How to conduct a stakeholder power analysis

What is a stakeholder power analysis?
A stakeholder power analysis is a strategic tool that helps to understand how stakeholders influence the actions, goals and policies of FPU, and how FPU exercises power over these stakeholders and vice versa. Power is then seen as the capacity to get the other party to do what it otherwise would not do. By achieving a greater understanding of the prevailing power imbalances and their possible (undesirable) effects for FPU, it becomes feasible to formulate an action plan to deal with these imbalances.

Stakeholders are those organisations that have a interest or concern in (the goals, policy and/or programmes of) FPU. The underlying assumption of a stakeholder power analysis is that FPU's ability to achieve its goals depends for an important room in its "room to maneuver" in its relations with others. The more room it has, or alternatively, the more it can act in line with its preferences and interests, the better it is in a position to achieve its goals .

Step 1: Choosing a stakeholder
Choose a relationship between FPU and one concrete stakeholder. Is this stakeholder placed in FPU's circle of influence or circle of concern?

Stakeholders in FPU's circle of influence are those that FPU can directly exert influence on. Stakeholders in FPU's circle of concern cannot be influenced directly by FPU, but are reached through the stakeholders in the circle of influence; they play a role in the objectives that FPU seeks to achieve. FPU itself is placed in the circle of control.
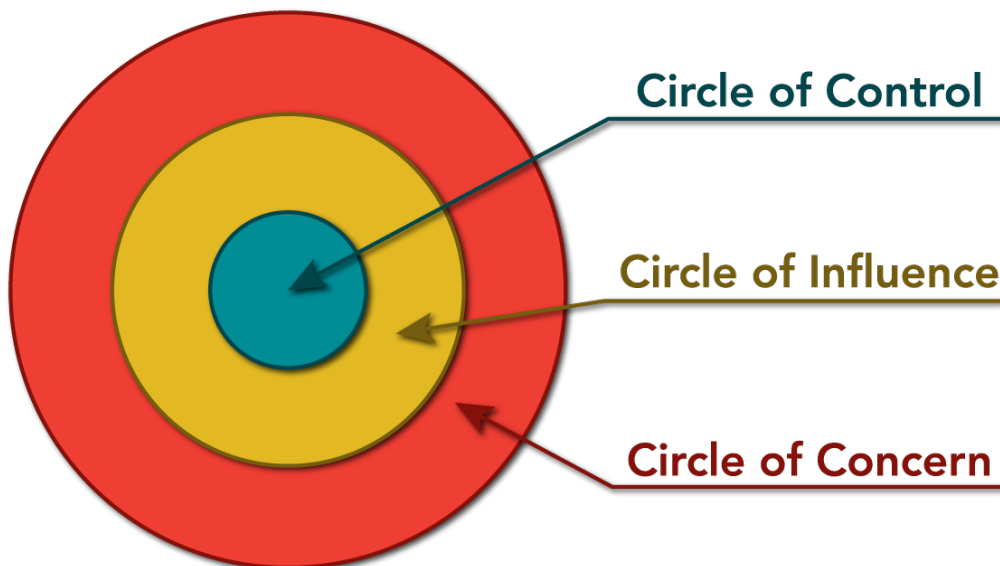

Illustration 1: Source:
https://www.solutionsiq.com/resource/blog-post/getting-in-control-focusing-on-the-right-things/

Identify the goals of the relation between FPU and the stakeholder, the activities undertaken to reach that goal and the different roles taken up by the different parties.

Step 2: Decision-making topics

Identify the decision-making topics where power can be exercised. Drawing upon Elbers & Schulpen (2011), the following decision-making topics in strategic partnerships can be discerned:

Issue area	Descriptionbar lempicka
Size of funding	The total amount of funding that partners receive from an agency
Period of funding	The period over which partners receive funding from an agency
Funding core costs	The use of agency funding for overhead costs
Theme	The thematic focus of a project
Target group	The beneficiaries of a project
Strategy	The plan used to reach project objectives
Project planning	The implementation time table of a project
Capacity building	The activities aimed at strengthening a partner's organisational capacity
Cooperation stakeholders	The stakeholders with which partners cooperate during project implementation
Format financial report	The framework used for financial reporting to the agency
Format narrative report	The framework used for narrative reporting to the agency
Frequency narrative reports	The number of narrative reports that have to be submitted to the agency
Monitoring	The methodology according to which a project is monitored
Evaluation	The terms of reference used for evaluating a project
Thematic areas of interest	The themes in the agency's policy framework that qualify for funding
Partnership policy	The rules regarding the rights, roles and responsibilities of the agency, and partners and the governance structure that underlies them
Country strategy	The action plan stating how the agency seeks to achieve its objectives with partners at the country level
Partner selection	The choice of organisations at the country level with whom the agency cooperates
Allocation of funding	The distribution of agency funding to its partners at the country level

Instead of or in addition to above-mentioned decision-making topics, several other topics may also be discerned.

Step 3: Sources of power

Explore what gives both parties the ability to exercise power over the other, should they decide to do so.

- Which power resources (material and immaterial) do both parties possess?
- Is there a formal or informal acknowledged hierarchy in the relationship (is one organisation in the lead within the alliance?) and how does this affect decision-making?

More often than not, there is an imbalance in power sources. However, power can either be defined ex post or ex ante. Power ex ante looks at power as resources, whereas power ex post actually looks at the exercise of power (step 3) (Nye Jr, 2013). Hence, power ex post looks at the conversion of the power resources into realised power. This means that a party can have more power ex ante than power ex post and vice versa.

Examples of sources of power include the following:

- Positional power
- Money
- Capacity
- Expertise/knowledge
- Experience/track record
- Reputation
- Network
- Brand recognition
- Mandate

Step 3: Exercise of power

Explore to what extent both parties actually use aforementioned power sources to exercise power over the other and on what concrete topics. To what extent does the stakeholder make FPU do things it otherwise would not do, and vice versa?

Power can be exercised in various ways and at various moments. With regard to an alliance, power can be exercised at three different moments:

1. In negotiating which party will have the lead within the alliance
2. In negotiating the terms of the partnership agreement/memorandum of understanding that is drawn up between the two parties
3. In the day-to-day interaction and communication

Consequently, the way that power is exercised can be manifested in certain documents, such as the memorandum of understanding, but is also experienced by colleagues and thus can be traced by conducting interviews.

In looking at the exercise of power, power can be seen in two different ways:

- Power as influence in decision-making, that is, the ability of one party to overrule another party in a decision-making process (Dahl, 1957) → looking at the outcome of the decision-making process
- Power as the ability to affect the process of agenda setting (Bachrach & Baratz, 1962) → looking at the course of the decision-making process and the agenda setting process, rather than strictly looking at the outcome

Drawing upon Elbers & Schulpen (2011), decision-making topics can be placed in four different clusters in order to illustrate four different degrees of participation and hence of exercise of power. To give an example, in the table below topics are allocated to the four different clusters. However, the allocation differs per case and per relation.

	Topics in partnership decision-making	Agenda-setting opportunity	Decision-making authority
Cluster 1: Exclusion from decision making	For example: thematic areas of interest, partnership policy, partner selection, allocation of funding	No	No
Cluster 2: Opportunity to set the agenda	For example: size of funding, period of funding, country strategy	Yes	No
Cluster 3: Decision-making authority	For example: theme, target group, strategy, project planning, monitoring, cooperation stakeholders	Yes	Yes
Cluster 4: Other/variable application of the rules	For example: funding core costs, formats financial and narrative reports, frequency narrative reports, capacity building, evaluation	Yes/no	Yes/no

Step 4: (Potentially) undesirable consequences of the power imbalance
Explore what the (potentially) undesirable consequences of the inequality in power resources are and to what extent FPU actually experiences these undesirable effects.

Step 5: Recommendations
Explore how the (potentially) undesirable consequences of the power imbalance, as identified in step 4, can be mitigated and what steps need to be taken in order to achieve this.

Methodology: how to retrieve this information?
- The outcome of the decision-making process, meaning the final division of tasks, can often be found in documents such as the memorandum of understanding. However, how this division of tasks came about or how the decision-making process was shaped, is often not clearly documented. Therefore, this information can be retrieved by speaking both to FPU colleagues and employees of the stakeholder.
- In short, you can ask interviewees about what they consider to be the relevant decision-making topics and sources of power. Furthermore, you can ask them about their stance on the exercise of power and the (potentially) undesirable consequences of the power imbalance. Stress that negative consequences may not play out at the moment per se, but might do so in the future.
- People's opinions on the power relations and possible power imbalance might diverge. Therefore, it is important to conduct as many interviews as possible, with people who occupy different positions (PO-level, PC-level, director-level), in order to get the whole picture. Calculate sufficient time for approaching people, scheduling an interview with them, conducting the actual interviews and analysing these.

- During the interview, it is important to ask open-ended questions which are not steering, so the interviewee will feel comfortable sharing his/her opinion with you.
- In order to be able to compare all answers, it is important to ask the same questions to all interviewees, with one footnote: the stakeholder's employees might be hesitant to use terms such as "power sources", "power imbalance" or "asymmetry". Therefore, it is advisable to avoid these terms by asking questions such as:
    - How does organisation X view the decision-making process?
    - Which party steers the decision-making process with regard to which topics?
    - Does organisation X feel heard within the decision-making process?
- If an interviewee expresses strong or controversial ideas, you can check these with other interviewees, after having asked the open-ended, neutral questions first, by repeating the statement (anonymously) and asking the interviewee's stance on this.

Useful sources

Bachrach, P., & Baratz, M. (1962). Two faces of power. *American Political Science Review*, 56, 947-952.

Dahl, R. A. (1957). The concept of power. *Behavioral Science*, *2*(3), 201-215.

Elbers, W., & Schulpen, L. (2011). Decision making in partnerships for development. Explaining the influence of local partners. *Nonprofit and Voluntary Sector Quarterly*, *40*(5), 795-812.

Nye Jr, J. S. (2013). Hard, soft, and smart power. In A. F. Cooper, J. Heine, & R. Thakur (Eds.), *The Oxford handbook of modern diplomacy* (pp. 559-576). Oxford, England: Oxford   University Press.