



Stakeholder Engagement Resource Letter

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News

27 October, 2005 – Public Affairs
Association of Canada adopts
Statement of Ethical Principles

Beyond abiding by relevant federal and provincial legislation the Statement is a compass indicating the expectations for appropriate conduct. It contains a series of guidelines that define that define instances where conflict arise and how they should be handled, how to ensure transparency in protecting the public interest, and how to positively engage with government while serving the interests of not-for-profit and private sector clients. It also requires professionals to avoid impropriety, act at all times with due respect for the law, provide services in a manner that is forthright and unbiased, and to treat financial and contractual matters in a clear and honest manner.

15 November, 2005 – “Building a 21st
Century City” Report Released

This joint staff report to the Governments of Ontario and Toronto, maps out the task force’s recommendations for making Toronto more “fiscally accountable, autonomous and how to provide it

with the tools it needs to thrive in the global economy”. The task force reviewed the City of Toronto Act, Municipal Act and more than 350 other pieces of legislation. Apart from conferring “broad and permissive powers” to the city the report also deals with the thorny issue of governance and accountability – long the target of some important groups in the City including the Toronto Board of Trade. It recommends that the soon to be released legislation require the city to have an independent integrity commissioner, ombudsman and auditor general, and a lobbyist registry. However, the report is not as prescriptive when it comes to the governance structure for the city. The province and others have stated their preference for a system that gives more defined authority to the Mayor on city-wide matters such as the long term strategic plan and budget. The other major cities in Ontario are watching this development with interest. Stay tuned.

Bits and Bites from October/November,
2005

Engaging Employees Pays Off:

Two thirds of companies are unsuccessful in communicating business strategy to employees and motivating workers to carry out those goals in their daily jobs. Companies with the highest levels of effective communications experienced a 26% return on investment, compared with a 15% return for companies that communicate least effectively. Employee turn-over rates were

significantly lower among organizations that communicate effectively. (source: Watson Wyatt/Right Management/IABC)

In-house Corporate Counsel Take on CSR Leadership Role:

As reported in the Financial Times, a survey by CMS Cameron McKenna, a U.K. based law firm, surveyed senior corporate executives and found that while one third said that the CEO had overall responsibility for Corporate Social Responsibility, more than half said in-house lawyers should take the lead on corporate responsibility. As corporate liability expands to include issues from breaches of labour practice codes in developing countries to concerns over obesity in the West, senior lawyers are regular participants in meetings to discuss them. (source: National Post, October 1, 2005)

Best Practice

Why issue-based corporate coalitions make sense – It's a question of leadership

On November 17, 2005 Alcan Inc. released a call to action on climate change and energy in advance of the Montreal's United Nations Climate Change Conference on behalf of The Executive Forum on Climate Change. The call to action was signed by 20 other members of the forum who come from a broad cross section of Canada's industrial base.

The purpose of the timing of the intervention was to give direction to the Canadian Chair of the United Nations Climate Change Conference. It laid out a number of policy issues the group wants to see at the conference and implemented as policy in Canada including the need to maintain a competitive economy, targeted

investments in CO₂ capture, a post 2012 strategy, development of market based instruments, improving the Clean Development Mechanism and continued engagement of consumers.

These are hardly unexpected or unusual recommendations from industry. Nevertheless, Alcan was subject to media criticism – notably Terrance Corcoran from the National Post who dismissed the initiative as a misguided public relations exercise.

Nothing could be further from the truth and initiatives like this one make a lot of strategic sense.

Firstly, industry has learned the hard way in the past that governments cannot be trusted to fully represent them at international meetings – particularly on the climate change file which was unleashed on an unsuspecting Canadian corporate sector from the get go. A coalition of interests, ideally involving government as a participant, offers a great deal more protection and assurances that messages are heard and understandings will be carried forward.

Secondly, the more mature an issue becomes the more essential it is that industry takes a leadership role. Climate change is no longer an infant issue being pushed by fringe environmental groups and vested interests. It is now mainstream and subject to current and future policy and regulation. In stakeholder engagement parlance the issue is said to have moved beyond the Latent, and Emerging stages, and is now somewhere between being Consolidated and Institutionalized.

Leadership companies are wise to form coalitions of similarly minded companies at this stage because like them, I would

much rather be driving the bus than riding in it or watching it go by.

Finding partners to help you manage the impact of public policy on your business makes a lot of sense because if you see yourself as having to take a leadership position on an issue because it is so damn important to you, then you want a way of making sure that the rest of the industry does not undercut you through poor practices or contradictory and opposing positions to government or other important stakeholders. Creating vehicles like the Forum are therefore strategically relevant and logical.

The alternative is to be defensive and reactive and it is hardly an alternative given what is at stake. It is too easy to say that “it is not our job to tell the rest of our industry what to do – we are not government”, or to wait and accept the consequences.

There have been many successful industry coalitions and there will be many more.

What do the successful ones have in common? In my experience after starting, advising and participating on a number here is what counts:

- ✓ The coalition should be led by the most credible company in the sector – one that has some trust built up with stakeholder groups and a positive track record on the issue.
- ✓ Using a co-chair governance model can be an effective way of knitting together two related industries, or equal power bases within the same industry, to build a more influential organization – remember that a large coalition is more influential than a small one and sometimes the co-chair

approach helps you get to critical mass size much more quickly.

- ✓ Getting government's tacit or formal endorsement is important – at the end of the day you will need to be sitting on the same side of the table and agreeing on something anyway.
- ✓ Key stakeholders should be included in discussions at various points – even better is to include them in your coalition from the start.
- ✓ Take the time to do a formal stakeholder mapping and audit exercise – it will pay off and you will have a much more fulsome solution when you are done.
- ✓ Create a brand and an identity for your coalition. Make it real, credible and well organized – have a web site.
- ✓ Agree on a founding charter and statement of principles – form a secretariat because you can't rely on corporate volunteers for all the heavy lifting.

And last but not least, as Alcan has discovered, realize that the media will likely not always treat you fairly and this will cause some of your coalition partners to get a little anxious. But sometimes leadership comes with the need to put yourself and your corporate brand in the public spotlight. Take heart that only 49% of Canadian's trust journalists, and only 16% trust Canadian politicians (source Leger Marketing).

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Links

www.publicaffairs.ca
www.toronto.ontario.ca
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