

What characterizes a strategic stakeholder dialogue?¹

1. Introduction

Due to complex developments and discussions about values, norms, and responsibilities, well-organized communication about societal issues is becoming increasingly important. Parties have a great need for information about stakes, intentions, expectancies, and points of view (of other parties). To gain this information, two information gaps need to be bridged, the first one being the *expectancy gap*. Organizations do not always have a clear understanding of what the actual, diverse, and often conflicting expectancies of their different stakeholders are. Secondly, there is a *perception gap* concerning the organization's behavior (and performance). Research has shown, that a great deal of consumers, shareholders and employees are not able to name a single company known to be 'socially responsible', despite the fact that these groups have high expectations and show great interest in the 'social performance' of companies.

On the one hand, companies apparently do not know precisely what stakeholders are interested in. On the other hand, stakeholders are not always up to date with the extent to which companies are already meeting their demands, or are willing to do so. When parties fail to get across their message, the chances are that discussions about 'societal issues' remain confined to ways of how to prevent reputation damage. Effective communication, however, enables parties to take away mutual distrust and misunderstanding, paving the way for discussions about chances and solutions.

The dialogue in general, and the stakeholder dialogue in particular, are *seen* nowadays as instruments for facilitating effective communication between company, government, NGOs, science and other societal groups. The word dialogue has become a very popular phrase in management, and is often used to describe the collective forms of corporate interaction and communication. Sometimes it is part of a deliberate strategy to boost a company's PR campaign. However, more and more managers are becoming genuinely interested in engaging in dialogue, not lastly due to good understanding of their own interest. Very often though, they do not have a clear understanding of the stakeholder dialogue and the strategies accompanying it. This chapter will attempt to provide as much clarity as possible in the conceptual confusion.

This chapter deals with the different forms of interaction with stakeholders. What is a (stakeholder) dialogue and what is not. And what make a stakeholder dialogue strategic?

2. What is a dialogue?

The Greek word '*dialogos*' originally means 'conversation', in which the message becomes clear to all, resulting in a common definition or meaning. A dialogue requires a certain amount of participation and mutual influencing from all parties, ensuring the incorporation of different opinions, arguments, and preferences in the end result. Participation should be

¹ This is an English translation of chapter two from the Dutch booklet "the Strategic Stakeholder Dialogue" (Van Tulder, Kaptein, van Mil and Schilpzand, 2004). This translation was made by Lewis van Leeuwen. The remainder of the booklet can be obtained as a pdf file.

voluntary at all times. The level of dialogue of the interactions is determined by the nature, space and influence of the participation.

Harris (2002) presents five basic categories of interaction. Each one of these can be used for communication with stakeholders, as long as is made clear what the underlying intentions are and what may be expected from the interaction. Every type of interaction requires a different approach (See table 1).

Table 1
The place of dialogue in interaction types

Interaction type	Purpose / aim	Which situation	Examples / form
Information providing	To inform those who are in need of information. No attempt is made to listen to the views of the stakeholders	When the impact of the issue is minimal and the initiator has been mandated to make the decision. It can be used to defend policy.	Messages through TV, radio, printed media, direct contact, leaflets, annual reports etc...
Information gathering	To get broad input of information for the decision-making process. Purely informative, not aimed at influencing.	In the orientation phase when it is important to understand the nature and size of the problem, or trend.	Focus groups, expert panels, surveys, questionnaires, opinion polls, interviews.
Consultation	To get informed feedback on a proposal. The aim is to seek opinions, points of view and feelings of stakeholders. Possibility of having a say in the matter. The emphasis is on listening, input <i>may</i> lead to adjustment of the plan.	When there are still some uncertain parameters in the proposal that need some more attention. There is a need for a broader input, a more solid base. <i>Danger:</i> stakeholders expect their input to be used in the final decision.	Interactive workshops and presentations, consumer panels, resident panels.
Bounded dialogue	The dialogue is mainly exploratory. The aim is to find support for decisions that have already been made and to find partners for the implementation of the policy, and possibly further development of the strategy set out by the initiator.	The initiator 'owns' the process and the subject of dialogue. The initiator tries to obtain a so called 'license to operate' by holding talks with stakeholders. <i>Danger:</i> stakeholders might get the idea they only have an 'echoing' role to play seeing as their most important job is to approve policy and to not obstruct it.	Interactive workshops and meetings in which the initiator determines the form of the dialogue process, taking into account the needs of the stakeholders. Often, there is a third party present, like a facilitator or mediator.
Open dialogue	Cooperation in problem analysis with stakeholders. The aim is to build consensus and to find ways for strong collaboration in the implementation of a jointly developed policy, and development of strategy.	When there are complex issues in which partnerships and shared responsibility are important conditions for solving the problem. Shared 'ownership' of the issue.	Structural process / series of frequent interactive meetings in which building mutual trust takes a central role. All parties jointly decide upon the agenda, the rules of the game and the course the process will take.

Harris' interaction categorization model shows that the first three categories of interaction are not in fact types of dialogue. Despite this, companies often claim they are holding a 'dialogue' when in reality they are 'providing information' or 'consulting'. A supermarket chain, for instance, mentions giving a group of stakeholders (societal groups) a guided tour of a new branch, a week before its official opening, as being a stakeholder dialogue, when it is clearly 'providing information'. The reasons for this *conceptual confusion* are:

- Managers are often not familiar with the *concepts*.
- Managers tend to underestimate the complexity of certain problems and therefore think less intensive forms of communication will suffice. Obviously, not every problem needs a dialogue, but when there are many parties involved that feel they are 'issue owner', a dialogue becomes necessary.
- Window dressing: 'dialogue' sounds better than 'providing information'.
- Stakeholders often ask for a dialogue to take place when managers feel a different approach would be more suitable. This results in the interaction process being labeled 'dialogue', when in fact the company sticks to its own course (method).
- Different types of interaction can easily coexist or even replace each other. For instance, the gathering of information and testing it during a consultation round, are processes that could easily precede a (strategic stakeholder) dialogue. As well as that, a consumer panel is often part of a dialogue process but it cannot replace it.

- *"Dialogue is an excellent way of freeing oneself of colored and false impressions of things."*
- *"Dialogue is a unique opportunity to gain understanding and appreciation for the way in which others view the problem, and to learn more about the values and concerns that underlie the problem."*
- *"Dialogue is an interaction process of being open and vulnerable towards another, trusting that the other party will be open and vulnerable towards you too."*
- *Rather than attempt to influence and coerce others, dialogue focuses on deep listening with empathy, expressing hidden assumptions, focusing on common interests and searching for conceptual breakthroughs."*

Starting an *open* dialogue shifts relations from confrontation and competition towards consultation and cooperation. 'Trust me' and 'show me' are replaced by the call for 'involve me', 'join me' or 'engage me' (See figure 1.1). In practice, this means the interaction type goes from a debate to a dialogue. Table 2 on the next page summarizes the most important differences between a debate and a dialogue. A dialogue demands a completely different attitude, a different dedication, and different skills than a debate. As a rule, a dialogue requires more complex skills, as we shall demonstrate in Chapter 4.

Table 2
Two types of discussion: debate versus dialogue

Debate		Dialogue
Competition with only one winner ('either – or' mentality).	→	Cooperation where everybody is a winner ('and – and' mentality).
Egocentric, where the other party is either a threat of a means towards own benefit.	→	Empathic, where the other party is an opportunity and represents an intrinsic interest.
Pretending to be better than you are.	→	Being yourself.
Making the other party listen when you talk.	→	Listen to the other party so you can talk.
Persuade	→	Convince.
Confronting and belligerent, trying to find the other's weaknesses	→	Constructive and with mutual understanding and respect, trying to find similarities and view the differences from that perspective.
A closed and defensive attitude, believing you poses the ultimate truth.	→	Vulnerable attitude because there are many truths and may parties that are all open to criticism, to learn from each other.
Taking and keeping.	→	Giving and receiving.
Reign and divide	→	Sharing and serving.
Separate, isolated responsibilities.	→	Collective responsibilities

A dialogue attempts to stimulate partners to learn from each other and strengthen relationships in order to take collective action. Dialogue is more 'process orientated' than 'issue orientated'. It is also more a continuous process than a process with a clear start and finish. At first, a dialogue is about learning and discovering each others thoughts and values, and finding linkages. It is about exploring (divergence) and subsequently reaching an agreement or creating surplus value (convergence).

"In a discussion, decisions are made. In a dialogue, complex issues are explored. When a team must reach agreement and decisions must be taken, some discussion is needed...When they are productive, discussions converge on a conclusion or course of action. On the other hand, dialogue are diverging; they do not seek agreement, but a richer grasp of complex issues...The ground rules are different. The goals are different. Failing to distinguish them, teams usually have neither dialogue nor productive discussions. A unique relationship develops among team members who enter dialogue regularly. They develop a deep trust that cannot help but carry over to discussions."

Peter Senge²

A dialogue looks for linkages between participants through self-reflection, to eventually reach common ground. This common ground can serve as a basis for collective activity, which leads to the solving of a 'societal problem' as well as benefiting the actors themselves.

² Senge, P. (1990). *The Fifth Discipline: The art and practice of the learning organization*. New York: Doubleday/Currency, p. 247.

3. What is a stakeholder dialogue?

The ‘stakeholder dialogue’ is based on the same principles the ‘normal dialogue’. A stakeholder dialogue often means involving primary stakeholders like employees, suppliers, debt and equity providers, governments and buyers in policy development and / or implementation. Many companies are seeing a growing number of stakeholders, partly because companies themselves are growing and becoming more internationally embedded, and partly due to the emancipation of stakeholders, meaning the desire to exercise their influence.

Who are the stakeholders and what are the issues?

The circle of stakeholders surrounding a company is increasing. Shell estimates that in a local project it has to deal with around 10 – 25 stakeholders, often sharing a common interest. But for strategic issues, Shell claims there are over 100 different stakeholder groups with highly differentiated interests.

There are various methods for identifying and selecting stakeholders for a dialogue, for instance, the stakeholder positioning map. Sometimes, companies determine which stakeholders to invite for a dialogue by sending off a questionnaire.

The selection of topics can be done through:

- Holding a brainstorm session with operational staff and managers.
- Individual issue ranking by key people internally.
- An institutionalized monitoring system that is linked to a life cycle analysis.

The extent to which stakeholders are involved is often left unspecified. In general, stakeholders as well as governments can initiate a stakeholder dialogue, but in practice, it is usually the companies who take the initiative.

The stakeholder dialogue has two dimensions that are inseparable and often used alternately or get mixed up. On one hand, a dialogue is a *way of communicating* with a specific set of techniques, skills and rules (See table 2). On the other hand, it is also a *process* in which two or more parties try to build a long-term relationship based on mutual trust. This way, the stakeholder dialogue takes on the meaning of stakeholder ‘*engagement*’. It is hard to define both concepts exactly; without a dialogue as a ‘means of communication’, there will be no chance of building a long-term relationship, and vice versa. Both aspects, therefore, are essential prerequisites for growing closer together.

In a dialogue, stakeholders share views and discuss (future) interests and expectations, and develop norms and / or initiate collective action.

- Hemmati (2002): *“In a dialogue of stakeholders, representatives not only state their views but listen to each other’s views for the purpose of developing mutual understanding, including each other’s value base, interests, goals and concerns. Dialogue requires the willing participation of all participants; even one person whose primary orientation is towards getting her or his way can destroy the dialogue.”*³
- The Environment Council (1999): *“Stakeholder dialogue involves a search for win-win situations; an exploration of shared and different interests, values, needs and fears while trying to resolve disputes; a focus on processes as well as issues and results; and the strengthening and building of*

³ Hemmati, M. with contributions from F Dodds, J. Enayati & J. McHarry (2002). *Multi-stakeholder Processes for Governance and Sustainability. Beyond Deadlock and Conflict*. London: Earthscan Publications Ltd, p. 18.

relationships.”⁴ “Stakeholder dialogue is not letting others dictate how we run our business, but giving others the chance to help us do better.”

- The World Business Counsel for Sustainable Development (undated): “Stakeholder dialogue is a powerful catalyst for change. It promotes greater transparency, information sharing and inspires society to work together.”

There are at least three reasons for involving stakeholders in policy development and implementation of companies.

A *pragmatic* reason: Stakeholder participation renders policy that is more effective. Involving stakeholding parties in policy preparation makes them co responsible for it. Furthermore, it prevents decisions from being attacked or protested against in a later stage. Incorporating the views of many different parties ensures a decision that is supported by a broad spectrum of society.

A *moral* reason: Stakeholder participation increases the legitimacy of the policy because of a more democratic decision making process. Sustainability issues are a concern for us all and are not the sole property of statesmen, company strategists and policy makers. Values, principles, basic assumptions are central to the moral view of the stakeholder dialogue. Questions like: “What do we want, and why” are the main questions in this case. As is the search for larger communal interests.

A reason *concerning content*: Stakeholder participation results in more and better reasons (arguments) to base policy on. It renders new insights and views that would not have surfaced in a technocratic environment. The arguments are ‘better’ because they contain the concerns of a more diverse group of stakeholders and came forth from a confrontation of insights, interests and forms of knowledge. This enables the incorporation of broad social and political elements such as (un) equality, power, (in) justice, and cultural authenticity, into the policy.

The ‘business case’ for a stakeholder dialogue initiated by a company contains the following elements:

- Early detection of trends and future issues and prioritising them
- Gaining insight into stakeholders’ view of the corporation and evaluating the current performance.
- Creating mutual understanding of each other’s interests, dilemmas, role in society and contribution to society.
- Voicing respect for stakeholders. Engaging in a stakeholder dialogue is not a “value free exercise”. By choosing a stakeholder dialogue, and listening to the input of others with the intention of learning from one and other, corporations show stakeholders they respect them. This alone is an important message.
- Providing stakeholders with information on which they base their opinion. In the case of an information vacuum the opportunity arises to link the existing situation to a specific context.
- Creating support for policy and policy solutions.
- Solving tangible (actual, existing) tensions in the relationship with stakeholders.
- Gathering suggestions and ideas for the improvement of societal performance of the company as well as for key performance indicators for stakeholder reporting.
- Creating a greater sensitivity in the company towards the expectancy of stakeholders and a greater sense of responsibility for societal issues.

⁴ Cf. The Environment Council (1999). *Guidelines for Stakeholder Dialogue: A joint venture*. Londen: The Environment Council, p. 8 en 21.

- Building of trust so that potential problems are dealt with in a more effective fashion.
- Creating a basis for collective projects, alliances and partnerships.
- Prevention of incidents that are fought out in the media.

Reality shows that current stakeholder dialogues have either an overly pragmatic or a dominantly moral approach. In the pragmatic approach, the dialogue is very goal-orientated and everything revolves around achieving certain targets and results. Problems are translated into issues of effectiveness, efficiency and implementation, thereby very often leaving out questions like: “Do we actually want this” and “why do we want this”. The pragmatic approach can easily turn a dialogue into a discussion, which fails to go beyond the operational or tactical level. There is no encouragement or stimulation for participants to develop innovative ideas or explore new boundaries (so-called ‘out-of-the-box-thinking’) while a ‘business as usual’ mentality is being worn in (cemented in, anchored). People start looking for solutions within the existing boundaries and it remains highly doubtful if these borders can provide enough support in a fast changing business environment. In that sense, not everything that seems pragmatic automatically leads to effective long-term solutions.

Chapter 4 will show to what extent these reasons are important to companies in reality.

Indicators for the necessity of a dialogue

- Increasing negative media attention towards the company or its products;
- Increasing stakeholder activity aimed at the company or the sector as a whole;
- Increasing number of complaints by stakeholders;
- Incomprehensible internal and / or external developments;
- Lack of understanding within the company for the (societal) needs and wants of stakeholders;
- Competitors who are already holding stakeholder dialogues;
- Opinion vacuum;
- (Local) political and societal developments threatening the company; and
- Emergence of controversial issues like the development of technology and products that use that technology, that can cause societal unrest, social discord and distrust.

A stakeholder dialogue does however *not* imply:

- ... that every decision within an organization needs to be discussed with stakeholders;
- ... that the company gives away all its responsibility;
- ... that the result of a stakeholder dialogue always has to be a compromise, sometimes it is good to ‘agree to disagree’; and
- a form of ‘back room politics’ in which everything takes place behind closed doors without any transparency, feedback or accountability (afterwards).

When is a stakeholder dialogue not appropriate?

There are situations that signal that a stakeholder dialogue is not the appropriate instrument for tackling a certain issue. For instance, when it is highly likely that the dialogue process will have to be cut short because of a lack of time or because the company will not be able to reconcile itself with the results, holding a stakeholder dialogue will create more distrust than *not* holding it. Neither is a stakeholder dialogue a good idea when important decisions have already been made. Stakeholders will get the feeling they have been brought in for a cheap PR campaign, only to ‘echo’ what the company had already decided upon. This would lead to

more counter-pressure, distrust, credibility loss, and eventually reputation damage. Also in the case of tough deadlines, stakeholder participation is not the best alternative. Because procedures have to be accelerated, stakeholders could get the idea that they are not being listened too. Companies have to really think the stakeholder engagement process through before they start it; relationships are by no means without engagement. Another reason to (temporarily) refrain from a stakeholder dialogue would be a lack of support. A stakeholder dialogue needs the commitment and effort of all participating parties to be successful.

Dialogue skills and techniques

Corrine Mc Laughlin has identified the following skills and techniques that are of crucial importance to a stakeholder dialogue:⁵

- *“Build trust by creating a positive and open atmosphere;*
- *Clarify what constitutes consensus – unanimity (total agreement), or ‘willingness to step aside’, and not block a decision if one disagrees;*
- *Surface what is hidden – allow time for each to share feelings and concerns;*
- *Focus on individual and shared needs and interests –not on entrenched positions and past history;*
- *Build on previous ideas –discourage tangents;*
- *State differences clearly –avoid pressures to conform;*
- *Ask problem solving questions, not judgmental ones;*
- *Clarify perceptions –repeat statements back to the speaker;*
- *Don’t presume motives –ask direct questions;*
- *Avoid placating, blaming, preaching, dominantly or passively resisting –be direct;*
- *Draw out quieter participants;*
- *Brainstorm mutually beneficial options before final decisions are made; and*
- *Acknowledge true human needs –economic security, recognition, belonging.”*

4. What is a strategic stakeholder dialogue?

The *strategic* stakeholder dialogue goes one step further than the normal stakeholder dialogue. The strategic stakeholder dialogue is a structured, interactive, and most of all proactive process, aimed at creating sustainable strategies. This process aims to find a balance between moral standpoints and collective (for the whole of society) values on one hand, and on the other, the pragmatic approach of solving strategic problems. We are talking about complex problems that often involve trade-offs that stem from the heart of the organization. They have to do with the role of the organization in society, being the role it currently plays in society, the role it could play, or the role stakeholders think it should play.

A strategic stakeholder dialogue is not vague, but exactly the opposite. All parties need to be firmly grounded in reality, have a good understanding of business and feeling for the wider context in which sustainability-issues evolve. The stakeholder dialogue is about tangible issues and responsibilities in which parties look for shared, suitable and realistic solutions that are translated into proactive and sustainable policy. They first look for shared values and principles that serve as a compass for collective action and define clear boundaries for the strategy. This combines effectiveness and values, or pragmatism and moral principles. Only this way will the basic conditions be created from which all parties can reach effective results that are widely supported and do justice to the common (and societal) interest.

⁵ Zie: www.visionarylead.org/multis.htm.

Characteristics and principles

The strategic stakeholder dialogue has the following characteristics and objectives:

- Finding better solutions for complex problems by incorporating input from a wide variety of stakeholders;
- Integrating different insights and generating new insights, letting go of existing conflicts of interest to create wide support;
- Bringing together the most important stakeholders and building mutual trust; All parties recognise and appreciate each other's contribution and expertise to serve a collective objective; A strategic stakeholder dialogue is not limited to the participation of only NGOs but also invites suppliers, employees, and shareholders to participate;
- Creating effective long-term win-win situations; this might imply some stakeholders will have to endure short-term win-lose situations; Strategic stakeholders recognises that the potential 'losers' should also be involved in the dialogue so to not face needless resistance or transaction costs during the implementation of the chosen strategy. On the other hand, the strategic stakeholder dialogue should prevent any 'free riders' from benefiting from any agreement that they have had no part in;
- Self-regulation is not a goal in itself nor is it a means to prevent legislation. It is a way of dealing with sustainability in a more effective way; In case this does not work, companies, together with societal groups and (local) governments, will have to start thinking about pro-active legislation and what it can contribute to the solving of the issue; In practice, the outcome of a strategic stakeholder dialogue will often be a combination of self-regulation by companies and NGOs, and government legislation;
- International coordination of the dialogue and international implementation of agreed upon solutions;
- Preventing information asymmetry between players caused by lack of transparency.
- Actively seeking to incorporate (new) technology that can be of use to future generations of consumers as well;
- Sharing responsibilities by treating each other as partners;
- Creating commitment at top-management level and with other parties involved; When all parties give their support to a solution, the implementation will run more effectively and efficiently;
- Putting *people* first during the searching, selecting and implementation of policy options;
- Letting creativity and intelligence prevail over power and number.

To ensure the strategic stakeholder dialogue achieves the above-mentioned goals and objectives, it must adhere to certain principles. The same principles are found throughout the (stakeholder) dialogue literature, sometimes overlapping each other as a sign of their inseparable connectedness. Table 3 on the next page sums up the most important instrumental principles of the strategic stakeholder dialogue.

Table 3
Instrumental principles of a strategic stakeholder dialogue

Cooperation:	Working together and engaging in partnerships; creating networks; solving conflicts; working towards common goals; creating interesting options for all parties; sharing responsibilities.
Effectiveness:	Goal-orientated, working towards workable solutions & pro-active strategies in a systematic fashion.
Flexibility:	Ability to adapt own opinion, the process and / or (preliminary) results to new conditions and insights. Room for 'trial and error', tolerance towards each other.
Inclusiveness:	Involving a broad and diverse group of stakeholders that each have different values, points of view, expertise and expectations; involving 'winners' as well as (potential) 'losers'.
Legitimacy:	Transparent and honest dialogue process, guided by collective agreements ensuring all parties view the results as being legitimate.
Learning:	Reflective capabilities; new insights actually lead to new principles and new ways of thinking, and old habits and patterns are got rid of; Mutual information transfer to prevent knowledge gaps on important subjects.
Ownership:	High level of involvedness, all parties involved can identify with the dialogue process and feel responsible for the implementation of the results.
Participation:	Stimulating active, informed and committed participation of everybody involved, on a voluntary basis without exerting pressure.
Fairness:	Equality, impartiality, without prejudice; striving for equal participation of all involved parties, combating power differences, power abuse and power manipulation. Fair distribution of public responsibilities and private revenues.
Accountability:	Responsibility for the living up to agreements about dialogue process and results; complying with ethical and relational duties; making dialogue outcomes transparent to all of those involved, other not-participating stakeholders and society in general.
Transparency:	Being open about points of view, opinions, assumptions and expectations; being open about relevant business interests; supplying all relevant parties with all relevant information.
Voices, not votes:	All parties involved have the opportunity to voice their opinion and all points of view are viewed as being legitimate. Opinions do not lose legitimacy when a majority is in favour something else. There is: 'separation of the problem from the people' and 'focus on the interests and not on positions'.

When all parties consistently adhere to the above-mentioned principles, the basic conditions are formed in which the stakeholders can start working on building a relationship, the ‘engagement’ part of the strategic stakeholder dialogue. Trust in the discussion partners as in the dialogue process are essential. These two forms of trust are called: source trust and process trust. *Source trust* is created when parties come sincere, and do not appear to have a hidden agenda. It is important to know what everybody’s intentions are before engaging in dialogue. Furthermore, there should be a shared feeling of commitment so agreements are met. *Process trust* has to do with the way in which the dialogue process is shaped and how the parties fill it in further. It is about involving a diverse and representative group of stakeholders, legitimacy, transparency and giving honest information and timely feedback on (preliminary) dialogue results. Important elements in this respect are shared responsibility for: the agenda, basic conditions and the way the process is organized, together with trust in the (independent) leadership of the dialogue. The more strategic a stakeholder dialogue becomes, the more important it is to adhere to the principles of effective negotiation, described by Fisher and Ury in their influential book: “Getting to yes”. These principles have been incorporated into Table 3.

The instrumental – process orientated – principles lead to the most important principle of all, the principle that makes the stakeholder dialogue strategic: the (stakeholder) dialogue ought to contribute to sustainability. In literature, sustainable development is often seen as a process of ‘social system development’, in which actors engage in a process of continuous change. This change is in ‘socio-technical’ systems within ecological boundaries and remains within the boundaries of social justice that are continuously subject to discussion and change. Sustainability can be defined as follows:

Sustainability:	Respecting the relationship between ‘people, planet, profit’; integrating a wide spectrum of expertise, creating broad societal support and commitment of parties involved; long-term vision is more important than short-term solutions; a coherent vision on the use and aim of stakeholder dialogues, directions of solution are not fixed in advance, an effective stakeholder dialogue should make a vital contribution to a company’s innovative powers. its continuity and legitimacy.
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5. Conclusion: a (long) tough road from a reactive dialogue to a pro-active strategic stakeholder dialogue

Giving information is not the same as an open dialogue, but it is a part of it. Strategic stakeholder dialogues are use more or less the same principles as stakeholder dialogues. Stakeholder dialogues, in turn, use many of the same principles as dialogues. Nevertheless, there are big differences in the realization, the intentions and necessary skills. A dialogue does not necessarily have to evolve towards a stakeholder dialogue, let alone a *strategic* stakeholder dialogue. The breaking points between the three forms of dialogue have been discussed in this chapter and Table 4 summarizes them briefly. These are also the decision making moments that managers should keep in mind when engaging in dialogue.

Table 4 Making the difference

	→ Giving information	→ Dialogue	→ Stakeholder dialogue	→ Strategic Stakeholder Dialogue
Number of discussion partners:	Usually 1	Several	The most relevant (multi-)	stakeholders
Nature of the discussion:	Empathy, informative	Problem-investigating, creating support	Problem-solving, creating new solutions and directions	
Trust:	Indifferent, source trust	Low, but growing; process trust	Average and growing; source and process trust	
Transaction costs:	Relatively low	Relatively high	Average	
Effort / attitude:	Reactive	(Inter) active	Pro-active and interactive	
Embeddedness in organization:	Public affairs/ relations	Corporate communication; issues management	Strategic corporate communication/ issues management; strategic management; leadership	
Time span:	Short-term	Middle-long-term	Long-term	
Location of debate:	No location	Threat of debate leads to dialogue	Debate is first phase of strategic dialogue in which values and positions are investigated	
Complexity issues	Low	Average	High	
Mutual commitment	Indifferent	Average	High	
Willingness to change/ learn	Indifferent	Average	High	
Basis of relationship	Communication	Interest articulation	Partnership, shared ambition	
Required transparency	Little	Average	Much	
Realistic expectations partners needed?	Unimportant	Slightly important	Very important	
Clear rules of the game needed?	Somewhat	Yes	Very much	
Power balance?	Not necessary	Preferred, but not necessary	Very much preferred but not always attainable	

The wrong form of dialogue with the wrong effort can reduce the effectiveness of the interaction severely. For instance, a manager claiming he wants to engage in a stakeholder dialogue with several NGOs but in fact only wants to gather information quickly will soon lose his credibility. Since the necessary effort of a stakeholder dialogue is much greater the discussion partners will soon get frustrated resulting in a premature termination of the talks or the unnecessary hardening of the discussions. On the contrary, a manager who obviously needs to make some strategic decisions but only organizes a stakeholder dialogue will find that the stakeholders will probably not be interested in thinking about strategic options. This will also reduce the effectiveness of the dialogue severely. NGOs and government bodies have similar dilemmas to deal with: linking the best suitable instrument to the right issue.