

## PM World Today Viewpoint – November 2006 Where Did Term "Stakeholder" Come From?

By Robert Youker

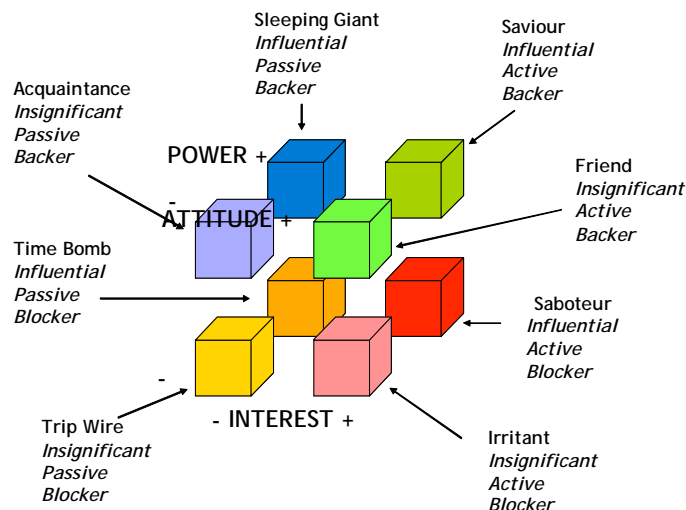
In September of 2006, US Deputy Secretary of State Robert Zoelick used the word "stakeholder" when speaking about US/China relations. The Chinese language does not have a corollary word for "stakeholder" and the use of the word led to quite a fuss. The US State Department suggested a Chinese phrase meaning "participants with related interests".

The term stakeholder has come into common useage by the end of the last century, but where did the word come from? One possible source is the person who holds the money or stakes in a bet. Another possibility is in mining prospecting where you drive stakes into the fours corners of the property you want to claim.

Stakeholders are people inside and outside an organization who have a vested interest in a problem and its solution. They can be both positive and negative in their interests. Wikipedia, the free on line encyclopedia, has a good section on the term. In all current project planning a stakeholder analysis is a vital step. But where did the common modern usage of people in "interest groups" come from?

Mason and Mitroff in their 1981 book, "Challenging Strategic Planning Assumptions" posited the following source. "The term "stakeholder" concept seems to have emerged initially in the systems analysis work on organizations conducted by researchers at the Tavistock Institute in London. Rhieman, Eric. *Industrial Democracy and Industrial Man* (London: Tavistock Institute, 1968) and Fox, Alan. *A Sociology of Work in Industry* (London: Coller MacMillan Limited, 1971), pp. 57-68 contain good discussion of the idea and its application to management."

The following diagram<sup>(1)</sup> from Lucidus Consulting in the UK displays an excellent categorization of various types of stakeholders.



- (1) Diagram from "Stakeholder Mapping" article by Ruth Murray-Webster and Peter Simon, Lucidius Consulting, which appeared in their company newsletter, Lucid Though, in November 2005.

*Editor's note: please see "Stakeholder Mapping", under PM Tips & Techniques elsewhere in this issue of the November PM World Today e-Journal, written by Ruth Murray-Webster and Peter Simon of Lucidius Consulting Limited, UK. The reprint of their article was facilitated with assistance from Mr. Youker.*



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