Where Did Term Stakeholder Come From?

By Bob Youker

In September of 2006, 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 let to quite a fuss. The State Department suggested a Chinese phrase meaning “participants with related interests”.

The term stakeholder has come into common usage 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 four 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.


The graphic on the following page from Lucidus Consulting in UK is an excellent categorization of various types of stakeholders.
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Commentary

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Robert Youker is an independent trainer and consultant in Project Management with more than forty years of experience in the field. He is retired from the World Bank where he developed and presented six week project management training courses for the managers of major projects in many different countries. He served as the technical author for the bank on the Instructors Resource Kit on CD ROM for a five week training course on Managing the Implementation of Development Projects. He has written and presented more than a dozen papers at the Project Management Institute and the International Project Management Association (Europe) conferences many of which have been reprinted in the Project Management Institute publications and the International Journal of Project Management (UK). Mr. Youker is a graduate of Colgate University, the Harvard Business School and studied for a doctorate in behavioral science at George Washington University. His project management experience includes new product development at Xerox Corporation and project management consulting for many companies as President of Planalog Management Systems from 1968 to 1975. He has taught in Project Management Courses for AMA, AMR, AED, ILI, ILO, UCLA, University of Wisconsin, George Washington University, the Asian Development Bank and many other organizations. He developed and presented the first Project Management courses in Pakistan, Turkey, China and Africa for the World Bank. A few years ago Mr. Youker conducted Project Management training in Amman, Jordan financed by the European Union for 75 high level civil servants from Iraq who implemented the first four World Bank projects in Iraq. He is a former Director of PMI, IPMA and asapm, the USA member organization of IPMA. Most recently he has been consulting for the US Government Millennium Challenge Corporation on project management training in Africa. Bob can be contacted at bobyouker@att.net

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