

Supporting What They Help Create

Stakeholders Hold the Key to Mission Achievement

Government programs lacking stakeholder engagement often fail. When making adjustments to existing programs or introducing new ones, agencies must coordinate with those affected and those who can influence the transformations. Not doing so can lead to failure to identify requirements, properly allocate resources, and account for resistance to change. Best practices in stakeholder engagement, on the other hand, bring the right expertise to bear and ensure the design, coordination, and implementation of effective solutions in a complex federal environment.

A Case for Action

Government agencies continually attempt to achieve and anchor change. Other aspects of the change process may attract more attention, but research published by the Project Management Institute indicates that stakeholder engagement accounts for 70 percent of an organization's effectiveness in change management.

In the private sector, the roles of stakeholder and customer are clearly defined. Stakeholders are company investors, shareholders, and board members. Customers are the people who purchase and use the product or service. There is no such demarcation in the federal government. Depending on the nature of the change, stakeholders can be a combination of customers, partners such as other government agencies and non-profit organizations, federal employees, or oversight entities.

Agencies that excel at building and sustaining strong relationships with stakeholders in change environments share key attributes. They see stakeholder involvement not as a "one and done" exercise but as an inclusive, continuous journey between the agency and those potentially impacted by change. They also recognize that engagement encompasses a range of activities and approaches and that it spans the entire life of a program, project, or initiative.

“Officials from federal agencies identified seven investments that ... best achieved their respective cost, schedule, scope, and performance goals. ... Officials from all seven investments cited active engagement with program stakeholders as a critical factor to the success of those investments.”

—GAO, *CRITICAL FACTORS UNDERLYING SUCCESSFUL MAJOR ACQUISITIONS*, 2011

Understanding the Problem

Agencies reporting success avoid common stakeholder engagement pitfalls:

- **Failure to identify the right stakeholders.** Leaders can be too inclusive (everyone with an interest in the change) or value those stakeholders with the most influence rather than those who are most directly impacted (and who can be most disruptive to change in the long run). To make good decisions, leaders need to have the right people “at the table.”

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- **Failure to choose the right engagement activities.**

When leaders focus on one-way communication of information that they select and control, stakeholders may feel they are being sold on purported benefits and deceived about risks and adverse impacts. Leaders relying on a sales pitch miss out on meaningful opportunities for input and two-way dialogue with stakeholders that could inform and improve their own decision making.

- **Lack of effective stakeholder involvement at early stages of exploration and project development.**

People support what they help to create. Leaders must balance their desires for secrecy in early project stages with the risks posed by late engagement, which erodes good faith and trust.

- **Lack of a strategic approach to stakeholder engagement across the project life cycle.**

Although stakeholder engagement supports an agency's broader work in setting strategic goals, implementing action plans, and assessing performance over time, many leaders view it as a one-time event that serves a specific purpose, such as a program launch. Even when leaders recognize the need for ongoing stakeholder participation, they sometimes neglect to implement, evaluate, and update engagement plans systematically.

- **Failure to recognize that stakeholder engagement is a complex activity requiring special skills very different from the technical skills needed to design, construct, and operate a project.** Leaders who do not provide enough support for stakeholder engagement—in time, resources, and positioning within their own organization—put stakeholder engagement at risk of being discounted and subordinated to short-term, more immediately tangible priorities.

Areas of Opportunity

Effective relationship building enables innovation and leads to enhanced performance that benefits an agency, its stakeholders, and the public at large. To increase the adoption of stakeholder engagement best practices, the Trump administration could consider the following ideas as priorities for action within the first year:

- Encourage new agency leaders to work with career staff to understand stakeholders and their influences. Career staff possess deep institutional knowledge and are an excellent source of information for new leaders seeking to better appreciate the challenges and opportunities for agency interactions with stakeholders.
- Direct OPM to lead an effort, in collaboration with external groups such as the Partnership for Public Service, to develop quick training on stakeholder engagement. This training could help agency leaders translate their private sector knowledge/experience into working with stakeholders in the federal environment.
- Establish a community of practice of federal employees who work with stakeholders in change contexts in order to provide an executive branch forum for refining approaches to stakeholder engagement and forging mentorship connections. The Federal Communicators Network, a professional community of more than 800 communications professionals from across government, could serve as a model for such a group while also generating synergies between the stakeholder engagement and strategic communication disciplines.

For further ideas about applying the guidance in this paper to your agency's particular needs, contact federaltransition@mitre.org.