

5.1 Critically analyse internal and external stakeholder roles in OHSES governance.

Learning Outcome

By the end of this session, learners should be able to critically analyse the roles of internal and external stakeholders in Occupational Health, Safety, Environment, and Sustainability (OHSES) governance. Learners will examine stakeholder influence, power and interest, governance responsibilities, and the impact of stakeholder expectations on organisational performance.

Introduction

Effective OHSES governance depends on collaboration between a wide range of stakeholders. Each stakeholder has different interests, levels of influence, and responsibilities, but all contribute to achieving safe, healthy, environmentally responsible, and sustainable business operations. Understanding stakeholder roles enables organisations to make balanced decisions, strengthen governance, and improve overall OHSES performance.

What is a Stakeholder?

A stakeholder is any individual, group, or organisation that can affect, or is affected by, an organisation's activities, decisions, or performance.

Stakeholders influence organisational strategy, governance, risk management, and sustainability outcomes.

1. Identification and Categorisation of Internal and External Stakeholders

Internal Stakeholders

Internal stakeholders are individuals or groups within the organisation.

Examples include:

- Board of Directors
- Chief Executive Officer (CEO)
- Senior Management
- OHSES Managers
- Supervisors
- Employees
- Safety Representatives
- Internal Auditors

1. Identification and Categorisation of Internal and External Stakeholders

Their Role

- Develop and implement OHSES policies.
- Allocate resources.
- Identify and manage risks.
- Ensure legal compliance.
- Monitor performance.
- Promote a positive safety culture.

1. Identification and Categorisation of Internal and External Stakeholders

External Stakeholders

External stakeholders are outside the organisation but influence or are influenced by its activities.

Examples include:

- Government regulators
- Customers
- Contractors and suppliers
- Investors and shareholders
- Local communities
- Insurance companies
- Certification bodies
- Industry associations
- Emergency services
- Non-Governmental Organisations (NGOs)

1. Identification and Categorisation of Internal and External Stakeholders

Their Role

- Monitor compliance.
- Set regulatory expectations.
- Influence sustainability practices.
- Provide assurance through audits.
- Assess organisational performance.
- Protect public and environmental interests.

1. Identification and Categorisation of Internal and External Stakeholders

Not all stakeholders have the same level of influence. Organisations often use a Power–Interest Matrix to prioritise stakeholder engagement.

Stakeholder Category	Engagement Strategy
High Power – High Interest	Manage closely (Board, Regulators, Senior Management)
High Power – Low Interest	Keep satisfied (Investors, Major Customers)
Low Power – High Interest	Keep informed (Employees, Local Communities)
Low Power – Low Interest	Monitor with minimal effort

4. Impact of Stakeholder Expectations on OHSES Performance

Stakeholders increasingly expect organisations to operate responsibly and transparently.

Examples of stakeholder expectations include:

- Safe working conditions for employees.
- Legal compliance for regulators.
- Sustainable practices for investors.
- Ethical behaviour for customers.
- Environmental protection for communities.
- Transparent reporting for shareholders.

Meeting these expectations helps organisations:

- Build trust.
- Improve reputation.
- Enhance regulatory relationships.
- Attract investment.
- Strengthen organisational resilience.

Failure to meet stakeholder expectations may result in legal action, financial loss, reputational damage, or loss of stakeholder confidence.

International Frameworks Supporting Stakeholder Governance

Several recognised frameworks emphasise stakeholder engagement in OHSES governance:

- ISO 45001:2018 – Leadership, worker consultation, and participation.
- ISO 14001:2015 – Understanding the needs and expectations of interested parties.
- ISO 31000:2018 – Communication and consultation throughout the risk management process.
- GRI Standards – Stakeholder engagement and sustainability reporting.
- ESG Frameworks – Consideration of environmental, social, and governance expectations.

Practical Case Study

Scenario

A construction company plans to build a large industrial facility near a residential area.

Key stakeholders include:

- Employees concerned about workplace safety.
- Local residents worried about noise and pollution.
- Regulators ensuring legal compliance.
- Investors expecting timely project completion.
- Contractors responsible for site operations.

The organisation conducts stakeholder meetings, environmental assessments, and regular safety briefings. Feedback from stakeholders leads to improved traffic management, enhanced dust control measures, and revised work schedules to minimise community disruption.

Outcome: By engaging stakeholders early and responding to their concerns, the company strengthens trust, improves OHSES performance, and successfully completes the project with minimal conflict.

Critical Evaluation

Stakeholders play a central role in OHSES governance by influencing organisational decisions, performance, and accountability. Internal stakeholders drive implementation through leadership, supervision, and employee participation, while external stakeholders provide oversight, regulatory control, investment, and public accountability. Organisations that effectively identify, prioritise, and engage stakeholders are better equipped to manage risks, improve governance, and achieve sustainable performance. However, stakeholder interests may sometimes conflict—for example, investors may prioritise profitability while employees seek enhanced safety measures. Effective governance therefore requires balancing these competing expectations through transparent communication, ethical leadership, and evidence-based decision-making.

Summary Table

Stakeholder Aspect	Contribution to OHSES Governance
Internal Stakeholders	Implement OHSES policies and manage operational risks
External Stakeholders	Provide oversight, regulation, assurance, and accountability
Power–Interest Mapping	Prioritises stakeholder engagement and communication
Governance Roles	Clarifies responsibilities for leadership and assurance
Stakeholder Expectations	Influence organisational strategy, reputation, and performance

Reflective Questions

1. Why is stakeholder engagement essential for effective OHSES governance?
2. How does the Power–Interest Matrix help organisations prioritise stakeholder engagement?
3. Compare the roles of internal and external stakeholders in governance and assurance.
4. How can conflicting stakeholder expectations affect strategic OHSES decisions?

Key Takeaways

- Stakeholders are individuals or groups that influence or are influenced by an organisation's OHSES performance.
- Internal stakeholders implement governance systems, while external stakeholders provide oversight, assurance, and accountability.
- The Power–Interest Matrix helps organisations identify engagement priorities.
- Clearly defined governance roles improve accountability and decision-making.
- Understanding and balancing stakeholder expectations strengthens OHSES performance, organisational legitimacy, and long-term sustainability.



Thank you



Thank you