

# Measuring Stakeholder Engagement Effectiveness

IFC

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# Cross Cutting Patterns

1. In a context of social and political tension, company impacts are, by definition, never neutral
2. Company-community issues are never due to external factors only
3. Daily operational activities, more than community projects, determine community perception.
4. Community support is determined by *how* companies operate rather than by *what* they do
5. No single type of behavior creates the problem, no single silver bullet solution
6. Perceptions count, even if factually incorrect
7. Comp.- comm. conflict is predictable and, thus, preventable

# Running into trouble due to...

- I. Benefit Distribution
- II. Corporate/Staff behavior
- III. Impacts due to:
  - a. Migrants
  - b. Cash
  - c. Corporate activities

# Effective Engagement – *How* rather than *What*

- I. **Work and operate in a transparent manner**
- II. **Distribute benefits according to local standards of fairness**
- III. **Design operations that are inclusive and uniting**
- IV. **Ensure durability of all activities**
- V. **Respectful to people and cultural norms and values**

# Common pitfalls –Internal

Most companies are remarkably non-strategic in their stakeholder engagement approach! Lack in rigor of assessing return on investment.

- External Affairs considered “add-on”
- Organizational obstacles

Results:

- External Affairs Kingdoms
- Same problems keep coming back
- Conflict management not conflict prevention

# Risk Prevention Rather than Management

- Take away incentives for groups to behave violently
- Policies and Procedures (the “No-brainers”)
  - Grievance Procedure
  - Communications Protocol
  - Pro-active Local Content Policy
  - Community Monitoring
  - Promise Register
  - Contractual clauses
- Base ALL Corporate Decisions on the 5 key principles and review through a Corporate Impact Lens (see handout):
- Invest in front-line staff (log., training, “listening time”) and local staff
- Strengthen internal management systems
  - Have a long term strategy agreed upon with local stakeholders
  - Integrate community perspective into project design
  - Analyze conflict report cards
  - Link above ground issues to rewards system

# Effectiveness-Indicators

- Poor:
  - Rising trends in theft levels
  - Community accuses the company of stealing resources
  - No community entry without bodyguards
  - Targeted sabotage
- Shaky:
  - Proliferation of community groups
  - Increasing demands (MoUs)
  - Same issues keep coming back
  - Company accused of “not caring/being arrogant”
- Good:
  - No disproportional outrage after accidents
  - Attendance without getting seating allowance
  - Community points out trouble makers themselves
  - Low demand for “things” but, rather, for soft skills