

Feed-back form the Hungarian Consultation Workshop on AA1000SES

Session 1 – Understanding Stakeholder Engagement

In the first part of the workshop, moderated by Dr László Radácsi, managing director of B&P Braun & Partners CSR Management, the participants discussed the definition of stakeholder engagement. The representatives of companies and civil organizations shared their personal and professional experiences in a detailed discussion of the most important related topics. Given that most of them have already been involved in different stakeholder engagement processes, their opinions were based on practical experiences. Please see the detailed answers in the chart below:

Question	Feedback comment /Recommendation
<p>How does stakeholder engagement contribute to accountability and sustainable development?</p>	<ul style="list-style-type: none"> • <i>In order to ensure the transparency of the process, all the information should be made available for each participant in the stakeholder engagement.</i> • <i>One of the aims of stakeholder engagement is to raise awareness about corporate social responsibility and related sustainability issues. To achieve this goal, it is crucial to convince the media to communicate CSR related topics in a different way than today. (Today, CSR typically is equaled with company donation).</i>
<p>Why do organizations undertake stakeholder engagement and who benefits from stakeholder engagement?</p>	<ul style="list-style-type: none"> • <i>Companies primarily expect business benefits from stakeholder engagement</i> • <i>Another objective of these initiatives is to have a closer contact with local stakeholders</i> • <i>Although it is a widespread belief that big, multinational companies are not welcomed in the country, engaging with stakeholders on the local level may prove the opposite. During a stakeholder dialogue, a company could get a clearer picture about the expectations of the local community.</i> • <i>A well organized stakeholder dialogue may enhance business operation, since the stakeholders have a chance to discuss their expectations and the potential sources of conflicts.</i>
<p>What is the role of stakeholder engagement in different contexts (business/organisational strategy, one off projects, government/public sector consultation)</p>	<ul style="list-style-type: none"> • <i>Stakeholder engagement ideally is not a one off project, it should be a continuous exercise. On the other hand care should be taken so that it does not become an empty,, formal process</i> • <i>Stakeholder engagement could become the part of the organizational strategy if the real expectations and needs of the different stakeholders are recognized and taken care of at each operational level.</i> • <i>Stakeholder engagement is a useful tool to support</i>

	<p><i>strategic objectives, but before entering into a stakeholder engagement process, these goals must be clearly defined and prioritized.</i></p> <ul style="list-style-type: none"> • <i>To achieve and maintain effective stakeholder engagement at every operational level, the internal communication must be well coordinated and aligned. It is a huge task both on a personal and on an institutional level, therefore education of the stakeholders has a very important role.</i>
<p>What are some of the common success factors and common challenges to good quality stakeholder engagement?</p>	<ul style="list-style-type: none"> • <i>The different decision making mechanisms in different type of organizations may hinder efficiency of engagement projects. The time needed for decision making in different organizations must be considered.</i> • <i>It is important who represents the company in the stakeholder engagement. A committed expert could adequately communicate the importance of the current engagement toward decision making levels. It is crucial for the company to delegate people whose aim is to create real cooperations.</i> • <i>To give feedback from the stakeholder engagement process to all participants is critical, even if it could be very resource-intensive. Stakeholder engagement which is handled as a one-off project may leave the participants dissatisfied, therefore continuous engagements are advisable.</i> • <i>The most important steps of the stakeholder engagement are the assessment and understanding of expectations. Companies also should be made aware that their commitments later require resources, so they should only make promises that they can fulfill in the future.</i> • <i>The formal context of the stakeholder engagement must be clarified at the beginning of the process; it is also necessary to ensure the transparency of the tasks, responsibilities and protocols</i> • <i>One of the key success factors could be the involvement of the stakeholders in the planning phase of the engagement project.</i> • <i>Consultation and thorough preparation are a must before all engagement processes.</i> • <i>Sticking to high ethical standards on all sides is essential.</i>
<p>What are some of the barriers to making stakeholder engagement a more strategic considerations in organisation (or where this has been achieved, what were the important factors)?</p>	<ul style="list-style-type: none"> • <i>Generally CSR is perceived as donation and environmental protection. That's the reason why many civil organizations consider the companies rather as donors and not as strategic partners (the same is true vice-versa.)</i> • <i>A potential barrier is the lack of a single stakeholder engagement policy/guidance/standard, which contains all the stakeholder engagement related practices.</i> • <i>During a stakeholder forum, ambiguous concepts could be clarified, which is crucial to speak a common language. Understanding the cultural differences between organizations is a prerequisite to deal with potential mistrust among stakeholders.</i>

Anything else?	<ul style="list-style-type: none"> •
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Session 2 – The nature of the AA10000 SES

In the afternoon the focus of the workshop shifted on the standard itself and its possible modifications. With the moderation of Perényi Patrik, senior consultant of B&P Braun & Partners CSR Management,, the participants discussed in depth the structure of the standard and as a result, innovative proposals and ideas were made how the standard could be improved

<p>What should the focus/aim of the AA1000SES be (i.e. should it remain focused on CSR issues, or should it address wider engagement/dialogue and participation issues)</p>	<ul style="list-style-type: none"> • <i>Since the standard is a methodological tool, its scope is to provide a framework for efficient stakeholder engagement, while remaining flexible enough to be applicable on different organizational levels.</i> • <i>The standard needs to have a broader concept, given that all organizational activities could be related to CSR.</i>
<p>Are there any gaps in the market that AA1000SES should try and fill?</p>	<ul style="list-style-type: none"> • <i>So far there isn't any guideline which focuses on the measurability of stakeholder engagements. However success is measured differently in different companies, which makes it difficult for a standard to include guidelines on measurement.</i>
<p>What should the scope of the AA1000SES cover?</p>	<ul style="list-style-type: none"> • <i>The standard should address the decision makers within the company, but it should also be flexible enough for a broader use.</i> • <i>The standard should target a wider set of engagements, so it must be understandable for all types of organizations and different organizational levels. It means that besides the professional development of the standard, the understandability of its language is a core question. Usage of CSR/sustainability lingo is to be avoided, terms and concepts should be explained.</i>
<p>How can the AA1000SES link stakeholder engagement more effectively with strategy and core operation?</p>	<ul style="list-style-type: none"> • <i>In order to serve strategic goals, continuity is a core question in stakeholder engagements</i> • <i>It is an important aspect of the standard to support the actual daily work of the different organizational departments. A template which contains successfully implemented stakeholder engagement case studies could make the standard more understandable and useful.</i>

<p>Which other standards does it need to aligned with and how?</p>	<ul style="list-style-type: none"> • <i>Since one of the main principles of the standard is to ensure transparency, a cross-reference table with other related standards may enhance the efficiency. (e.g.: providing links which point of AA1000SES matches the point of other standards, e.g. GRI.)</i>
<p>What should the balance be between requirements and guidance?</p>	<ul style="list-style-type: none"> • <i>According to some of the participants the standard should be a step-by-step guidance of the stakeholder engagement, in order to ensure successful practical implementation of the process. At the same time, other participants suggested to combine the characteristics of a standard and a guidance, which could be adopted globally</i> • <i>Still others thought that, a „skeleton” would be enough, which contains only the most basic principles and processes of stakeholder engagement, supplemented with an additional volume with practical examples, case studies and advices.</i>
<p>How should the standard function in the market place (e.g. should it become a certification standard, remain as guidance or something else?)</p>	<ul style="list-style-type: none"> • <i>If the standard focused only on stakeholder forums than its processes could be better-standardized, but given that the focus of the standard is broader, it would better remain a guidance only.</i>
<p>Anything else?</p>	<ul style="list-style-type: none"> • <i>A chapter could be added for those stakeholders who take part in the engagement process as attendees and not as organizers/initiators: what to expect from the process, how to prepare, what guarantees that they are not misused in any way etc.</i>