BEYOND REASSURANCE THEATRE

Stakeholder Management Fails When Fear Becomes the Real Decision-Maker

Crisis communication in programmes when certainty, trust and personal exposure collide

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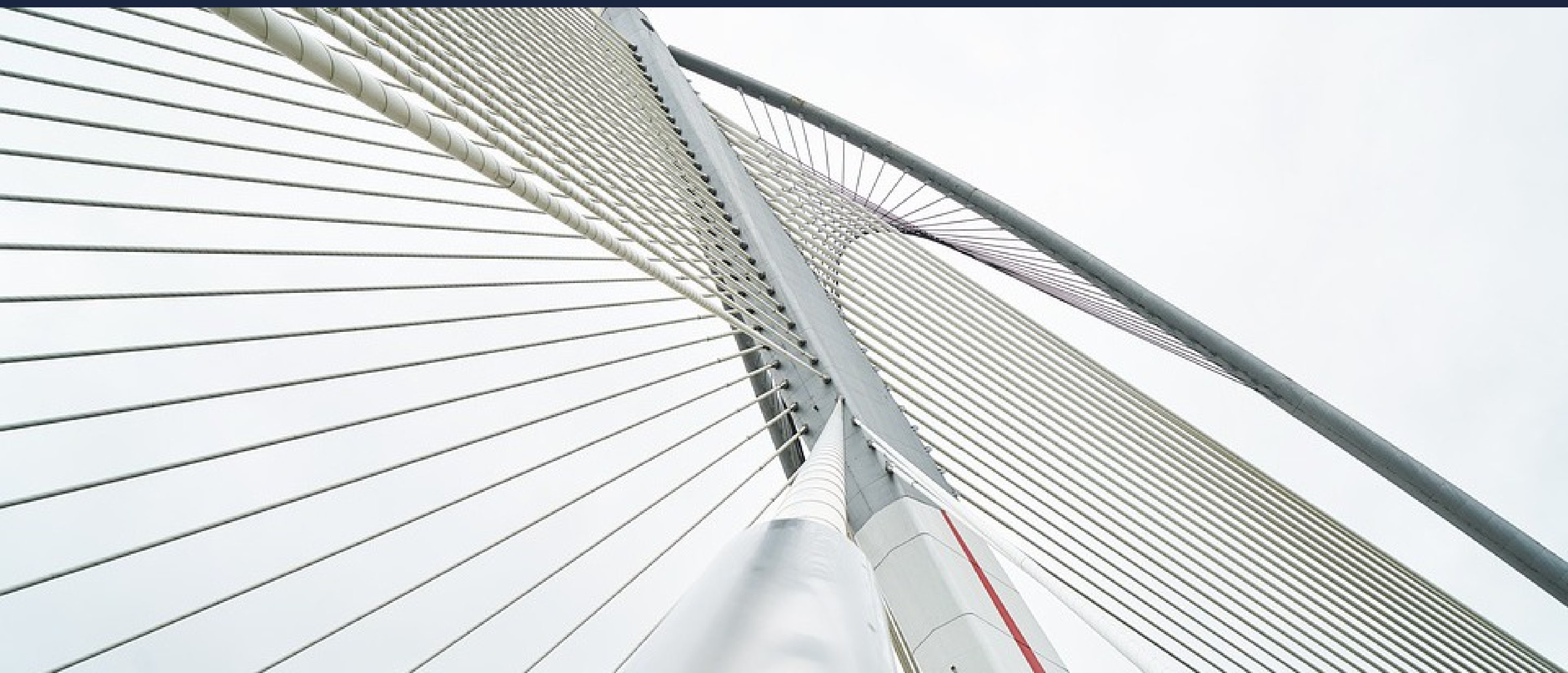

Stakeholder Management Fails When Fear Becomes the Real Decision-Maker

> *“Fear does not remove politics from a programme; it makes the politics harder to admit.”*

The room changes before the plan does

At nine o'clock the programme board still had eleven workstreams. By lunchtime, four had been paused, two suppliers had been asked to reprice, and every vacancy had become a question for the finance director. The formal agenda was unchanged. The stakeholder map was unchanged. Yet the meeting was no longer about milestones. It was about whose judgement would be blamed if the organisation's position worsened.

That is the part the textbooks leave out. Conventional stakeholder management assumes that people have reasonably stable interests, that influence can be mapped, and that engagement can be planned. In the present climate, those assumptions are fragile. Senior managers are watching revenue forecasts fall, credit conditions tighten and colleagues leave. Their declared concern may be delivery, but their governing concern is exposure.

When fear enters the system, stakeholder management stops being an exercise in communication coverage. It becomes the discipline of reducing uncertainty without manufacturing reassurance.

Fear changes what people do with information

A worried stakeholder does not simply require more information. Fear changes the way information is interpreted and used.

The sponsor who previously accepted a range now asks for a single date because a range feels like loss of control. The finance director challenges the forecast not only because the arithmetic may be weak, but because committing the number creates personal exposure. The operations lead withholds a resource because releasing it is visible while the cost of delay is dispersed. The supplier reports progress optimistically because admitting difficulty may invite renegotiation.

None of this is irrational. In a severe downturn, people protect the responsibilities for which they expect to be judged. The difficulty is that individually defensible behaviour can produce collective paralysis.

Consider a composite £24 million change programme in early 2009. Its monthly report showed a three-month delay and a £1.8 million cost pressure. The programme team treated these as delivery issues and prepared recovery options. The board, however, heard three different threats: finance heard an uncontrolled commitment; operations heard disruption during a redundancy round; the sponsor heard the possible loss of the programme itself. Each asked for different evidence, and the team responded with a longer pack. After six weeks, the pack had grown from 28 pages to 61, while no one had decided whether to reduce scope, accept delay or stop.

The failure was not insufficient reporting. It was the absence of a shared account of what decision was actually being made, by whom, and against which uncertainty.

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Reassurance is often the most dangerous response

The instinct to reassure is understandable. Programme leaders want to keep people calm, preserve support and prevent rumour. But reassurance that outruns evidence carries a high price.

A confident promise temporarily lowers anxiety, then increases it when the next forecast moves. A green status that depends on heroic recovery assumptions tells experienced stakeholders that the reporting system is protecting the programme. A broad message that "delivery remains on track" may be technically defensible while hundreds of people can see recruitment freezes, cancelled travel and supplier negotiations around them.

Once that gap opens, every subsequent communication is discounted. Stakeholders stop asking whether the programme is sound and start asking what else is being concealed.

> *In a frightened organisation, credibility comes less from sounding certain than from making uncertainty governable.*

This does not mean broadcasting every unresolved concern. Unfiltered ambiguity can create noise and invite defensive intervention. It means separating what is known, what is assumed, what has changed and what decision follows. The language must become plainer as the situation becomes harder.

- Known: the approved funding, contractual commitments, completed work and present capacity.

- Assumed: volumes, savings, supplier performance and resource availability that have not yet been tested.
- Changed: the facts that have moved since the previous decision.
- Required: the named decision, its owner and the latest useful date for making it.

That four-part discipline does more than improve a report. It denies fear the empty spaces in which rumour and self-protection flourish.

The strongest case for the textbook — and its limit

There is a serious opposing view: a crisis is precisely when disciplined stakeholder mapping and planned communication matter most. Abandon the map, and the loudest executive dominates. Improvise the message, and inconsistency destroys confidence. This objection is right as far as it goes.

The mistake is not using the textbook. It is treating its artefacts as if they remain sufficient when the underlying behaviour has changed. A power-interest grid may identify who can stop the programme, but it will not reveal what that person now fears being held accountable for. A communications plan may specify a monthly sponsor update, but it will not tell us that a decision due in ten days will become impossible once the next cost-reduction round begins.

The map must therefore acquire a second layer: not personality, but exposure. For each critical stakeholder, the programme needs to understand:

- What outcome are they formally accountable for?
- What loss are they now trying to avoid?
- What evidence would allow them to support a decision without pretending certainty?
- What will happen if they defer?

This is not manipulation. It is the practical work of connecting a programme decision to the institutional risk carried by the person being asked to make it.

Replace engagement activity with decision confidence

During stable periods, it is possible to confuse activity with engagement: more briefings, more workshops, more circulation. Under pressure, the distinction becomes visible. The useful measure is not how many stakeholders have been contacted. It is whether the people who must decide understand the choice, trust the evidence and know the consequence of delay.

Three practices consistently matter.

Bad news ages quickly. If a material assumption breaks on Tuesday and waits for the monthly board, informal versions will arrive first. Escalation should be proportional to decision impact, not to the reporting calendar. A two-page note within 48 hours is often more credible than a polished pack three weeks later.

In 2009, “do nothing” is rarely neutral. Deferring a platform release may preserve cash this quarter but extend expensive manual processing. Cutting testing may protect the date but transfer risk into operations. Reducing scope may save £2 million while removing the only feature that supports the stated benefit.

Stakeholders need to see not merely cost, time and scope, but who absorbs the consequence. That makes trade-offs discussable before they become accusations.

A deferred decision should be recorded as a decision to accept the consequences of waiting. Name the owner, the last responsible date and the effect on cost or benefit. In the composite programme, a six-week delay in deciding whether to remove four workstreams consumed £420,000 in supplier and team costs. No individual approved that expenditure; it accumulated through silence.

Once the board saw deferral expressed as a weekly cost and a narrowing set of options, it chose within three days. The programme was reduced to seven workstreams, the cost pressure fell below £600,000, and the remaining benefits had named operational owners. The improvement did not come from a more persuasive presentation. It came from making avoidance measurable.

Leadership when certainty is unavailable

Stakeholder management in a frightened organisation is not the art of making everyone feel better. Nor is it a licence for relentless bad news. It is the leadership discipline of creating enough shared reality for responsible action.

We should keep the maps, plans and governance routines. But we must recognise what they cannot capture. In a crisis, stated interests are often weaker than feared losses; reporting volume is often a substitute for decision clarity; and delay is often the most expensive choice because nobody has to own it.

The programme leader's task is therefore not to promise confidence. It is to build it honestly: expose the changed assumption early, show the options and their sacrifices, locate accountability, and make the cost of silence explicit.

That is what the textbooks miss. They teach us how to identify stakeholders and plan contact. Experience teaches the harder lesson: when everyone is afraid, people do not need to be managed around the programme. They need a credible way to decide inside uncertainty.