

Listening to Stakeholders: Creating Meaningful Relationships



Managing stakeholder relations is a lot about listening. Without embarking on a listening exercise, corporations would simply be guessing what their stakeholders want or expect of them. **Andy See Teong Leng, AMIM** sheds more light on the subject.

“Friends, Romans,
countrymen, lend me
your ears....”

More than 500 years after Shakespeare penned these lines for Mark Anthony to marshal opinions from various stakeholders at Julius Caesar's wake, the need for today's corporate world to stay in touch with its stakeholders has not diminished with time.

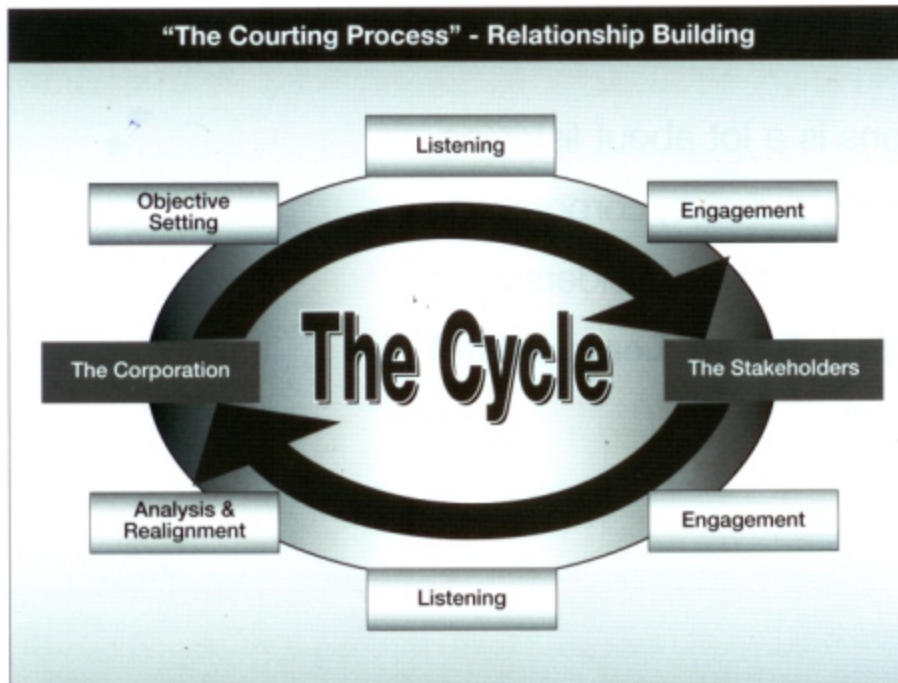
In fact, over the past few years, this recognition has increased in intensity, largely driven by the changing attitude of communities towards corporations. Corporate and financial scandals and crises have eroded the public's confidence and trust in private enterprises, resulting in the perception that corporations are not operating in a responsible manner.

The demand for greater corporate governance and social responsibility from the general public and regulators indicate that “trust” is rare in relationships between communities and corporations. This is a global phenomenon and the Malaysian corporate scene is no different.

Realising how critical the issue of trust has on key business activities such as regulatory costs, brand affinity and even actual sales, many progressive corporations have now begun to embark on stakeholder relationship activities, including developing comprehensive Corporate Social Responsibility (CSR) programmes to establish better relationships with their stakeholders. In this regard, stakeholders refer to customers, regulators, local politicians, special interests groups, employees, shareholders and other groups that these companies deal with directly or indirectly.

Strangely, many of these CSR or stakeholder relationship building activities are planned and decided within the confines of the corporate offices on the basis that they sound “nice”, resulting in full blown launches.

These nice-to-have programmes may not even be relevant to the corporation's stakeholders and their businesses, yet they cost millions. Corporations could benefit in building meaningful relationships with stakeholders if they start to ask their stakeholders what they really want.



Never take the shortcut and assume we understand enough to unilaterally develop and roll out a communication campaign without first taking a step back to listen to stakeholders.

Business Communication 101 tells us that listening is the most important yet least taught communication skill. Similarly, this is also true in Stakeholder Relationship Building 101. Corporations need to learn or understand that without embarking on a listening exercise, they are simply guessing what their stakeholders want or expect of them.

Here, we need to learn from our marketing initiatives and ask ourselves these questions: Have we conducted focus group sessions to know the qualitative expectations of our stakeholders? Did we carry out research

to get more insights? Can we replicate those activities in our Stakeholder Relations programmes?

The answer is obvious. Just like marketing, which is tasked with building relationships with customers, we need to embark on listening activities such as focus groups, interviews or stakeholder audits to learn and appreciate what our stakeholders want and expect. Sadly, many corporations in Malaysia fail to give their Corporate Communication, Public Relations or Strategic Communication units a budget to embark on listening exercises despite it being a strategic issue.

Listening is key to any communication strategy. Never take the shortcut and assume we understand enough to unilaterally develop and roll out a communication campaign without first taking a step back to listen to stakeholders.

Listening is the best way to get to know stakeholders although some of them may be considered "hostile" or unfriendly stakeholders. Many corporations, especially those operating in "sensitive" industries, have never met Consumer Groups or NGOs which they consider as being against them. Strangely, many that have the courage to eventually meet with these stakeholders and sit down to discuss solutions finally end up being partners, saving the company millions of ringgit on counter lobbying efforts.

"Tak kenal maka tak cinta"

– this applies to relationships with any parties including possible unfriendly parties. Many we consider hostile are merely people who lack understanding and information.

Listening to stakeholders can be a time consuming activity but the reality is, if corporations want to build meaningful relationships, they cannot afford to ignore this. Just like human friendships, corporations should invest enough time and effort into listening, in order to earn others' trust and love. Similarly, our stakeholders will only trust and feel a sense of affiliation to companies that take a step back and listen to their stakeholders' needs.

HOW DO WE LISTEN?

Read what people are writing about us or the industry. While monitoring the print media is one key activity, monitoring of websites and blogs is another important area. Many "real" issues are actually discussed online rather than offline.

Whatever it is, nothing beats a face-

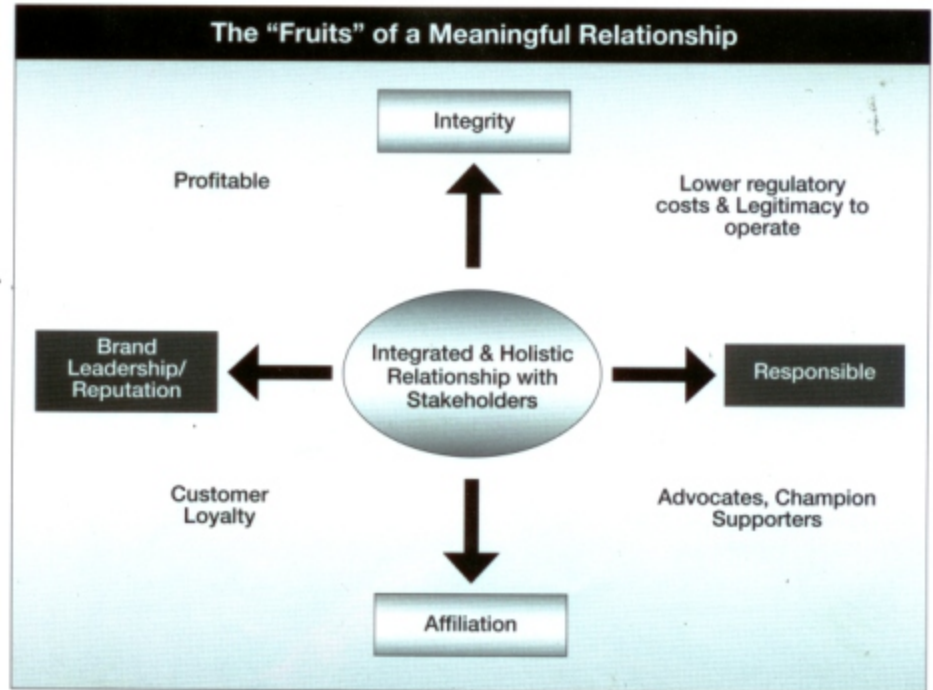
to-face meeting with stakeholders. Talk to them. Show them that you are serious about getting their feedback and thoughts. If certain stakeholders may be “shy” to talk to you, don’t hesitate to hire third parties to talk to them. Confidentiality is a must in this regard.

The important outcome here is to find out the issues, not who said what.

This is especially critical when it comes to talking to key “sensitive” stakeholders such as employees, suppliers, business partners, customers and even residents living near your plants.

In light of the sensitive nature of “information hunting” amongst stakeholders, the appointment of third parties may be a more effective means of understanding the actual pulse of the grassroots, particularly when there is a possibility that stakeholders may not open up when discussing the issue with us. Under such circumstances, stakeholders are more emboldened to express their views and share their thoughts to a neutral party as opposed to direct representatives of the organisation.


At times, the engagement of an external party also reflects the genuine intention to listen to the honest opinions of its stakeholders. Apart from the listening process, the compilation and analysis of data by a third party is viewed as more credible and objective. It is crucial that credibility be established at this stage. For a doubt to exist in the gathering and collation of data, trust from stakeholders will be affected. In this regard, the third party that is engaged must also protect the integrity of the exercise by disclosing only relevant information to the organisation. Identity of stakeholders should never be revealed.



Is stakeholder relationship building easy? No, it is not and it does require investment and commitment – people, time and money. Similar to any relationships, it is never easy to woo or court someone, but the fruits of successful communication or dialogue will result in relationships that last a lifetime. Ask any relationship counsellor and he or she will give you the same answer – you need to listen to each other!

From a corporation’s standpoint, an integrated and holistic relationship where communication and trust exist with its stakeholders will lead them to perceive the corporation as one that

is responsible, has integrity and is a brand leader. This will build a sense of affiliation, which will translate into many benefits for the corporation such as brand loyalty, brand advocates and champions. In turn, this translates into higher sales, lower regulatory costs and even higher profits for the corporation.

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