

Organizational values invigorated by strategic stakeholder engagement

Mature stakeholder engagement is done from a proactive, rather than reactive position, says Alan Knight, Head of Standards with AccountAbility, a UK-based non-profit institute that develops organizational tools and standards.

All too frequently, says Knight, companies or organizations undertake stakeholder engagement practices reactively in response to friction or as a damage control method.

“Strategic, mature stakeholder engagement is something companies and organizations do to feed into their core business practices,” says Knight, who assisted in the development of the [AA1000 stakeholder engagement standard](#).

“It helps them to run their business.”

“Proactive” stakeholder engagement is far from being a norm amongst companies practicing forms of community engagement, he adds.

“There is a growing trend [in stakeholder engagement], in companies publishing sustainability reports for example. There has been a significant increase in the engagement process overall, it’s more prevalent. As a trend it is linked to certain segments in the economy. But most companies still do it issue by issue,” he notes.

AccountAbility’s AA1000 standard is embraced by companies that believe in the proposition that an organization should necessarily enact a stakeholder engagement strategy. Using such a standard – which Knight calls a “distillation” of engagement practices culled from experts around the world – allows an organization to understand its stakeholders, be accountable to the communities it serve, and enhances its market power.

“It provides best practice standards, and a recognition of comparability for organizations,” he says. In section one of the standard (the final draft will be released in late 2006), called “Getting Engagement Right,” AccountAbility outlines the *raison d’être* of stakeholder engagement.

“AccountAbility considers that securing the right to be heard for people who are affected by or can affect an organization’s activities, and obliging the organization to respond to these concerns, makes organizations perform better. It increases their knowledge, their legitimacy, and the values that are affirmed or created by the dialogue enhance their reputation and moral stature. For this to happen, such rights and obligations need to be established and enacted in credible and effective manner.”

In enacting stakeholder engagement practices, says Knight, an organization’s values are often highlighted or re-invigorated. Organizations without clear foundational values are also affected by the process.

“[Uncovering values] can work both ways – regardless of what reason they come to the stakeholder engagement process – engagement itself is a value that can help an organization. For some the process allows them to reflect on their values,” says Knight.

Knight, who calls his current stakeholder engagement standards work a continuation of a lifelong career in environmental sustainability, development work and social issues a “natural, but not obvious” progression, sees stakeholder engagement as a strategic re-orientation process.

“What it doesn’t do is deny the need of a company to create value. What it does do is display other values – like their public value.”