business strategists and military planners alike could not have foreseen. In such unpredictable times, companies likely recognize the value of broadening the membership of their version of crisis action teams through recruitment of other types of stakeholders that can advise them of the viability of different approaches to tackling complex problems. The military, like these companies, must also engage with the right individuals from the right organizations to navigate real and emerging challenges.

One would think that these stakeholder management skills are a regular part of a formal military curriculum on leadership at any one of our officer primary military education institutions, such as our senior Service colleges, but they are not.[4] Consequently, our leaders must learn new skills related to stakeholders, such as identifying, prioritizing, and engaging with them, to improve results as they develop strategies, plans, policies, and so on. To learn these skills, leaders must leverage what seems to work in the private sector.

Identifying Stakeholders

According to R. Edward Freeman, a *stakeholder* is "any group or individual who can affect or is affected by the achievement of the organization's objectives."[5] A stakeholder's influence can affect military strategies and plans at all levels. For example, when leaders devise strategies, they are better served by incorporating input from a broad set of stakeholders, from both traditional and nontraditional sources, whose interests and insights may challenge, enrich, or support underlying planning assumptions. (The process of identifying, mapping, prioritizing, assigning, engaging, and reporting on interactions with a stakeholder can be collectively defined as *stakeholder management*.)

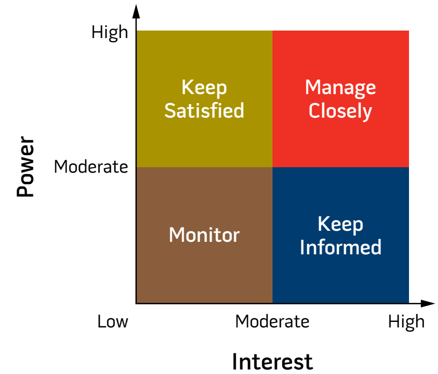
The process of identifying stakeholders may be similar across different leadership roles or functions, but the selection of these stakeholders will vary based on the nature of the command seeking advice and counsel from such individuals. For example, one who leads units and formations to engage with the enemy would have requirements to develop theater or regional engagement (lethal and nonlethal) plans and strategies above and below the threshold of conflict. Such leaders would likely need to involve a diverse group of experts drawn from military, government, and industry circles. By contrast, an installation commander must grapple with a different set of challenges and problem sets involving an entirely new cast of stakeholders and constituents. For this leader, such stakeholders might include tenant units and commands, local civilian businesses, civic associations, and even appointed or elected officials from Federal, state, and local branches of government. Or a senior leader with policy or programmatic responsibilities at the Pentagon might have stakeholders from military, industry, academia, and policy think tanks with very different but necessary views on how to advise the leader and his or her team on the feasibility, acceptability, and suitability of a proposed action. Given that different leadership roles require different stakeholders to potentially advise them, how does one determine an initial list of stakeholders with whom to consult?

Current approaches for identifying stakeholders across the joint force are not really methods at all. In many cases, the default approach to identifying stakeholders is simply to defer to a senior leader's opinion on who should be invited "to the table," to simply have staff ask around, or to rely on one's "gut instinct" to generate an initial list of candidate stakeholders. While understandable and well intentioned, such approaches run the risk of missing many potential stakeholders because of a failure to employ a more disciplined, organized, and systematic approach to stakeholder identification. Leaders can employ at least two methods to generate a more comprehensive and focused list of stakeholders at the onset of their strategic or operational undertaking: center of gravity (COG) analysis and strengths-weaknesses-opportunities-threats (SWOT) analysis.

Both the COG and the SWOT methods will help a leader think more systematically and broadly about which stakeholders may best help craft a solution to a problem facing his or her command. COG analysis, a familiar military activity typically employed for strategic and operational planning processes, can be repurposed for other ends—namely stakeholder identification—while SWOT analysis is employed by many public- and private-sector organizations to help them develop long-term strategies, address systemic internal problems or challenges, or even attempt to develop solutions to external problems or challenges.

Joint doctrine defines the *center of gravity* as "a source of power that provides moral or physical strength, freedom of action, or will to act."[6] COG analysis begins with the desired endstate and systematically walks through the ways or critical capabilities needed to achieve or maintain the endstate. From such capabilities, one can then determine the critical requirements needed to enable means.[7] COG analysis includes creating a shortlist of those capabilities that are most vulnerable to "enemy" actions—critical vulnerabilities.[8] In each step of this analysis—critical capabilities, critical requirements, and critical vulnerabilities—leaders with their staffs can generate a list of stakeholders that represents organizations or interests that would likely influence either the positive or negative outcome of these critical capabilities that affect the existence of the center of gravity. Such a novel use of COG analysis would likely yield a number of potential stakeholders that might otherwise have been overlooked.

Figure 1. Power/Interest Grid



In a similar manner to COG analysis, a senior leader might look to another familiar tool—SWOT analysis—to generate a fresh list of stakeholders before embarking on a major campaign, operation, initiative, or policy proposal. SWOT analysis involves identifying a set of strengths, weaknesses, opportunities, and threats bearing on an organization. Typically, strengths and weaknesses are internally focused, while opportunities and threats are external to the organization.[9] A repurposing of traditional SWOT analysis would focus on the opportunities and threats identified by this exercise to develop a candidate list of stakeholders that could help the organization capitalize on opportunities and mitigate threats.

The benefits of conducting this disciplined approach to identifying an initial set of stakeholders are numerous. A joint warfighting leader and supporting staff might select stakeholders in a SWOT analysis who could help them further elaborate on greater opportunities for strengthening in-region partnerships or improving interoperability during joint exercises. An installation commander might select stakeholders who could help improve the installation's relationship with the supporting civilian communities, capitalizing on opportunities that might otherwise not have surfaced. Similarly, a policy or program manager might uncover a list of stakeholders while reviewing threats or perceived obstacles to the passage or implementation of a policy.

In both COG and SWOT analyses, leaders could take advantage of existing tools to produce a more expanded and

Figure 2. Engage "Manage Closely" Stakeholders

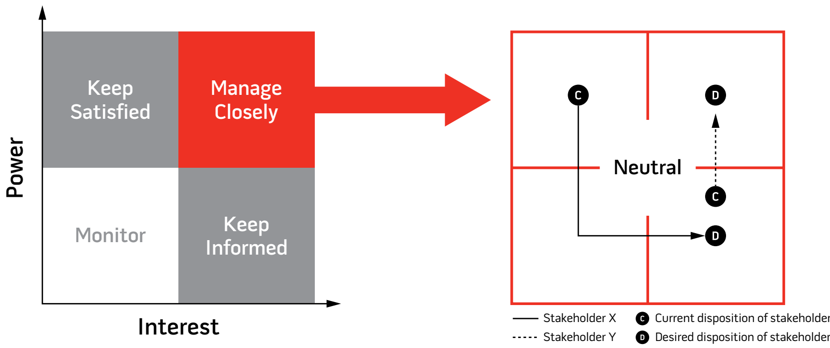
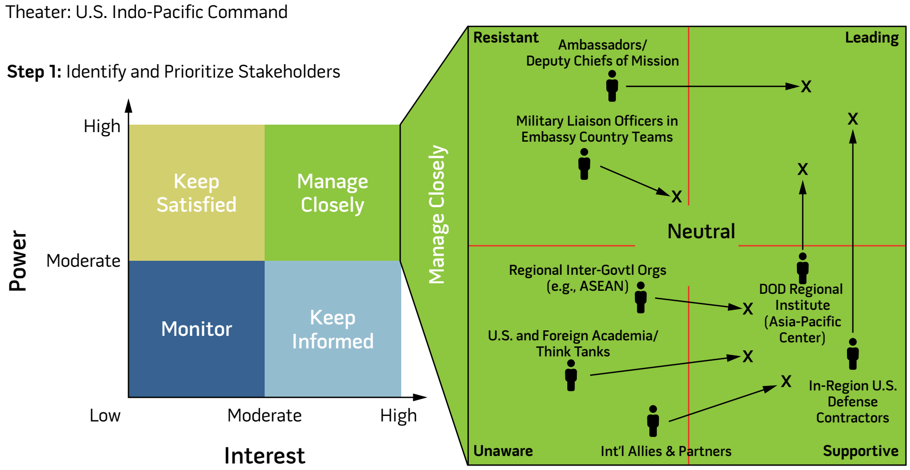


Figure 3. Stakeholder Planning for Theater Security Cooperation Plan Development

Stakeholder Identification, Prioritization, and Engagement
Senior Leader Challenge: Develope a Theater Security Cooperation Plan
Theater: U.S. Indo-Pacific Command



Step 2: Conduct Stakeholder Engagements to solicit information, educate, influence, gain support and/or secure funding.

influential list of stakeholders. But how does one then convert a list of candidate stakeholders into a stakeholder engagement plan that will solicit information, advice, and counsel from those who are the most relevant and valuable to the senior leader?

Prioritizing Stakeholders

Stakeholders are not all created equal. As such, there are different ways to organize and prioritize them. One technique widely taught in the business world is to prioritize stakeholders along a power/interest grid.[10] The grid has two axes—power and interest. Stakeholders are plotted on any one of four quadrants based on a collective assessment of their relative power and interest. The degree of power for each stakeholder is assessed subjectively considering various types of power sources, such as legitimate, informal, referent, expert, coercive, connective, and so on, that may be associated with an individual stakeholder.[11] On the other axis, the degree of interest is assessed based on the stakeholder's perceived level of interest in the outcome of the strategy or plan (see figure 1).

Stakeholders who fall in the high power/high interest quadrant would be candidates for deliberate outreach and engagement. All stakeholders are distinctive, though, and need to be managed as such based on their relative authority (power) and level of concern (interest). Those stakeholders initially assessed as having a high degree of power and interest should be classified as "manage closely," meaning these stakeholders will be actively managed by a member of the leader's team based on the perceived degree of assistance they could offer to the planning effort.

Engaging Stakeholders

Once stakeholders have been identified and prioritized, leaders must allocate resources (team members) to engage with those deemed critical for solicitation. Stakeholders classified as having high interest and high power (manage closely) should be further assessed to determine their current and desired dispositions toward such plans.[12] Stakeholder engagements should be scheduled and reported through existing leader-led meetings. Engagements should be planned with supporting goals and objectives for each long-term stakeholder relationship and short-term stakeholder engagement. As seen in figure 2, for example, two stakeholders have been assessed differently in terms of their current and desired dispositions. A leader should then assign team members to reach out to these two stakeholders to move the stakeholders' current disposition toward a desired outlook relative to the command's efforts.

In this process of engagement, leaders could gauge stakeholders' sentiments, thoughts, and feelings toward a command's developing or proposed actions and plans. Stakeholders would be consulted for advice, opinions, reactions, or even participation in planning efforts. Such efforts could be accomplished through face-to-face meetings, emails, video conference calls, or other means. From such deliberate relationship planning, leaders would guide efforts to build stronger and more fruitful stakeholder relationships. Stakeholders can, and often do, influence an organization's planning processes, especially with initiatives involving enterprise-wide resources and strategic aims.[13] Results from such engagement efforts would yield more comprehensively developed strategies with supporting assumptions that had been more thoroughly tested from different sources.

A Combatant Command Perspective

Leaders charged with developing a successful theater engagement strategy at the combatant command level should leverage these stakeholder engagement techniques to improve the quality of their products and services. For example, a joint planning team at U.S. Indo-Pacific Command charged with developing a theater security cooperation plan could identify stakeholders from a wide variety of areas, not just military or interagency partners. Consulting with diverse stakeholders from government, industry, academia, and other sectors would yield rich, diverse advice on how the combatant command might proceed to develop a more robust, defensible, and effective theater strategy that supports U.S. interests abroad as well as its allies and partners.

As shown in figure 3, a planning team led by a senior leader could generate an initial list of stakeholders through a process such as COG or SWOT analysis. Stakeholders would be plotted on the power/interest grid; those assessed as high power and high interest would be recommended for deliberate stakeholder outreach or engagement. The team would then initially gauge whether the stakeholder is resistant, supportive, unaware, leading, or neutral on the developing initiative or strategy (in this case, a U.S. theater security cooperation plan). Following this assessment, the team goals would be set for each of these stakeholders by the team either to move their attitude or disposition to a more favorable one or simply to maintain their level of support. From such deliberate relationship planning, leaders would be structured and incentivized to build stronger and more fruitful stakeholder relationships. Results from such efforts would likely lead to more comprehensively developed strategies with supporting assumptions that have been more thoroughly tested from different sources.

Addressing the Critics

Some may question whether our senior military leaders could or should learn from other professions and industries. These critics argue that military culture and environment are unique and that the business world, with its focus on profits and customers, can contribute little to the problems that military leaders confront. Many recent examples, particularly with U.S. military experiences in Iraq and Afghanistan, however, show that a failure to adequately understand key stakeholders can and does affect strategies and plans. Additionally, some of the more successful transnational corporations have faced similar, albeit not identical, challenges in terms of how they adapted their strategies based on feedback from their stakeholders. Also, while there are many situations in which business practices would not mesh well or translate easily into military culture and practices, engaging with stakeholders to solicit information that informs planning processes is a competency that does translate well into the military. Our leaders should make room in their toolkits for this capability. JFQ

Notes

[1] U.S. Army, *The U.S. Army in the Iraq War—Volume 2: Surge and Withdrawal 2007–2011* (Carlisle Barracks, PA: U.S. Army War College Press, 2019), 625.

[2] Ibid., chapter 17.

[3] The author was educated in these stakeholder engagement techniques while employed in the private sector (IBM) to advise government and commercial clients over a 9-year employment period.

[4] The author conducted independent research in 2018 with each of the senior Service colleges by reviewing their curricula, selected syllabi, and electives.

[5] R. Edward Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman, 1984), 31.

[6] Joint Publication 5-0, *Joint Planning* (Washington, DC: The Joint Staff, June 16, 2017), xxii.

[7] Steven D. Kornatz, "The Primacy of COG Planning: Getting Back to Basics," *Joint Force Quarterly* 82 (3rd Quarter 2016), 93.

[8] Ibid.

[9] Marilyn M. Helms and Judy Nixon, "Exploring SWOT Analysis—Where Are We Now? A Review of Academic Research from the Last Decade," *Journal of Strategy and Management* 3, no. 3 (August 2010), 216.

[10] While employed by IBM, the author was introduced to the power/interest grid while supporting private- and public-sector clients in various consulting projects that required strategic and corporate planning skills. See Paul Alan Smith, "Stakeholder Engagement Framework," *Information & Security: An International Journal* 38 (2017), available at <https://doi.org/10.11610/isij.3802>.

[11] William E. Turcotte, William M. Calhoun, and Cary Knox, "Power and Influence," research paper, Naval War College, 2018, 2–3.

[12] *A Guide to the Project Management Body of Knowledge*, 5th ed. (Newtown Square, PA: Project Management Institute, 2013), 13.2.2.

[13] Thomas M. Jones and Andrew C. Wicks, "Convergent Stakeholder Theory," *Academy of Management Review* 24, no. 2 (April 1999), 1, available at <https://doi.org/10.5465/amr.1999.1893929>.