The “How” of Multistakeholder Engagement

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Background

Development actors must be ready to share power to achieve effective multistakeholder engagement. This means (i) being willing to listen to voices of dissent as well as of agreement, (ii) providing space to review the design and implementation of change interventions, and (iii) replacing incentives and institutional processes that perpetuate the status quo with mechanisms that promote transparency and reduce asymmetric information. These actions will allow multistakeholder groups to articulate their needs and help shape change processes.

Engaging stakeholders in the process of change is critical to the success of interventions. In development programs, change agents must consult people affected by reform.

There have been successes in mobilizing broad support for difficult reform. For example, the Kinerja project in Indonesia secured public participation in multistakeholder forums to reform district health and education service delivery in six provinces. The forums provided input to local government on the services provided to the community and helped gain commitment to improve facilities and services. These forums were granted legal status through government decrees, which gave the community access to government funds to maintain the quality of services and facilities in the community.

Strive, a nonprofit subsidiary of KnowledgeWorks Foundation, worked with nine communities in Cincinnati, Ohio, in the Unites States. This led to the development of the “Collective Impact Initiative” approach promoting community ownership of change initiatives. Five elements contributing to the success of this approach were (i) a common agenda, (ii) shared measurement systems, (iii) mutually reinforcing activities, (iv) continuous communication, and (v) a backbone support organization.

Efforts to reform public procurement in the Philippines resulted in the Procurement Reform...
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Act. This took three years to implement—led by three presidents and enacted through two sessions of Congress. Strategic communication held the coalition together as they navigated the change process.4

In Bangladesh, political economy analysis revealed incentives that supported the status quo. The result was inferior, inefficient, and unsafe urban bus transport for citizens in Dhaka. Reformers addressed many fronts and built a multistakeholder coalition to confront powerful stakeholder groups that benefited from the existing situation.5

The World Public Sector Report 2018 underscored the importance of stakeholder engagement in the implementation of the 2030 Agenda for Sustainable Development.6 It recognized the positive effects of public engagement on development outcomes. The report also highlighted challenges to achieving effective stakeholder engagement. One major issue is the weak capacity of government officials to engage stakeholders meaningfully in policy formulation and implementation. Stakeholder engagement is ineffective when the asymmetry of power and information among stakeholders is not recognized, when engagement mechanisms fail to target the most relevant actors, when government officials exclude actors whose perspectives differ from mainstream thinking, or when marginalized sectors are not allowed to participate in forums and discussions. Further, multistakeholder engagement must address the concerns of various actors—the private sector, academia, political allies and opponents, civil society, and nongovernmental organizations.

Today’s development challenges are complex, therefore multistakeholder engagement demands rigorous approaches that redress the asymmetry of power relationships among stakeholders and recognize the nuances of stakeholder perceptions and goals.

Multistakeholder engagement approaches are often piecemeal and disjointed. Efforts have focused on: stakeholder analysis and consultation; deciphering adaptive leadership challenges that require novel approaches as stakeholders have no formal authority, expert sources, or ready solutions; and recognizing patterns in actor interactions arising from political economy issues that constrain collective action. While these efforts provide information to change agents, there is often weak staff capacity in project teams and little time available for these activities. Consequently, stakeholder engagement may not be harmonized with project implementation processes. It is often sacrificed to meet the demand for more rapid project development and implementation.

Where project teams are constrained by lack of financial resources and time before full-scale implementation, a framework of concepts, approaches, and tools that can be used for decision-making is useful.

Negotiating Strategic Change

The Framework

The proposed framework “Negotiating Strategic Change” has been developed over time, tested in various cultures and organizational systems, and adapted to specific team needs. It has provided reform teams with a set of easy-to-use concepts and practical tools.

“Negotiating Strategic Change” is a framework for multistakeholder engagement anchored in two disciplines: strategic communication and conflict management and negotiation techniques.

The negotiation techniques included in the framework emphasize key concepts often overlooked in more traditional, “deal-based” negotiation training. They complement the mobilization and coalition-building framework central to strategic communication in three significant aspects. First, negotiation focuses on the three-step process of inviting, convening, and facilitating. This helps stakeholders who are affected by the development issue to use the negotiation process both “away from the negotiation table” as well as “at the table” to secure a durable agreement. This means actors are most likely to fulfill their responsibilities because the agreement reflects their interests adequately and the process respected their cultural norms. The approach recognizes that culture drives these processes, especially invitation and convening. Second, the

approach recognizes that there are many sources of social power. Therefore, negotiation is not a zero-sum game, where if someone wins, another person loses. Rather, the negotiation process is creative—discovering hidden interests of individual stakeholders while recognizing underlying common interests. Third, actors interact at different levels. A negotiation can take place between individuals, individuals and groups, or organizations.

An understanding of stakeholder motivations, attitudes, and perceptions embedded in social norms and political economy is essential to the framework. When these stakeholder motivations lead to behaviors that undermine the public good, reformers within government, the private sector, and civil society must work together to champion change. These interventions succeed when those affected recognize that the benefits of change outweigh the costs of adopting new attitudes and behaviors. Stakeholders are analyzed at a lower, actor-centric level. Actors and their behaviors are analyzed in the context of a specific situation.

Combining these two disciplines—strategic communication and negotiation—deepens the change agent’s understanding of the motivations of actors and/or stakeholders. It helps them to cocreate options that can lead to agreement. The inevitable conflict among stakeholders is considered normal, positive, and constructive. This contrasts with traditional approaches where conflict is considered to be negative. Thus, in workshops on the framework “Negotiating Strategic Change” negotiation techniques focus on practical steps to manage conflict.

Conflict management and negotiation skills are critical to reform in developing countries. Here, there is room for practices and methodologies to evolve to develop the capacity of change agents from government, civil society, and the private sector to address conflict.

Engaging multiple stakeholders with different perspectives on reform is an iterative process. It utilizes information gained to determine the next steps (see Figure). The process focuses on the stakeholder’s perspective rather than that of the reformer.

First, define stakeholders and their positions on reform (whether they are for, against, or neutral). Then, probe for underlying reasons. Investigate the person’s interests, going beyond their stated position on reform. Analyze relevant political economy issues to determine whether the behavior of an individual or group is incentivized by the status quo. Assess the relative power of an individual or group to influence the reform process, whether positively or negatively. Observe, when feasible, or investigate using key informants, the social network of key influencers—who talks to whom and who can influence whom. Adaptive leadership capacity may surface and some influencers may be willing to...
take action to address a given problem and mobilize people to support change.

Second, invite multistakeholder groups to a negotiation convened to reach a durable agreement on reform. For example, the negotiation may be focused on identifying priorities. Alternatively, the negotiation may seek to discover a solution to the problem that the stakeholders are willing to implement. The manner in which multistakeholder groups are invited, and the physical and psychological space for the negotiation should be culturally defined. Stakeholders must be convinced that their cultural beliefs and practices are honored in the negotiation process.

Third, messages before, during, and after the negotiation should be framed to underscore the value of collective action. The problem to be addressed during the negotiation is defined as a problem that necessitates collective action and the benefits of reform are equated with the public good.

Fourth, the goal of the negotiation is to reach a durable agreement. The negotiation process begins with an exchange of information on each stakeholder’s perception of the problem and their position on the reform. Throughout the negotiation, stakeholders will be challenged to define the underlying interests that drive their position and explain their current actions relevant to reform. Ideally, a neutral party will be present to ensure all voices are heard and hidden issues brought into the discussion. Through the open exchange of interests, the group may recognize that there are common goals they can pursue. At that stage, the neutral party can encourage stakeholders to identify options. In the final phase of the negotiation process, stakeholders commit to specific actions that they will each carry out.

In most instances, strategic change will be negotiated face-to-face. Stakeholders are invited to a location and a neutral party facilitates the negotiation. These negotiations can be conducted using mediated channels of communication and the neutral party can facilitate the negotiation process using online platforms that enable several parties to participate at the same time.

In summary, this framework provides a stakeholder-centric methodology for negotiating strategic change. Detailed stakeholder analysis seeks to understand underlying interests beyond articulated positions on reform. It explores the external environment in which actors operate within a given set of rules that may have hampered reform in the past. It values the capacity for adaptive leadership, where key influencers are able to mobilize groups to actively explore novel approaches in the absence of formal authority and ready solutions. It recognizes the power relationships among stakeholders and distinguishes between the individual’s perception of their own power and the perception of other stakeholders on the source and level of power of that individual.

The framework uses an interactive process to negotiate strategic change. It focuses on inviting, convening, and facilitating negotiation to lead to a durable agreement. It frames messages to achieve the public good, embedding message framing before, during, and after the negotiation.

Instructional Design. The instructional design is highly interactive so that participants learn the concept and approach, and attempt to apply them to their own work. It incorporates the different learning styles of people through a mix of instructional methods, including role-plays and simulations in dyads, triads, and small groups; quizzes; and assessment tools. This identifies individual communication and negotiation styles, and capacity gaps, within teams. A capstone case that is relevant to the participants’ sectoral interests encourages the application of the concepts learned. The blended learning program includes a face-to-face workshop complemented with online coaching for individuals on their specific leadership challenge or webinars for small groups working on a given project.

Content of Learning Framework on Negotiating Strategic Change
The framework “Negotiating Strategic Change” covers: stakeholder analysis, political economy context, adaptive leadership, strategic communication, and negotiation.

Stakeholder Analysis. Stakeholder analysis is done at a granular level to identify the underlying interests of key stakeholders who have strong influence on the success of reform. These interests may be driven by external factors—social norms, culture, traditions, or rules established by government, the private sector, academia, and civil society organizations. They influence how transactions are dealt with, how resources are shared (or not), and what information is available to the public.

Political Economy Analysis. Reforms are often compromised because stakeholder interests and rules prevent the collective action needed. Without the right incentives, individuals tend to disengage rather than cooperate and support the change process.
Adaptive Leadership. Change agents must change their mindset. Rather than focusing on a single charismatic leader for answers to problems, they should appreciate that adaptive problems require people to take proactive steps to discover solutions through individual and group action. Adaptive problems do not have ready-made solutions and there is no expert knowledge that can be uncovered. Rather, change agents will need to take action, mobilize support, and engage key stakeholders whose lives are affected by this problem.

Strategic Communication. Communication that fails to focus on behavior change as a goal results in suboptimal outcomes. New behaviors are adopted by influencing behaviors and attitudes.

Development objectives cannot be achieved unless people are willing and able to learn new information, change long-standing attitudes, and adopt new practices. Communication needs to be targeted, strategic, and focused on helping people change both what they believe in and, more importantly, what they do.

Negotiation. Conflict is a natural consequence and indicator of progress, development, and change. It is neutral in how stakeholders, individually or collectively, manage their perception of incompatible goals. This will determine whether the conflict increases or decreases the prospect of reaching agreement. Conflict, therefore, can be a positive or a negative influence in reaching collective goals.

Political, public, and organizational will is seldom isolated. There are other political ideas, public stakeholders, and organizational entities with wills of their own. When individuals, groups, and organizations recognize that they cannot reach their goals through independent action, these perceived wills collide.

Managing conflict is about increasing the chances of positive engagement from misaligned wills, while reducing the risk of hostile interactions, deadlocked positions, and destructive options.

The Learning Programs

A number of programs have used elements of this framework in their skills enhancement initiatives. These include the learning programs of international development agencies, such as the World Bank, the United Kingdom’s Department for International Development, Germany’s Gesellschaft für Internationale Zusammenarbeit, the United Nations Development Program, and the United Nations Children’s Fund; regional development banks, such as the Asian Development Bank (ADB) and the Inter-American Development Bank; governments in Asia, Africa, Latin America, and the Middle East; private sector companies in collaboration with development agencies; and governments in various sectors.

In 2008, a new course course called “People, Politics and Change: Communication Approaches for Governance Reform” was designed with financial support from the United Kingdom’s Department for International Development. It was delivered by the External Affairs Vice-Presidency of the World Bank in Washington, DC, United States; Cape Town, South Africa; and Manila, Philippines. It reached 92 senior government officials, reform managers, and development practitioners from 21 developing countries between 2008 and 2009.

To provide a sustainable institutional mechanism for the course, the former World Bank Institute and the External and Corporate Relations Vice-Presidency entered into a Memorandum of Understanding with the Annenberg Schools of Communication (at the University of Pennsylvania and the University of Southern California) to develop and jointly deliver an annual World Bank–Annenberg Summer Institute on Communication and Governance Reform. The Summer Institute was launched in 2012 and is offered each summer at the University of Southern California.

Communication for reform has been covered in workshops, and online and distance learning courses reaching some 7,000 participants worldwide. This approach effectively addresses implementation challenges in various sectors, including health, education, environment and conservation, infrastructure, urban development, public–private partnerships, governance, and public sector reform.

In September 2014, ADB launched a learning program, Mobilizing Multi-Stakeholder Action for Reform, and invited groups from government, development partner agencies, academia, civil society, and the private sector.

ADB’s learning program aims to enhance participants’ skills in navigating the reform process. It illustrated how to mobilize groups by engaging them in creating pro-reform coalitions. Reforms often fail when stakeholder interests are not adequately satisfied and differences in beliefs, attitudes, and mindsets are not acknowledged. The workshop, therefore, helps participants recognize political economy issues, differentiate technical from adaptive leadership challenges, and use negotiation techniques that incorporate the
different perspectives of stakeholders to reach a durable agreement.

The program has been adapted to various modes of delivery, with the twin goals of expanding reach and finding ways to embed engagement within organizations’ daily business processes.

In September 2015, this approach was further demonstrated in a workshop developed for 30 senior government officials from Nepal. The earthquake on 25 April 2015 highlighted a need for the Government of Nepal to strengthen its capacity to manage conflict and understand the underlying interests of multiple stakeholders to provide a rapid response to crises. Fluid techniques that transcend political and economic interests are essential for reducing suffering and loss among the poor and the powerful alike. The crisis provided an opportunity to recreate and reengineer systems that could endure and bring the government into greater harmony with the needs of its stakeholders.

The workshop was designed to help government officials apply the principles and tools of strategic communication and negotiation in the immediate, medium, and long term.

The framework has been utilized in regional workshops for country participants and ADB staff to address implementation issues in several sectors. These include public sector management and governance, infrastructure, water and sanitation, health, education, and social development.

A capstone negotiation case on a controversial water reform project provided participants with live negotiation experience among stakeholders with competing interests.7

In 2016–2017, a joint effort of the Global Leadership Academy and ADB tested an ambitious initiative where the skills for engagement were included in a 10-month leadership development program offered to private sector chief executive officers, senior government officials, academics, and heads of civil society organizations. This capacity development initiative emphasized the diversity of participants’ work experience, expertise, and aspirations. It aimed to hone leadership capacity to address global issues. The global leadership and innovation laboratory demonstrated the value of using a blended approach—10 webinars were conducted after the second face-to-face leadership laboratory to prepare for the third face-to-face leadership laboratory. The webinars and individual online coaching inspired participants to master content and process. It provided opportunities to apply the concepts, tools, and approaches to a capstone negotiation case.8

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7 ADB filmed negotiations of the capstone case Down the Drain. Participant negotiations in regional workshops were held at ADB’s headquarters in 2014, 2015, and 2016.

8 ADB and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) filmed negotiations of the capstone case, Negotiating Gender Issues. Participant negotiations conducted during the 3rd Lab Meeting: Transforming Leadership: Women, Men, Power and Potential on 29–31 August 2017 in Tokyo, Japan. https://youtu.be/gdtr76gXZ87lst=PLTSMWanCqBordDwo_2qbnQ9DN1e5NLhQ
Metrics of Learning. The Kirkpatrick evaluation methodology describes four levels of evaluation for training programs: Level 1 Reaction, Level 2 Learning, Level 3 Behavior, and Level 4 Results.9 In the leadership laboratory, participants worked together for 10 months and had three face-to-face workshops complemented by a series of webinars and individual coaching. Changes in knowledge and attitudes were tracked, as well as changes in negotiation behavior. The second laboratory demonstrated collaborative action through group exercises and individual self-assessment tools. Following this, there was a marked increase in competitive behavior evident in the second laboratory.

One key metric of learning was the participants’ recognition of the sources of social power within the group. The second leadership laboratory provided insight into the similarities and variations in perceptions within and between negotiation groups. The mean scores of the four negotiation groups showed similar perceptions of social power among the groups. When ranking the seven power sources from the most used to the least, the ability to identify and use critical information was the dominant source of power, followed by legitimate, referent, and charismatic power. Among the four negotiation groups, there was little use of threat or buyout, as coercion and reward power were least dominant. This demonstrated a marked reduction in the use of competitive strategies since the second leadership laboratory held 5 months earlier. Further, it signaled a change in practice among the participants.

During the second leadership laboratory, an exercise to test the level of cooperative or competitive behavior showed participants were highly competitive. This was evident from the results of a structured, forced choice, dyadic bargaining exercise where numerical outcomes measured the tendency to compete or collaborate.

During the second leadership laboratory, participants focused more on inquiry and dialogue to gain a deeper appreciation of the other person’s perspective and identify areas for potential collaboration.

The manner in which individual personalities played the seven roles in each negotiation group varied (videos of each of the negotiations provide this information). However, while the role-players’ personalities and skills varied in each of the four negotiation groups, there was remarkable similarity in the dominant roles played by the Director of Public Works and the Mayor, the first and second most powerful roles, respectively, among the four groups. The remainder of the roles were assigned a power ranking as follows: third truck owner, fourth the director of Women Advancing Through Education and Research, fifth city engineer, sixth city treasurer, and seventh Director of Community Action.

Perhaps the greatest insight into social power comes from each role-player being able to assess their own power role in relation to the other six role-players according to how they perceived the social power exhibited by each. Of the 26 role-players for which we have the data, 18 (69%) perceived their own power to be greater than it was perceived by the group as a whole. Only six (23%) perceived their power to be less than perceived by others. There were two role-players whose self-assessment matched the other negotiators’ perception of their roles. Generally, among the four negotiating groups, those who had an inflated perception of their power relative to the group’s perception did so by a margin 33% greater than those who had a lesser view of their power.

There were two main conclusions from the negotiation experience and role-plays that were pivotal to the experience during the third laboratory. The final evaluation described how skills were progressively strengthened through the various phases of work by participants. The learning activities stimulated a heightened awareness and curiosity regarding the skill-building necessary to increase their proficiency as leaders negotiating strategic change. For many, the role-play and negotiation experience were a high point of the third laboratory.

Scaling Up Institutional Performance

In support of ADB’s integrated approach to public sector management and institutional performance, which combines three strands of ADB’s work (public sector management, governance, and capacity development), we propose that learning programs be closely aligned with the country’s reform challenges.

The intention was to obtain Level 3 results (a change in behavior) to increase the likelihood of learning.

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of achieving Level 4 results (demonstrating an impact on the organization’s goals). However, previous learning programs were constrained by the institutions that financed and supported them. Generally, learning programs targeted development practitioners, rather than the government officials who lead reforms and their partners (including civil society organizations, the private sector, and academia). Strategic communication and negotiation skills for reform are best learned in a realistic environment, where deep learning will more readily lead to application in their own programs.

This institutional barrier needs to be addressed so that ADB can increase its focus on higher-level results in operational work. In its October 2016 paper on Better Performing Institutions in ADB Developing Member Countries: Positioning ADB’s Approach to Public Sector Management and Institutional Performance, ADB noted that a sharper focus on institutional performance results is needed. ADB support aims to enhance the capacity of developing member country institutions to deliver better development results to their citizens. Engagement, coalition-building, and dialogue, are critical institutional capacities needed by developing member countries pursuing difficult, contentious, and challenging reform agendas. ADB seeks to provide politically smart support that factors in “political economy and reform readiness issues in a concrete and practical manner, rather than relying exclusively on technocratic blueprints of best practice.”

The effectiveness of ADB-supported development projects can be promoted by integrating engagement mechanisms during project design and supervision. The Negotiating Strategic Change learning program has changed behaviors, created new capacity, and influenced attitude change. Targeted institutional support will optimize its utility for operational work.

First, capacity development initiatives and learning programs need to focus on the learning needs of groups. These groups are drawn from organizations that are involved in addressing real-world reform challenges. Thus, financing mechanisms for capacity development initiatives need to be overhauled to create and nurture groups who work together to also learn together.

Second, institutional capacity needs to be enhanced in neglected areas, such as multistakeholder engagement, coalition-building, strategic communication, and negotiation. Demand-side approaches to public sector management, which have been largely neglected, need to be bolstered.

Third, the content and instructional design of learning programs should target behavior change. Instructional designs and facilitation that emphasize interactivity and participant engagement in role-plays that focus on issues identified by participants as critical stumbling blocks to program effectiveness provide relevant learning experiences.

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11 Evaluation results from workshops on Negotiating Strategic Change in Basic Education held in the Federated States of Micronesia (17–18 September 2018) and the Marshall Islands (20–21 September 2018).
enables participants to apply what they learn to their own work.

It is difficult to assess whether reformers apply the knowledge and skills developed in workshop exercises to their own work, after attending a single workshop. The participants' ability to apply what they have learnt will be moderated by the organizational environment. Where supervisors and organizational leaders provide encouragement and support, behavior change will more readily translate into new ways of doing work.

Communication and information technology is increasing access to knowledge and learning opportunities. Smartphones and other online platforms could enhance the cost-effectiveness of capacity development programs and dramatically increase access to knowledge and learning opportunities across all developing member countries.

As today's reform leaders commit to implement the 2030 Sustainable Development Goals, they face complex challenges to reform. There is much that can be done to provide these leaders with the concepts and tools they need to mobilize support.

The article was peer-reviewed by Chimi Thonden, senior education specialist, ADB, and Nils Boesen, consultant specializing in institutional development and governance.

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