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