

# The benefits of building long-term relationships with stakeholders

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## **Synopsis of after-dinner speech: The benefits of building long-term relationships with stakeholders**

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The web-sites which offer clues to making jokes for after-dinner speeches are strangely silent when you key in 'stakeholder engagement'. This being so, what follows will be fairly serious, as befits the subject, though there will be occasional references to metaphors about long-term marital, relationships, divorce etc.

I will talk about 'genuine' relationships with stakeholders rather than 'marriages of convenience'. So a minimum condition is mutual positive regard and desire to make the relationship work.

There is a simple one-word answer to the question of what are the benefits of building good stakeholder relationships: **legitimacy** of decision-making. Of course the decision reached may be different in some respects from the one you first wanted – the problem/advantage of a genuine engagement process is that you will be influenced by the relationship. Or negatively: if you are not influenced by them, your stakeholders may divorce you.

Legitimacy is not the same thing as consensus or even a lack of ongoing opposition. Instead it means that people who remain to some degree unhappy with the decision outcome still feel that the decision-process has been fair ('due process'). The chances are then that the decision will stick.

So how can this long-term relationship be developed? I have (only?) 14 rules.... developed out of our CoRWM experience of public and stakeholder engagement - though whether we *kept* to them is for others, more objective than I can be, to say.

1. It's stakeholder engagement, not management. 'Management' smacks of manipulation and keeping stakeholders at bay
2. Treat engagement as a top management priority. If it's secondary it won't work. Your facilitators must be trusted by all parties and be independent of your organisation
3. Check whether or not you need to engage the public (i.e. the non-aligned) as well as stakeholders. Legitimacy will often demand that you do, and if so, it can become a lot more expensive – you need deliberation, not opinion polling.
4. Always act on the idea that stakeholders' views are genuine and respect their case, however oppositional it may be.
5. Open your engagement right from the start of the process – get stakeholders to help you 'frame' the questions to be answered. This will substantively help and also make it hard for stakeholders to argue later that you have answered the wrong question.
6. Always negotiate and be prepared to shift position if you need to – it's a 2-way process. An acceptable, but non-ideal decision is infinitely better than one which is 'ideal' - but turns out to be infeasible.

7. When you need to disagree with a stakeholder view, say so as early as you can and give as full an explanation as possible of your reasons. Avoid giving any impression that you are going to agree with someone when you know you will not.

8. Whenever you meet stakeholders, always publish the agenda, the nature of the discussion and the results of the meeting. Work in public when you can and make disagreements visible so that rumours do not get out of control.

9. Never 'reassure' stakeholders – they will know that you are being patronising.

10. If you have stakeholders who either vehemently disagree with you, or each other, be prepared to meet them bilaterally to try and build a basis for trust.

11. Keep stakeholder meetings as small as you can, and well-focussed. Big, general, wide-ranging meetings always leave some stakeholders frustrated and unheard and you won't learn much.

12. Pace your engagement carefully – don't rush it but don't let it be open-ended. Some stakeholders may try to delay and filibuster and if they can reasonably claim you have rushed things, they will get wider support, and legitimacy will be reduced.

13. Always publish what you have decided and explain clearly the process by which you got there. Don't leave a yawning gap (in logic or over time) between the engagement process and the decision.

14.....and make sure your budget is big enough. Good engagement will be costly but if properly and honestly done, it will be immensely cost-effective.

Finally, and despite the clear frustrations you may experience, the process will be eventually rewarding, just like a good marriage.....