

# Stakeholder risk assessment for industrial waste management systems

Joan Harvey\*, Oliver Heidrich\*  
and Nicola Tollin^

\*Newcastle and ^Catalunya

# Stakeholders- who are they?

Evidence that good management of stakeholders in WMS can yield financial benefits

But this begs the questions- and debates- concerning:

- Who they are
- How to categorise them
- What their influence is or can be
- How they can be influenced
- Whether they can be ‘managed’

# Reasons for this study

- Sustainability or Environmental Business Cases
- Increasing pressure to change WMSs
- Consequences of ignoring may be huge
- Can show up special areas of risk
  - Health and safety
  - Environmental
  - Economic
  - Performance

# Pressures to change WMS

- Aarhus convention [UN, 1998]
  - Involve public and local communities w.r.t. environmental matters
- EU directive 2003/4/EC
  - Public as stakeholders
- Corporate Social Responsibility green paper
  - Promoting European Framework

# WMS- who might be stakeholders?

- Employees
- Suppliers
- Competitors
- NGOs
- Customers
- Trades Unions
- Media
- Government
  - EU
  - National
  - Local
- Local communities
- Creditors
- Banks
- Contractors

# Issues about who stakeholders are

- Debates [rather sterile] about
  - primary and secondary stakeholders
  - Internal and external stakeholders
- Relevance may be variable, context-dependent
- Different criteria used to classify, e.g.
  - Affect criterion
  - Importance to business transactions

# So, what to do?

- Need a new way of thinking, not bogged down by sterile arguments
- Some dimensions that can differentiate usefully: we can start with 5
  - Importance can replace primary/secondary
  - Power, urgency and legitimacy [after Mitchell et al, 1997]
  - Add in a time dimension for variation of effects

# How to use these dimensions?

- Certainly not binary- too crude
- Writers on scaling usually use 6, 7 or 10 scale points, depending on whether a mid-point needed
- We propose 10, anchored at each end



# Our case study

- Chose a small company, whose business is recycling
- Stakeholders same for whole company as for its WMS
  - Whole business process observed and recorded
  - Employees interviewed
  - Stakeholders identified and assessed

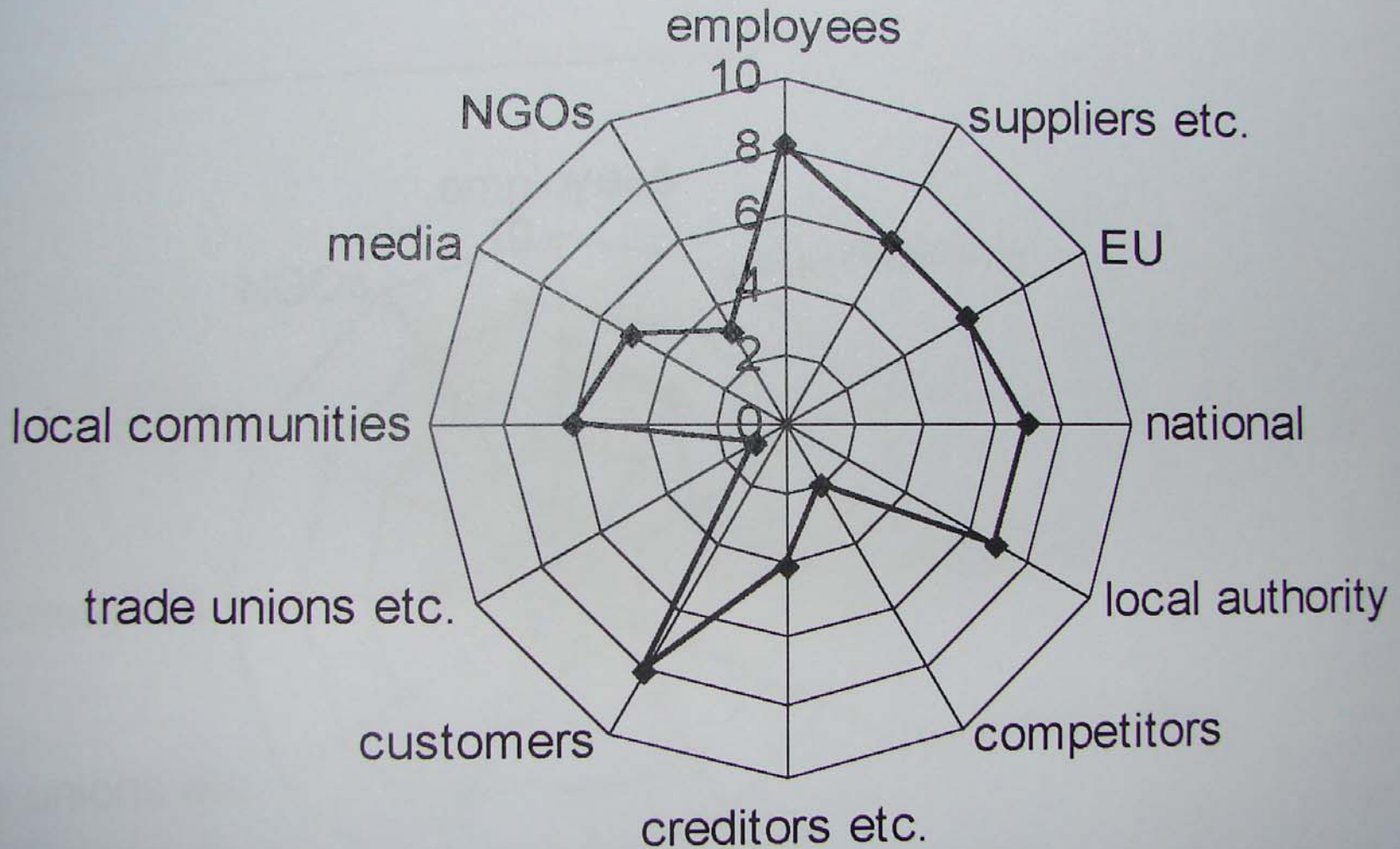
## S/holders, roles & the affect criterion

Stakeholders	Roles	S/H effect on RecyCo	RecyCo affects S/H
Employees	Establish and execute WMS	Direct when following or ignoring disposal or recycling instructions	Affected directly through working procedures
Suppliers and contractors	Materials & services that may influence WM practices.	Direct effect as the specification of raw material or services might determine waste practices.	May be affected directly by RecyCo putting pressure on them.
Government EU; National; (LA).	EU & national Gov't: strategy, legislation. Regulatory authorities. LA controls and waste services.	Directly via legislation, regulation and compliance. Local government affects the system directly via planning; monitoring and provision of waste services.	Directly by recovery targets and consultation process for specific materials of RecyCo. LA affected as contractors.
Competitors	Shared customer interest. May lead with best practices	Leading practices might be adopted and rest must follow or fall behind	Leading practices may result in rest following or falling behind.

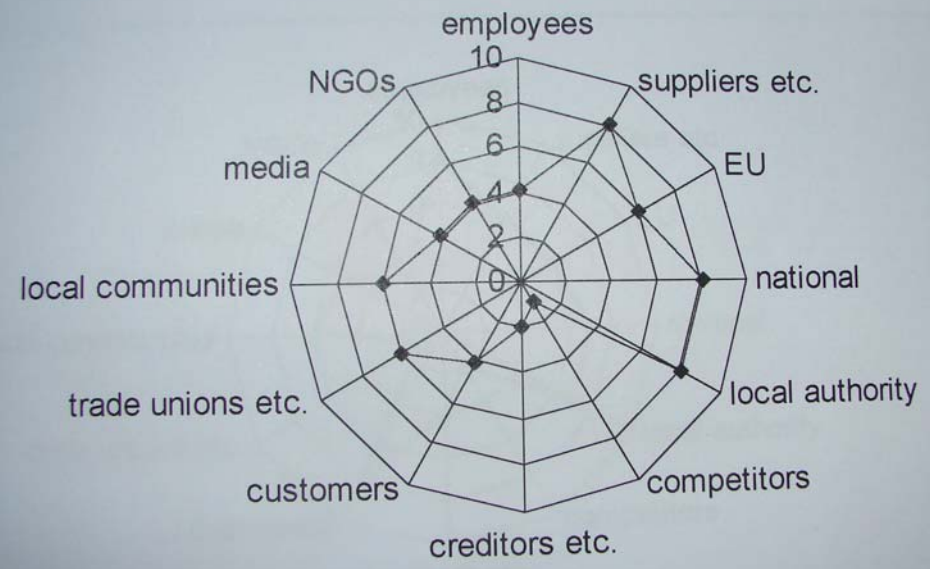
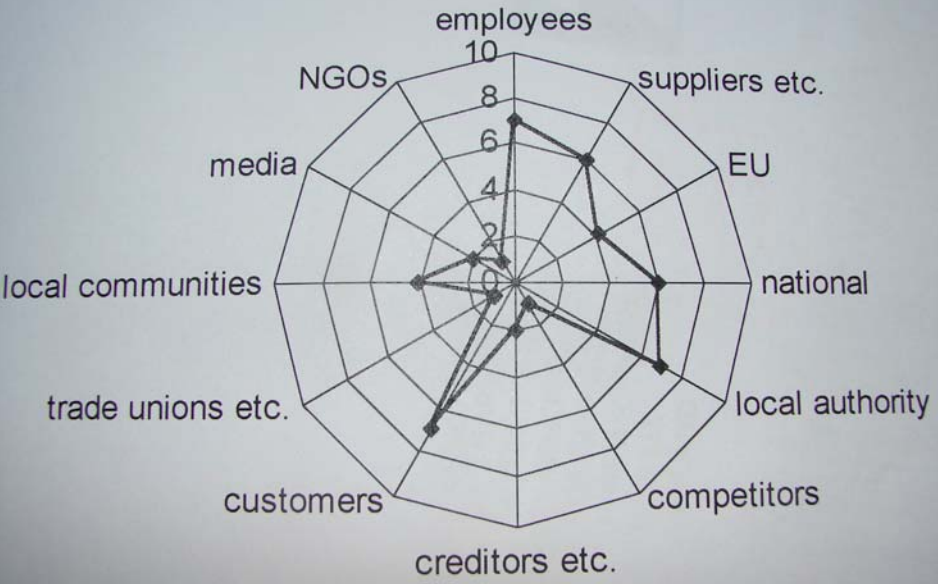
# Ratings of stakeholders for RecyCo

Stakeholders	Power	Urgency	Legitimacy	Importance	Time of influence
Employees	8	7	8	9	All
Suppliers & contractors	6	6	6	7	All
Government EU	6	4	6	6	All
Govt national	7	6	9	7	All
Govt local	7	7	9	7	All
Competitors	2	1	1	1	Unlikely
Creditors, insurers Shareholders	4	2	2	2	possible future
Customers	8	7	8	6	All
TUs, Prof. institutions	1	1	1	1	Unlikely
Local communities	6	4	8	6	All but higher in the future
Media	5	2	2	1	Possible future
NGOs	3	1	3	1	Possible future

# Power for RecyCo



# Urgency for RecyCo and for University



# So what can be concluded?

- Two analysis tools proposed here:
  - Role and affect criterion descriptors
  - Matrix and ‘spider’ diagrams to illustrate and compare
- A more flexible tool than any already existing
- Drive towards companies providing sustainability reports means WMS & EMS audits becoming much more important
- A useful tool for WMS audits
- Highlights areas for immediate or urgent attention
- Highlights areas of possible future concern
- Can be extended to audit EMS

# Implications

- Stakeholder analysis at this level is not be amenable to most or all of the formal analytic tools
- This can be used *in addition to* decision analysis and risk-related tools
- Gets to parts other tools cannot reach, such as considering stakeholders who cannot be engaged individually with ease [such as public, NGOs etc.]

Thank you for listening

**Dr Joan Harvey**

**Newcastle University**

Newcastle upon Tyne

NE1 7RU

United Kingdom

**[Joan.Harvey@ncl.ac.uk](mailto:Joan.Harvey@ncl.ac.uk)**

**+44 191 222 8829**