



BSR Conference 2009

Reset Economy. Reset World.

Corporate Stakeholder Engagement: Time to Evolve Our Language and Approach?

Breakout Session Summary

Thursday, October 22, 2009 | 1:45-4 p.m.

Speakers

- » **Dost Bardouille-Crema**, Associate Director, Corporate Engagement Project, CDA Collaborative Learning Projects
- » **Marie David**, Director, Corporate Strategy & Sustainability, Wal-Mart Stores, Inc.
- » **Dan Henkle**, Senior Vice President, Global Responsibility, Gap Inc.
- » **Kathleen Shaver**, Director, Corporate Responsibility, Mattel
- » **Stacey Smith**, Managing Director, BSR (moderator)

Highlights

- » The future of stakeholder engagement is tied to the future of CSR within a company—the best vision for both is complete integration into everyday operations.
- » Stakeholder engagement practitioners are seeking to change their functions from driving all corporate engagement to serving as a resource for daily operational engagement.
- » Corporations have more control than they realize over their interactions with stakeholders. Engagement experiences and outcomes are often driven more by internal policies and practices than external factors.

Memorable Quotes

“If we are listening to the dialogue, if we are open to learning from each other, we are probably going to make better decisions as a company.” —Dan Henkle, Gap, Inc.

“The proliferation and complexity of stakeholders is very different than it was years ago—[stakeholder groups include everything from] professional societies to parents groups. The landscape is more complex, and interested groups have grown exponentially.” —Kathleen Shaver, Mattel

“Stakeholder perceptions translate into realities for your company.” —Dost Bardouille-Crema, CDA Collaborative Learning Projects

“If we don’t address the big issues, then everything else we are working on becomes irrelevant.” —Marie David, Wal-Mart Stores, Inc.

Overview

Stakeholder engagement is a key piece in the corporate responsibility and sustainability toolkit. Smith opened the session by acknowledging that while it is increasingly difficult for companies to “go it alone,” the line between clear accountability and shared responsibility is often hard to discern.

Companies want stakeholder engagement programs that are strategic and focused. Because it is impossible to engage with every stakeholder, Henkle explained that Gap, Inc., undertook a



rigorous analysis to ensure the company's stakeholders are experts who bring key perspectives to the conversation.

David said Wal-Mart's engagement strategy considers the difference between proactive and reactive engagements, and she highlighted the importance of timing in the creation of stakeholder relationships. Similarly, Shaver reported that Mattel's goal is to create career-long relationships with key stakeholders who can have a holistic, strategic impact on company activities, while Bardouille-Crema emphasized the need for companies to acknowledge the business case of engagement, such as the creation of a social license to operate. Companies that refuse to engage until stakeholders become obstructive are reinforcing that behavior because the community has no other avenue to present its voice. Lack of positive stakeholder engagement practices threatens a company's access to the limited resources that will be available in the future.

Smith challenged the group to think about what stakeholder engagement will look like in five years. Henkle envisions a time when engagement no longer resides only within the corporate social responsibility (CSR) department but becomes a key activity throughout the business. David added that Wal-Mart is looking for ways to include its 2 million associates in engagement; until it becomes bottom up and top down, stakeholder engagement will not be as effective. Some firms are using new technologies to reach out to a broader base. Shaver said she would like to see a reversal of roles at Mattel, where her colleagues seek out external stakeholder input and she acts as an internal consultant on how to engage effectively.

Bardouille-Crema offered the group an analogy: Thirty years ago, companies' safety practitioner role was not taken seriously, and today that function is recognized as integral to successful business operations. She would like to see the CSR function become as deeply ingrained as the safety role is today. Stakeholders, who have a shared interest and represent societal values, should be seen as a resource, and companies should develop metrics and indicators to recognize the impact of stakeholder engagement.

Smith then focused the discussion on how to change the practice of stakeholder engagement. The group agreed that stakeholder engagement needs to become a part of everyday business processes, like budgeting. Engagement should evolve to encourage partnerships in which corporations and advocacy organizations see each other as natural allies collaborating to solve big problems.

The session closed with a sobering acknowledgement: In order for CSR work to remain relevant, corporate stakeholder engagement must do much more to address big issues such as poverty, global hunger, and climate disruption. Social and environmental change won't happen overnight, and companies have a responsibility to set long-term goals; the road map for where we want to be in 2020 or 2050 should inform our stakeholder engagement practices.

Smith's final thoughts recognized that the issues companies grapple with are manifestations of larger global challenges, and that the mystery lies in how to create solutions, both locally, within our companies, and as a global community. Stakeholder engagement—an exceptional tool for moving people out of their comfortable operating environments and challenging them to pursue new thinking—gives people tools they can use at home to create real impact.

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