

Managing stakeholder relationships: challenges for the public sector

Patricia Quinn

IPA Governance briefing

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My perspective

- Former public servant (Temple Bar, the Arts Council)
- Now working in voluntary sector infrastructure, cultural policy and planning, corporate/NGO engagement
- Interested in governance, decision processes, relationships at the boundaries of private, public, third sectors

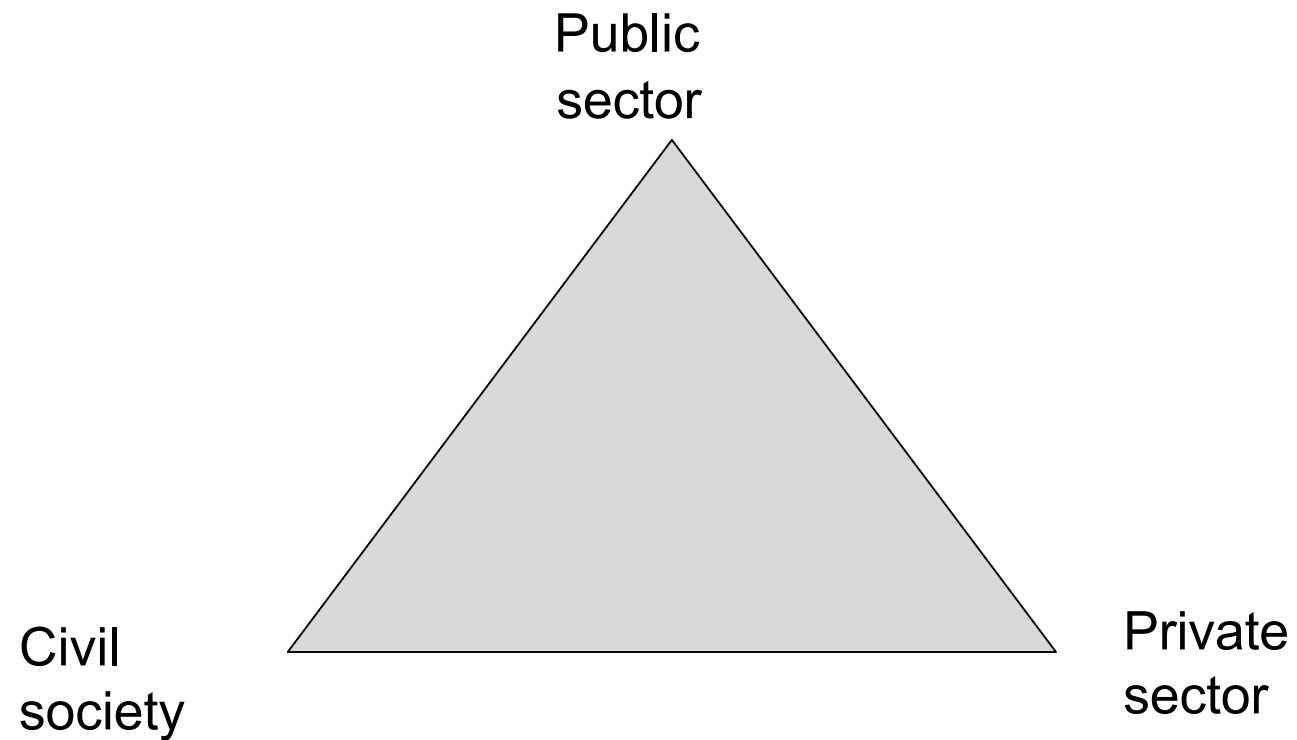
This session

- changing stakeholder relationships
public/voluntary sector
- consequences for governance,
performance
- ways of thinking about stakeholding
relationships in practice

Trends within sectors

- Public (accountability, formal consultation, drive towards outcome measurement)
- Private (workplace, marketplace, community, environment)
- Third (transparency, regulation, performance)

Between sectors



State/voluntary sector

- €2.5bn value
- Charities derive av. 60% income from the State;
- Private, corporate donations, earned revenues also significant: weekly per capita contribution of c.€7.

Public sector:voluntary sector relationships: changing conditions

Then:

- Discretionary grant-in-aid
- Very low State spend
- Dominance of faith-based institutions
- Voluntary management
- Almost no corporate/philanthropic spend



Now

- Secular state
- Proliferation of NGOs
- Rights-based expectations
- Contractualisation of relationships, performance management
- Multiplicity of public (and some private) agents pursuing parallel policy objectives

Some consequences - for voluntary sector organisations

- Distortion of stakeholder map
- Accountability challenge for boards
- Risk of mission drift
- Loss of voice
- Emergence of unacknowledged gaps in provision

Challenges for the public sector

- Reappraise/reclassify funding relationships: service level agreements or public goods?
- Express policy goals in terms of desired outcomes
- Favour autonomous governance

Challenges for the voluntary sector

- Make explicit the scope of key stakeholding relationships
- Weigh the interests of different stakeholders and act accordingly
- Preserve governance autonomy

My conclusions

- Neglecting the impact of legitimate stakeholder expectations is costly
- Stakeholding relationships benefit from articulation (values, purposes, goals)
- Holding stakeholding relationships in balance means educating your stakeholders about one another