

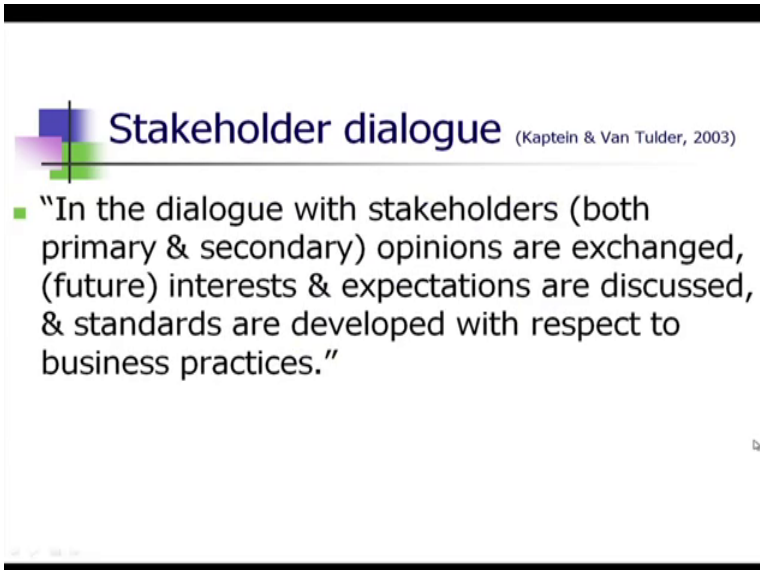
**Corporate Social Responsibility**  
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**Lecture – 21**  
**Stakeholder Dialogue**

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and in the previous lectures, we have talked about various aspects of stakeholders various aspects of what; who is stakeholders are; what they do; how they and how we identify them; how we access their needs; what do we do you know on this different theories of CSR have been discussed. Now in this class, we are going to start talking about the nuts and bolts of CSR, we are going to talk about; how do we actually start with the process of CSR activity. So, the first thing we need to do is we were talking about stakeholders in the previous lecture.

Now we need to find out what how do we start this process of getting the stakeholders involved in the CSR process and how do we start planning the CSR process how do we start implementing CSR activities. So, that is what the lecturers from now one will deal with excuse me. So, today in this lecture I will talk about CSR dialogue sorry stakeholder dialogue stakeholder dialogue is the interaction between stakeholders an organizations let me just show you let see what we have in this lecture stakeholder dialogue.

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**Stakeholder dialogue** (Kaptein & Van Tulder, 2003)

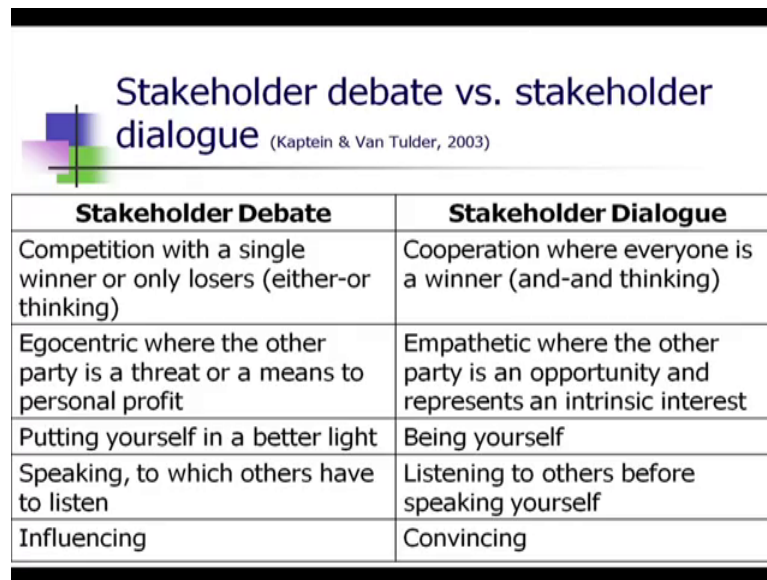
- "In the dialogue with stakeholders (both primary & secondary) opinions are exchanged, (future) interests & expectations are discussed, & standards are developed with respect to business practices."

Now, this discussion is based on a paper Kaptein and Van Tulder that they published in 2003, I will give you the complete reference of the paper its a beautifully written paper about stakeholder dialogue the interaction between stakeholders and the profit making organizations stakeholder dialogue according to the authors is you know when this is stakeholder dialogue they say that is the dialogue with stakeholders both primary and secondary opinions are exchanged future interests and expectations are discussed and standards are developed with respect to business practices.

So, when dialogue takes place of the stakeholders dialogue is the interaction the process of drawing of understanding what the other person needs it is the process of knowing what the stakeholders wants we need to find out we need to come together we need to talk to them we need to set a cross a table and discuss in same this is this are my expectations these are your expectations this is how we will get our expectations to match with each other this is how we will satisfy each other's needs.

So, that is what stakeholder dialogue is and it is in the dialogue. It is a cooperative process you get together with the stakeholders and you exchange opinions you find out, what they are opinions are you find out you share your opinions with them you find out, what their interests are you share you share your interests with them you find out, what their expectations from you or you share your expectations of them with them and you sort of sit together and find out how you can get together and do something together how you can built a collaborative process a that what is stakeholder dialogue is.

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The slide features a title 'Stakeholder debate vs. stakeholder dialogue' with a subtitle '(Kaptein & Van Tulder, 2003)'. Below the title is a table comparing the two concepts. The table has two columns: 'Stakeholder Debate' and 'Stakeholder Dialogue'. The rows describe the nature of the interaction, the perspective of the other party, the communication style, and the goal of the interaction.

<b>Stakeholder Debate</b>	<b>Stakeholder Dialogue</b>
Competition with a single winner or only losers (either-or thinking)	Cooperation where everyone is a winner (and-and thinking)
Egocentric where the other party is a threat or a means to personal profit	Empathetic where the other party is an opportunity and represents an intrinsic interest
Putting yourself in a better light	Being yourself
Speaking, to which others have to listen	Listening to others before speaking yourself
Influencing	Convincing

Now we must before we move in to stakeholder dialogue we must understand that you know often times what happens is that one of the party says that I will do what I want and I will not listen to the other party one party assumes dominant stand point and tries to impose its views sometimes knowingly sometimes unknowingly on the other party that in turn leads to the other party becoming very defensive and that results in stakeholder debate that is not stakeholder dialogue it is not just 2 parties talking to each other a dialogue happens when both are on an equal footing stakeholder debate is when both are trying to get a one upon each other.

So, we must learn to differentiate between stakeholder debate and stakeholder dialogue now the authors of the paper that I once telling about a very beautifully summarized the differences between stakeholder debate and stakeholder dialogue they say that the first point of difference here is competition; competition with a single winner or only losers either or thinking stakeholder in stakeholder debate both party say that I want to achieve my goal and what the other party gets is of no concerned to me that is either or thinking it is either this or that there is no middle ground.

So, that is a competitions single winner or only losers stakeholder dialogue results in cooperation where everyone is a winner both the party sit across the table both of them learn to they are tolerant of each other's issues of each other stand points they win a

little, they lose a little and come to come to mutually agreeable mutually expectable situation and they say well if I am losing your little bit I am also gaining some things.

So, I may not be gaining whatever I wanted my benefit may not be a hundred percent, but in losing a little I give the other party a benefit that they would not have got and doing. So, we cooperate and the relationship is much longer realistic. So, that is stakeholder dialogue it is a win-win situation is an and thinking.

The second point of difference that the author says egocentrism in stakeholder dialogue both the parties are egocentric they say I am the my opinion has the is dominant my opinion is the better of the 2 in this situation my opinion should hold good and the others opinion is of no consequence where the it is egocentric where the other party is a threat or a means to personal profit.

Now when they talk about dialogue the; in stakeholder dialogue the approach is empathetic where the other party is an opportunity and represents an intrinsic interest. So, we put ourselves in the shoes to the other party and say well what can be done to make this situation beneficial for all we try and see things from the other persons perspective also that is empathetic thinking state the third point of difference here is stakeholder debate means that you put yourself in a better light you try and get a one up on the other person you say that my view is the better one and the a view of the other person holds no good.

So, you try and portray yourself in a better light in stakeholder dialogue you just be yourself and left the other party except you or reject you as you work when you be yourself in not making that extra effort to show yourself in a better light you are also not pulling the other party down when we say I am better than you; that means, we are implying that your worse than me right. So, they do not try to show they do not try to put themselves in a better light they are who they are and the other party sees them as they are and the situation is much more congener

Then the forth point of difference is speaking to which others listen in stakeholder debate we speak we want the others to listen in stakeholder dialogue we listen to others before we speak ourselves very very important listening; listening is such an important scale I wish I could take you through a course on communication through the module on listening it is available through the NPTEL course on communication and it is called

international business communication. So, available through the NPTEL and its not for certification I am showed videos are out there please go through them there is a whole module on listening what listening is and; however, important it is various people have discussed you just go to you tube and listen to lectures on listening it is such an important scale for anyone who wants to make a difference in this social arena for anyone who wants to make a difference any where if you want people to listen you must learn to listen yourself before you expect others to listen to you listening; listening to others before speaking yourself.

Stakeholder debate is about the next point of difference fifth point of difference is influencing I will push you I will coercive you I will make sure you go on the direction that I have decided stakeholder dialogue on the other hand is about convincing I will give you the reasons to listen to me I will give you the reason that I feel will help you understand why I am saying what I am saying I will try to convince you through fact through logic sometimes through emotion, but I will not put any pressure on you that is what happens in stakeholder dialogue in debate we push people.

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Stakeholder debate vs. stakeholder dialogue (Contd.) <small>(Kaptein &amp; Van Tulder, 2003)</small>	
Stakeholder Debate	Stakeholder Dialogue
Confronting, combative & destructive, whereby the weaknesses & wrongs of the other party are sought out & the similarities are negated	Constructive &, from a point of mutual understanding & respect, looking for similarities from which to consider the differences
A closed & defensive attitude because you personally know the truth	A vulnerable attitude because there are many truths & where parties are open to criticism about their own performance & they can use this to learn from each other
Taking & keeping	Giving & receiving
Divide & rule	Share & serve
Separate/ isolated responsibilities	Shared responsibilities

In stakeholder debate we confront we combat we become destructive whereby the weaknesses and wrongs of the other party a sought out and the similarities are negated in stakeholder dialogue we try to engage in a constructive discussion from a point of mutual understanding and respect looking for the similarities from which to consider the

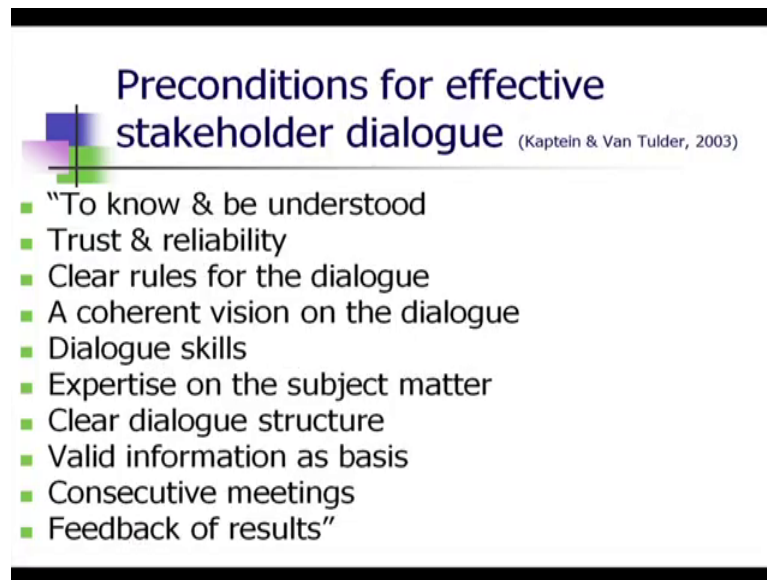
differences. So, we do not engage in a confrontation we do not engage in a combat we do not try to attack the other party we try to find out what the similarities are; where are the differences; what we can bring out so, that we can collaborate.

Stakeholder debate is a closed and defensive attitude the both the parties have a closed and defensive attitude because you personally know the truth in stakeholder dialogue both the parties have a vulnerable attitude because there are many truths and where parties are open to criticism about their own performance and they can use this to learn from each other. So, you say I know the truth and the other parties lying it is a debate in dialogue you say well the other person could also have a perspective let me listen to it let me listen to it.

So, that is a vulnerable attitude I could be wrong the other party could have something very important to say then in stakeholder debate we take from the other party and we keep it in stakeholder dialogue we give and we receive we give on and on the other hand also receive from the other party stakeholder debate this strategy in a debate is to divide and rule in stakeholder dialogue the strategy is to share and serve share are sources and serve the other parties interest and expect; obviously, expect the same in return from them stakeholder debate separate isolated responsibilities in stakeholder dialogue results in shared responsibilities a debate results in separate isolated responsibilities the conflict has to end you do this and so on. So, will do something else in a dialogue the responsibilities are shared.

So, these are the differences that they have listed they have very very similar to the 2 types of negotiation think about it; that is your homework find out what the 2 types of negotiation are collaborative and comparative negotiations. So, try and think about these different types of negotiation and how what I have just told you relates to these. So, it is all interrelated all of these subjects come together and it is all interrelated.

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### Preconditions for effective stakeholder dialogue (Kaptein & Van Tulder, 2003)

- "To know & be understood
- Trust & reliability
- Clear rules for the dialogue
- A coherent vision on the dialogue
- Dialogue skills
- Expertise on the subject matter
- Clear dialogue structure
- Valid information as basis
- Consecutive meetings
- Feedback of results"

Now preconditions for effective stakeholder dialogue what are the conditions that needs to be in place before stakeholders can start this dialogue we need to know and we need to be understood that is a precondition we need to know and we need to be understood trust and reliability when we try and talk about when you talking about dialogue we need to be able to trust the other party we need to be reliable ourselves we need to be trustworthy ourselves clear rules for the dialogue need to be late now we will talk about this we will not talk about something else a coherent vision on the dialogue needs to be there what is the dialogue heading towards the objective should be clear what is the dialogue moving towards.

What is the final out expected outcome of the dialogue; dialogue skills need to be there you need to be able to express yourself and put your opinion in forth in such a way that the other party does not feel threatened does not feel friended in anyway expertise on the subject matter is again very very important clear dialogue structure needs to be there valid information needs to be the basis of this dialogue you need to know what you are talking about you need to have information you need to have a statistics numbers facts everything in place and you need to have consecutive meetings when we try and find out what the stakeholders want a lot of time is spent in building rap over with them a lot of time is spent in understanding in coming to the same wave length we do not openly trust others without problems do we do not share our problems with somebody else we need to have we need to provide a common ground for the others to come and talk us and

building that common ground takes years sometimes you know. So, when we are talking about stakeholders its little by little we need with them we convince them that we have trust for the we gain that trust we also find out theist trustworthy the and slowly, slowly, slowly we come to a common understanding.

So, we need to have consecutive meetings we also need to have a mechanism in place to get a feedback on the results of the dialogue. So, you are talking to somebody the outcome the outcome of each meeting should be recorded and should be refer to in case you want to revisit what you had discussed earlier very very important. So, these are preconditions for effective stakeholder dialogue we are dealing with people who are going to depend on us who have the power to influence us who may have some urgent claims who may have some legitimate claims. So, we need to have this all of these things in place before we can start a dialogue with them.

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**Why stakeholder dialogue?**  
(Kaptein & Van Tulder, 2003)

- "To identify trends & future issues at an early stage & to prioritize these
- To gain insight into the stakeholders' appreciation for the organization & the evaluation of the current of current performance
- To allow the organization & stakeholders to gain a better understanding of each other's interests & dilemmas, & broader support for the decisions companies make
- To resolve specific tensions in the relationship with stakeholders
- To gather suggestions & ideas for improving the company's performance in the social area, as well as KPIs for the sustainability report."

Now why do we indulge in stakeholder dialogue the indulgence stakeholder dialogue to identify trends and future issues at an early stage and to prioritize these we need to find out what is going to what they are headed towards what we are headed towards and then we need to prioritize the needs of the stakeholders we also need to indulge in stakeholder dialogue to gain inside in to the stakeholders appreciation for the organization and the evaluation of the current performance.

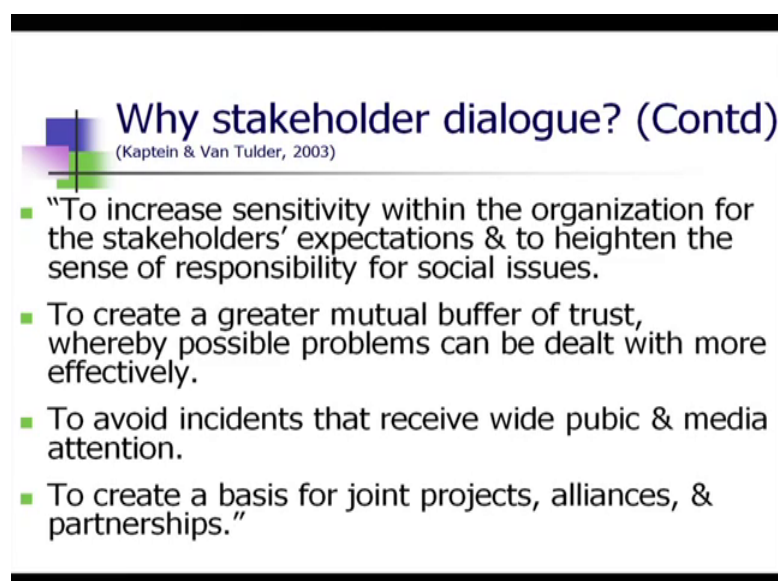


So, that is very very important then we also need to engage in stakeholder dialogue to allow the organization and stakeholders to gain a better understanding of each other's interest and dilemmas and broader support for the decisions companies make. So, we need to come to the same page the stakeholder should get a better understanding of what the organizations are doing what kinds of dilemmas what kinds of problems they are facing and they also need to know what we as stakeholders are facing.

So, to bring everything on to the same page we need to have a dialogue to resolve specific tensions in the relationship with stakeholders very very important specific tensions needs to be resolved the relationship with the stakeholders could be tough and that needs to be handled very very carefully. So, things need to be brought on the table and they need to be brought to the table and they need to be resolved to gather suggestions and ideas for improving the company's performance in the social area as well as keep key performance indicators for the sustainability report. So, we need to get their ideas to understand how the company's performance can be improved in the social area what do they need what can we do to manage our public image we need their help and to find out.

How we can improve our key performance indicators in the business responsibility report in the sustainability report for legal compliance.

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**Why stakeholder dialogue? (Contd)**  
(Kaptein & Van Tulder, 2003)

- "To increase sensitivity within the organization for the stakeholders' expectations & to heighten the sense of responsibility for social issues.
- To create a greater mutual buffer of trust, whereby possible problems can be dealt with more effectively.
- To avoid incidents that receive wide public & media attention.
- To create a basis for joint projects, alliances, & partnerships."

So, it is very very essential to increase sensitivity within the organization for the stakeholders expectations and to heighten the sense of responsibility for social issues. So, we need to have a dialogue with the stakeholders to help the organization understand how what there the expectations of the stakeholders can be and to under to heighten the sense of responsibility within the organization for social issues we a have dialogue people listen we share the results we share the outcome with different people; people may not know that your organization is involved in helping with social issues. So, this increases the visibility of those social issues this increases the sensitivity of people who may have some awareness, but may not really be sensitized and people come and talk to you about what they see in the field its really I mean you know if you have ever spoken to somebody who is actively engaged in social work it is an eye opener.

It is really an eye opener its I mean do it sometime just do it just go out into the field get involved in your organizations see what social workers do see what life outside of your own comforts zones is like I hope some people from rural areas are watching this video they will know I have I have worked in some rural areas both in India and worked with some disadvantage communities in other in other country also and I have seen this you know firsthand its it shocks you when you listen to the social issues you could be as a tuned to corporate life as a tuned to your comforts zone as possible, but one trip to the village and you are shocked out of your bits, but you need to be open you need to have an open mind I had some of my students go here you know there was a program going on and we will be talking about the sustainability and I insisted that some of are colleagues in some students will go there and we arrange the trip and we went there it hits you and you know it is very important to understand. So, you know this point is very very important when you discuss these issues when these people come and talk to you they may not be able to express themselves in very fancy language in very high flown terms, but when they start talking about the issues they have and how little the organization needs to do in order to solve major issues they are not expecting very much.

I am talking about the disadvantaged vulnerable populations in society they do not expect very much, but they you know the materially they may not expect very much they just need focused consistent a tension little bit of a tension, but routinely and that makes so much of a difference to them. So, when in these issues are talked about in your organization it will increase yours sensitivity to these issues I think I have told you about

a book called a you know a book about these issues earlier and are the expense of repeating myself I will give you the name of that book once again there is a book called everybody loves a good drought.

And it is a book by a journalist by the name of mister p synod you will find it on you know through in all major book stores I think carry that book and I think it was published by penguin books beautiful I mean you know I personally cannot get through more than 2 to three stories without tears swelling up in my eyes it is about the impact of the corporate world or the relationship between the corporate and political world with the most disadvantaged populations in society it carries these five to six page stories and you know I get Goosebumps I start shivering when I read those stories they are so heart breaking of course, the book was written about twenty years ago, but still these situations these circumstances exist in our society.

So, if you have a chance please pickup that book and read it and you will know that what I am talking about just go to a village in your vicinity and you will know what I am talking about get involved in the CSR activities just discussions heighten the sensitivity. So, stakeholder dialogue is very important that is very very important to listen to what the stakeholders are saying then to create a greater mutual buffer of trust whereby possible problems can be dealt with more effectively a trust needs to be built between the stakeholders and the cooperation and their needs to be this buffer.

So, if something goes wrong you say no we have an impression about the organization in mind we have you know we know what the organization is all about we trust that the organization will work for benefit. So, this buffer of trust needs to be built between the organization and the stakeholders and through this buffer the problems can be dealt with more effectively to avoid incidents when you talk to another person you start developing still dealing with the sake with the previous point when we talk to another person we start developing we start seeing things from their perspective we start developing a bond with them we start believing what they are saying we start having faith in what they are saying.

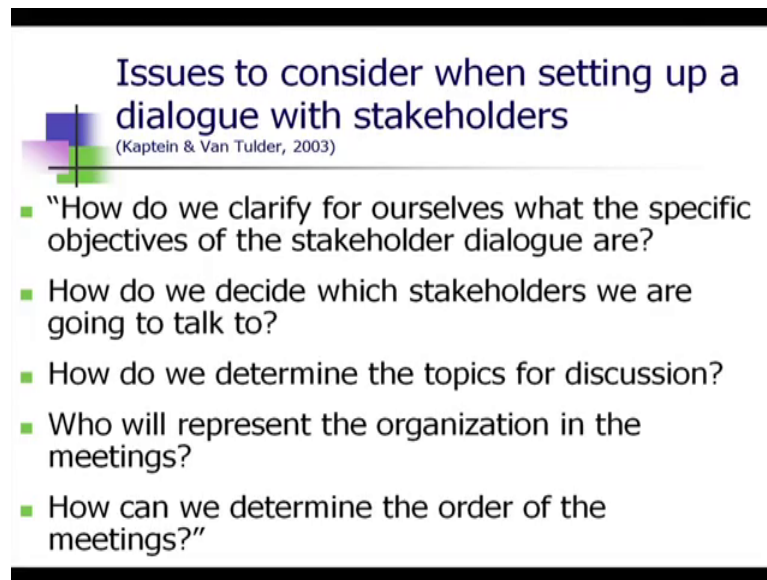
So, the trust comes with some conservative meetings and that is why this dialogue with continue to meetings is very very very important to avoid incidents that receive wide public and media attached this is the actual problem that happens will be pay attention to

a stakeholders you do not pay attention to the stakeholders they write a blog on the internet it goes viral and you had it recording incidents I was just reading in the news there was some incident in the united states about an airline company trying to snatch of violin from a customer I am just to give you an example of how powerful social media is and this; this musician has put the incident on the internet and has they heard lawyers have asked for anyone whose made a video of this incident.

So, this persons lawyers have asked for public recognition of the incident and because people all over carry cell phones an most cell phones these days of video recording capabilities something going wrong something mistake some airlines staff misbehave with the steady and they are saying if anyone has recorded that incident please send it to the ladies lawyers. So, that is how powerful this is if we do not engage in a dialogue with the stakeholders and we make a mistake the chances of our public reputation public image being dam being damaged are very very high. So, in order to avoid incidents if the stakeholder trust us the chances of something like this happening will be low this airline that I am talking about has earned a reputation of not being very customer friendly.

So, people could have made a video now and that is why it is gone them, but if you trust the person who may have accidentally wrong do you may not want to take any legal action against them. So, that is where this comes in to create a basis for joint projects alliances and partnerships. So, when you engage in a dialogue you come to know what your interests are you come to know what you can do. So, when you know what you doing. So, you create a basis for joint projects alliances and partnerships.

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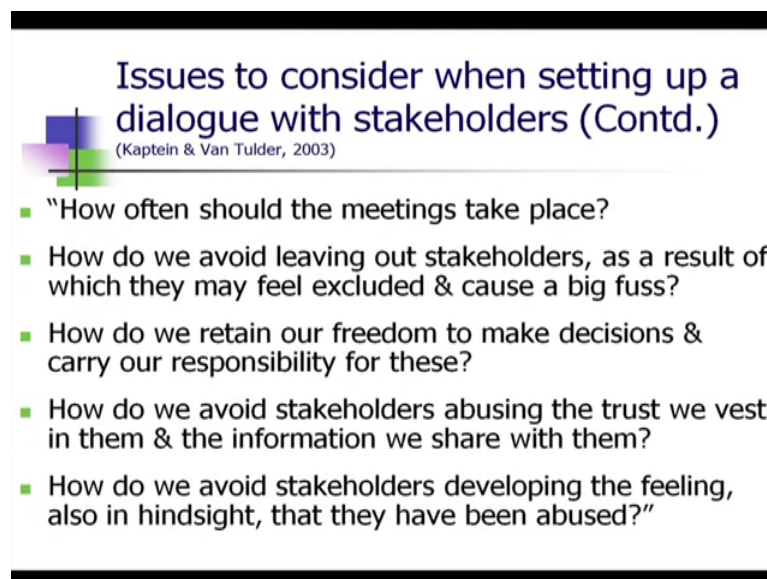
### Issues to consider when setting up a dialogue with stakeholders

(Kaptein & Van Tulder, 2003)

- "How do we clarify for ourselves what the specific objectives of the stakeholder dialogue are?"
- How do we decide which stakeholders we are going to talk to?
- How do we determine the topics for discussion?
- Who will represent the organization in the meetings?
- How can we determine the order of the meetings?"

Now, issues to consider when setting up a dialogue with stakeholders; how do we clarify for ourselves what are the specific objectives of the stakeholder dialogue. So, we need to ask these questions how do we decide which stakeholders we are going to talk to we need ask these questions before we set up a dialogue with stakeholders we need to ask these questions how do we determine the topics for discussion who will represent the organization in the meetings how can we determine the order of the meeting very very important.

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### Issues to consider when setting up a dialogue with stakeholders (Contd.)

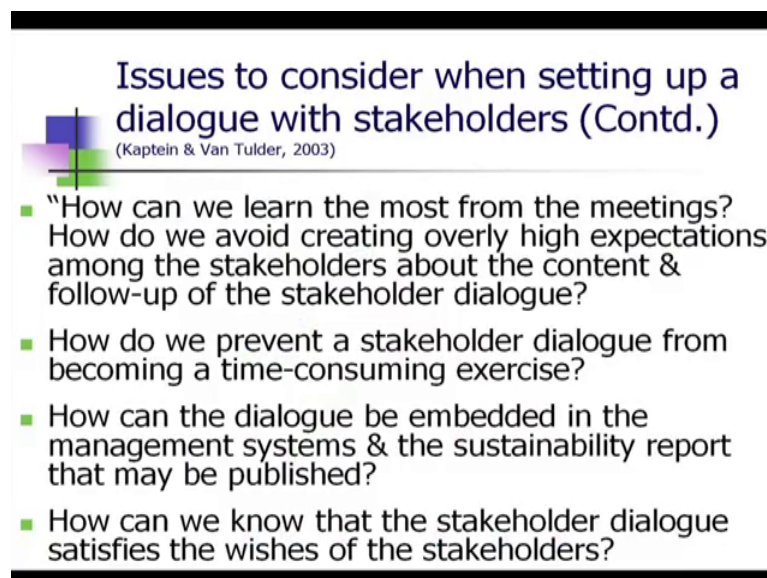
(Kaptein & Van Tulder, 2003)

- "How often should the meetings take place?"
- How do we avoid leaving out stakeholders, as a result of which they may feel excluded & cause a big fuss?
- How do we retain our freedom to make decisions & carry our responsibility for these?
- How do we avoid stakeholders abusing the trust we vest in them & the information we share with them?
- How do we avoid stakeholders developing the feeling, also in hindsight, that they have been abused?"

how often should the meetings take place how do we avoid leaving out stakeholders as a result of which they may feel excluded and cause a big fuss how do we retain our freedom to make the decisions and carry our responsibility for these how do we avoid stakeholders abusing the trust we vest in them and the information we share with them how do we avoid stakeholders developing the feeling also in hindsight that they have been abused.

So, we engage in a dialogue with stakeholders we need to also be prepared with these issues you know when we engage in a dialogue; dialogue on the one hand can be beneficial on the other hand it can expose our vulnerabilities to the stakeholders. So, we must be cautious we must tie or loose ends in the dialogue.

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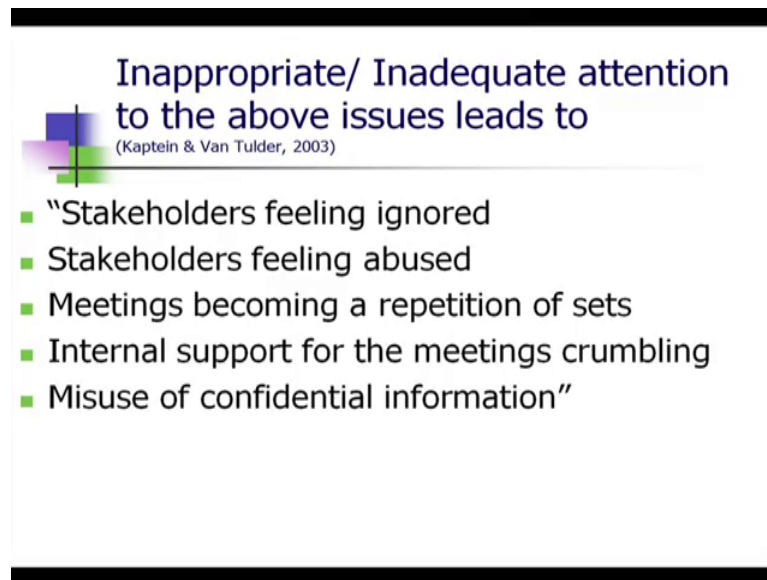


**Issues to consider when setting up a dialogue with stakeholders (Contd.)**  
(Kaptein & Van Tulder, 2003)

- "How can we learn the most from the meetings? How do we avoid creating overly high expectations among the stakeholders about the content & follow-up of the stakeholder dialogue?"
- How do we prevent a stakeholder dialogue from becoming a time-consuming exercise?
- How can the dialogue be embedded in the management systems & the sustainability report that may be published?
- How can we know that the stakeholder dialogue satisfies the wishes of the stakeholders?

How can we learn the most from the meetings how do we avoid creating overly high expectations among this stakeholders about the content and follow up of the stakeholder dialogue how do we prevent a stakeholder dialogue from becoming a time consuming exercise it has to be pointed it has to be focused it has to be going in some direction how can the dialogue be embedded in the management systems and the sustainability report that may be published legal compliance we have a dialogue we take the learning from the dialogue and we need to get it published how can we know that the stakeholder dialogue satisfies the wishes of the stakeholders very very important it has to a settle benefit aspect has it benefitted or will it benefit this stakeholders.

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**Inappropriate/ Inadequate attention to the above issues leads to**  
(Kaptein & Van Tulder, 2003)

- "Stakeholders feeling ignored
- Stakeholders feeling abused
- Meetings becoming a repetition of sets
- Internal support for the meetings crumbling
- Misuse of confidential information"

now if we do not pay attention to these issues and I have just read through these issues because I have already discussed these points in the previous discussion if we do not pay attention do these issues what can happen stakeholders can feel ignored they may feel abused we are trying to find out what they want and they may feel abused they may feel that you taking advantage of them not giving them anything in return meetings becoming a repetition of sets. So, it is just you getting together meeting talking about things no outcome unless there is a clear vision unless you can really have an objective that you are heading towards this becomes a problem internal support for the meetings crumbling.

So, meetings may not be going in a direction in some direction and there should be internal support from the. So, you know this; this can lead to internal support for the meetings that from crumbled misuse of confidential information. So, the; if you do not pay attention to the information to the issues that have been mentioned confidential issues may be misused.

Now, that is all we have time for in this class and I know I have breezed through several topics and I have given more attention to certain issues, but this is the very very long very important discussion that I would really like you to pay attention to if you know any other examples of stakeholder dialogue please share them on the forum I keep encouraging you to participate in the class please share your thoughts your insights about

whatever is being discussed on the forum and this class can be more interactive that way and I promise you I will response to your queries on the forums.

Thank you very much for listening we will continue with some more discussion on how we do CSR in the next class.

Thank you.