19 Stakeholder Engagement: The Experience of Holcim

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19.1 Introduction

No longer can business say that it exists simply to generate shareholder profit. Business aspirations reach beyond the financial dimension to encompass contributions to a broader set of societal goals, including those focussed on environmental and social responsibility imperatives. One need only read a selection of organisational mission statements to draw this conclusion. Business decision-making and strategy development does not occur in a vacuum defined only by economic considerations. The contextual landscape is much wider, as wide as the world itself. To assess the impacts, opportunities and risks of its operations, products and services, therefore, a business must engage with, learn from, and understand the needs and expectations of its stakeholders.

For a global cement company such as Holcim, with operations in more than 70 countries, this is a very real challenge, not something that has come to the organisation’s notice from the realms of academia. Perhaps in past decades there was no umbrella concept which described our methodology for negotiating relationships with different stakeholders. Nevertheless the practical experiences of our local operations were key to elaborating the process model of stakeholder engagement described in this paper.

The model is used by Holcim Group companies to assist in preparing, implementing and evaluating their local stakeholder engagement strategies; it details, step-by-step, the cyclical process of engaging with stakeholders. Each step contains basic principles, tools and mechanisms to apply. It delivers a consistent approach across our worldwide organisation, yet is born of hands-on practice in the field.

A guidebook explains the model and its tools to those directly involved in stakeholder processes. This is then supplemented by online support materials, such as templates, matrices and good practice examples, with in-person support available when required. A quick reference pocket guide is used to sensitise a broader internal audience to the value of stakeholder engagement as well as reinforce the need for a common approach.
19.2 The essence of the model

The checklist approach enables local management to proceed logically from step to step whilst applying the recommended tools which supplement the model at each stage of the process:

- Analyse situation: What is the current situation? From the company’s perspective? From the stakeholders’ perspective?
- Define objectives: What do you want to achieve? Are the objectives measurable?
- Outline internal roles and responsibilities: Who should do what? And why?
- Map stakeholders and assess their needs for information: Who are your stakeholders? What are their needs and expectations?
- Develop key messages on relevant topics to meet these needs: Has their understandability been tested with the chosen audience?
- Use the most appropriate engagement method for stakeholders: e.g. dialogue (group or one-to-one), community advisory panel, public hearing, focus group etc. Are you well prepared for the actual engagement ‘event’?
- Evaluate engagement plan: Were the stated objectives achieved?
- Invest in corrective or preventive action: Will some stakeholder recommendations be acted upon? Will aspects of strategy be changed to better meet stakeholder needs?

The step-by-step and cyclical nature of the model is described in Figure 19.1.

19.3 Experiences with the model in practice

To illustrate how the model is used in practice, one must step back a moment to understand the nature of the cement industry. Reliant on heavy manufacturing plants, generally close to their raw material (extractive) source, the cement industry can have significant environmental, social and economic impacts on stakeholders – both positive and negative. Our licence to operate, therefore, comes very directly from the communities surrounding our facilities.

In this context, some of the dilemmas facing Holcim include:

- How can we ensure that we contribute to improving the quality of life of our stakeholders within our spheres of influence?
- How do we decrease CO₂ and other emissions, decrease impacts on biodiversity, and generally shrink our ecological footprint while at the same time meeting the increasing demand for cement and other related products from a rapidly growing population, particularly in the developing world?