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सतत् विकास और हितधारक भागिता

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Stakeholder Engagement
for Sustainable Growth :
Issues and Strategies
for Corporates

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A Few Thoughts



There has been a significant shift in mindset of business organizations since the time economist Milton Friedman famously said “the business of business is business”. New managerial theories urge management to take into consideration not only “business” interest but also those other groups or individuals (stakeholders) who have a stake in the company by becoming “socially responsible”. Stakeholders include those groups or individuals who can affect or are affected by the company's operations. The location, scale and nature of operations will determine who sees themselves as stakeholders.

It is true that in many ways, stakeholder engagement is not a new practice. Successful businesses have always tried to understand and respond to the opportunities and risks posed by employees, customers, suppliers, regulators and communities. Interaction and dialogue with stakeholders is something most companies already do through diverse processes located within marketing, public affairs, investor relations and day-to-day management. What is new is the focus and strategic importance now being given to stakeholder engagement, in the particular context of corporate sustainability. Furthermore, as social and environmental issues traditionally seen as outside of the business limits are becoming critical factors to long-term business success, companies are seeking new ways of engaging with stakeholders to respond to these challenges.

Effective stakeholder engagement is possible when management identifies its key stakeholders, defines their characteristics and fully understands the needs and interests of these stakeholders. Stakeholder management therefore involves a whole gamut of activities including development of strategies for internal preparedness for meeting stakeholder's expectations and, processes for two way communication and engagement with the stakeholders. This Foundation Day Special Issue of Growth is a collection of papers that seek to explore the different facets of stakeholder engagement strategies. I am sure readers will find the articles interesting and thought provoking.

A handwritten signature in blue ink, appearing to read 'Manas R Panda'.

(Manas R Panda)
Executive Director (HRD)

Translating Effective Stakeholder Engagement in Projects to Organisational Growth

Susmit Roy*

"It is said that the engagement or involvement of these stakeholders contributes to project success which in turn results in organizational growth through addition of new organizational assets going into the existing asset pool of the organization."

ABSTRACT

Organisation Growth has many factors contributing to it and at an inorganic level it is asset that is added to its existing asset pool which signifies the growth. For the creation of assets, organization has to go for projects. These projects consume lot of resources. Among them human efforts are of great significance. The human efforts in projects come through different agencies who are attached to the project. These agencies are commonly termed as stakeholders. It is said that the engagement or involvement of these stakeholders contributes to project success which in turn results in organizational growth through addition of new organizational assets going into the existing asset pool of the organization. However, this engagement of stakeholders as in all other human efforts has some issues and challenges. The author believes that this correlation between stakeholder engagement, project success and organizational growth gets smoother once these issues and challenges are addressed properly.

Introduction

Any organization when goes for a project does so in order to grow as the project creates organizational assets. These organizational assets then are used to make further assets or to generate further income from these assets. In the process of creation of these assets apart from various resources huge amount of human efforts from different quarters goes into it. One such area is the stakeholder. It is argued that effective contribution by the stakeholder is a factor in successful project leading to organizational growth and is possible if these stakeholders are involved or engaged in the project. The present paper attempts to explore based on the different available literatures whether stakeholder engagement is a necessary criterion for the project success and correlate project success to the organizational growth. The study also tries to examine the issues and challenges that crop up while dealing with engagement of stakeholders in projects.

Who are Stakeholders in a Project?

In the above case the term "stakeholders" has been coined. But who are the stakeholders? The term "stakeholders" in the context of a project has been defined in a wide range starting from "those who have an interest" (Boddy and Buchanan, 1999) or as being essential at all points in the project from "initiation" to "closeout"

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or as an entity be it “people, groups or organisations that could impact or be impacted by the project” (PMBOK Guide 2013). The range of stakeholders and their power to influence the outcome of the project are very diverse. Depending on the size and complexity of the project the number of stakeholders too can vary. In a typical project the stakeholders consist of Project Owners, Users, Project Manager and Project Team, Project Sponsors, Civil Society, Vendors/Contractors and Consultants. The figure below gives the array of stakeholders that can affect the project.

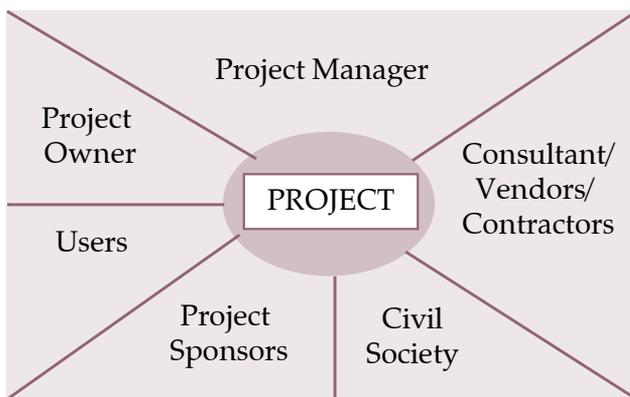


Fig. 1 : Stakeholders in a Project

The stakeholder's stake can be an interest, a right or ownership in the project (Bourne and Walker, 2006). An interest is a circumstance where the stakeholder can have a concern in a decision if he is affected by the decision, a right can be a legal or a moral right and the ownership is a circumstance where the stakeholder has the legal right to the asset created or the service rendered by the project. The Project Owner usually has a legal right to the title of the asset created by the project as well as an interest in the financial benefits that will accrue from it in future. The Users, who will use the facilities or products or services (can be called assets) resulting from the project will be concerned with the quality of the product or services and its ready availability. As far as their influence is concerned they have a say in the finalizing the requirements from the project. The Project Manager and his project team are solely interested in the project performance, which can be measured in terms of adherence to time, cost and specification. Through their efforts they ensure the achievement of these objectives. The Project Sponsors are the Banks or Financial Institutions or such entities that has financed the project. Their interest

revolves around the safety of their invested fund to which they have a legal claim and quick return from the project investment. As such they have a limited influence in the project outcome. On a very wider perspective the project can influence the civil society by offering services or facilities which may or may not be acceptable to the society e.g. a project by creation of facility might expose the society to environmental hazards such as pollution, toxic waste products etc. The influence of this type of stakeholder is exercised through the control exerted by the statutory agencies like pollution control boards, factory inspectors etc. Another group of external stakeholders are the vendors/ contractors. Their expectation generates from the fact that they carry out the major activities in the project and hence use much of the resources. Thus they have a great potential in affecting the project outcome. To a lesser extent, the consultants also have a significant role in project success as this is the agency that gives the initial direction to the project towards its goal.

Stakeholder Engagement in Project Success

The influence of different stakeholders in project success has been highlighted since long in different literatures. In the earlier days project success was measured within the narrow confines of cost, time and quality criteria and failed to look at the wider perspective of its effectiveness from the stakeholder point of view (Jugdev & Mueller, 2005). The concept of stakeholder as an important contributor to project success was identified by Pinto and Slevin (1987) when they proposed their ten factor model of project success. According to this model, factors like Client Consultation, Client Acceptance and Communication are among the main factors to project implementation success. They have emphasized on the communication, consultation and active listening to all the impacted parties i.e. the stakeholders and the provision of an appropriate network and percolation of necessary data to all the key actors in project implementation. The success of a project may have different dimensions to the different people /stakeholders depending on their interest in the project (Freeman and Beale, 1992). In another study, client consultation and project manager's performance have been identified among other factors to affect the project

success (Belassi & Tukel, 1996). The study conducted by Chan et al (2004) identified several factors and categorized them into project related factors, human related factors or project participants - related factors, project procedures, project management actions and external environment that affect the project success. The project participants / stakeholders to the project, according to them exert considerable influence in the way construction projects are implemented and thereby affect the project progress. From the above observations it is obvious that the stakeholders can influence the project progress and ultimately the project success. The Gas Based Power Plant project in Dhuvaran, Gujarat is a case where stakeholder engagement has made it possible to bring the critical equipment at site and complete the project in time. Hence, understanding of stakeholder engagement is necessary to ensure project success.

Case of Gas Based Power Plant Project in Dhuvaran, Gujarat

Larsen and Toubro (L&T), the engineering major bagged an order of over Rs. 1100 crores from Gujarat State Electricity Corporation Limited (GSECL) for setting up a 375 MW gas based power project at a site called Dhuvaran near Baroda in Gujarat (Business Standard, Feb 14, 2011). The project was to be executed by L&T Power, a gas based power project arm of L&T. The scope was to design, supply, install and commission the entire project on a turnkey basis. The main equipment like gas turbine, steam turbine were to be supplied by Siemens AG, Germany. Plant integration and detailed engineering was to be carried out by L&T – Sargent & Lundy, a subsidiary of L&T. Apart from there were several other vendor / suppliers including some of L&T's other units were involved in the project. One of the major challenge L&T Power faced was to bring the turbine-train to the project site as it was to be brought in a single piece. After a lot of study it was found that the turbine-train weighing more than 300 tonnes could be brought only through the sea route as the roads and bridges from Mumbai port to the site were not capable enough to withstand such heavy loads. The sea route too had its own baggage of problems. The gulf near the site was not deep enough to carry a ship with such heavy

cargo. They had to plan for a barge to carry the equipment to the site. Even the movement of the barge required certain minimum level of water which was possible only during the high tide for duration of approximately 30 minutes. Unloading such huge equipment would have to take place within such stipulated time limit. However, L&T Power with all the other agencies could carry out this complex operation successfully. The project was completed on time. But the project owner, GSECL failed to supply gas for the commercial operation of the plant. The project started getting delayed. It is also being argued that the non-availability of gas or availability at higher price may put a question mark on the viability of the project in future. However, this is one such case where stake holders have collaborated amongst themselves for the project success but the project failed to take off due to difficulty in the supply of the main raw material i.e gas. Thus, it is the commitment and positive involvement of stakeholders which accrue to and ensure success of a project.

Stakeholder Engagement can be defined as a process of involving and aligning the stakeholders to the project objectives and reducing the risks to achieve the project goal. The importance of engagement and alignment of the stakeholders' goal and vision to the project goal has been reflected in several literatures (Cook –Davies, 2000, Christensen and Walker 2003). However, the problem arises when the ways to identify project stakeholders and the entire communication strategy is based on that initial finding is applied. The projects in many such cases fail because in the course of the project execution the stakeholder's need of the project and the project's needs from the stakeholder changes as well as there are changes in power or position of the stakeholders. The project manager's challenge is to identify this change in the need or the position of the stakeholder and adjusting its strategy to manage the relationship.

In the study of conceptualizing the stakeholder engagement, researchers (Mathur, Price and Austin, 2008) have viewed this engagement aspect from three different perspectives – strategic management perspective where manager should know the

important stakeholder needs in order to build up a strategy to satisfy these needs. The second perspective, which has an ethical base, holds that stakeholders are citizens having a right to determine (or at least influence) the services and valuing the process of participation for democratic reasons. For instance, the projects in the public utility domain like health services project or road/bridges project. The third perspective views stakeholder engagement as dialogue, a social process that emphasizes on the less tangible but beneficial elements like reflection, understanding and learning. Stakeholder engagement has a significant role to play in the project success provided it is designed in a way so as to deliver the benefits of all the three perspectives. Hence, a better understanding of these three perspectives is necessary in the context of projects.

The engagement of stakeholders is necessary from the strategic management perspective so as to know what the stakeholder actually needs. This is due to the understanding that different stakeholders have different values and view the project in different ways. The purpose of engagement study is to identify and understand the diverse needs and expectations. It has also been emphasised that the stakeholders be identified and involved from the project design and delivery so that the project can remain sensitive and responsive to the local needs and conditions. The other reason to engage the stakeholders in the project decision making is to enhance their sense of ownership to the project. Different research has established that citizens, when get involved in the project decision making, be it environmental impact assessment or managing the natural resources tend to develop a sense of ownership of the project (Shepherd and Bowler, 1997, Shindler and Cheek, 1999). This is considered important for the long term success and sustainability of the project.

In the ethical perspective, it has been argued that projects in the public sector seek to address the stakeholders issues and interest to a larger extent than the private sector where the focus lies merely on satisfying the immediate customer needs. In cases of large public projects it is claimed that public participation enhances democratic governance and promotes representation of diverse interests (Ridley and Jones, 2002). It has also been claimed that even

in case of private sector organisations where profit motive drives the project, involvement of larger group of stakeholders help in shifting the goal from mere profit earning for shareholders to a larger base of addressing the needs of the society. (Mathur, Price and Austin, 2008).

Stakeholder engagement can be looked upon as an opportunity for the each stakeholder to share his values where “trust and knowledge are generated and circulated to provide a foundation of social and intellectual capital upon which collaboration can build” (Healey, 1997). According to Healey, the collaborative process is built upon three piers – design of arenas accessible to all who have a stake in an issue, transferring powers to make decisions close to those stakeholders who will be affected by them, and promoting engagement methods which allow diverse points of views to be explored.

In a separate study conducted by Alderman & Ivory (2011), they have proposed that in a complex project, a project manager has to manage the relationships across an extended network of people/actors –that can be both human (i.e. stakeholders) and nonhuman (like technology). Actors in the network perform translation or a movement towards a project goal through the use of intermediaries such as money, contracts, specification, schedules etc. The success of the network lies in the fact, that how well the actors cultivate an environment of faith and are aligned with others in the network and towards the common goal i.e. the goal of the project. This also confirms the assimilation of the three perspectives of stakeholder engagement in a project.

Project Success to Organisational Growth: Issues and Challenges in Stakeholder Engagement

Project Success is critical to every organization as it creates organizational assets which in turn lead to organizational growth. From the literatures discussed above it can be concluded that stakeholder engagement is one of the important factor in the project success which can result in organizational growth. However, the route to organizational growth through the successful project has its own issues and challenges as far as stakeholder engagement is concerned. Hence, a better stakeholder management is necessary to tackle the issues and challenges thereby

reducing the risk in the project and a greater risk to the business organization (Shastri, 2014). According to him the risks are: inadequate understanding and communication of end user requirement, impact of attrition in the team on the project output, lack of accountability in the sub-contracted work, poor or missing end user training. All these risks put a greater challenge to stakeholder engagement and calls for more effective stakeholder management.

In all the views projected in the different literatures, like the different perspectives of stakeholder engagement given by Mathur, Price and Austin (2008) or the actor-network view of project given by Alderman & Ivory (2011) it can be argued that all these reflected three behavioural attributes of a stakeholder which are fundamental to the engagement process in projects. These are mutual trust among stakeholders, stakeholder's loyalty to the project owner and the project and stakeholder's advocacy of the project owner to others. Trust involves risk. Whenever a stakeholder puts his trust on others he makes himself vulnerable to that party's actions or decisions. Sometimes this creates trouble when the contractor on whom the order is placed for a job either delays it or get out of the contractual obligation at a crucial point in the project. At times the breach of trust occurs when the supplier commits a certain supply at a stipulated time only to deviate from it a later date. In a project environment, continuous presence of change and uncertainty demands greater trust among stakeholders. The stakeholders also develop trust when they see that needs and concerns are addressed properly in the project objectives.

Loyalty is another attribute, which basically demonstrates unflinching allegiance to the institution or the project or the project owner. Loyalty can be functional or emotional. Functional Loyalty can be quantitative and trackable whereas emotional loyalty is qualitative and indicated by the statement about the feel or experience. Functional loyalty is vulnerable, an employee working in the project can be lured off by any other competitor at any point in time. In a project site contractor workers come from different backgrounds with varying degree of loyalty to this project as their bread earner. They shift their allegiance to other mode of work leaving the contractor at a severe deficit of skilled workforce. Emotional loyalty

on the other hand transcends functional loyalty but is very hard to develop. Therefore, building loyalty among the team members and the end user is very much essential for their effective engagement.

Over and above the trust and loyalty of the stakeholders it is imperative to develop them as advocates of the project. This advocacy in turn produces motivation and also contributes in performance. While advocacy is somewhat easier in case of project managers and project teams it is difficult to achieve such advocacy from other stakeholders.

The dimension of stakeholder and their engagement in a project and how it affects the organizational growth is shown below:

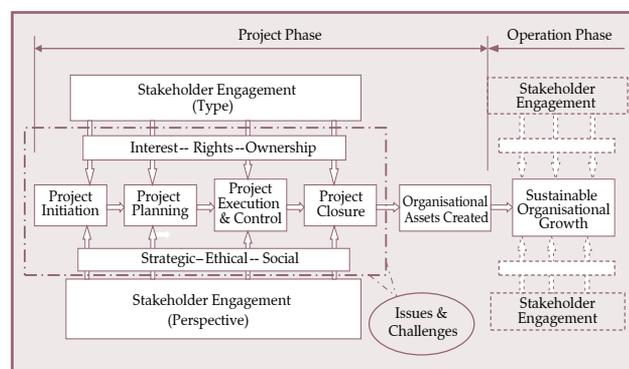


Fig. 2 : Dimensions of Stakeholder Engagement in Project resulting in Organisational Growth

Conclusion

Stakeholder engagement processes are designed to act as a sensing mechanism to capture information about the interests and expectations of stakeholders. For an organization the project adds to the organizational assets thus contributing to its growth. In the way to successful projects several stakeholders contribute their part to the total effort. The engagement of these stakeholders is necessary for the success of the project and to the growth of the organization. In order to achieve this, project managers have to manage all the other stakeholders in order to align them towards the common project goal. However, once the project is successfully completed and the organizational asset is created there is a greater stake involved in its successful use which can enhance the sustainability of the asset. The stakeholders at this stage are a different set of people with different set of interests and expectations. This requires further efforts for

engaging the stakeholders in this stage. A more judicious approach to the success of organizational growth would be to include the stakeholder since the inception of a project rather than keep them at “arms length” with a singular mode of communication in terms of “monitoring”, “listening” or “telling”. The

author is of the opinion that stakeholder engagement in this stage of operation as in the stage of project should be more inclusive based on similar principles to tackle the issues & challenges for the growth of the organization to be a sustainable one.

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How to Make Stakeholder Engagement Meaningful

S S Panda* and Anil Barik**

"The stakeholder engagement function has moved from 'nice to have' to 'core' business. Without engaging stakeholders, there can be no common enduring agreement, ownership or support for a particular project."

ABSTRACT

The maturing of corporate social performance as a management discipline has prompted a renewed interest in stakeholder-related concepts of management and receptivity to approaches which embed stakeholder engagement in the 'business of businesses'. The stakeholder engagement function has moved from 'nice to have' to 'core' business. It could be viewed as a form of risk management and should be at the heart of any "sustainable development" agenda. Without engaging stakeholders, there can be no common enduring agreement, ownership or support for a particular project.

In this paper, relevant theory around sustainability and stakeholder engagement and models are discussed. These methods of engagement provide a forum for spotting opportunities for everyone involved.

Introduction

Stakeholder engagement and/or participatory practice is increasingly becoming a part of mainstream business practice and central to public policy decision-making and delivery. It is being used as a means to improve communications, obtain wider community support or buy-in for projects, gather useful data and ideas, enhance public sector or corporate reputation and provide for more sustainable decision-making.

Sustainability, with its challenge to business to measure its performance against not just the financial bottom-line, but also its social and environmental impacts, implies a revision of the traditional business model with its primary focus on short-term profits and meeting shareholder concerns.^[21]

Terms like stakeholder capitalism^[11], stakeholder democracy^[3], stakeholder engagement^[17] and dialogue have become more common place. In the face of challenges to organizational legitimacy, these modes of engagement offer hope of mutually acceptable solutions and a sense of shared responsibility and even understanding on the part of stakeholders not least where sustainability is concerned.^[6]

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**Chargeman, Engg. Shops, RSP, SAIL, Rourkela

Who are Stakeholders ?

Stakeholders may be existing or potential customers or end-users of the product, employees, suppliers, shareholders, or those that define policies or have financial leverage. Those responsible for undertaking public participation often categorize stakeholders into 'groups' based on a number of factors including geographic boundaries or location, recognized bodies or institutions, income groups, land ownership or occupation, legal requirements, and real or perceived views of the issue under dispute. The nature of this classification means that these stakeholder groups are usually not homogeneous entities. It is more likely in fact, that an identified "stakeholder group" will comprise a diverse mix of individuals, who may – or may not - identify themselves with the particular "stakeholder group" into which they have been categorized.

In order to recognize and address stakeholder's needs and expectations, categorises stakeholders into primary and secondary stakeholders. The primary stakeholders are those individuals and groups whose support is essential for the survival of an organization, whereas secondary stakeholders are those individuals and groups who affect or are affected by the activities of an organization. On the basis of the above categorization, organizations can have a wide range of current and potential stakeholders such as: fund providers, employees, suppliers, investors, shareholders, regulatory authorities, Non-Government Organizations, media, labour unions, society and local community.^[4]

Why Stakeholder Engagement ?

In the last three decades and especially since the mid-nineties, there has been a discernible shift in the mindset of the business community. Milton Friedman's famous statement that "the business of business is business," has increasingly given way to a view of business and society as closely and unavoidably intertwined. New managerial theories urge management to take into consideration not only shareholders' interests, but also those of other groups, organizations or individuals who have a stake in the company. This is only possible when management fully understands the needs and interests of these

stakeholders. It is precisely for this purpose that stakeholder engagement is required. The failure to understand this wider group of stakeholders creates management "blind-spots" with risky consequences.^[15]

The theoretical foundations of stakeholder engagement are found in stakeholder theory, popularized by Darden Professor Ed Freeman's 1984 book, *Strategic Management*. In this classic formulation of the theory, Freeman defined stakeholders as "any group or individual who can affect or is affected by the achievement of an organization's purpose" and classified the main categories of stakeholders: financiers, customers, suppliers, employees and communities.^[17]

Emergence of Stakeholder Theory

According to Hitt, Freeman and Harrison(2001)^[8] the use of the term stakeholder emerged in the 1960s from pioneering work at Stanford Research Institute, which argued that managers "needed to understand the concerns of shareholders, employees, lenders and suppliers, in order to develop objectives that stakeholders could support". The term has become increasingly prevalent since Freeman's (1984) seminal text "Strategic Management: A Stakeholder Approach

Stakeholders are usually considered as a group of people with a recognizable relationship with the company including: shareholders, customers, suppliers and distributors, employees, local communities. In addition, to the above mentioned stakeholders they may be characterized also as following stakeholder groups: competition, media, public, lenders, unions, NGOs, government, other business partners and others (Figure. 1).

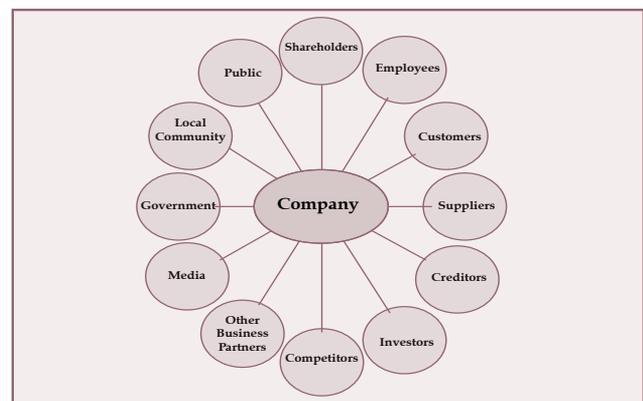


Fig. 1: Business Stakeholders^[7]

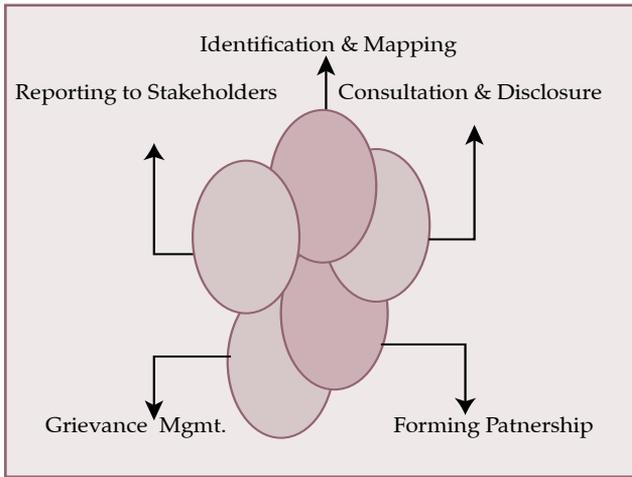


Fig. 2: Stakeholder Engagement – Key Elements^[2]

Organizations can have a broad range of stakeholders with different interests and it is not possible for organizations to address the issues and concerns of all their stakeholders. Therefore identification of stakeholders which can impact or are impacted by an organization's actions becomes essential. In the absence of stakeholder identification, the effectiveness of stakeholder engagement becomes questionable or doubtful.^[1]

The key criteria for identifying and prioritizing stakeholders include: attributes of power, legitimacy and urgency; and the stakeholders ability to affect or be affected by the organization's actions.^[14]

Models for Stakeholder Engagement

Research undertaken by the *World Bank*^[9] on lessons on engagement has shown that it is critically important to adopt a step by step engagement of external stakeholders. This may require a commitment of time and resources to awareness raising, lobbying, advocacy and building and nurturing mutual confidence. In working to introduce new ideas and approaches to governments and multilateral agencies at the international, regional and national levels. Projects financed by the World Bank have used a variety of means to engage stakeholders. These techniques, including face-to-face discussions, the preparation and dissemination of policy and position papers, regular and persuasive correspondence, and the free provision of technical advice, were used to effectively allay actual and perceived government wariness of new concepts and proposals.

In a complex environment where changes are constant, organizations are looking at strategy with new eyes. A more fluid and yet clear structure is needed to coordinate actions and strategy, foster innovation and collective learning. For this business are re-learning how to design their strategy.

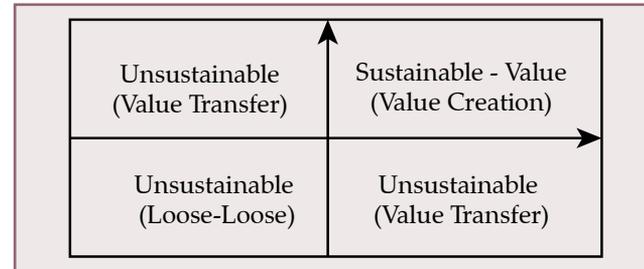


Fig. 3: Scope of strategy^[12]

The new scope of strategy is about being aware of the whole system's perspective. (Figure. 3) *Lazlo & Cooperrider (2008)* describe a new design model for sustainable business - a conventional model of short-term shareholder value that treats the environmental and social issues as "externalities" shifts to a new model of win-win approaches where growth comes from innovation by and across multiple stake holders. Within this model acting to create value for either shareholder or stake holders alone is not value creation but actually only transference of value from one group to another Value creation happens when value is created for both groups. *Lazio et. al. (2008)* defines this as "creating sustainable value".^[12]

Different modes of engagement between companies and stakeholders

Considering how harmful negative perceptions and social risks can be to a business, companies need to take the initiative to engage and understand the interests and needs of their stakeholders upfront in order to build a constructive and meaningful relationship.

But engaging with stakeholders can be very challenging. A quick glance at company's stakeholder map will tell a lot about the diversity of stakeholders' interwoven and potentially conflicting interests and concerns. Indeed, stakeholders' concerns and expectations cover a wide range of issues (environmental, social, health and safety, well-being of the community, etc.) that may be contradictory or even conflicting in specific situations.^[5]

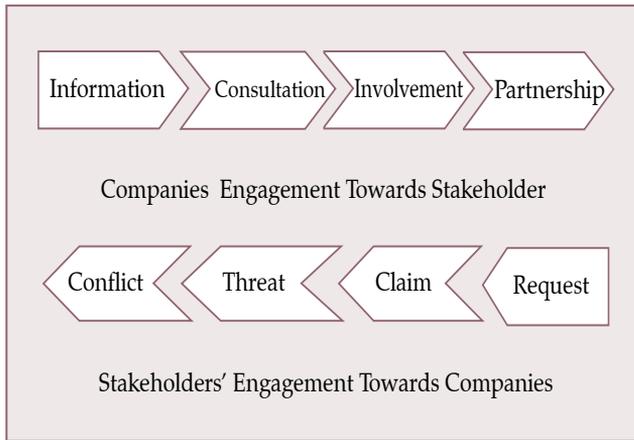


Fig. 4 : Modes of engagement between companies and stakeholders [13]

It should be borne in mind that stakeholder interests evolve over time as new information becomes public or as scientific knowledge grows, especially in the areas of health and safety and the environment.

The relationships between a company and its stakeholders can take different forms; from partnership and close cooperation to open conflict and blockage, depending on how willing the two parties are to communicate openly, as shown in Figure. 4.

Stakeholder engagement is not only about glossy presentations, good public relations or crisis management. Lack of stakeholder engagement, poor stakeholder engagement or mere crisis-based communication can actually be detrimental to the business or to the company image.

Therefore, in order to achieve corporate responsibility and sustainability in a complex and evolving environment driven by multi stakeholders' interests, companies will have to become learning organizations that will be aware of and process a much wider range of information (Figure - 5). [18]

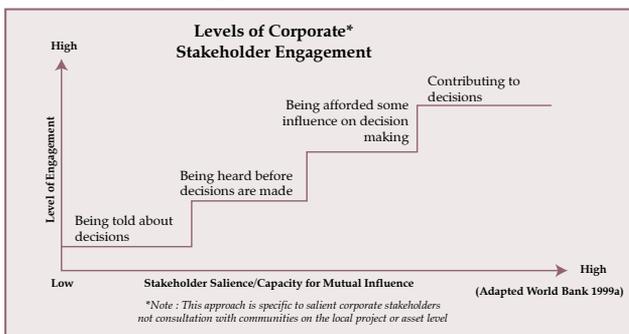


Fig.5: Level of Corporate Stakeholder Engagement (Source: Sinclair Consulting)

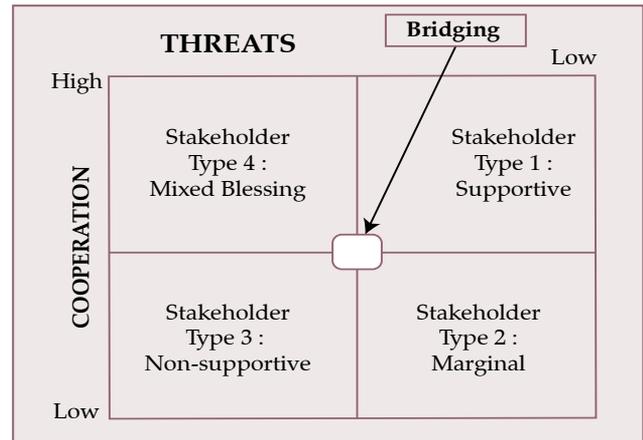


Fig. 6 : The Polonsky strategic stakeholder grid [16]

The Polonsky stakeholder grid

Polonsky (1995) devised a strategic grid that maps five types of stakeholder strategy. These are: mixed blessing, supportive, non-supportive, marginal, and bridging. The grid aims to position stakeholders within two domains those that are willing to cooperate and those that won't and so are considered potential threats to the organization (Figure. 6).

Stakeholder Type 1 is one with a high potential for co-operation and low potential for threat to the organization. The strategy here is for management to have these stakeholders highly involved.

Stakeholder Type 2 is one with a low potential for co-operation and a low potential for threat. The appropriate management strategy here would be to have the stakeholder closely monitored for change in attitude.

Stakeholder Type 3 is one with a high potential for threat and a low potential for co-operation. The non-supporting groups could include academic economists, "free trade" public affairs groups, other industries trading heavily with the offending foreign firms and others. The appropriate action is for the organization to actively defend its position.

Stakeholder Type 4 is one with a high potential for threat and a high potential for co-operation. This is a mixed-blessing type of stakeholder. Management's handling of this type can make the firm either a success or a failure.

Approaches to Stakeholder Engagement:

Traditional	Emerging
Fragmented	Integrated and systematic
Issue based	On-going
Focus on managing relationship	Focus on building relationship
Emphasis on buffering the organization	Emphasis on creating opportunities and mutual benefits
Linked to short-term business goals	Linked to long term business goals
Idiosyncratic implementation dependence on division interest and personal style of managers	Coherent approach driven by business goals, mission, values and corporate strategies

(Adapted from Svendsen, 1998, p.4,^[19])

Stakeholder engagement is central to how the business is conducted and is a pre-requisite for long-term sustainability. It helps define a company’s Sustainable development Strategy as well as how and what are reported. It is essential that Managers understand the issues a Company’s key stakeholders are concerned about in order that company’s business values reflect theirs.

Stakeholder Engagement Strategy: Five-Step Approach

Thought leaders and influencers from government, civil society, and the private sector play an important role in creating and maintaining business value. As their influence evolves, companies must take a strategic and structured approach to stakeholder relations (Figure - 7).

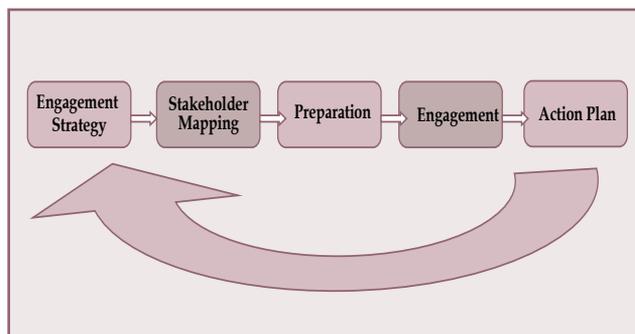


Fig. 7 : Five step approach of Stakeholder Engagement^[10]

Step- I : Engagement Strategy

With internal alignment and a common understanding of stakeholder engagement, one can move on to building a strategy. Where stakeholder engagement can have the biggest impact on your strategy and operations ,Streamline processes to define and lead cost-effective stakeholder engagement activities.

Step-II : Stakeholder Mapping

Stakeholder mapping is a collaborative process of research, debate, and discussion that draws from multiple perspectives to determine a key list of stakeholders across the entire stakeholder spectrum. Mapping can be broken down into four phases (1. Identifying, 2. Analyzing, 3. Mapping, 4. Prioritizing). The process of stakeholder mapping is as important as the result, and the quality of the process depends heavily on the knowledge of the people participating.

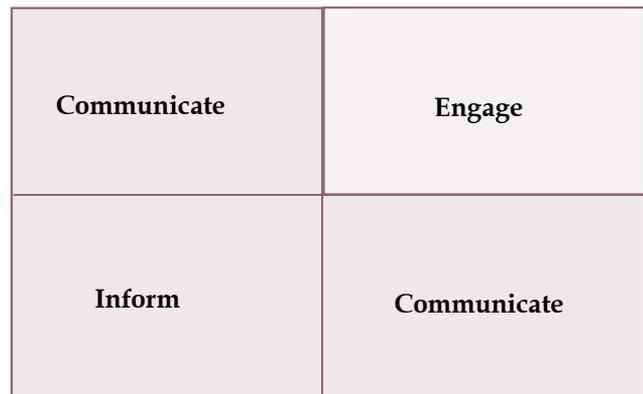


Fig. 8: Stakeholder Engagement Quadrant Tactics ^[10]

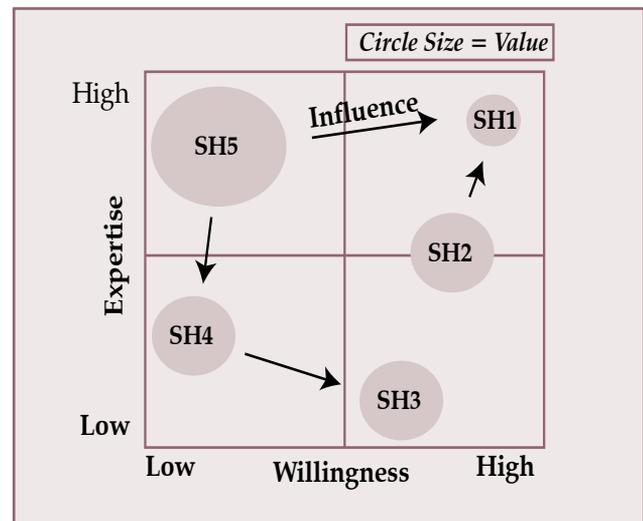


Fig. 9: Sample Mapping: Sh1:Stakeholder 1 etc. ^[10]

Step-III & IV : Preparation and Engagement

Preparation will bring your knowledge to fruition. It will help ensure that your engagement is not an end in itself but a means to a process of continued dialogue with those most important to your business—your stakeholders.

Depending on the scope of engagement strategy, multiple tactics should be considered to address different stakeholder groups simultaneously.

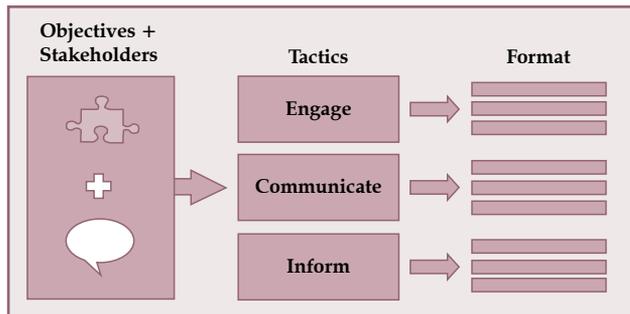


Fig. 10 : Tactics and Format for Stakeholder Engagement^[10]

Tactics are high-level descriptions of how one approaches stakeholders. It is divided into three categories: engage, communicate, and inform: Engage describes stakeholders with whom engagement is necessary. Communicate describes stakeholders with a high willingness to engage or a high level of expertise but who have not yet participated in dialogue with the company. Communicating more with these stakeholders will help them value engagement. Inform describes stakeholders who seek information only instead of a conversation (Figure - 8, 9, 10).

Step-V : Action Plan

Outcomes of engagement to respond to stakeholder needs to be drawn upon and further develop lasting relationships. Companies often conduct engagements but fail to document the results and act on information gained through the exchange. In this step it needs to develop an action plan whose key aim is to translate the findings, insights, and agreements from the engagement into action and to communicate these actions to your stakeholders.

Benefits of Stakeholder Engagement

The business benefits of effective engagement are now well-known and well-documented. A number

of studies have found a clear correlation between stakeholder relationship quality and financial performance; sustainable wealth/long-term value and corporate reputation.

Svendsen (1998) argues the case for competitive edge as an outcome of effective stakeholder engagement: “as paradoxical as it sounds, one way to succeed in a highly competitive globalised economy is to co-operate”.^[19]

Five major ways: stakeholder engagement can contribute to company's Economic performance^[20]

- **Stakeholder engagement can solve problems.**

Addressing company social or environmental impacts effectively often cannot be achieved without the collaboration, knowledge and expertise of stakeholders. On some issues, stakeholder participation will be essential to the implementation of solutions, on others they can provide “out of the box” thinking that can lead to innovative win-win solutions for all parties. They also often bring a wider perspective on issues and solutions that companies might not have access to on their own, including knowledge of the local context as well as better understanding of anger expressed against the company because of its social or environmental impacts.

- **Stakeholder engagement helps management see the future**

Stakeholder familiarity with operations on the ground might well highlight where supply chains or company action are not consistent with company policies, where there is potential risk or where there are yet to be explored opportunities. More generally, stakeholder attention to an issue can be an early warning of evolving public expectations and regulatory or political concern, which might well escalate with alarming rapidity.

- **Stakeholder engagement is a facilitator of trust**

By providing stakeholders with the company's perspective on issues and being responsive in addressing their concerns, stakeholders would be more likely to be cooperative rather than confrontational. As a relationship is built,

confrontation may extend to trusting cooperation on common issues of concern, as well as enabling stakeholders, in some cases, to understand the limitations of corporate action.

- **Stakeholders are potentially influential partners**

Companies can work with stakeholders to shape industry standards and, given their access to like-minded politicians and regulators, possibly have their concerns taken into consideration in the formulation of legislation.

- **Stakeholder engagement can improve the company's public image**

Successful stakeholder engagement is likely to reduce public criticism, thus contributing to a positive view of the company in the eyes of all of its stakeholders, as well as saving time and resources spent on fighting negative campaigning. Apart from consumers' growing awareness of issues of ethical conduct; there is also evidence that a responsible public image is beneficial for the recruitment and retention of employees.

Role of social media in stockholder engagement

As more of the world moves online, stakeholder engagement via social media gives companies unique opportunities to speak directly to

groups with whom which would have been difficult earlier, if not impossible. There is an emerging role of social media for stakeholder engagement and for businesses to communicate their broader corporate responsibility agenda. With preferences shifting as to how we communicate and exchange information, social media is becoming the transparent, engaging, competitive advantage that business sustainability delivers. The use of social media such as Facebook and Twitter- are all platforms used to create two-way engagement with customers about its products as well as its CSR initiatives.

Conclusion:

Recent research^[22] reveals how effective stakeholder engagement significantly enhances the profitability of projects by reducing lead-time for production. Overtime better engagement with internal and external stakeholders will generate efficiencies in a Company's internal processes, value chain and enhanced communication with customers.

Realizing the power of shared value will require leaders and managers to develop new skills and knowledge—such as understanding stakeholder needs, interests and concerns and acquiring the ability to Collaborate with a range of stakeholders.

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Model for Stakeholder Engagement using Social Media

Siddhartha Roychowdhury*

"Formal stakeholder engagement sessions via Social Media provide points of intersection the company has with society and ecosystems. The more open and transparent a company is the more adaptable and stable it is."

ABSTRACT

An important development in stakeholder engagement since the early 1990s has been the rapid growth in reporting to stakeholders on various performance parameters. Many companies have found that one of the benefits of sharing credible performance information provides a foundation for future dialogue. Formal stakeholder engagement sessions via Social Media provide points of intersection the company has with society and ecosystems. The opportunity to access information by leveraging the social media and listening to sometimes critical views of stakeholders may not be very pleasant, but it does provide firms with an opportunity to learn more about perceived problems, and can be the basis for constructive action. These stakeholders may not always agree with the firm's view and may offer information that is hard to act on. Knowing this early on can save the firm from being side-swiped and derailed later. The more open and transparent a company is the more adaptable and stable it is.

Introduction

In market economies, the primary purpose of companies is to maximise shareholder value (e.g. economic profit, share price and dividends) and are bound by legal/regulatory obligations which address specific social and environmental issues. For this, companies pursue competitive strategies which rely upon and develop relationships between the corporation and its stakeholders. Since the early 1990's, corporate responsibility issues including the social obligations of corporations have attained prominence in political and business debate. This is mainly in response to corporate scandals but also due to the realisation that development centred only on economic growth paradigms is unsustainable and therefore there is a need for a more pro-active role by organizations in a development process aimed at balancing economic growth with environmental sustainability and social cohesion.

Meaningful engagement occurs when organisations, aware of the changes in the wider society and how they relate to organisational performance, choose to establish relations with stakeholders as a means to manage the impact of those changes, such as those created as a result of global economic downturn. Organisations can either seek to mitigate risk through the use of stakeholder management, or exploit these new trends to identify and establish new opportunities through the use of meaningful stakeholder engagement; the latter is characterised by a willingness to be open to change.

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Sustainability means having a framework in place that is economically, socially and environmentally sustainable, carefully considering the organisation's own developmental needs and the needs of its stakeholders and continuously contributing and leading to the improvement of society's overall sustainable development. Under an environment of continuous change, organisations must recognise strategic risk and opportunities, acquire strategic resources, foster core abilities, thus achieving excellent performance and growth. Organisations must engage in dialogue and cooperation with its stakeholders and continue to meet their needs to secure positive support for its growth and development. Consumer / stakeholder engagement is at the heart of brand innovation then they may have a critical role in building trust through the repetition of promises. Many organisations are confronted with the challenge of restoring public trust / stakeholder confidence. The brand is a powerful tool that creates two-way conversations between consumers and sellers.

Organisations can no longer choose if they want to engage with stakeholders or not, the only decision they need to take is when and how successfully to engage. Stakeholder engagement is premised on the notion that 'those groups who can affect or are affected by the achievements of an organisation's purpose should be given the opportunity to comment and input into the development of decisions that affect them. Situations arise when organisations do not actively engage but are forced to do so by the demands of society as a result of a crisis situation. In response, organisations employ crisis management techniques and are often forced into a defensive dialogue with stakeholders, leading to a significant and long lasting loss of reputation. A perfect illustration on

the consequences of stakeholder misalignment is the demise of GM, for which, in part, can be attributed to a lack of understanding with one of its core stakeholder groups - its customers. The first signs of trouble came in the spring of 2008 when fuel prices were spiraling upwards. With a "super size" production business model with vehicles such as the Hummer and SUVs, consumers were forced to turn their backs on these gas-guzzlers. This, coupled together with an increasing awareness on climate change, has played into the hands of Asian manufacturers like Toyota and Honda for hybrid cars and knocked out every hope of GM (and perhaps every US car manufacturer) to sell their products.

The recent economic downturn, rather than reducing the need for stakeholder engagement has highlighted its critical role in times of change and uncertainty. Recent examples of negative press regarding the reaction of communities impacted by an organisation's decisions has once again highlighted the value of stakeholder engagement e.g. the tribals of Orissa's Niyamgiri hills rejecting Vedanta's bauxite mining project. Such situations arise when organisations do not actively engage but are forced to do so by the demands of society as a result of a crisis situation.

Meaningful engagement occurs when organisations, aware of the changes in the wider society and how they relate to organisational performance, choose to establish relations with stakeholders as a means to manage the impact of those changes. Organisations can either seek to mitigate risk through the use of stakeholder management, or exploit these new trends to identify and establish new opportunities through the use of meaningful stakeholder engagement; the latter is characterised by a willingness to be open to change.

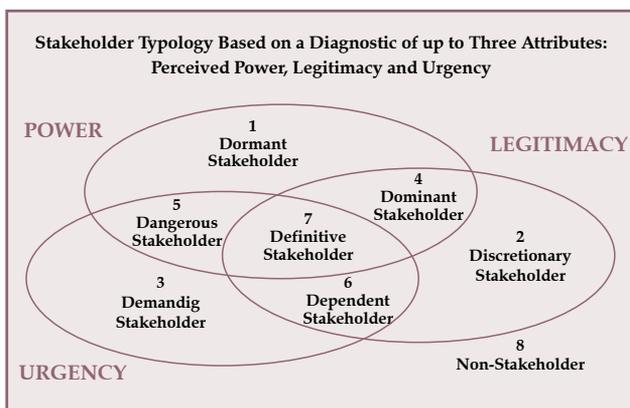
Model for Stakeholder Engagement Using Social Media

Step 1: Identify Key stakeholders and issues to address for the stakeholder engagement

The firm's needs to identify their stakeholders as they do not have much ability to choose their stakeholders. The location, scale and nature of operations will determine who sees themselves as stakeholders. Stakeholders will expect to be recognized when the firm's effect on them, for better or worse, is direct or

immediate - employees, for example. Even people who seem to have no direct connection to the business may consider themselves stakeholders, such as the families of the employees and those who live in the communities in which the business is located. A useful technique at this stage is stakeholder mapping. This is a way of visually representing the variety of stakeholder relationships the firm has and their relative proximity or strength. Some businesses use grid diagrams while others use circles. Regardless, it is important to include all the relationships in which the firm affects people or they affect the firm.

Mitchell suggests that a stakeholder group has power when it can impose its will on the firm, especially through the control of resources, while legitimacy implies that a stakeholder group reflects the prevailing opinions and beliefs of society.



Urgency is characterised as stakeholder sensitivity to the response time of managers. This classification can help to assess with whom an organisation should interact, e.g. those with power may have an enhanced capacity to disrupt and therefore capture public attention. Thinking broadly about stakeholders often results in a list that is much too long to be of any practical use. The demands on some stakeholder groups to participate in consultation processes have become so great that sophisticated stakeholders are not willing to contribute much energy to processes in which they have little influence. To avoid engagement burnout (trying to talk to too many stakeholders) consider setting priorities, using the following criteria as a start:

1. The significance of the effect of the firm in the view of the stakeholder (for example, the huge

difference in wage conditions between the permanent and contractual workers at Maruti at Maneswar led to a striking problem)

2. The importance of the stakeholder group to operations (for example, distributors and key suppliers of Maruti)

The firm may be contemplating stakeholder engagement to better understand its impacts, to help articulate its values, mission, strategy, commitments and implementation, to facilitate a regulatory approvals process, to participate in measurement and reporting, to avert or solve a crisis, or to proactively improve relationships. The reason for engaging stakeholders will determine the style of engagement and stakeholders' expectations, all of which could change over time. It is important to be clear about where each engagement fits into the big picture.

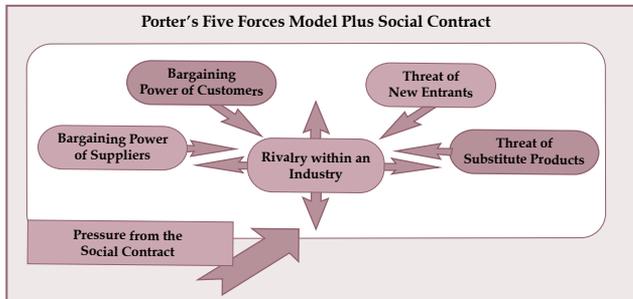
Step 2: Engage with Stakeholders to verify the materiality Plan the Engagement Process

The engagement plan should describe each stakeholder group and any subgroups, to ensure that the participants are representative of the group. It should also describe existing engagement processes, since many of these can be used as the foundation to develop a more systemic approach. When engagement is planned in the context of a regulatory process or a crisis, it is crucial to ensure that the participants have the legal and/or moral authority to speak for their group. For engagement related to performance measurement or organizational learning, having representative participants is also important to ensure reliable results. Selection of the appropriate engagement approach is very important. This may be focus groups, individual or small group interviews, surveys, formal referrals, key-person meetings, advisory councils or some other. The approach chosen should reflect the engagement objectives, stakeholder capacity, cost and time constraints, and whether qualitative or quantitative information is required. A professional facilitator or consultant can help with the details of the engagement plan.

Organisations interact with their customers, employees, suppliers and investors every day-usually unplanned and in rather informal ways. However, over the last five years there has been a shift for organisations to carry out systematic stakeholder

engagement, to help understand the perceptions and expectations of stakeholders and create open dialogue with them. Two-way dialogue with key stakeholders on current or emerging issues is important in identifying risk and in developing responsible business strategy, providing organisations with valuable insights that enable them to determine whether perception really does match reality. By approaching it as a two-way conversation enables companies to get vital feedback on business performance and it can shape the future success of the company. There can be a wide range of engagement approaches. There is no “one size fits all.”

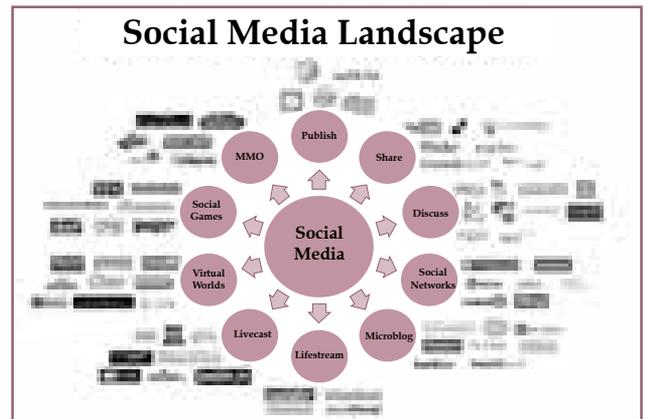
The digital revolution presents a new opportunity for organisations wanting to engage with stakeholders. Corporate engagement through social media (such as YouTube, Facebook and Twitter) can be harnessed to great effect – enabling organisations and stakeholders to share opinions, insights, experiences and perspectives with each other. "It requires a greater investment of time and resources to actively engage with stakeholders - but it's an investment that ultimately leads to improved decision-making and helps make you a better company", remarked Will Swope, VP of Sustainability



The key to success in harnessing social media to drive green messages are authenticity, participatory and ubiquity. Companies that are committed to real, embedded sustainability have already accepted these virtues, as they are key components of stakeholder engagement. “The digital economy is shifting the power in society - bringing with it a new era of transparency”, advised Santiago Gowl and VP of Brand Development and Global Corporate Responsibility at Unilever. In order to be effective stakeholder engagement cannot be a bolt on – it has to be part of the DNA. Leveraging on new social media, some of these channels can be used for stakeholder engagement:

- **Creating official micro-blog** : Micro-blogs like Twitter can help in actively open dialogue on topics such as business services, innovation and product development.
- **Website Publishing** : Organisations can publish the relevant issues generate discussions on topics such as product features and development.

Active Dialogue: Online social network sites like Facebook etc can help in starting an online dialogue for listening to stakeholders opinions and ideas.



The emergence of the social media have brought new approached to corporate stakeholder engagement

Traditional Approach	Using Social media as a tool for stakeholder engagement
Fragmented	Continuous and Integrated
Issue Based	On going and continuously evolving
Emphasis on identified objectives by organisation	Social media helps to identify new evolving issues vis-à-vis environment and hence emphasis is on issues identified by stakeholder besides objectives identified by organization
Focus on managing relationship	Focus on building relationships
Linked to short-term business goals	Linked to long term sustainability of the organization
Implementation dependent on divisional interests and personal style of managers	Continuous connect with stakeholders leads to a coherent approach driven by stakeholders interests, environment & business goals, mission, values and corporate strategy

Use of the social media as a engagement tool leads to :

- A more unified approach to stakeholder engagement.
- Aligned with corporate strategic imperatives and integrated with existing systems.
- Subject to continuous performance evaluation.
- Social media helps early issues identification and facilitates a more consultative, collaborative approach to the development of relationships with stakeholders

Step 3 : Strategy development focused on priorities

Entering into engagement in a spirit of respect and openness will increase the opportunities for mutual benefit. When inviting stakeholders to participate, be clear about the degree of influence they will have and commit to it. Nothing is more likely to destroy trust and discourage future engagement than revealing part way into an engagement process that the key decisions have already been made. Organisations should dedicate time and resources in attempting to recognise possible commonalities between

themselves and stakeholders, which may not at first appear obvious. This can provide a way through an apparent ‘mismatch’ of interests, leading to a win-win outcome. If this kind of research can be proactively completed ahead of consultation then the ‘entrance into engagement’ may be more successful, as well as ‘setting the right tone’ for the whole process. This may even assist in avoiding, or reducing, the incidents of failed engagements when both or one party feel there is no point in continuing a consultation as the ‘gap’ between the parties is perceived to be irreconcilable.

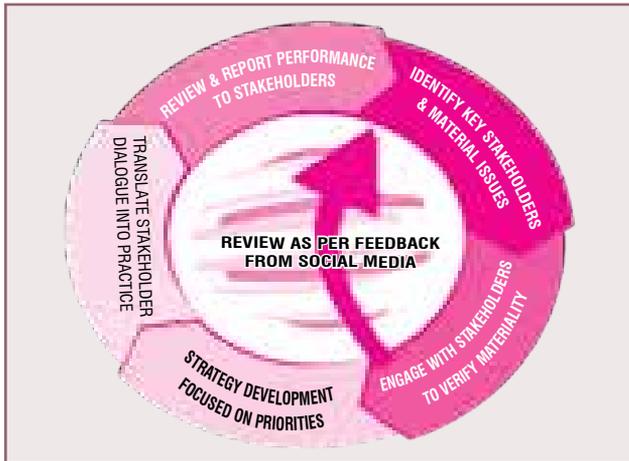
Step 4 : Translating Stakeholder Dialogue into Practice

Stakeholder engagement is only the first of many steps in building trust and confidence with stakeholders. All stakeholders will want to know that their concerns have been heard and, ideally, embraced upon. Closing the loop is perhaps the most critical step of the stakeholder engagement process. However, as corporate responsibility often deals with intangible or, at least, difficult to quantify risks it becomes even more problematic to make sure all the numbers add up to deliver the result stakeholders supposedly want.



Step 5: Review and Report Performance to Stakeholders

After the dialogue and engagement process have commenced and there is agreement by both the company and the stakeholders on the approach and deliverables, it is important for the participating parties to deliver on their engagement commitments. The dialogue should be maintained in accordance with the process that has been endorsed.



Model for Stakeholder Engagement Using Social Media

The development of meaningful relations should add value to the organisation's operations by reducing constraints on business and increasing the license to operate, allowing it to plan for the future, minimising risks and enhancing opportunities by better understanding the fast-changing scenarios (Political, Economic, Social, Technological etc.) and enabling it to better understand critics and potentially refute, convince or address criticisms. Furthermore it will enable organisations to reassure stakeholders that they are on top of issues, and in some cases, be essential for solving problems. It is, therefore, justifiable in terms of time, money and effort expended in their development and maintenance.

As part of this process it is important to collect a wide range of views above and beyond the business,

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regarding the quality of the engagement process and concomitant achievements. Many social ratings agencies tend to focus heavily on analysis of external communications of organisations when rating stakeholder relations, which does not necessarily reflect the true nature of the relationships with stakeholders.

Because the quality of relationships between stakeholders and organisations can vary over time and because the intensity of engagement fluctuates, it is important to regularly review the state of relations with critical stakeholder groups to analyse their level of satisfaction. A yearly perception survey carried out by an independent third party, with a standard set of questions and initial baseline data to allow benchmarking, can help managers to assess the impact and achievements of engagement. Such a survey can provide valuable information on the approximation of stakeholder satisfaction levels and how and why they move over time, providing a basis upon which managers can make adjustments to their engagement process.

Conclusion

Stakeholder engagement is essential to business strategy and success since it provides important information about the evolving expectations of many of the actors who matter to the future of a company. Stakeholder engagement helps companies identify the most relevant sustainability issues and help it to prioritize challenges and opportunities. Stakeholder information makes organisations better understand what actions to take and what priorities to make. Stakeholder engagement helps organisations in building trust, and that through the adoption of a collaborative / cooperative relationship with stakeholders, organisations can more easily distinguish challenges, opportunities and weaknesses related to its vision.

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Strategizing Stakeholder Engagement Initiatives for Sustainable Growth in Ecotourism Sector : A Sporadic View

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"There are a lot of aspects of the progress, operation and administration of Ecotourism that need be sustained and regulated through strategic stakeholder engagement programmes in order to safeguard the biodiversity, societies, tourists and the interest of corporate houses."

ABSTRACT

The Ecotourism have almost tripled over the past three decades in most developed and newly built-up countries. There are a lot of aspects of the progress, operation and administration of Ecotourism that need be sustained and regulated through strategic stakeholder engagement programmes in order to safeguard the biodiversity, societies, tourists and the interest of corporate houses.

This paper proposes to focus on the role and challenges of planning and execution of stakeholder engagement in order to spur up the growth sustainability of ecotourism in India. It further highlights the impact of fast changing tourist's demands which opens the plethora of business opportunities for the smart eco-tourism global players. The descriptive analysis method have been adopted to evaluate the symbiotic effect of stakeholder engagement in nurturing the sustainable development of ecotourism sector in India This Paper attempts to highlight the role of stakeholder engagement in cultivating sustainable development in competitive edge of eco-tourism sector in India. Based on the data collected through secondary sources this paper makes an assessment of the role of stakeholder engagement in ecotourism sector to nurture growth sustainability.

Introduction

Sustainable development is tentative with recognizing economic, environmental and societal development factors, rendering for fulfilling the present needs of gennext Indians without hampering the welfare of future generations. Sustainability concept now becomes the latest buzzword in the field of tourism and hospitality. In 21st century's global competitive scenario with the rising awareness for green movement tourism industry has realized the need for a socially and ecologically compassionate alternative tourism (Berry and Ladkin, 1997). Consequently eco tourism concept emerge as a tool preserving the natural diversity and welfare of local & rural community. According to Godfrey (1998) sustainability has apparently been endorsed as the innovative approach to arrest tourism's damaging effects.

Therefore ecotourism is a niche approach that evolved because of intensified societal demands for sustainable eco-friendly tourism business. It attempts to offer tourism products and services while complaining with the environmental social and economic aspects of Indian consumers. Nevertheless, previous research

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studies propose that it is complicated to lever the three dimensions of sustainable development, signaling that trade-offs may take place. Astourism providers are able to impact local socio-economic progress and prosperity, it is of great concern to scrutinize how they handle sustainable development with the effective employment of stakeholder engagement porgrammes. And more exclusively supply to trade-offs between the social and economic environmental supports of sustainable development in the eco-tourism sector in India. Sustainable growth and development – a quite hot and burning conception, however normally accepted was suggested by the World Commission on Environment and Development in 1987 as “development that convenes the requirements and wants of the present population without compromising the capability of future generations to fulfil their own desires”. This idea was drafted in the previous years in reaction to biodiversity and natural resources concerns. As per the World Tourism Organization "sustainable ecotourism has been deliberated to handle all resources, such as aesthetic social and economic needs to be satisfied, while sustaining cultural uprightness, biological diversity, indispensable ecological processes and life support systems ". United Nations Environment Programme and world Tourism Organization (1995) again simplified sustainable tourism as “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, and the environment and host communities. Hence, ecotourism can be considered as environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature that promotes conservation, has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations” (IUCN, 1996).

Tiny, sustainable companies indulged in organic farming, ecotourism, cultural tourism, and sustainable forestry are contingent on natural assets for their practicability. Recognizing and engaging stakeholders are two factors imperative to growth sustainability. Many Indian service providers do not take on stakeholder engagement initiatives due to thoughts of huge expenses incurred and managerial ignorance of shareholder engagement theory. Appealing

stakeholders yields numerous benefits, including biodiversity conservation a social security license to function and job scopes for local youth participation, augmented knowledge and information transition and dispute alleviation. Therefore there are some risk factor associated with stakeholder engagement along with uncovering challenges that a firm may favour to avoid increasing cases of equity and power, illuminating clash and initiating long term changes scheduled to the company’s operations all show major challenges to the tourism and hospitality providers.

This research paper has aimed at evaluating and analyzing the subsequent research question; “How do ecotourism companies strategize the stakeholder engagement initiatives to manage and sustain the social, economic and environmental forays of sustainable development?”.And with the purpose of probing how ecotourism firms administer the dynamics of employees volunteering and engagement to create sustainable development and socioeconomic and environmental concerns in Indian ecotourism sector. This qualitative study was executed in the context of ecotourism service providers in Indian cities through the analysis and evaluation of the secondary data and facts. The secondary data collected on the stakeholder engagement with respect to sustainable development has been evaluated with orientation to a pre-established conceptual framework. This research has revealed that ecotourism firms are actively engaging employees and partners in diverse initiatives promoting the idea of growth inclusivity and sustainable development. The ecotour service providers handle the social, economic and environmental concerns through different engagement schemes and initiatives. An excerpt that can be resultant of this research study is that all key elements of human capital in an organization are imperative to acknowledge. On the other hand, this is thorny to accomplish the goal as the three dimensions are a bit contradicting.

Stakeholder Engagement in eco-tourism Sector: A Brief Analysis

Stakeholder engagement is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions.

(http://en.wikipedia.org/wiki/Stakeholder_engagement)

Stakeholders also can be defined as any group or individual who can affect or is affected by the achievement of the organization's objectives (Freeman, 1984). Today's business environment is very complex with many stakeholders. It is not only sufficient to be concerned about the employees and customers but there is also need for the involvement of media, government, NGOs, SHGs and lastly the environment (Lane, 2006 and Fukukawa & Gray, 2007).

Presently stakeholder engagement plays a significant role in corporate social responsibility (CSR) and corporate philanthropy for achieving growth sustainability of business organizations. Many business firms nowadays engage their stakeholders for sustainable development purposes. However stakeholder engagement is not only restricted to CSR activities but also used as public private partnership tool to solve intricate issues. Stakeholder engagement plays an active role in service sector by involving people beyond employees for the stake of societal benefit and development. Stakeholder engagement is often practiced nowadays by many organizations including government and non-governmental NGOs, service industries to align business practices with societal needs and expectations which drives long-term sustainability and shareholder value. Moreover, the sole objective of stakeholder engagement is to nurture sustainability through working in a synergistic approach.

Stakeholder engagement and growth sustainability in eco-tourism sector:

Ecotourism is a sub-component of the field of sustainable tourism (Tuğba Kiper, 2013). UNWTO defined "sustainable tourism as application guidelines and management practices to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments". According to Lorch et al. (1995) "the objective of a sustainable tourism development policy is the lasting fulfillment of the ecological, economic and socio-cultural functions". Ecotourism is widely acceptable in global arena for strategizing sustainable development, growth inclusivity and conservation of flora & fauna of the country. Ecotourism along with agro and village tourism are the changing dynamics of global tourism industry. In India there are number of places

enriched with natural resources, scenic beauty and cultural heritage having enormous scope for tourism inflow. Eco-tourism contributes to conservation of biodiversity; sustains the well-being of local people; involves responsible action on the part of tourist and the tourism industry; promotes small industries; conservation of natural resources; poverty alleviation and business opportunities for the local community. However there is a need for collaborative creativity among the tourism organization, government and the local community and other stakeholders for the development of eco tourism sector. According to United Nations World Tourism Organization (UNWTO) stakeholders in tourism destinations are tourism professionals, public authorities, as well as the press and other media. Whereas ECOFIN defines "stakeholders in the tourism industry are deemed to be anyone who is impacted on by development positively or negatively and as a result it reduces potential conflict between the tourists and host community by involving the latter in shaping the way in which tourism develops". Today there is more need for stakeholder involvement in decision making and planning in tourism landscape. As per the view of Jamal and Getz (1995) the need to increase the involvement of all persons affected by tourism developments is impending. Figure-1 depicts various stakeholders in the field of tourism (Buhalis, 2000).

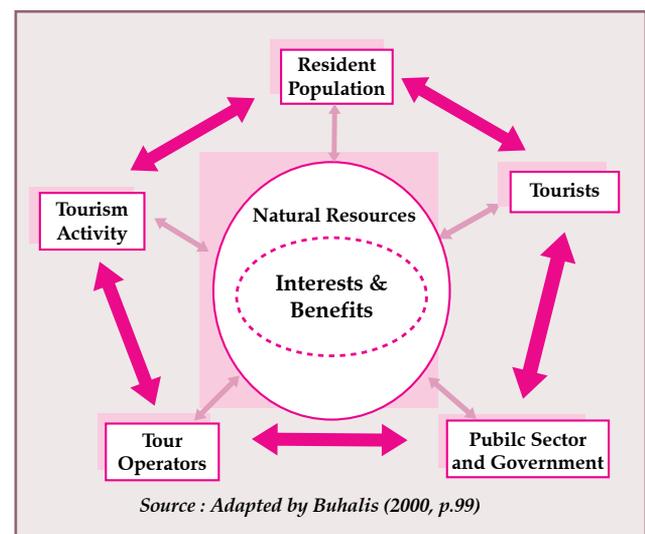


Fig. 1 : Stakeholders in Tourism

Thus; tourism & hospitality firms, government agencies, local community and tourists should be engaged properly to nurture and preserve ecological diversity. In present scenario there are number of sustainable tourism projects have already been implemented on the basis of stakeholder engagement programme in India. Many PPP projects in tourism sector also initiated for creating eco tourism spots, developing destinations, renovation of infrastructures, new product development as well as local community employment. Multi stakeholder partnership programmes also helpful in creating environmental awareness and ensure smooth flow of operation in ecotourism sector. For the encouragement of stakeholders and promotion of ecotourism Ministry of Tourism has initiated different schemes and awards in Tourism sectors. The ecotourism society is solely dedicated towards the endorsement of sustainable tourism landscape in India. Moreover, initiatives like skill enhancement and training programmes for the local youth can create enormous employment opportunity in ecotourism destinations.

Strategizing stakeholder engagement in ecotourism:

For developing a sustainable tourism approach stakeholder participation and engagement strategies can effectively leads to holistic tourism inflow to the economy.

Tourism Department and department of Forestry can conduct regular meetings with the key stakeholders of tourism including policy makers, NGOs, tour facilitators, village panchayat and to monitor and evaluate the running projects. Partnership also need to be established among tour operators, NGOs, SHGs and local mass for the development and management of eco tourism destinations. Many developmental programmes in eco tourism field can be established through public-people-private partnerships or PPP+P mode. Tourism education providers also can involve young mass from both rural as well as urban sector to engage in eco tourism sector. Eco awareness programmes like encouraging recycling and reusing of resources, green consciousness as well as feeling of trust and relationship among the staff and tourists, etc. can be implemented to make the successful eco tourism (Bhimrao, 2013).

Skill enhancement programmes like tour guide & housekeeping training can be deployed to the rural youth to engage them in various ecotour sites. In village tourism centre short stay facilities also can be provided with all modern facilities to the visitors from different corner of the world. Handicrafts and organic products can be promoted in form of small vending zones. Furthermore, issues related to protection of flora and fauna should be strictly followed by stakeholders of the state.

Stakeholder participation for sustainable tourism development : Issues and Challenges

Ecotourism in India has emerged with its brand equity through investing and capitalizing on tapping, exploring and exploiting various human capitals in multidimensional fields. The synergistic partnership and impact of stakeholder engagement has become a strategic mantra for achieving growth sustainability and inclusivity for the ecotourism sector. Stakeholder engagement and participation if properly employed in tourism sector it can be acted as a powerful tool for accomplishing global competitiveness.

While executing and implementing stakeholder participation programmes in tourism industry; it has to face many challenges and difficulties due to demographic and psychographic diversities of Indian society. The prime challenge for ecotourism firms is to change the attitude and perception of the employees, management, partners and local community with respect to rising trend of stakeholder engagement and volunteering for the sustainable growth. These challenges can be tackled through effective planning and motivating each and every human resources of the hospitality sector. On the other hand to achieve sustainable growth, it is highly essential to incorporate volunteering attitude among the stakeholders for the development of eco tourist centers.

Conclusion

In present scenario India is going to be the tourist paradise not only for its architectural magnetism and spiritual culture but also for its ecological biosphere and natural diversity. The speedy development of environmental friendly tourism and hospitality has propelled reforms in Indian tourism sector. There are huge number of eco resorts and green tourism hubs are

uprising in different states of India. India is looking for innovative programmes in this area will benefit both the researchers as well as businessmen. The fortitude of providing with better understanding of stakeholder engagement and creating employability for trade in global as well as in-house ecotourism sector. The gennext youth of modern India are having colossal talent and potential, they are highly productive, fanatical to deliver quality services, aim at quick promotions and committed for work. Auspiciously hospitality & tourism sector has a lot to deliver for all. Sustainable development in ecotourism can be accessed from varied perspective. Looking through the glasses, sustainable eco-tourism refers to its global competitiveness, the power of appeal and penetration to visitors to preserve tourists to sustain their cultural integrity and keep a balance with the environment with inclusive participation of stakeholders.

In terms of ecological, sustainable tourism has to gratify the holistic needs of tourists, but also the areas receiving, on environmental objectives, resource management, social & aesthetic all without endangering protection of biological, social and environmental aspect. The new reforms hospitality through stakeholder engagement via Atithi Devo Bhavais encapsulated in every Indian. All we need is manifestation in one's mind for career and life with quality tourism education yielding to sustainable productivity. Stakeholder engagement in Eco tourism development comes under the purview of these concepts and thus strategy formation by the local self government agency is crucial. The stakeholder engagement and volunteering is required to be involved in all level of sustainable ecotourism

development from endorsement of the project to planning, executing, development, marketing as well as monitoring. The companies should be empowered to utilize their rights to formulate structural frameworks ensuring conformity from the tourism industry under the supervision of government and need to be drawn from the multi-faceted environmental issues. Moreover, stakeholders should be educated on the topics that are to be addressed in the decision making process (Kruja and Hasaj, 2010). In addition to this motivational and awareness programmes should be initiated for the local mass for the preservation of tourism spots and security concern of the tourists .

There were two foremost limitations of the research study. First, the time restriction was worsen by limitations in terms of accessibility and mobility to the public. Nevertheless, comprehensive studies are also needed with respect to the viability of stakeholder engagement as a strategy for sustainable development to settle on whether ecotourism projects can be continued over time without nurturing into profit earning tourism. In this respect, the work in this research is presented as an enticement for further debate not a state-of-the-art statement on how impact of stakeholder engagement on sustainable eco-tourism should be analyzed and tacit but rather a self-conscious and somewhat investigational attempt to broaden our approach and thinking to the field of sustainable ecotourism. It is expected that this paper will motivate innovative approaches to social leadership and advocate more participatory and locally feasible alternatives to top-down centralized and holistic forms of tourism administration.

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"When stakeholders are involved in the future planning of any organization, they have the feeling and the desire to take personal responsibility in its growth."

Stakeholder Engagement for Sustainable Growth: Engagement Strategies for Effective Project Implementation

P V S Sarma*

ABSTRACT

An attempt has been made in this article to explain the concept of Stakeholder Engagement, its importance for sustainable growth of organization, the process and key components of stakeholder engagement and strategies for effective implementation particularly in the area of project Management. Real life examples of successful engagement and consequence of neglecting stakeholder engagement have been provided. Adequate emphasis has been given for the consultation process.

Introduction

Stakeholder Engagement is an important activity where all the major stakeholders are consulted and involved in the running of an organization or when major changes/expansions are being made in the organization for its sustained performance and growth. Stakeholder engagement helps in identifying the areas of concern and those areas that need improvement and to formulate strategies to tackle the challenges that arise from within the organization or externally.

The main aim behind all this involvement is to encourage growth and sustainability of the organization by balancing stakeholders' expectations and at the same time maintaining the long term sustainability of the organization. When stakeholders are involved in the future planning of any organization, they have the feeling and the desire to take personal responsibility in its growth.

Nowadays, the term "stakeholder engagement" is emerging as a means of describing a broader, more inclusive, and continuous process between a company and those potentially impacted and this process encompasses a range of activities and approaches, and spans the entire life of a project.

Importance of Stakeholder Engagement

Stakeholder engagement is relevant to any type of organization: business, manufacturing, public or private. It is particularly important in the context of running an organization responsibly and is the foundation of Corporate Social

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Responsibility. An organization can not be serious about Corporate Responsibility unless it is serious about stakeholder engagement and vice versa. If Corporate Responsibility is about minimizing negative and maximizing positive environmental and social impacts, then stakeholder engagement is one of the cores skills and key activities which enable this to happen successfully and effectively. When organizations don't engage stakeholders successfully, they can lose out. When organizations do engage successfully, it is a win-win situation for business as well as society.

A perfect illustration on the consequences of stakeholder misalignment is the fall of GM, for which, in part, can be attributed to a lack of understanding with one of its core stakeholder groups - its customers. The first signs of trouble came in 2008 when fuel prices were spiraling upwards. With a "super size" production business model with vehicles such as the Hummer and SUVs, consumers were forced to turn their backs on these gas-guzzlers. This, coupled together with an increasing awareness on climate change, has played into the hands of Asian manufacturers like Toyota and Honda for hybrid cars and knocked out every hope of GM to sell its products.

As organizations do engage effectively with stakeholders, it can be a win-win for business and the society as demonstrated by the following newspaper headlines⁽¹⁾:

Wal-Mart and leading suppliers form council for fostering green job creation - The World's largest retailer announces formation of a supplier council to stimulate and retool America's workforce- GreenBizz 03-12-08

Starbucks to promote Ethiopia's farmers and their coffee- Starbucks and Ethiopian government have reached an agreement over the distribution, marketing and licensing of Ethiopian coffee – BBC 21-06-07

US technology giants Microsoft Corp., Google Inc., and Yahoo Inc. in talks with other Internet Companies and human right groups - Reached an agreement on a voluntary code of conduct for activities in China and other restrictive countries - Reuters 05-08-08

The success and sustained growth of organizations like Hindusthan Unilever, Reliance Industries, GSK

Pharma, National Dairy Development Corporation, Mahindra & Mahindra,

SAIL, BHEL, NTPC, etc in our country are very good examples of positive results from effective stakeholder management.

If organizations are effective in their stakeholder engagement, new ways will open up to improve organization's performance and reputation. Stakeholder engagement should be taken seriously to survive and achieve sustainable growth in the current economic climate. Stakeholder engagement is essential to business strategy and success since it provides important information about the evolving expectations of many of the stakeholders who matter to the future of a company.

Of course, many organizations interact with their customers, employees, suppliers, investors, government representatives, local leaders, etc., – usually unplanned and in rather informal ways. However, over the last five years there has been a shift for organizations to carry out systematic stakeholder engagement, to help understand the perceptions and expectations of stakeholders and create open dialogue with them Nadine B. Hack, CEO of "Because Global Consulting, Newyork, USA" and consultant to Fortune 500 companies like Coca-cola, Unilever, etc., in the area of Strategic Relationship Engagement (SRE) states in her article titled " Value of Strategic Relationship Engagement (SRE) in the 21st century, "By developing productive rapport with internal and external stakeholders a company increases its bottom-line success and its strategic impact, while often simultaneously heightening its status as a good corporate citizen."⁽²⁾

Who are stakeholders?

The theoretical foundations of stakeholder engagement are found in the stakeholder theory popularized by Professor Ed Freeman's 1984 book "Strategic Management". In this classic formulation of stakeholder theory, Freeman defined stakeholders as "any group or individual who can affect or be affected by the achievement of an organization's purpose" and classified the main categories of stakeholders as "Financiers, Employees, Customers, suppliers and communities. The basic premise of Freeman's

stakeholder theory is that the management should not relegate the organization's effect on stakeholders to the status of "Externalities" as irrelevant to its main objective of shareholder value maximization, but should view stakeholders as having intrinsic value of their own.⁽³⁾

Stakeholders are persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively. Stakeholders may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests, the academic community, or other businesses.

The "stake" each of these different individuals or groups has in a project or investment will vary. For example, there may be people directly affected by the potential environmental or social impacts of a project, like in the shelved Lanjigarh Bauxite Mining Project of Vedanta Resources. Others may be resident in another country altogether, but wish to communicate their concerns or suggestions to the project company, as in the recent problems of quality of products of Ranbaxy Laboratories Ltd. Then there are those who might have great influence over the project, such as government regulators, political or religious leaders, NGOs and others active in the local community. There are also stakeholders who, because of their knowledge or stature, can contribute positively to the project, for example, by acting as an honest broker in mediating relationships. A good example for this is the Kudankulam Nuclear Power Project, where in experts like former President of India Dr A P J Kalam and former chairman of Atomic Energy Commission, Dr Srinivasan, etc. helped in convincing the society and agitators about the benefits from the project and its high levels of safety. Shareholders, employees, customers, suppliers, contractors, and trade unions are other stakeholders who have important influence in sustained performance and growth of organizations.

While effective engagement is essential with all the stakeholders for sustained performance and growth of any organization, it is of primary importance in project management. To increase production capacities

or to expand the existing capacity, companies initiate projects either at new locations or at the existing locations by acquiring more land. Time-bound completion of the projects, commissioning in time and stabilization of operations as per plan are of vital importance to get envisaged return on investment. This article specifically deals with the strategies and steps to be followed for effective stakeholder engagement for successful project management.

Stakeholder engagement - Process and key components

1. Stakeholder Identification & Analysis

The first step in the process of stakeholder engagement is stakeholder identification—determining who your project stakeholders are, and their key groupings and sub-groupings. While identifying affected stakeholders, it is necessary that first the project's geographic sphere of influence is delineated, considering not only the primary project site(s) but also all related facilities like roads, rail-routes, water & electricity supply lines as well as areas potentially affected by unplanned but predictable developments during the progress of the project. This process will begin to reveal those most directly affected by the project, whether from the use of land at the project site or the effects of air and water emissions, from off-site transportation of hazardous materials, or even the socio-economic effects of job creation through out the supply chain. By mapping the sphere of influence of different types of environmental and social impacts, the project company can begin to identify distinct groups by impact area, and from this prioritize stakeholders for consultation. While priority should be given to individuals and groups in the project area who are directly and adversely affected, drawing the line between who is affected and who is not can be challenging. Even with the best of efforts, problems can arise. Communities lying just outside of the designated project impact area can "perceive" impacts or feel they have been arbitrarily excluded from project benefits. For these reasons, defining stakeholders too narrowly should also be avoided.

From this flows stakeholder analysis, a more in-depth look at stakeholder group interests, how they will be affected and to what degree, and what influence they could have on your project. The answers to these

questions will provide the basis from which to build your stakeholder engagement strategy. Here it is important to keep in mind that not all stakeholders in a particular group or sub-group will necessarily share the same concerns or have unified opinions or priorities.

Adequate time must be invested in identifying the stakeholders, prioritizing them and assessing their interests & concerns. Land acquisition, obtaining environmental clearance, cooperation of local population, availability of the required human resource, etc, are important issues which need effective strategies for fruitful engagement with the respective stakeholders. Other stakeholders like equipment suppliers, material suppliers, local government authorities, local leaders/politicians/opinion makers, etc., also need continuous engagement.

It is not practical, and usually not necessary, to engage with all stakeholder groups with the same level of intensity all the time. Being strategic and clear as to whom you are engaging with and why, before jumping in, can help save both time and money. This requires prioritizing your stakeholders and, depending on who they are and what interests they might have, figuring out the most appropriate ways to engage. Stakeholder analysis should assist in this prioritization by assessing the significance of the project to each stakeholder group from their perspective, and vice versa. It is important to keep in mind that the situation is dynamic and that both stakeholders and their interests might change over time, in terms of level of relevance to the project and the need to actively engage at various stages. For example, some stakeholders will be more affected by a particular phase of a project, such as construction activities, while others may be affected during operation stage. As such it is necessary to prioritize these stakeholders from time to time at various stages of the project on the basis of importance and allocate time and resources for effective engagement.

2. Information Disclosure and Effective Communication

Effective Communication of the company's plans and proposals to the stakeholders early in the decision making stage, in meaningful and accessible methods is of paramount importance. Communicating such

information in a manner that is understandable to the stakeholders is an important first (and ongoing) step in the process of stakeholder engagement. All subsequent activities, like consultation, negotiation and resolution of grievances, will be more constructive if stakeholders, including affected communities, have accurate and timely information about the project, its impacts, and any other aspects that may have an effect on them. Appropriate Communication must be continued throughout the project cycle.

Identifying stakeholder representatives and consulting with and through them can be an efficient way to disseminate information to large numbers of stakeholders and receive information from them. When working to determine representatives, however, there are many factors worth consideration. First, it should be ensured that these individuals are indeed true advocates of the views of their constituents, and can be relied upon to faithfully communicate the results of engagement with the project company back to their constituents. It may be advisable to talk directly to a sample of project-affected people to verify whether, the right representatives have been engaged.

Legitimate stakeholder representatives could be:

- ✓ Elected representatives of regional, local, and village councils
- ✓ Traditional representatives, such as village headmen or tribal leaders
- ✓ Leaders (chairmen, directors) of local cooperatives, other community-based organizations, local NGOs, local women's groups, trade unions, etc
- ✓ Politicians and local government officials
- ✓ School teachers
- ✓ Religious leaders

Broadening channels of communication, using direct verification from time to time, and not being overly reliant on a single source for intermediation can help with transparency and accountability. Good practice involves taking steps to increase transparency and accountability as a means of promoting understanding about your project and engendering public trust. Lack of information can lead to the spread of misinformation about a project that can be both damaging to a company's reputation,

and undermine efforts to engage in an informed dialogue with stakeholders. Stakeholders must be given the information they need to participate in the consultation and negotiation in an informed manner. Meaningful information must be provided in a format and language readily understandable and appropriate to the target stakeholder group. The information provided should enable people and organizations to make informed judgments about changes that will affect them.

It is advisable to disclose information via public meetings, smaller gatherings of specific stakeholder sub-groups, through the use of individual conduits and intermediaries (such as the head of a local village council, or church or traditional leaders), or through the dissemination of a summary of the key information in the local language, for example via the newsprint and broadcast media, road side displays, or direct mail.

There will be situations in which disclosing certain types of information at sensitive stages in the project cycle may have risks. Reasons for non-disclosure might include: commercial confidentialities and proprietary information, information of a personal privacy, safety, or individual security nature; or situations where releasing information very early in the development of a project might unnecessarily raise public expectations, cause speculative behavior, or create unnecessary fears. However, considerations for non-disclosure need to be weighed against the need for stakeholder groups to be informed in order to protect their interests. In general, companies committed to transparency and accountability help promote the long-term profitability of their investments.

3. Consultation with Stakeholders

Consultation is a two-way process of dialogue between the project company and its stakeholders. Stakeholder consultation is really about initiating and sustaining constructive external relationships over time. Companies that start the process early and take a long-term, strategic view are, in essence, developing their local “social license to operate.”

For projects that have environmental and social impacts, consultation with stakeholders will not be a single conversation but a series of opportunities to

create understanding about the project among those it will likely affect or interest, and to learn how the stakeholders view the project and its attendant risks, impacts, opportunities, and mitigation measures. Listening to stakeholder concerns and feedback can be a valuable source of information that can improve project design and outcomes and help a company to identify and control external risks. It can also form the basis for future collaboration and partnerships. For stakeholders, a company’s consultation process is an opportunity to get information, as well as to apprise the company about the local context in which a project will take place, to raise issues and concerns, ask questions, and potentially help shape the project by making suggestions for the company to consider and respond to.

The Process of Consultation with stakeholders

Planning

For projects with multiple stakeholder groups and issues, preparing a formal Stakeholder Engagement Plan in advance is advisable. It is useful to think about who needs to be consulted, over what topics, and for what purpose?

A good Stakeholder Engagement Plan should consist of:

- Details of regulatory, lender, company, and/or other requirements for consultation and disclosure.
- Prioritized list of identified key stakeholder groups and the objectives of consultation.
- A strategy and timetable for sharing information and consulting with each of these groups.
- Details of resources and responsibilities for implementing stakeholder engagement activities.
- A plan for incorporating stakeholder engagement activities into company’s management system. The scope and level of detail of the plan should be scaled to fit the needs of the project (or company operations).

Process

There is no one right way of undertaking consultation. Given its nature, the process will always be context-specific. This means that techniques, methods, approaches and timetables will need to be tailored

for the local situation and the various types of stakeholders being consulted.

Feedback

The Consultation Process must provide for feedback to the stakeholders with respect to those aspects of the project open to modification based on their input, and which are not. It also means that feedback received during the consultation process is taken seriously and that best efforts are made to address issues raised through changes to project design, proposed mitigation measures, or development benefits and opportunities. Inevitably there will be limitations, both commercial and practical, in the degree to which stakeholder demands can be met. At other times, making modifications as a result of stakeholder feedback will make good business sense and contribute to local development, or can be done as a gesture of good faith and relationship-building.

Documentation

Documenting consultation activities and their outcomes is critical to effectively managing the stakeholder engagement process. It may be part of regulatory requirements or valuable later on in satisfying the due diligence inquiries of potential financial institutions and other equity partners, especially those who might come into a project at a late stage. It can be a useful tool in demonstrating that the views of affected people and influential stakeholders have been incorporated into the project's environmental and social mitigation strategies. Such documentation also provides the basis for reporting back to stakeholders on how their views have been addressed.

Reporting

It is both good practice and common courtesy to follow up with stakeholders whom you consulted, to let them know what has happened and what the next steps in the process will be. The process of reporting back to stakeholders on which of their concerns will be addressed and how, as well as explaining what suggestions were not taken on board and the reasons why, can help establish credibility, manage expectations, and reduce cynicism. All of

these are important when taking a long-term view of stakeholder engagement.

Informed participation

Informed participation is a more intensive and active form of consultation. It involves a more in-depth exchange of views and information, leading to joint analysis and decision-making. This increased level of involvement tends to generate a shared sense of ownership in a process and its outcomes. The more a particular stakeholder group is materially affected by a component of the project, the more important it is for them to be properly informed and encouraged to participate in matters that have direct bearing on them, including proposed mitigation measures, the sharing of development benefits and opportunities, and implementation or monitoring issues. Resettlement planning, designing and implementing community development programs with the involvement of affected local people are good examples of where informed participation by affected stakeholders can lead to better outcomes on the ground.

For Effective participation tools & techniques one may refer "Participation works! 21 Techniques of Community Participation for the 21st century, New Economics Foundation" at www.neweconomics.org/gen/z_sys_publications.aspx⁽⁴⁾

Creating trust in Stakeholders

Jonathan Ballantine⁽⁵⁾, Europe-based business engagement specialist who advises private sector firms, business consultants and NGOs on corporate responsibility issues interviewed a number of senior executives of reputed companies like P&G, GSK, Unilever, MAN group, Intel Corporation, etc., with effective stakeholder engagement systems regarding their views on how to be successful in engagement with stakeholders. The overall consensus from interviewed practitioners was of the inseparability of stakeholder engagement in building trust, and that through the adoption of a collaborative / cooperative relationship with stakeholders, organizations can more easily distinguish challenges, opportunities and weaknesses related to its vision.

It is essential that efforts are made by the company to create trust in the minds of stakeholders, specially

the community affected by the project. “Stakeholder Consultation Issue Paper, Corporate Engagement Project November 2004”-www.cdainc.com provides the following examples of a few non-financial and concrete aspects of relationships with companies that matter to communities to make them “trust” a company⁽⁶⁾. These examples shared by communities in a survey are:

- The company publicly states that it needs the community’s trust to gain a social license to operate.
- Communities are consulted and have a say in issues that concern them.
- There is a procedure for holding the company accountable for their activities.
- Communities are kept informed about companies’ future prospects or plans.
- Meetings with company staff on an informal and personal basis.
- The company is known to be reliable and predictable, and it is known that the company will follow through on what it promises.
- Company staff walks through town and socialize rather than using a car.
- Company staff socializes informally with local people.
- The company makes an effort to solve little problems for people.
- The company uses language that people understand.

4. Responding and Implementation

After completion of the consultation process, stakeholders would like to know which of their suggestions have been accepted and what actions will be taken to address their concerns. It is necessary that the company prepares a time-bound plan of action to implement the agreed proposals to resolve the identified issues.

How an organization responds or is perceived to respond to stakeholders, particularly over areas of disagreement, can have significant implications for project completion and stabilization of operations, and there fore must be handled promptly with great care, fairness and transparency. Once a course of action

has been finalized and agreed upon by the company and the stakeholder for each issue, the company must provide the required resources for implementation in the agreed time frame.

5. Monitoring, Evaluation and Documentation

It is important to recognize that monitoring and evaluating is an on going process. Winning support or resolving an issue initially does not mean it will always stay resolved—the internal and external environment is complex and overtime may create new influences or changing priorities regarding that issue or stakeholder.

Documenting, reporting and keeping of proper records are vital elements to any engagement process, particularly when there is the need to report to third parties, external bodies or the media. Feeding back to stakeholders is a crucial part of the learning process for an organization, as it provides a mechanism by which to judge the reaction of stakeholders to an organization’s behavior and actions. The quality, efficiency and ‘perceived fairness’ of the documenting, reporting and feedback system to stakeholders and other third parties may heavily influence the perceived transparency of the overall organization engagement process. It is necessary for any organization to measure as accurately as possible the impact and level of success of their stakeholder engagement, giving the man understanding of the relationship between the resources expended e. g. staff time and costs to implement internal changes and implement the agreed action plan, and the gains achieved in terms of enhanced reputation, improved relations with regulators, better ability to mitigate risk, and the potential to access new consumers, new product ranges and new business models.

It may be advisable to involve directly affected stakeholders in monitoring project impact, mitigation and benefits. Involving external monitors will enhance transparency and credibility.

6. Management Function

Stakeholder engagement should be managed as one would manage any other business function — with clearly defined objectives and targets, professional, dedicated staff, established time lines and budget, and

senior management responsibility and supervision. Adequate resources have to be provided in the company to manage stakeholder engagement process effectively, to monitor fulfillment of commitments and report on progress. An effective system must be created to attend the grievances of stakeholders appropriately.

It is advisable to incorporate stakeholder engagement activities into a company's environmental and corporate social responsibility management system. To achieve this, managers will need to identify critical points in the life of the project where stakeholder engagement will be needed, and determine who will deliver these actions and how they can be integrated with core business functions. This involves integration of all the stakeholder engagement action plans with the Project management activities and ensuring timely implementation.

Strategies for Effective Stakeholder Engagement

"Stakeholder Engagement: a good practice handbook for companies doing business in emerging markets" published by International Finance Corporation (IFC), Washington D.C. (World Bank Group) suggests the following actions for successful engagement with stakeholders on the basis of IFC's learning and experience while working with a number of organizations around the world.⁽⁷⁾

1. Get in early

Relationship-building takes time. Many of the hallmarks of good relationships – trust, mutual respect, and understanding – are intangibles that develop and evolve over time, based on individual and collective experiences and interactions. For this reason, companies are now beginning to engage with stakeholders at a much earlier stage of a project than in the past. This is especially true for larger, more complex or controversial projects, where companies are initiating engagement at the very early pre-feasibility or pre-exploration phases, signaling to communities and other local stakeholders that their views and well-being are considered important.

Taking a proactive approach means fighting the instinct to delay consultation because it is still early days and you don't have all the answers yet or are

worried about raising expectations. The reality, most likely, is that people's expectations are already raised in some form or other and that speculation about the project and the company is beginning to circulate. Early engagement provides a valuable opportunity to influence public perception and set a positive tone with stakeholders early on. Early interactions with stakeholders can be used as a predictor of potential issues and risks, and to help generate ideas and alternative solutions on early design questions.

The under mentioned real life example demonstrates the advantage of getting in early in stakeholder engagement:

Mineral Exploration in PERU

Challenges and Benefits of early stage consultation with communities

In its mineral exploration project in southern Peru, the company began community consultation in the very early stages of the exploration phase for a number of reasons. Early engagement was seen as a way to help the company address risks related to political sensitivities around mining in the area, especially within the context of strong civil society movements in Peru. Moreover, in areas where local communities own the land rights, Peruvian legislation requires companies to get the agreement of the local community before securing an exploration concession. Some of the particular challenges during the exploration phase included explaining the nature of exploration to the communities, informing them about the differences between exploration and an actual mining operation, and trying to manage expectations in the face of uncertain outcomes. The company identified and worked with key stakeholder representatives to explain the details of the proposed exploration activities and relied upon them to take the information back to their local community thro' public meetings. The consultation process resulted in the company successfully obtaining the exploration license with agreement from the local communities. One of the lessons to emerge from the process was that, even though the social and environmental impacts of the exploration stage were not so significant, the real value of engaging with the local communities in the early stages of the project was in relationship-building, as community support was and

will continue to be crucial to the company's ability to operate in the area.

2. Don't wait until there is a problem to engage

In the high-pressure context of getting a project up and running, interacting with stakeholders when there doesn't seem to be any urgent need to do so can be viewed as a low priority and not a particularly good use of scarce time and resources. However, if a conflict or crisis does arise, the absence of established relationships and channels of communication puts the project at an immediate disadvantage in trying to manage the situation.

First, communities and their representatives are much less likely to give a company they don't know (and have not had regular contact with) the benefit of the doubt. Second, trying to initiate contact with affected stakeholders when the company is in a reactive, defensive or crisis management mode is less than ideal, and can create lasting negative perceptions that are difficult for the company to later overcome. Furthermore, reaching out to third parties such as local government officials or NGOs for assistance as allies or intermediaries only after a problem occurs may be more difficult due to perceived reputational risks of being associated with the company. Engaging with stakeholders from the start – as part of your core business strategy – enables a proactive cultivation of relationships that can serve as “capital” during challenging times.

3. Take a long-term view

Establishing and maintaining good relationships requires a long time-horizon. Companies who take this view tend to make different types of decisions. They invest in hiring and training community liaison staff and see the value of consistently following through on their commitments to stakeholders. They invest in translating information about their project into languages and formats that make sense to the local population and do so on an ongoing basis. They make the effort to personalize relationships through informal and social interactions, and work through their employees to build links to local communities. They take grievances seriously and deal with them in a reliable and timely manner. They listen more and

learn from the community. Their senior managers stay involved with stakeholder activities and integrate this function into their business plans. Importantly, companies that focus on lasting relationships think in terms of the bigger picture and do not allow short-term interests (such as negotiating the lowest possible compensation rates) to jeopardize their broader social license to operate in the area.

4. Tailor the process to fit your project

Businesses should scale their stakeholder engagement strategies relative to the risks and impacts their project is likely to create. There is no one-size-fits-all approach when it comes to engagement. The type of relationship the private sector should try to develop with its stakeholders, and the resources and level of effort that it should invest, will differ according to the nature, location, and scale of the project; the phase of its development; and the interests of the stakeholders themselves. Small projects with minimal impacts on the surrounding population may only need to focus on the information disclosure and communication side of the engagement spectrum, whereas larger projects with greater degrees of complexity and wide-ranging impacts on multiple stakeholder groups will need to adopt a more strategic and sophisticated approach in order to effectively manage the process.

Companies need to be prepared for the fact that they are entering into a pre-existing yet dynamic context, with established histories and cultures, and often complex political, social, and economic relations between groups that can be thrown into flux by the advent of a project and the development process that accompanies it. In other words, stakeholder relations can become politicized and complicated, and can lead to or exacerbate conflicts and other unanticipated outcomes. There is no easy formula for addressing these challenges, except to try to manage the process proactively and by adapting some of the established good practice approaches and principles to fit the local context.

5. Manage it as a business function

Like any other business function, stakeholder engagement needs to be managed. It should be driven by a well-defined strategy and have a clear

set of objectives, timetable, budget, and allocation of responsibilities. All staff should be made aware of the program, and understand why it's being undertaken and what implications it might have for project outcomes. Companies that take a systematic (rather than ad-hoc) approach that is grounded in business operations, are likely to get better results in terms of the time and resources they invest, and are able to track and manage stakeholder issues and risks more effectively. Allocating responsibilities for stakeholder engagement to business units and mainstreaming it into project operations increases the chances that it will serve the purposes of the project, rather than becoming a costly peripheral exercise that is out of touch with operational realities and raises expectations that cannot be met. As with other key business functions, direct reporting lines and the engagement of senior management is critical.

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Conclusion

Organizations invest in new projects or in expansion programs with the expectation of completion of the projects without any cost or time overruns, stabilization of operations in a reasonable time period and adequate return on investment. But those organizations which focus exclusively on technical and financial aspects of their initiatives and fail to ensure effective stakeholder engagement put their projects and investments at risk. Ultimately project's success is contingent upon active participation of all the people in the organizations, who share the company's vision and believe in the benefits from the project and support from all the external stakeholders. For this an effective stakeholder engagement is essential.

Corporate Citizenship and Stakeholders Engagement : Exploring New Theoretical Frameworks in Tata Steel Limited

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"Stakeholder engagement is argued to be a mechanism which in a normative sense may be able to assist business in rethinking its interests in favour of sustainability. "Stakeholder engagement can improve log-term viability and benefits significantly by improving decision-making, understanding and accountability."

ABSTRACT

This paper examines the emerging area of stakeholder theory to observe the extent and mechanisms of stakeholder engagement in the development of sustainability reports. Stakeholder engagement is argued to be a mechanism which in a normative sense may be able to assist business in rethinking its interests in favour of sustainability. It identifies considerable risks inherent in relying on stakeholder engagement for the achievement of sustainability including misguided assumptions around stakeholder priorities in respect of sustainability. The study on Tata Steel has highlighted the stakeholder's engagement which measures the impact of sustainable policies.

Introduction

It is rightly said that "stakeholder engagement can improve log-term viability and benefits significantly by improving decision-making, understanding and accountability." Organisations can no longer choose if they want to engage with stakeholder or not. Several companies have a stakeholder engagement plan commensurate with broader objectives and develop systematic processes for stakeholder engagement management.

Meaning of Corporate Citizenship

Corporate citizenship is integrated with the goals of the company and provides leadership in the areas that concern stakeholders at the national as well as local levels. The main objective of corporate citizenship is to determine the best strategies to leverage financial support, staff utilization and employee involvement in the organisation. Engaging with our stakeholders is a critical part of our sustainability strategy. Strategic planning is the process which requires input, analysis, goals, recommendations, implementation and evaluation. It is a road map to help from the current location to the desired destination. Improving stakeholder engagement increases productivity, profit and sustainability. There are three categories of externally focused corporate citizenship as suggested by Sarah Ketvirtis, in the year 2012 i.e., philanthropy, community involvement and social innovation as practiced are explained below:

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Meaning of Stakeholders Engagement

Stakeholders are any individual or group that may affect or may be affected by the company's activities. They have a legitimate interest in the company's business and products because they have a statutory requirement to take an interest in company business and products or take an interest on behalf of the public good. Few examples of stakeholder groups are mentioned below:

- **Financial Institutions:** Shareholders, Analysts, Banks etc.
- **Government:** Legislators, Multilateral Agencies, Regulators, Local Government etc.
- **Interest Groups:** Trade Associations, Non Governmental Organisation etc.
- **Business:** Customers, Consumers, Competitors, Suppliers, Employees, Unions etc.

On the other hand, engagement is the process of exchanging information, listening to and learning from stakeholders with the objective of building understanding and trust on issues of mutual interest. It has evolved as the role of corporations in society has changed over time. There are three generations of stakeholders engagement i.e. first generation of stakeholder engagement was reactive, second generation engagement has become a systematic part of risk and reputation management where as the third generation of stakeholder engagement is just

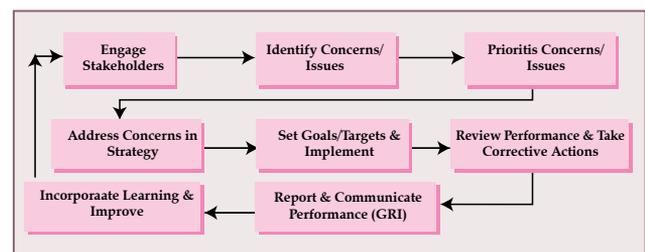
beginning and will likely to gain traction rapidly. Every company will increase to engage the stakeholders for further up and down the value chain in order to boost their competitiveness through innovation and the co-creation of new products and markets.

Reasons of Engagement

The primary objective of corporate stakeholder engagement is to generate a better understanding of stakeholder perspectives on key issues and consequently build relationships with key individuals. It is observed that more value can be realized from the relationships. There are four main areas which is engaging stakeholders. They are, first, it enables informed decision making by generating business intelligence and reducing risks. Secondly, it also developing and expanding markets or opportunities which promotes ownership of issues and allows business to manage how an issue evolves in the market. Thirdly, it also builds brand equity and reputation. Fourthly, it also brings diverse perspectives together for creativity and innovation.

Stakeholder's engagement in Tata Steel

Tata Steel group is rapidly evolving and expanding its reach strategically and geographically. There is need to prepare its leaders, both current and future, to overcome adversities. Consequently, leadership development across all levels is the focus of its employee policies along with people development and growth. At Tata Steel prime focus in terms of HR practices is on people development and growth, employee relations which is imbibed in the culture of caring for our people. Tata Steel has always held the view that people are its greatest asset. It has adopted the best standards for employee well-being and quality of life, strongly promoting workforce rights. The stakeholder's engagement process in Tata Steel is mentioned below:



Stakeholder Engagement Process of TISCO

Tata Steel sustainability is a core value which extends across all the company's activities including economic strategy, environmental action, social support and governance. Its approach to sustainability is based on nine principles and progress against each is measured and monitored. The details of the Tata Steel which measures the impact of sustainable policies.

Ethics, transparency and accountability

This starts with leadership by the Managing Director who is the Chief Ethics Officer responsible for deployment of the Tata Code of Conduct. Compliance with the code is a condition of service for all employees and for Tata's vendors and suppliers. The effectiveness of the code is evaluated every two years using independent third parties and identified gaps are used to promote new initiatives.

Sustainable products

The business provides goods and services that are safe and contribute to sustainability throughout their life cycle. Improvements in environmental and sustainability performance are identified through a Total Quality Management programme. A sustainability assessment tool is used to drive sustainability throughout the product life cycle. Customers are educated on product properties, safe use and disposal. Raw material, energy and water requirements are continuously tracked and compared with global benchmarks to optimise resource efficiency, driving resource conservation and cost reduction. All manufactured products are fully recyclable.

Employee welfare

The business promotes the well-being of all employees. Workers health and safety has high priority. Tata Steel strives to achieve its goals of a zero fatality rate and lost time due to injury rate of 0.4. The company invests in developing the skills of its employees. In 2011, the Tata Steel Academy was launched to achieve the high standards of technical and professional expertise. Free association and collective bargaining are respected and recognized trade unions are engaged. Anti-discrimination policies are actively pursued.

Stakeholder engagement

Tata Steel's processes of strategic planning and risk management collect and analyse information on existing and emerging stakeholders, the information is used to help define organizational priorities. The company recognizes it has a responsibility to make the communities in which it operates benefit from its economic activities, both directly and indirectly, and has established a range of agencies with specific purposes such as sustainable livelihoods, employability, health care, education, empowerment, population stabilization and ethnicity. A proactive approach to stakeholder engagement advocating a just, fair and equitable society in the communities in which it operates results in a continued license to run its business.

Human rights

In its workplaces, Tata Steel ensures equal opportunities and workforce diversity. Its processes are monitored for compliance and subject to continuous improvement through SA 8000 standard independent third-party verification. The company's own strict policies on child labour are extended so that nobody below 18 years of age can be engaged by contractors, suppliers or vendors anywhere within or outside the company premises. To promote inclusive growth the company encourages local buying from small entrepreneurs and NGOs, so revenue flows benefit local and disadvantaged communities.

Environment

Tata Steel embeds its policies of reduce, reuse and recycle throughout its processes. Advanced techniques are used to extract iron and carbon by reusing most of the residual materials, reducing use of primary raw materials and overall CO₂ emissions. Tata Steel India reported an 18% decrease in specific water consumption over a 10 year period from 2002/2003 to 2011/2012. In Europe Tata Steel is developing a tool that will provide a more accurate measure of fresh water consumed per tonne of steel produced. In India, the company has developed a road map for reducing CO₂ emissions to retain its position as the Indian benchmark in blast furnace steel-making. In Europe the company is working with others to develop new technologies to reduce CO₂ emissions per tonne of steel produced by at least 50%.

Policy advocacy

Tata steel seeks to engage responsibility on public and regulatory policy. For example, it is an active corporate citizen within the Confederation of Indian Industry, the Federation of Indian Chambers of Commerce and Industry, and the Federation of Indian Mineral Industries. In Europe, the company engaged with the European Commission and national governments on the implementation of the EU Emissions Trading Scheme.

Inclusive growth

Tata Steel was founded on the belief that the creation of wealth could accelerate economic and social development to achieve inclusive growth. The company addresses urban and rural needs separately. In 2011-12 the company introduced the Human Development Index as a composite index of health, education and income levels to assess the impact of the company's interventions in rural areas. In rural India, a range of initiatives addresses sustainable livelihoods, education, health care and empowerment of women.

Customer value

By engaging with customers and consumers and by understanding their needs, Tata Steel creates value. For example, an initiative led to improvements in the productivity of customers who manufacture continuous electrodes for the auto industry, leading to a reduction in power consumption.

Firstly, as per the vision statement, it has been clearly stated that Tata Steel would continue to improve the quality of life of employees and the communities it serves. Further, the vision has identified upholding the spirit and values of Tata's towards nation building as the basis for attainment of strategic goals and vision. Secondly, Tata values on Nation building as "Our heritage of returning to the society what we earn evolves trust among consumers, employees, shareholder and communities."

Findings

It has been indicated in the Tata Code of Conduct, which states under National interest that, "It shall not undertake any project or activity to the detriment of

the Nation's interest or those that will have any adverse impact on the social and cultural life patterns of its citizens." From the study made above and suggestions given by Sam Ashe-Edmunds, Demand Media, good corporate citizenship creates customer loyalty; retain workers and improving their quality of work life. Corporate citizenship more resembles interacting with others in a specific profession or community, while corporate social responsibility refers to how one can manage the impact of the business society in general. The study has suggested the following steps which will improve corporate citizenship:

- i) **Develop a plan:** The image of the community can be improved only when it creates a well-thought-out corporate social responsibility campaign rather than writing a check here and there as charities knocking at the door.
- ii) **Target the activities:** All activities should be proactive rather than reacting to solicitations from non profits to maximize the ability to reach a specific audience.
- iii) **Work actively with non profits:** The organisation should get involved to maximize the good which can do for them and to increase the exposure.
- iv) **Create involvement of staff:** Employees of the organisation should be encouraged for involvement which will motivate them to improve their performance.

Information generated by stakeholder consultations

Shareholders	Information Generated
Shareholders	Overall performance and its implication on market capitalization and creation of shareholder value.
Customers	User needs, customer satisfaction, product quality and functionality.
Supplier	Identification of areas with conflicting goals, payment, material rejects and supplier satisfaction.
Employees	Employee Satisfaction, suggestions for improvement in product quality, social welfare and business excellence, professional growth, health and safety and quality of life.
Community	The needs of community, women empowerment, employment generation, environment and quality of life.
External Public & Government	Requirement under statutes, compliance status, threats to business and license to operate.

Conclusion

Stakeholder engagement should be managed as one would manage any other business function. The process for engagement should be systematic, logical and practical. Stakeholder engagement focused on controlling and managing risk but not sufficient to achieve excellence in sustainability. It can be

concluded that corporate leaders and managers of the organisation can take collaborative approach to bring the programme successful. For Tata Steel sustainability is synonymous with empowerment and success for every one within the company and for the communities with which it works and embraces the desire to leave a greener healthier planet for future generations and for the business.

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My Globe, My Family

Dilip Kumar Nayak *

"Such concept of globe as family may look complex model to many of us but it is not impossible if we extend boundaries of our seeing little ahead."

ABSTRACT

Fights are universal for border and boundary. Border & boundary are prevailing in our thought and mind. My country, my state, my language, my religion, my caste are everywhere. Competition, win-lose, ego battle, selfishness etc are pulling us into world of self gain. Narrowness in our being is narrowing our seeing. Long term gains are in words but short term gains are in actions. Leaders are also leading for self gain, self image, self identity but gain of humanity of this globe is missing. They are busy in taking people out of slum but their leadership in taking slum out of people are missing. Gap between rich & poor, developed & developing and haves & have nots are increasing. Science without humanity and knowledge without character are dominating. We are meeting excess need of smaller fraction of mankind of globe but our action for meeting the basic need of larger fraction of mankind is missing.

Just happened

I happened to meet an old man at tea stall on road side of a remote village. I somewhat impressed by his philosophy of life and present living condition of people. He himself introduced as Bholanath. He told me that we feel proud to achieve lot in science. In this mobile age, life has become quite fast. Still we find poverty everywhere. People are living in tension, uncertainty and starved for everything's. People are hankering after false satisfaction. His some of these ideas influenced me. I offered him another cup of tea and I took one more. We continued our talk. He made very simple statement that if we live in this globe as a family probably we will not spend lot of money to save our territory from other and that money may be utilized for foods, clothes and house. His statement made me upset and I was watching the man. I totally mesmerised by his high level thinking and I perceived him as real Bholanath or God Shiva. He left me and went away.

Beginning of new thinking:

I came home and I could not sleep for the whole night. I was thinking about our basic training everywhere where people exhorted "our country is great, we should sacrifice our life for our country". Nowhere people talked about globe as family. Nobody told us sacrifice our life for Globe. In our globe about 950 million people live under poverty line, even tomorrow meal is left to the mercy of their fate or god what you may call.

I started to do the analysis in simple macro level. Today global population is about 7200 million. In Indian condition, the requirement of money per person to have Roti, Kapada & Makan may be Rs 30000 per year. If you consider this Rs 30000 per person per year for 7200 million people, then total money required globally

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for “Roti, Kapada & Makan” is Rs 216,000,000 million (US \$ 3,200,000 Million) per year which is much less than the expenditure for defence in few developed country.

More insights:

Basic need of human being if asked to children of millionaires, they may say that needs are satisfaction, love, fresh air, good clubs, Shopping Mall, safari car, 4G etc. Same question if you ask in a poverty stricken area, answer may be food, cloth and shelter. As such education, health, social security, satisfaction and other needs are beyond their imagination. Basic need of every human being is food, cloth and shelter. After only meeting this primary need, we may talk of education, health or social security. If you read Gita before a hungry man and probably his attention will be on you but his mind will be busy in searching for the next meal. Every nation makes an exhaustive budget to take care defence, transport, infrastructure development, industry, agriculture, science and technology, telecom, health, education etc. Even after 66 year of independence of India, government of the people, for the people and by the people, have failed to ensure basic need to his countrymen. Planning, seminars, meetings are going on and volumes of papers are created and sometimes these papers are read only by person who make it or may be by auditors or investigators in case of scam. Death of people by food starvation is more than the number of death by deadly diseases or accidents etc. In our country more number of missile tests is done which are more than the number of dam projects we plan in any budget. Government is spending more money on secondary need than the primary need. Mobile phone to everyone is more important than the food to everyone. First you burn the forest and build infrastructures and then spend money on environment friendly technologies. We are spending more money on nuclear bombs, warfares to protect us from neighbouring countries but we fail protect our people from starving and death. Holy guru all talk about saving of country, no one talk about globe as family. Probably neighbouring threat would not be there and defence concept will be past story. Huge budget spend for security from others will be transformed to internal food, cloth, shelter, education

and health security. When concept of country will be changed, Indian, Pakistani, American will be changed one identity i.e. Globalian. International word will remain in dictionary and people will be part of family of 7200 millions but not the part of family of 1200 millions of India, or 1350 million of china. you don't have to think about export or import or FDI. Market will be not confine to country but whole world. Migration will be open for all the countries and whole world will be ruled by one democratic government. Magical change will occur to human race. Many theories, act, constitution, business model, global competitiveness will be rewritten. Import and export policy will be past practice and will be renamed. Business model will be unique. It will free from survival or sustainability. Boundary of business will be limitless with open market.

When we say Indian, probably every one of us knows the feeling between us. Our seeing is our being. When people work with correct principles, they are independent of time place, condition or conditioning. We only confine ourselves to very small section of globe and lost in our country as family. We are more concern about our identity as Indian but do not think about identity less one human race of this globe.

From our childhood we saw life as competition but not as cooperation. Training starting from childhood is not with pleasure but with pressure. Term survival for fittest is dominating but survival with stress less life is missing. Many time I ask question to myself, can I reduce my need to bare minimum. Shortage of food, shortage of job, shortage of cloth, shortage of shelter, shortage of everything etc, is root cause of competition in every corner of our life and making it stressful. Business in world is not based on meeting basic need of mankind but fulfilling the excess need of fraction of mankind. Much of researches are carried out in fulfilling extra need and comfort to few but leaving the basic need of many.

Cherished gain inmy globe my family:

- a. No defence budget
- b. Stress free world
- c. Abolish competition
- d. Live with cooperation

- e. Need based business
- f. No more missile test
- g. No undersea nuclear bomb test
- h. Open migration
- i. Much uniform control
- j. Society with abundance
- k. Science for only peace.
- l. Enough for every body
- m. Budgeting of world
- n. Free from survival and sustainability.

Conclusion

Identity as developed or developing nations will vanish and all nations will merge into one unique identity as globe. Highest intellects are yet to perceive much complicated model of globe as family. Basically we feel proud as localised identity but loose the identity of greatness of whole world. Concept of liberalization is paving way into globalization. Some of local leaders may be recognised as global leaders based on their effective leadership for peace and stress-free globe. In this world, lot of advancement has taken place in every field but still one out seven of human being in this world is going to bed without food or may be on road or with bare minimum cloth. Security of food, cloth and shelter to everyone in this world may look ridiculous but as a human being we must look into various ways to ensure basic need to next six. It is matter of integration of less profit with

more basic development. Building more no of village as business centre and migration of people backward from city to small town may be looked into. Instead of manufacturing more no of car worth one Lakh, concentrate in, I would say, manufacturing more no of house costing 1 lakh for shelter less people. Develop industries based on actual need for many. You may think of more number of tractors instead of battle tanks, more no of airbuses instead of fighter planes, more number of nuclear power stations instead of nuclear bombs, more number of medical colleges instead of military training colleges, more number of cargo ships instead of battle ships, more numbers of trains, hospitals & infrastructure instead of global peace seminars, summits of head of states etc. Much of energy of people are being spent in creating artificial crisis and then develop skill, theory, method, process, procedure, model in solving those crisis, problems, issues. Basic food industries are superimposed by junk food industries in the name of "just in two minute" to cater fast life with short of time. Development of quick fixes like antacid, balm, analgesic etc works wonderful for instant relief in case of acute pain but leaves primary problem untouched which ultimately irrups in uglier way.

Such concept of globe as family may look complex model to many of us but it is not impossible if we extend boundaries of our seeing little ahead. Model of "My globe, my family" needs more thoughts and research in creating a blue print and to convert concept into reality.

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The Unfortunate Accident at Mahaan Ispat

Sanjay Dhar*

"What have I done to deserve this? Thirty years of work, executing projects worth thousands of crores, completing jobs that people feared to touch and now I am being hounded and questioned on all sorts of things by people who have no idea about what a project means."

Mr Adhikary's unlucky day (Tuesday evening)

Introduction

Mr Adhikary, the Project Head for the erection of Coke Dry Cooling Plant (CDCP) in Coke Ovens of Mahaan Ispat, had just returned to his office after a gruelling meeting with the internal inquiry committee that had been set up after a fatal accident in the CDCP project site that had occurred a day back (on Monday). The committee had been constituted by the CEO to find out the cause of the accident and fix responsibility, and he had also been asked by the CEO to personally explain the situation and his views on how to manage the situation.

What have I done to deserve this? Thirty years of work, executing projects worth thousands of crores, completing jobs that people feared to touch and now I am being hounded and questioned on all sorts of things by people who have no idea about what a project means. This is the problem with this country. People who never get anything done by themselves get very smart when it comes to questioning the capabilities of others when something goes wrong. Just when everything was going on fine and we had starting picking up momentum, this silly accident had to happen and now I will spend more time answering queries from all sorts of persons. Can't these people understand, I have a delayed project to complete and work has come to a standstill.

Mr. Adhikari was on edge, and a mixture of frustration, anger and weariness was evident in his voice as he stood with his head in his hands in his office sharing his experience with his assistant Baccha Singh, and also giving him instructions. "What happened to the personnel department. Have they sorted out the issue with the police. The thanedar is threatening to put me behind bars like a person accused of murder. He says I should be booked for attempt to murder. How can he accuse me of such a thing. And what kind of personnel officer is that Pannicker (the Projects Personnel Head). All his relation building nonsense with the unions and right now they are pouncing for their pound of flesh. I don't see any goodwill emanating now. Also ask Saraswat (The Head of Plant Safety) to update me about the report from the inspector of factories, and what I have to say in the next meeting with him. That fellow has called me again tomorrow to his office and he seems hell bent on

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creating trouble for the plant. With the press going to town about the incident, he is getting even tougher to handle. I am fed up with all the hullabaloo because of freak accident. With this kind of disturbance, how can a person accomplish anything? We should be left free to do our job, and personnel and safety department should take care of all these external irritants.

Baccha gave his haggard and tired boss a sympathetic look. He could empathize with the pain and frustration of Mr. Adhikary, but a thought kept nagging him. Was it really a freak accident, or something waiting to happen, and was Mr Adhikary really the victim of circumstances or someone who could have prevented the source of his current frustration.

The accident and subsequent events

It had been a very frantic week for the Project steam which was working at breakneck speed to complete the erection of a CDCP system for the coke ovens. The contract had been given on a turnkey basis to a consortium of M/s Firhang Inc and M/s Bharat construction, which had further sub-contracted some of the jobs to local contractors. The structural erection of CDCP was under completion and equipment erection had started. On that fateful day, (two days back), it had been planned to erect a coke lifter (a big component of the CDCP) in two parts through deployment of a crawler mounted mobile crane. The crane had been hired by M/s Bharat Constructions and transferred from another site and re-assembled at the site. The operator, Charandas came with the crane, as it needed an experienced crane operator. A group of persons including the crane operator, Charandas, rigger, fitter, a few contractor workers under the overall supervision of Jagdish, the site engineer from Bharat construction were deputed to carry out the erection job. The crane was manufactured three years back and apparently in good condition. Load test certificate of crane by a competent person and valid up to next one year had been carried out at its previous location, but no test had been done after erection of said crane at site, as it was not felt necessary.

In the forenoon (11.30-1.00PM), lower portion of Coke lifter weighing about 45T was erected successfully over the CDCP top by engaging the crawler mounted fixed boom crane with the help of four slings at four

corners tied with crane hook. Prior to this, a steel plate was placed below the crawlers to act as a firm bottom support for ensuring safe lifting. It was observed that though the left side of crawler was partially placed on the steel plate, the right side crawler was totally unsupported. This had caused the crane to wobble and cause swings in the load and also reduce its effective load carrying capacity.

In the afternoon, upper portion of lifter weighing about 37T was lifted by the same crane for positioning over the lower portion already erected. Two persons were manoeuvring the load with guide ropes to facilitate proper positioning during lifting. Two persons, one Rigger & one Fitter were positioned at top of CDCP to do final alignment & securing job. Rigger was communicating with Site supervisor & Engineer who in turn were signalling the crane operator standing on the cabin's platform. As gathered from crane's manual, it was equipped with computer & PLC integrated control with sensors located at different positions to warn the operator in case the load exceeded the safe working load for a particular crane configuration. Apparently the PLC system had been bypassed as Jagdish felt confident that the crane would lift the load, and he did succeed in the morning with the lower section, which was heavier. There was a load chart for various angles, which indicated the safe loads at various boom lengths and angles, but Jagdish had ignored it since the load being lifted was lower than the highest capacity of the crane.

After lifting the job to a height of about 36 Meters, there was some alignment problem with the bottom portion. After repeated attempt to align the Job. When the crew didn't succeed, the crane operator swung the load to his right as per the instruction of Site Engineer and waited for about 8 to 10 minutes. It was during this time, boom of the crane collapsed and fell down along with the load injuring the persons with in the operating range .

During falling, the load hit the Junction unit structures and a worker (S Singh) who was working near the junction unit for scaffold erection work got trapped under the load while escaping and succumbed to his injuries on the spot. Two workers of the M/s Mecast (subcontractor of Bharat construction) namely Shri K Das(28 yrs.) & Shri HSangu (37 yrs.), got seriously

injured due to collapse of temporary site office store due to impact of falling load and received serious head injuries. Shri P Tiwari, contract worker of M/s Hardy Enterprises, while returning from duty from that route also received injuries. Jagdish jumped in panic from operator cabin's platform after the incident and received leg injuries.

The Occupational Health Centre(OHS), Safety Engineering department (SED), Central Security Force (CSF) & Fire Brigade were immediately called. The body of S Singh was recovered by lifting the load (from one end) through engaging a 75T Crawler crane. All the injured persons were sent to Main Hospital through OHS by two ambulances, where K Das later succumbed to his injuries the next day.

Immediately after the accident, there was chaos and all work stopped as people rushed to the site. While the Shri Adhikary immediately started marshalling resources for removing the debris and recovering the injured, the personnel officers and the plant personnel head also got active and the shop personnel officer immediately rushed to the site to handle any industrial relations situation as the situation was quite tense. People were in a state of shock, so before any mob would build up, as happens often in such cases, the dead and injured were shifted to the hospital. There were some murmuring about the compensation and job to the next of kin, but it was clarified that all possible support would be given and it was imperative to shift the injured to hospital. The situation was tense but better sense prevailed and no further incident happened. The work was stopped and the police and the inspector of factories were informed immediately. The news of the accident spread like wildfire and the next day the local newspapers all had the news as a major headline, with some very unflattering titles like "One more death in the killer plant", "Disaster in steel plant", "When will the deaths of poor workers in the industries of the rich stop". The general impression that one could get from the news items was that work in the plant was carried out without any concern for the safety of the people working there, and that the management was highly negligent. The accident was being cited as one more example of the callousness of industry. The local thana inspector reached the site the same day and threatened to file charges

for attempt to murder against Mr. Adhikary. The personnel contested this and said that it was a case of accident, and charges could not be framed for attempt to murder. He finally agreed to book charges under Section 304A. [Causing death by negligence], and demanded that the Head of the Plant be present in the police station for questioning. He questioned Mr. Adhikary on the spot to get a preliminary report and released him, with instructions not to leave the city and come to the police station whenever required. This police business was very new to Mr. Adhikary and he was visibly shaken by it, wondering what would happen to him. The Chief Inspector of Factories came personally from the state capital the next day morning and conducted an enquiry. He asked a lot of questions regarding safety procedures, training of workers, their certifications, certification of equipment, and actual conditions on the site, which Mr. Adhikary found very stressful, partly due to the shock of the accident and his subsequent grilling by the police authorities, but also because he found it difficult to provide ready answers and data to support his answers to the barrage of questions regarding safety management that were fired by the Chief inspector of factories. The safety officers kept on filling in with details, but the chief inspector of factories mostly ignored him and kept on questioning Mr. Adhikary. He once even rebuked the Chief of Safety for trying to fudge the issues and obstructing him from getting information from Mr. Adhikary who felt like a trapped animal during the interaction and kept on looking at the Safety Head to bail him out.

"This is a big issue and the press has already given it huge publicity, so don't expect me to push this issue under the carpet. I am also accountable to other people. I hope there is no problem in providing compensation and employment to the next of kin" said the chief inspector of factories as he left the plant after taking preliminary report. He was again assured that all due care would be taken.

While things were being worked out in the plant, the next day brought in fresh troubles, one of the injured workers "K Das" also succumbed to his injuries. In the meantime, a local union leader who was trying to get a foothold among the contract workers marshalled a few of his supporters and also convinced the family

members of K Das and S Singh, to not allow the bodies to be moved from the morgue until they get a clear written assurance about the compensation and jobs for the next of kin. Another local politician and a member of the state human rights commission also visited the place and demanded that “justice be done” to the dead workers. With a crowd surrounding the morgue, they made it impossible to move the bodies.

The management immediately gave a provisional offer of appointment to the widow of M Singh, and M/s Bharat construction was persuaded to pay the compensation of Rs 5 lakhs to the next of kin of each of the dead workers. There was a provision for payment of Rs 3 lakh compensation in their contract, but in the light of demands for 10 lakhs compensation that were being made, citing the compensation amounts payable to regular employees of Mahaan Ispat, and a situation that seemed like going out of control, they were persuaded to increase the amount to Rs 5 lakhs.

S Singh had also been insured under the ESI act and would get a substantial compensation from that scheme also. So ironically he proved to be more valuable to his family in death than he had been in life. His wife was convinced that her interests had been best taken care of under the circumstances and with some persuasion, relented, but K Das 's case proved to be an unexpected twist. He was a bachelor and under the company's policies, jobs could be offered to only the wife or children, not parents. Also he had just joined at the site and did not have proper documentation of his ESI registration.

Things were in a stalemate, and the top management was worried about the impact of this case beyond the project as the whole plant was getting affected.

It was in this context that Mr. Adhikary had been called to the CEO's office to explain what actions he proposed to contain the fallout of this accident and what could be done to prevent any such incidents in future.

Assessment of the situation by Mr Adhikary

Mr. Adhikary asked his assistant Baccha Singh to provide him some more information about the possible lapses that could have contributed to the accident, so that he could get a more holistic perspective before he met the CEO. “I thought, we had given a turnkey contract and I would not have to be bothered about

the micro details, but now I feel I need to know more about how the contractors were operating at my site” Baccha Singh gave him an account of the issues that were involved in the accident and some details of which Mr. Adhikary was not fully aware.

“Sir, we have to realise that now there is a huge number of contract labour working at our site, most of whom are first generation industrial labour and not all that educated and aware. Our plant nowadays has over 25,000 contract labour working at different sites which is higher than our regular manpower, and we hardly have any time to supervise them. We are sitting on a time bomb. Also, we need to have a strategy for managing the external agencies like unions and regulatory bodies, and understanding their requirements so that we don't fall foul of them and the law” said Bacha Singh.

I have checked with our personnel department and they are following through with the local authorities regarding the police case. My friend Atanu has also give a small brief on the legal aspects of the accident, especially the issue about the thanedar's threat to book you for attempt to murder (Annexure I)

There has been a safety audit done only a month back, with the help of the Corporate Safety group, which might help us to identify some actions points (Annexure II)

We also need to work out a strategy of keeping the inspector of factories well informed, without allowing him to go beyond his jurisdiction to ensure that we have a good working relation with him. A brief on the Powers and Duties of Inspectors under Factories Act is also attached. (Annexure III)

Mr. Adhikary felt it was time for a rethink on how he should operate. This accident was just one manifestation of a bigger problem.

You are Mr. Adhikary and you have to prepare a detailed presentation to make to the CEO on your strategies for

- Managing the fallout of this incident
- Ensuring internal preparedness for addressing the concerns that this incident has highlighted
- Manage such incidents and external stakeholders in general so that future incidents do not cause excessive damage to the organizations reputation.

Legal aspects of accidents at workplace

Section 304 of Indian Penal Code, 1860 deals with 'Punishment for culpable homicide not amounting to murder'.

From the Act

Whoever commits culpable homicide not amounting to murder shall be punished with 1 year [imprisonment for life], or imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine, if the act by which the death is caused is done with the intention of causing death. or of causing such bodily injury as is likely to cause death; or with imprisonment of either description for a term which may extend to ten years, or with fine, or with both, if the act is done with the knowledge that it is likely to cause death, but without any intention to cause death, or to cause such bodily injury as is likely to cause death.

Read more: http://www.lawnotes.in/Section_304_of_Indian_Penal_Code,_1860#ixzz2xW9h8lkw

Section 304A of Indian Penal Code, 1860 deals with Causing death by negligence.

From the Act

Whoever causes the death of any person by doing any rash or negligent act not amounting to culpable homicide shall be punished with imprisonment of either description for a term which may extend to two years, or with fine, or with both.

Read more: http://www.lawnotes.in/Section_304A_of_Indian_Penal_Code,_1860#ixzz2xWBsjmEP

Commentary on the applicability of Section 304 A (Excerpts)

The original Indian Penal Code, 1860 had no provision providing punishment for causing death by negligence. Section 304-A was inserted in the Code in 1870 by the Indian Penal Code (Amendment) Act, 1870. This section did not create a new offence but was directed towards the offences which fall outside the range of section 299 and 300 of the Indian Penal Code,

1860 (herein after referred as I.P.C.) when neither intention nor knowledge to cause death is present.

The provisions of this section apply to cases where there is no intention to cause death, and no knowledge that the act done in all probability would cause death. The Supreme Court has clarified that the section 304-A of I.P.C. is applicable only when death is caused due to rash and negligent act of the accused, which is an essential element to attract said provision.

This section deals with homicide by negligence and covers that class of offences, where death is caused neither intentionally nor with the knowledge that the act of the offender is likely to cause death, but because of the rash and negligent act of the offender. This clause limits itself to rash and negligent acts which cause death, but falls short of culpable homicide of either description. When any of the two elements, namely, intention or knowledge, is present this section has no application.

Thus it's clear that the facts which must be proven in order to invoke the applicability of this section are essentially three folds:

- 1) Death of a human being;
- 2) The accused caused the death;
- 3) The death was caused by the doing of a rash and negligent act, though it did not amount to culpable homicide.

The 'rash or negligent act' referred to in this section means the act which is the immediate cause of death, and not any act or omission, which can utmost be said to be a remote cause of death. If an act is intended to hurt and injure a specific person or object, the perpetrator of the act must be imputed with an intentional act done with consideration and cannot amount to a 'rash' and 'negligent' act. It is imperative to note that there is difference between rashness and negligence. A rash act is primarily an overhasty act.

Negligence is a breach of duty caused by omission to do something, which a reasonable guided, by those considerations which ordinarily regulate the conduct of human affairs would do.

The requirement of section 304-A of I.P.C. is that; death of any person must have been caused by the accused doing any rash or negligent act. In other words, there must be proof that the rash and negligent act of the accused was the proximate cause of death. There must be a direct nexus between the death of a person and the rash or negligent act of the accused, a remote nexus is not enough. To impose criminal liability u/s 304-A of IPC it is necessary that the death should have

been the direct result of the rash and negligent act of the accused, and that act must be proximate and efficient cause without the intervention of another's negligence, and it must be a causacausans, and not causa sine quo non.

Further the Supreme Court has laid down that, to render a person liable for neglect of duty there must be such a degree of culpability as to amount to gross negligence on his part. It is not every little slip or mistake that will make a man so liable.

Refer: <http://www.legalserviceindia.com/article/l451-section-304-A-of-I.P.C.-be-a-license-to-kill.html>

Annexure II

Report of Safety Audit carried out at Mahaan Ispat Project /Expansion Site (Excerpts) Conducted during 21-23. X.20xx (2 months prior to the referred incident)

The audit has the following objectives:-

- To carry out a systematic, critical appraisal of all construction hazards involving personnel, plant, services and operation method at worksite and
- To ensure that the present Construction Safety system fully satisfy the legal requirements, company's written safety policies, procedures, objectives and applicable safety guidelines

Scope of audit

Construction safety audit of the project site was carried out in two parts:

1) Audit on Safety & Health Management Systems at project site

- ♦ Health Safety and Environment (HSE) Policy
- ♦ HSE Plan
- ♦ Hazard Identification and Risk Assessment (HIRA)
- ♦ Safety Inspections
- ♦ Safety Organization and Committees
- ♦ Awareness and Training

- ♦ Work Permit systems
- ♦ Incident reporting and analysis
- ♦ Corrective action and Preventive action
- ♦ First aid & Fire Protection facilities
- ♦ House keeping
- ♦ Personnel Protective Equipment
- ♦ Occupational Health and Hygiene

2) Audit on technical elements

- ♦ Excavation
- ♦ Blasting
- ♦ Piling
- ♦ Scaffolding
- ♦ Working at Height
- ♦ Material Handling
- ♦ Structural Erection
- ♦ Grinding, Welding and Gas Cutting
- ♦ Plant & Machinery
- ♦ Electrical Safety

Standards Adopted

The sources of Standards referred are in two folds:-

1. Statutory: This covers all the safety legislation as well as other legislation dealing with safety like:

- a) The Factories Act, 1948 and State Factories Rules, 1962
- b) The Building and Other Construction Workers (BOCW) Act 1996 & Central Rules 1998

2. Non - Statutory:

- a) Safety clauses in the terms of contract
- b) Relevant Indian Standards (IS) applicable to Construction Industry
- c) IPSS 1:11 Standards on Personnel Safety Appliances and Procedures
- d) ILO code on practice ' Safety & Health in Construction'

Observation on Safety Management Systems

Some of the observations made during study of documents/ records maintained by SED/ Project Safety/ Agencies are given below for improvement / remedial at an early date.

A. Safety Policy:

Provisions of Sections 7A (3), 41-B(2) and 112 of Factories Act 1948 requires preparation of a written statement of policy in respect of health and safety of workers at work.

The OSHAS Occupational Health & Safety Policy of MAHAAN ISPAT signed by Head of Projects, has been displayed in the offices.

Some, but not all contractors, have documented safety policy as a part of their HSE Plan. Rule 39 of BOCW Rules, 1998 requires a written policy to be prepared by every establishment employing 50 or more workers.

B. Safety setup, Organization, Roles & responsibilities

Role of Project Safety Group

- Project Safety group under SED is headed by AGM (Safety), SED who report to GM (Safety & FS) and is assisted by an AGM and two Asstt. Managers.

- Joint Inspections are conducted by project safety under SED along with Projects deptt. & ZSOs and memos are issued to contractors for violation of safety norms including penalties (depending upon the gravity & repetitiveness of violations as per the terms of contract). A record of memos/ penalties with details like date of observation, Memo No., Zone/area, party, violation etc. is maintained. A copy of the memo is given to GM(S & FS), GM (Projects- concerned zone), and DGM I/c (Projects- concerned zone) and the concerned contractor/ sub contractor.
- Instances of penalties of Rs. 20,000/- for working at height without height pass, no arrangement for lifelines for anchoring the lanyard of full body harness etc. were noticed. The system involves issuing warning for 1st violations and from 2nd violation onwards, penalties are charged as per terms of the contract. Deductions of fines are intimated by Zonal heads to SED which is also documented.
- Induction training is imparted to the workers by Projects safety on general project related hazards after which Contractor workers are issued gate pass valid for 1 year / duration of the contract whichever is lower.
- System of conducting Job safety analysis by the contract operating authority and signed by the contractor before imparting induction training to contractor workers by SED is in vogue .
- Internal safety audit of project sites are conducted every week (on Tuesday) as per schedule by a team comprising members from SED, Project safety, ZSO and Contract Labour cell.
- On line safety monitoring system started from works area has also been extended to Project site. Observations after any inspection/ audit is made on-line, the compliance report of which is also fed into the system within prescribed time limit by the respective ZSO after receipt of the same (in hard copy) from the concerned agency. This does not only facilitates in paperless working but also saves time and helps in better monitoring.
- Project safety group under SED organizes fortnightly meeting with Zonal Safety officers

which is chaired by DGM (Safety), SED. Observations made during the intervening period, pending points from the last meeting and compliance status are discussed. Consolidated Zone & contractor wise inspection/ audit details along with types of violations and their compliance status are also discussed in the meeting. Last meeting was held on 7/1/2013. Minutes of the meeting are circulated to ED (Projects), GM (S&FS) and all GMs (Projects).

Role of Project deptt.

- Head of Projects monthly reviews safety status with GMs, Zonal heads, ZSOs etc. Last meeting was held on 12/1/xx. Minutes of the meeting was distributed to ED (Projects), GMs (Projects), DGM I/c (Safety) through DGM (Projects Safety, HR & RB).

Role of Contractor

Some, but not all of the contractors have deployed qualified safety officer to monitor and enforce safety norms during project activities. However, the same has not been found with the all the sub-contractors.

C. Project Safety Management Plan

Each project has several planning activities which are accomplished during execution of the project. It consists of developing Project safety plan addressing various phases like design safety, construction safety & commissioning & start up plans to facilitate in defining the scope of work and activities to be performed. Based on this, all contractors need to develop Site specific safety plan covering project hazards and control measures including other elements like awareness & education, meetings etc.

It was found that some contractors have prepared a detailed EHS Plan covering elements like safety policy, roles & responsibilities, Risk assessment, safety procedures for various project activities like working at height, excavation, piling, concreting, welding & cutting, structural erection, training, PPEs, emergency action plan etc. and associated checklists for inspection etc.

D. Training and Education

System of imparting induction training of 1 1/2 hour duration to new workers by Project Safety group under SED thrice every week before issue of gate pass is in vogue. In emergency, temporary gate pass is issued for 14 days as per the recommendation of contract operating authority for which concerned ZSO imparts necessary training at site. New training hall (TPL Building) near expansion office has been earmarked for training of around 150 workers at a time. Photos depicting different types of PPEs are displayed in the training hall to familiarize them about the methodology & importance of their usage. The hall is provided with only audio facility.

In addition, safety officers of the contractor also impart orientation training/ safety talk on site specific hazards before deploying workers at site.

Safety awareness programme 'JAGRITI' are being conducted in Projects area for Contractor labours followed by question/ answer session and winners are suitably awarded. Last such programmes was organized on 22/12/20xx which was attended by 108 workers.

First aid training is imparted to project workers by OHS representatives phase wise. Last such training was held at 12/8/xx which was attended by 47 workers, site supervisors & safety officers. One such training was also underway on 19/1/xx at MSDS-V (Power zone, M/s AERVA site) during site visit by the audit team.

E. Safety Awareness, Motivation and Participation

Safety Banners & Posters are an effective and proven tool to remind people to remain alert & vigilant and aims at reinforcing safe behaviour amongst them.

- During audit, only a few banners and posters were found to be displayed at various project sites.
- It was informed that all project contractors had celebrated National safety day (4th March) & Safety month (January) and organized various competitions for promoting safety awareness amongst their employees.
- All contractors may be asked to devise schemes

for awarding workers on the basis of their overall attitude towards safe practices.

- Penalty provisions for violation of safety norms by the contractors leading to injury/ fatality exists as per details given below:

Category of violation	Penalty
Category-1(Occasional violation of not wearing crash helmet in works/ office area)	Rs. 1000/-
Category-II (Minor Violations)	Rs. 2500/-
Category-III (Major Violation)	Rs. 7500/-
Category-IV(High Risk Violations)	Rs. 20,000/-
Category – V (Fatal accident cases)	Rs. 3 lakhs / 20% of the contract value whichever is lower.

- **The modes of recovery of above penalties are as follows :**
 - In case of violations from category I & II, if repeated for the second time and onwards, the penalty are recovered from the dues of the contractor on the advice of SED and the operating authority are kept informed.
 - In case of violations from category III& IV, if repeated for second time onwards, the penalty are recovered by the Finance deptt. against the advice of SED (as decided in consultation with the operating authority within 3 days from the date of violation).
 - In fatal cases (category V), SED official impose the fine without consulting the operating authority and direct Finance deptt. to deduct from the contractor's dues.

F. Systems and Procedures

- OHSAS-18001 has been extended to Projects area. Internal audits by certified lead auditors have been started.
- There is no system of work permit for critical & hazardous job as per clause 7.2 of General Terms and conditions of the contract.
- System of daily inspection by of critical jobs contractor's supervisors/ safety officers with the help of checklist is not in vogue at many sites.
- Requisite & valid labour license by Regional Labour Commissioner, was available with the contractors.

G. Accident reporting, analysis and Investigation

- There has not been any fatal accident at Project sites since commencement of activities.
- Reportable accidents are discussed verbally with the contractors and corrective actions and preventive actions are taken.
- Some of the contractors have the system of documenting near miss cases. However, no such cases were identified / reported and documented in the register kept for the purpose.

H. Personal Protective Equipment:

- M/s ABC, (Contractor) has the system of color codification of the helmets and fluorescent jackets to facilitate easy identification as per the following
 - ◆ Green : Safety
 - ◆ Yellow : Workmen
 - ◆ Blue : Supervisor
 - ◆ White : Site Engineers
 - ◆ Red : Electrician
- Usage of conventional PPEs like Safety shoes, safety helmets etc. in general was found to be good with some exceptions noted at M/s XXX site. The culture of using chin strap of safety helmet was found to be missing at most of the sites. However usage of Job specific PPEs like hand gloves, gum boots, eye goggles, Fall arrestor etc. needs improvement.
- Records of issue of PPEs employee-wise are maintained by most of the contractor which was verified during the audit.

I. First Aid , Fire Safety and Medical check-up:

- First aid boxes are available with most of the contractor. However requisite materials were not available in most of the boxes at the time of audit.
- Provision of portable fire extinguishers was found at some of the sites. These are being checked as per schedule and inspection / testing date and next due date are marked on them.
- Mock drills are being conducted at different project sites in association with Fire Services Deptt. of MAHAAN ISPAT to spread awareness on usage of extinguishers and rescue measures at the time

of emergency. A documented schedule exists for carrying out such drills.

- Initial medical examination of contractor workers before issue of gate pass is done. The same is done again at the time of renewal of gate passes after 1 year. Mandatory Medical examination before issue of height pass is done as per the prevailing norms of Mahaan Ispat. However, eye testing of mobile equipment operators is not being done as per statutory provisions.

J. Housekeeping:

- Housekeeping in general needs lot of improvement. This requires attention in working area, fabrication yards as well as erection sites of all the contractors.
- Lots of structural / scrap items are lying in haphazard manner leaving little room for movement of men & machine.
- There is no system of housekeeping inspection either by contractor/SED with the help of checklist.

K. Emergency Plan :

There is no project specific Emergency Action Plan in place to deal with emergency situations like cave in, structural collapse, flooding of trenches, fall of persons from height, collapse of lifting appliances etc.

Some Contractors have documented Emergency plan as a part of their EHS Plan / manual covering details of key persons, emergency control centre, assembly points, communication system etc. As informed, emergency vehicle is available with contractors for transporting the injured persons in case of need.

L. Welfare amenities:

- Some of the contractors have made arrangement for drinking water at site by maintaining earthen pots/ utilizing existing facilities of running plants in case of Brownfield expansion. Facilities like rest shelter etc. were found to missing at most of the sites.
- At M/s XXX Substation -48 site, few persons were found to taking shelter under the narrow space beneath the stacked wooden sleepers.

Audit of Technical elements

A. Excavation

- Barricade along many of the excavated pits was found to be inadequate. At M/s ABC site, barricade was missing in one side of pit for cooling tower , PCI exhaust area and cast house runner area. At M/s XXX (Universal Rail Mill site), it was missing in most of the pits.
- Pits with depths > 1.2 meters must have proper access (ramps/ ladders) for movement of persons and transport of materials. However at M/s SPCL site, in the pit for concrete column erection for Blower house, no such approach was seen. At M/s (in MCC-A building & Chilling Plant) and M/s XXX site, provision of safe access was missing.
- At M/s XXX & MMM sites, overhanging boulders, reinforcement rods etc were found lying close to the edge of the pit wall. At XXX site, vertical cut without any shoring arrangements were noticed. Also in few sites, heavy equipments were seen plying along the narrow passage by the side of excavated pits.

B. Working at Height

- Height pass is issued by the Project Safety group under SED to the contractor workers deployed for height jobs. Prior to the issue of height passes, workers are imparted safety inductions for working at height followed by demonstration on the height rig erected for the purpose. Workers reporting for height pass are required to bring the medical fitness from a civil surgeon (up to 10m height) and registered medical practitioner from Govt. hospital (for height more than 10m) as per MAHAAN ISPAT norms.
- Records of height passes are also being maintained by most of the contractor.
- There is no structured system of inspections of height jobs with the help of a checklist at most of the sites. M/s ABC has system of weekly inspection by the safety officers, M/s NNN & XXX have no such systems.
- Usage of fall arrestors and safety nets during height jobs was not observed at any of the sites. However provision of full body harness (FBH) with double

lanyard and life line arrangements were seen with a few exceptions.

- During visit to different sites, some deviations from height safety norms were observed as mentioned below:
 - At M/s XXX , NNN & BEC sites, few persons were found to be working at height without a mandatory height pass. At M/s XXX site, persons were found to be walking on beams and getting down through monkey ladders without anchoring their full body harness due to absence of required lifelines. At M/s BEC site, a person was seen climbing height with welding cable without anchoring his FBH. At M/s SPCL site, some persons were found anchoring their FBH to an anchorage point much below their shoulder level.
 - At most of the sites, rungs welded to column without fall arrestor arrangement were used to climb heights which is not a safe practice.
 - At M/s NNN site, in the new scrubber under construction, working platform at different levels were provided with damaged / worn out GI sheets without adequate side railings.
 - At some sites, scaffolds being used were found without proper access facility and firm bottom support. Also provision of proper railing (top & middle) and toe boards were missing.
 - During audit, system of daily height pass register as suggested in earlier audits with details like height safety talk, availability of required PPEs along with names of persons deputed at height job on daily basis could not be found.
 - At M/s TPL site (Utility zone), ladder provided for going to height for Argon pipelines erection job was found to be of substandard quality.

C. Welding and Gas Cutting

- Welding transformers was found to be with proper earthing connections in most of the sites.
- Welders/ Gas cutters are using job specific PPEs like face shield and hand gloves barring one exception found at M/s ABC BF#8 site.

- At some of the sites like M/s BEC CDCP site, provision of Flash back arrestors was not found at both fuel cylinder and torch end.
- Filled and empty gas cylinders were found to be lying haphazardly in horizontal position without proper securing arrangements.
- Valve protection caps were not provided for gas cylinders kept in storage areas as well as those kept for use at various locations.
- At some sites, welding cables were found to be with many naked joints.
- Practice of transporting gas / oxygen cylinders through hydras without any proper arrangement as well as through cycle was noticed / informed.

D. Electrical Safety

- At many sites, cables for making electrical connection was found to be laid on the path meant for movement of men & machine.
- Most of the contractors do not have a system of daily inspection of electrical installation with a checklist.
- All Power Distribution Boxes (PDB) for providing electrical connections of equipment was found to be covered. At M/s XXX sites, PDB boxes were found to be locked to avoid unauthorized use.
- At most of the sites, provision of routing of incoming power through ELCBs/ RCCBs has been made with a few exceptions.
- At M/s XXX site, competent electricians could not be made available when called for showing earthing connections in welding transformers.

E. Material Handling, Lifting machines, Tools & Tackles

- Mobile cranes, Tower cranes, Hydra cranes, Trucks, Trailers, Pocklains etc. are used as material handling equipment at sites. Wire rope slings, chain sling & web slings are commonly used tools & tackles.
- Annual examination of 'Lifting Machines , Tools & Tackles' with certificate from competent persons as required under Section 29(1a) of Factories Act was available with most of the contractors with a few exception. However, records as per statutory

register prescribed under statute are not being maintained.

- Safe Working Load of lifting machines, was not found to be displayed on the cranes at some of the sites.
- M/s ABC has the system of crane inspection by the safety officer and engineer on monthly basis and other heavy vehicles every 2-3 months. The said system is not in vogue in most of other sites.
- At M/s ABC site, provisions of wheel guards were found. In other sites, this provision was missing. At M/s ABC site, hydras were seen transporting material without any guide rope attached. In M/s XXX site, hydra was seen transporting material rubbing against the ground (without freely suspended condition) in reverse direction. In these sites, workers accompanying the hydra were found moving in front of the machine (close to front tyres) near the suspended load which is unsafe.
- M/s ABC has recently procured and using an advanced model of hydra having sensors and

camera in the rear and facility of display in the cabin for warning the operator.

- At M/s XXX site, wire rope slings used with Piling machine was found to be damaged.
- Following provisions were not observed in any of the sites:
 - Vision testing of mobile equipment operators before deploying them in job and at periodic interval prescribed under statute.
 - Stacking of structural materials in earmarked areas with proper barricading posing difficulty during handling / movements.
 - Road safety signs, caution boards etc. for alerting the drivers.

F. Safety during structural steel erection

System of adhering to safety protocol during heavy erection jobs with names & responsibility and prior inspection through checklist is not in vogue. However, as informed, protocol is prepared for working in hazardous areas in the vicinity of running plant.

Annexure III

Powers and Duties of Inspectors under Factories Act

The Factories Act empowers the State Government to appoint Inspectors, Chief Inspectors of Factories, Additional Chief Inspectors, Joint Chief Inspectors and Deputy Chief Inspectors. Every District Magistrate is an Inspector for his district. No person can act as an Inspector if. He is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

Powers of Inspectors. Section 9 provides that subject to any rules made in this behalf, an Inspector may exercise the following powers within the local limits for which he is appointed :

(a) enter, with such assistants, being persons in the

service of the Government or any local or other public authority, as he thinks fit, and place which is used, or which he has reason to believe is used, as a. factory ;

- (b) make examination of the premises, plant and machinery;
- (c) require the production of any prescribed register and any other document relating to the factory, and take on the spot or otherwise statements of any person which he may consider necessary for carrying out the purposes of the Act; and
- (d) exercise such other powers as may be prescribed for carrying out the purposes of this Act.

No person shall be compelled under this section to answer any question or give any evidence tending to incriminate himself.

Under Section 91, an Inspector may take a sample of any substance, used or intended to be used in a factory, for the purpose of finding out whether the substance is injurious and if the factory is violating any of the provisions of the Act.

Obstructing an Inspector. Whoever wilfully obstructs an Inspector in the exercise of any power conferred on him by or under this Act, or fails to produce on demand by an Inspector any registers or other documents in his custody kept in pursuance of this Act or of any rules made thereunder, or conceals or prevents any worker in a factory from appearing before, or being

examined by, an Inspector, shall be punishable ~with imprisonment for a term which may extend to three months or with fine which may extend to Rs. 300 or with both.-Sec. 95.

The onus is on the prosecution to show that a person has obstructed an inspector.

Duties of Inspector. It is the duty of factory inspectors to enforce the provisions of the Factories Act and other industrial laws. For this purpose they inspect factories periodically. If any rule is violated they take steps like prosecuting the guilty persons etc.



The Business of Influence: Reframing Marketing and PR for the Digital Age

Philip Sheldrakem

"The Influence Scorecard, using the Six Influence Flows, places influence in the center of organizational strategy by coordinating disconnected influence processes and mapping them into the fabric of the organization."

The Business of Influence by Philip Sheldrake provides a framework to integrate marketing and public relations throughout an organization. This framework titled Six Influence Flows involves identifying an organization's stakeholders' influence with each other with respect to both the organization and its competitors. Applying this framework via the Influence Scorecard, maps influence objectives throughout an organization's corporate strategy. Thus, by using the Influence Scorecard, Marketing and PR functions can be fully integrated throughout the business to achieve organizational influence objectives. In this book we delve on two key concepts enumerated in the book i.e. Six Influence Flows and Influence Scorecard.

The Six Influence Flows

The Six Influence Flows is an elegant framework used to map an organization's influence in a methodical manner. The Six Influence Flows include:

- The organization's influence over its stakeholders.
- The organization's stakeholders' influence over each other with respect to the organization.
- The organization's stakeholders' influence over other organizations.
- The organization's competitors' influence over stakeholders.
- Stakeholders' influence over each other with respect to the organization's competitors.
- Stakeholders' influence over the organization's competitors.

The author argues that the Six Influence Flows needs to be intimately interconnected and that they should not be considered separate from each other. Using all Six Flows to manage influencing and being influenced simultaneously provides insight into stakeholders' situations, needs, and desires while establishing the organization's response to newly identified stakeholder requirements. Influence is not based on popularity or expertise. Rather, to start with organizational influence manifestations are based on relevance, resonance, accessibility, engagement, and curiosity and as the influence of an organization evolves, reputation, trust, significance, authenticity and authority are the resultant outcomes of influence. In the end, all Influence Flows holistically develop an organization's influence. A successful influence strategy results in desirable opinions held about an organization's products or services and is integral to achieving organizational objectives.

The Influence Scorecard

The Influence Scorecard is a subset of the Balanced Scorecard and contains key performing influence indicators cutting across functional silos. The Six Influence Flows framework removes obstacles, fragmentation, and disjointedness often associated with Marketing and PR objectives. The Influence Scorecard, using the Six Influence Flows, places influence in the center of organizational strategy by coordinating disconnected influence processes and mapping them into the fabric of the organization. The influence objectives compel the formulation of the influence strategy. An organization's unique influence strategy is comprised of influence activities the organization must excel at in order to create a sustainable marketplace difference. These influence objectives are developed within the context of the organization's vision, mission, and values. However, in general, to develop an over-arching influence strategy using the Influence Scorecard the intangible assets of critical human, information and organizational components must be identified and enhanced. Also, a business management process system, preferably the Balanced Scorecard, should be in use, and if it is not, it must be constructed. Appropriate metrics, or key performance indicators, must be identified and applied. Finally, communicating the influence-centered corporate strategy via cause-and-effect metrics will align the structural and cultural organization when employees, the stakeholders in this instance, perform as they are measured.

Placing influence at the center of corporate strategy will transform the job descriptions of conventional titles and create new titles requiring different skill sets and organizational responsibilities, particularly within the C-Suite. Specifically, the Chief Influence Officer (CIO) position will need to be created in organizations seeking to establish a competitive advantage by adopting an influence strategy via the Influence Scorecard. This individual will be responsible for implementing influence as the core organizational objective, and he will only be able to do this if he possesses broad experience across all the business units and can view the organization holistically. In general, to become an Influence Professional, traditionally creative positions will need to become more data-driven. The traditional Marketing and PR functions, in general are also on the height of a technology-induced transformation. The Six Influence Flows framework is an avenue to accelerate and assimilate the transformation of Marketing and PR into the digital age and transformation of Marketing and PR professionals into "Influence Professionals".

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Employee Engagement and CSR: Transactional, Relational and Developmental Approaches

Philip Mirvis

"By contrast, the relational model treats CSR as central to the identity of both the company and its employees—yielding, say, a socially responsible company staffed by value-driven people."

CSR is being used today as a “tool” to recruit, retain, and engage employees. Increasing numbers of young people worldwide aspire for “something more” from a job. Three out of four of the Millennial Generation (born 1978-1998) wants to work for a company that “cares about how it impacts and contributes to society. Several studies aimed directly on the linkage between CSR and employee engagement have found a strong correlation between employee’s commitment to their organization and how they rate its social responsibility. Companies are taking different approaches to engaging their employees through CSR. This article explores three different ways that companies design and manage their efforts:

- A transactional approach, where programs are undertaken to meet the needs and interests of those employees who want to take part in the socially responsible efforts of a company;
- A relational approach, where an organization and its employees together make a commitment to social responsibility; and
- A developmental approach, where a company aims to more fully activate and develop its employees and the firm to produce greater value for business and society.

In the transactional model what is important to the company is to recruit and retain “talent” and CSR programs are akin to an employee benefit—a part of “what’s on offer” in the company’s incentive package. By contrast, the relational model treats CSR as central to the identity of both the company and its employees—yielding, say, a socially responsible company staffed by value-driven people. The developmental model considers CSR not only as a joint obligation, but as a joint opportunity— it helps to connect the dots between employee, employer, and society. On the company side, this shifts the conversation from “what can CSR do for our employees?” To “what can our employees do to make us (and themselves) better corporate citizens?” In each of these three models, firms can aim to “do good” for society and to “do well” in terms of employee commitment, reputational benefits, and long-term financial returns. A closer look at the strategic intent and positioning of each these three engagement models, and at the assumptions about employee motivation behind and potential benefits afforded by them, highlight their strengths and limitations in delivering on these aims.

- **Transactional Model = HR Management:** Such a perspective holds that just as companies succeed by fulfilling the needs of their customers, they can manage their employees best by viewing them as internal customers, fulfilling their needs through a compelling menu of “job-products” whose features include

salary, benefits packages and job responsibilities. Designed properly, the job-products can contribute dramatically to job satisfaction, employee retention and productivity. A key task for managers, then, is to incorporate CSR into job products that are tailored to the diverse needs of employees. Employee engagement in CSR leads to pride in the company, which in turn is positively related to employee performance and negatively to intention to quit. CSR “humanizes” the company in ways that other facets of the job cannot. However, there are limitations to the individualized approach to engaging employees through CSR. It can turn a company’s relationship with society into a fragmented series of initiatives and programs—each a potential “job product” for employees but without a sense of how they hang together and what a firm is trying to accomplish overall.

- **Relational Model = A Socially Responsible Culture:** To the extent that the transactional model targets CSR at “me”-the individual employee-the relational models shifts the focus to “we”-the collective employee community. In its simplest form, this is manifest by engaging employees in “all staff” volunteer days, in company-wide recycling programs, or in on-boarding processes at companies like salesforce.com where new hires are thrust into community services activities as part of their orientation program. At deeper levels, it has a company articulate, and employees embrace, a shared vision, mission, and values that stress CSR. The strength of the relational model to employee engagement is that it provides an integrated platform of CSR initiatives and programs through which to engage employees and embed social responsibility into the company culture or DNA.
- **Developmental Model = Socio-Commercial Innovation:** The developmental model enlarges the scope of engagement through CSR further-from me to we to “all of us” -engaging a company, its employees, and often stakeholders in the corporate ecosystem

The relation between CSR and employee engagement

All these approaches to CSR have implications for employee engagement, which is a key element of

organizational strategies for talent attraction and retention.

- **Transactional Model = Satisfying Needs:** HR is today positioning CSR as a means to fit the ego needs of many of today’s well-educated, more socially conscious millennials, who have been reared in an era of relative prosperity and schooled to be sensitive to society’s ills and planetary perils.
- **Relational Model = Expressing Identity:** In a relational context, CSR initiates a conversation between individual and corporate identity that shapes a company’s culture and also its employees. Employees whose aspirations to live and work responsibly are fulfilled through their companies thereby serve as effective brand ambassadors for their firms through their word-of-mouth commentary. They also produce social capital—a web of positive relevant relationships—that connects their companies to other stakeholders and the public at large.
- **Developmental Model = Realizing Purpose:** Engagement through CSR might help people address not only “Who am I?” but also the larger existential and developmental questions of “Why am I?”

Employees engaged through CSR can produce social and business value through their volunteer service and through their jobs, relationships, products, and services. However, in the decision to launch or invest more in these activities, and in their design and delivery, it behoves companies to think about what they are doing and why.

- The transactional model of engagement seems to work well enough in meeting employee’s needs and aids in recruiting and retention. Shifting it toward “skills based” volunteering and to “brand-relevant” service options further advances a firm’s strategic interests and can be a rallying point for employees. The transactional model also seems apt for companies that have a highly differentiated culture where individual contributors or local working units are best positioned to do their own thing with regard to volunteerism and to effecting social- and eco-innovations in their local markets. Finally, this model, because of its preponderance among companies, is likely sufficient for firms that

are not competing on the basis of their social and environmental performance.

- The relational model of engagement seems more relevant in companies where CSR-seeking workers are employed and in demand, in labor markets where a “war for talent” is underway, and in industries where employee loyalty is one source of competitive advantage. The relational model also fits in companies whose ethos, internally and externally, is infused with CSR.
- A more developmental model of engagement is relevant in industries where human capital is mobile and integral to success and where companies are innovating rapidly in the CSR and sustainability space.

Decisions about engagement also reflect how companies think about people and their desired relationship with employees. The transactional model, for instance, seems most suited to the archetype of *homo economicus*-the rational, calculative, self-interested image of humans whose motives are personal gain, even in their charity. By contrast, the relational model embodies *homo reciprocans*-a view of humans as ready

and willing to cooperate with and reach out to others, and inclined toward some self-sacrifice for the sake of the “group.” The developmental model seems to reflect *homo communicans*-the view that people prefer to stay in contact with and connected to the surrounding world in their economic and social life.

It is important for companies to clarify assumptions about people in the selection and definition of management practices. It makes sense, too, to have employees directly involved in developing a company’s engagement philosophy and strategy. That way their voices-as workers, to be sure, but also as family and community members, and as citizens of a society and the planet-can also be reflected in the design and operations of their company’s CSR efforts.

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सतत् विकास और हितधारक भागिता

इन्दर कुमार अचप्लानी*

“सतत् विकास का अर्थ है ऐसा विकास जो वर्तमान की जरूरतों की पूर्ति, कल आने वाली पीढ़ी की आवश्यकताओं की पूर्ति की क्षमता से समझौता किये बिना, आज किया जा सकता है।”

अगर आप सतत् विकास की परिभाषा जानने की कोशिश करेंगे तो आपको सैकड़ों परिभाषाएं मिल जायेंगीं, परन्तु एक परिभाषा जो “वर्ल्ड कमिशन ऑन इन्वियारनमेंट एंड डेवलपमेंट” ने अपनी 1987 की रिपोर्ट में दी थी, सतत् विकास यानि “सस्टेनेबल डेवलपमेंट” की सबसे सरल और प्रचलित परिभाषा है, इसके अनुसार :

“सतत् विकास का अर्थ है ऐसा विकास जो वर्तमान की जरूरतों की पूर्ति, कल आने वाली पीढ़ी की आवश्यकताओं की पूर्ति की क्षमता से समझौता किये बिना, आज किया जा सकता है।”

यूँ तो यह परिभाषा बड़ी सरल प्रतीत होती है परन्तु इसका अर्थ है क्या? हमारी आज की आवश्यकताएं क्या हैं और कैसे हमारी आज की आवश्यकता की पूर्ति कल की पीढ़ी को प्रभावित कर सकती है? इसका अर्थ समझने के लिए कुछ पल के लिए अपनी आज की कुछ मुख्य आवश्यकताओं पर नजर डालिए और सोचिए कि इनमें आपस में क्या विरोधाभास है।

यथा, जिंदा रहने के लिए सांस लेना जरूरी है और साँस लेने के लिए आपको शुद्ध एवं स्वच्छ हवा की आवश्यकता है परन्तु साथ ही आपको आवागमन के लिए कार की आवश्यकता भी महसूस की है। आप जानते हैं कि कार चलाने से हवा प्रदुशित होती है अगर इसी तरह वाहनों की संख्या बढ़ती रही तो एक ना एक दिन ऐसा आयेगा की साँस लेना दूभर हो जायेगा। अब सोचिये कि आपकी पहली आवश्यकता क्या है? शुद्ध हवा अथवा कार। जब आप अपनी एक आवश्यकता की पूर्ति की बात कर रहे हैं तो आवश्यकताओं में अगर इतना टकराव नजर आ रहा है तो कल्पना कीजिये कि अगर हम समाज, शहर, देश अथवा विश्व की आवश्यकताओं और उनकी पूर्ति हेतु वर्तमान और भविष्य की पीढ़ी में टकराव के बारे में सोचें तो क्या स्थिति नजर आयेगी। एक छोटा सा उदाहरण और देखिये कि हर व्यवसायी न्यूनतम मजदूरी पर काम कराना चाहता है ताकि उसके उत्पादन की लागत कम रहे और वह ग्राहकों की आवश्यकताओं की पूर्ति कम दाम के उत्पाद बेच कर भी कर सके, यह उसकी आवश्यकता है। परन्तु कामगार की आवश्यकता है कि उसे इतनी मजदूरी मिले कि वह अपना और अपने परिवार का भरण पोषण आसानी से कर सके।

अभी हाल ही में मैंने एक टेलीविजन कार्यक्रम में कचरे को जलाकर बिजली बनाने की तकनीक पर एक चर्चा सुनी। चर्चा बड़ी रोचक थी इसलिए कि आज हमारे देश में बिजली आपूर्ति की जो स्थिति है उसके लिए इस तकनीक से काफी सस्ती दरों पर विद्युत उत्पादन कर हम अपनी आवश्यकताओं की पूर्ति कर सकते हैं। परन्तु यह सुनकर दिल दहल गया कि कूड़ा जलाकर विद्युत उत्पादन की इस प्रक्रिया में हम वातावरण में ऐसी जहरीली हवा घोल रहे हैं जो रंगहीन एवं गंधहीन है परन्तु इतनी विनाशकारी है कि कुछ समय बाद इस जहरीली हवा में जीने वाले

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लोग विभिन्न जानलेवा बिमारियों से ग्रसित हो जायेंगे और हो सकता है आने वाली पीढ़ी जन्म से ही विकलांग हो। अब बताइये, क्या आप आज की सस्ती बिजली लेना पसन्द करेंगे कि कल आने वाली पीढ़ी का भविष्य सुरक्षित करेंगे, फिर चाहे आपको आज कुछ कष्ट ही क्यों न सहना पड़े।

सतत् विकास यानि सस्टेनेबल डेवलपमेंट की यूं तो कई तरह से व्याख्या की जा सकती है, परन्तु इसके मूल में वह दृष्टिकोण है तो हमें समाज के उत्तरदायी सदस्य होने के नाते अपनी आज की जरूरतों और आनेवाले कल के लिए पर्यावरण, सामाजिक ताने-बाने एवं आर्थिक सीमाओं के बीच सामंजस्य स्थापित करने के लिए प्रेरित करता है। सामान्यतः हम अपनी एक जरूरत पर ध्यान देते रहे हैं और उसे पूरा करने की जद्दोजहद में यह भूल गये कि हमारे इस प्रयास में जाने अनजाने यह सोच हमें और समाज को कितना नुकसान आज तक पहुँचा चुकी है। अगर पर्यावरण की बात करें तो सारा विश्व आज “ग्लोबल वार्मिंग” को लेकर चिंतित है। दूसरी ओर बैंकों के अंधाधुंध उधार की वजह से सैंकड़ों साल पुराने बैंक तक दिवालिया हो गये और परिणामस्वरूप हजारों लाखों लोगों पर अपनी आजिविका का संकट आ गया और कई देशों की सरकारें तक संकट में आ गयी।

यद्यपि अपनी पर्यावरण सीमाओं में रहकर विकास करना और विकास की बात तक सोचना सतत् विकास के मूल में है, परन्तु सतत् विकास का अर्थ एक स्वस्थ, सुदृढ़ एवं न्यायोचित समाज का निर्माण। अर्थात् लोगों की विविध आवश्यकताओं की इस प्रकार पूर्ति की आज और आने वाले कल की पीढ़ियों को विकास के समान अवसर प्राप्त हों। अब प्रश्न यह है कि क्या हम कल की पीढ़ी की चिन्ता में वर्तमान की अपनी आवश्यकताओं से समझौता कर लें। कदापि नहीं, परन्तु हमें अपनी जरूरतों की पूर्ति के बेहतर तरीके ढूँढने होंगे ताकि हम अपने वर्तमान को खुशहाल बना सकें और साथ ही साथ भविष्य में आने वाली जरूरतों के लिए भी ना सिर्फ अपने पर्यावरण अपितु अन्य संसाधन जैसे लकड़ी, कोयला, खनिज आदि को बचा सकें।

वर्तमान और भविष्य की आवश्यकताओं के इस विरोधाभास के चलते “स्टेकहोल्डर एंगेजमेंट” अथवा हितधारक भागिता आज के व्यवसायिक व्यवहार की मुख्यधारा में शामिल हो गयी है और किसी भी सार्वजनिक निर्णय प्रक्रिया का एक आवश्यक अंग बन के उभरी है। इसका उपयोग न सिर्फ हितधारकों के साथ संप्रेषण में सुधार के लिए किया जाता है बल्कि इसका उपयोग समुदाय का सहयोग, प्रोजेक्ट लगाने के लिए उनकी रजामंदी, व्यवसाय की साख बनाने अथवा बढ़ाने एवं उपयोगी

जानकारी एवं सूचनाएं प्राप्त करने के लिए भी किया जाता है। इस सब का उद्देश्य निर्णय प्रक्रिया को सुदृढ़ बनाना है। हितधारक भागिता के बहुत से संभावित सुखद परिणामों में शामिल है :

- व्यवसायिक निर्णयों में समुदायों और हितधारकों को शामिल कर लोकतंत्र का सुदृढ़ीकरण।
- सार्वजनिक एवं निजी सेवाओं की गुणवत्ता एवं सतत्ता में सुधार।
- अधिक से अधिक सामुदायिक सामंजस्य
- सार्वजनिक हित के जटिल मुद्दों से निपटने में आसानी।

सबसे पहले जान लेते हैं कि हितधारक कौन होते हैं। सरल शब्दों में हम कह सकते हैं कि “कोई भी व्यक्ति या समूह जो व्यवसाय के निर्णयों से प्रभावित होता है या उन्हें प्रभावित कर सकता है, हितधारक कहलाता है। “एक व्यवसायिक संस्थान के लिए उसके निवेशक, अंशधारक, कर्मचारी, ग्राहक एवं आपूर्तिकर्ता उसके प्राथमिक हितधारक होते हैं। परन्तु इस पारंपरिक धारणा से आगे निकलकर आज समुदाय, सरकार एवं व्यापारिक संगठनों को भी हितधारक की परिभाषा में शामिल कर लिया गया है।

किसी भी व्यवसायिक संस्थान के सतत् विकास के लिए यह अंततः आवश्यक है कि हितधारक भागिता का स्थान संस्थान के हृदय में हो। वर्तमान परिदृश्य में संस्थान के सतत् विकास के लिए बनायी गयी कोई भी परियोजना बिना हितधारकों की भागीदारों का सहयोग मिलेगा। विशेषतया लम्बी अवधि तक बाजार में टिकने में वही उद्योग अथवा संस्थान कारगर होगा जिसे अपने हितधारकों का पूर्ण सहयोग एवं समर्थन प्राप्त हो और जो अपनी आवश्यकताओं के साथ-साथ अपने हितधारकों की आवश्यकताओं का भी ध्यान रखने में सफल हो और उन्हें भी अपनी सफलता में भागीदार बना सके। इसी मंतव्य से सरकार ने भी औद्योगिक घरानों के लिए फिर चाहे वह निजी क्षेत्र से हों या सरकारी, कारपोरेट सोशल रिसपांसिबिलिटी अर्थात् व्यवसाय की सामाजिक जिम्मेदारी तय कर दी है।

चूँकि हितधारकों के व्यवसाय से संबंधित भिन्न-भिन्न उद्देश्य होते हैं, अतः वह लोग जिन्हें प्रबंधन हितधारक भागिता के दूरूह कार्य को करने की जिम्मेदारी देता है, वह इन्हें विभिन्न समूहों में बाँट देते हैं जैसे - भौगोलिक सीमाओं अथवा स्थान के आधार पर जहाँ उद्योग स्थापित करना है, भू-मालिक जिनकी भूमि अधिग्रहित करनी है, मान्यता प्राप्त निकाय अथवा संघ, वित्तीय संस्थाओं से जुड़े लोग, लोगों की आर्थिक स्थिति,

कानूनी आवश्यकताएँ आदि। इसके अलावा वह समूह जिनके हित प्रत्यक्ष अथवा अप्रत्यक्ष रूप से व्यवसाय अथवा उद्योग के साथ जुड़े हैं। यह वर्गीकरण इतना सरल नहीं जितना कि प्रतीत होता है क्योंकि हितधारक समरूप नहीं होते और एक ही वर्ग में रहते हुए भी उनकी आवश्यकताएँ अथवा शंकाएँ अलग-अलग हो सकती हैं। अतः हितधारकों का वर्गीकरण करते समय इन सब बातों का ध्यान रखना अति आवश्यक होता है। हितधारकों की पहचान एवं उनका वर्गीकरण हितधारक भागिता का एक महत्वपूर्ण घटक है। अतः हितधारक भागिता की कोई भी कार्य योजना बनाने से पहले इन कार्य को सावधानी पूर्वक करना अति आवश्यक है।

हितधारक भागिता की कोई भी योजना शुरू करने से पहले यह जान लेना आवश्यक है कि किस समूह से किस विषय पर कितनी बात करनी है, उनसे क्या करना है और कहाँ और कितनी आपको उनके सहयोग की आवश्यकता है। हितधारक भागिता को मोटे तौर पर निम्न श्रेणियों में बाँटा जा सकता है :-

1. हितधारकों को सूचित करना

उद्योग अथवा व्यवसाय से प्रभावित अथवा प्रभावित होने वाले लोगों को संतुलित और वस्तुनिष्ठ जानकारी देना ताकि वह कठिनाईयों, मौजूद विकल्पों, उपलब्ध अवसर और समाधानों के बारे में जान सकें।

2. हितधारकों से परामर्श करना

सार्वजनिक हित के मुद्दों पर जनता की प्रतिक्रिया लेना अथवा लिये गये निर्णयों पर उनकी राय जानना ताकि निर्णयकर्ता हितधारकों द्वारा सुझाये गये विकल्पों पर विचार कर सकें।

3. हितधारकों का निर्णय प्रक्रिया में शामिल करना

निर्णय प्रक्रिया में हितधारकों को शामिल करके उनकी सलाह एवं उनको सुझाये विकल्पों पर विचार करके निर्णय लेना ताकि चिन्ताओं और आकांक्षाओं को अच्छी तरह समझा जा सके और निर्णय प्रक्रिया में उनके सुझावों को शामिल किया जा सके।

4. हितधारकों के साथ मिलकर काम करना

हितधारकों को साथ मिलाकर सार्वजनिक हित के हरेक मुद्दे पर उनकी सलाह लेना और निर्णय प्रक्रिया में उन्हें सीधे तौर पर शामिल कर ऐसे समाधान खोजना जो सर्वमान्य हो।

5. हितधारकों को शक्ति देना

हितधारकों को अन्तिम निर्णय लेने का अधिकार देना।

हितधारक भागिता की उपयोगिता का ध्यान रखते हुए इसको अमल में लाने के लिए किसी भी व्यवसाय, उद्योग अथवा

संस्थान को योजनाबद्ध तरीके से प्रयास करना होगा और एक सुविचारित प्रक्रिया को अपनाना होगा जिसके प्रमुख अंग निम्न होंगे :-

1. हितधारकों की पहचान

किसी भी कम्पनी अथवा संस्थान के लिए हितधारकों की पहचान व्यवसाय की प्रवृत्ति, लागत, उद्योग के लिए चयनित स्थान आदि पर निर्भर करती है। हितधारकों में भी कुछ ऐसे होंगे जिनके हित-अहित सीधे तौर पर प्रभावित होंगे और कुछ ऐसे जिनके हित-अहित अप्रत्यक्ष रूप से संस्थान से जुड़े होंगे। अगर संस्थान इस तरह हितधारकों की पहचान करने की कोशिश करेंगे तो लिस्ट बहुत लम्बी हो जायेगी, अतः उद्योग से जुड़ी प्राथमिकताओं के आधार पर संस्थान निम्न मापदंड अपना सकते हैं :

- हितधारकों के दृष्टिकोण से कम्पनी अथवा व्यवसाय से उन पर पड़ने वाला प्रभाव

उदाहरणार्थ - कम्पनी के कर्मचारी, उनके परिवार आदि।

- परिचालन की दृष्टि से हितधारकों का प्रभाव

उदाहरणार्थ - कम्पनी के ग्राहक एवं मुख्य आपूर्तिकर्ता

- किसी भी हितधारक समूह के छूट जाने से अधूरी जानकारी प्राप्त होने का जोखिम

उदाहरणार्थ- अगर कोई विदेशी संस्थान सिर्फ सरकारी संस्थानों से बात करके अथवा आवश्यक अनुमति लेकर उद्योग की स्थापना करता है तो वहाँ की जनता अथवा कर्मचारी वर्ग के हित-अहित को समझने में उसे बहुत कठिनाईयों का सामना करना पड़ सकता है।

➤ नये विचारों को प्राप्त करने के अवसर

ऐसे हितधारकों की अनदेखी नहीं की जा सकती जो संस्थान की वर्तमान नीतियों का घोर विरोधी है परन्तु उनसे सलाह लेकर संस्थान जटिल समस्याओं का हल ढूँढ सकते हैं। हाँ, इसके लिए आवश्यक है कि संस्थान उन समस्याओं पर अपना दृष्टिकोण बदलने के लिए तैयार हों।

➤ नियामकों अथवा लाईसेंस जारी करने वाले निकायों की आवश्यकताएँ :

उदाहरणार्थ, हमारे देश में खन्न उद्योग के लिए संस्थान को वन विभाग की अनुमति चाहिए, विस्थापितों के पुनर्वसन की योजना चाहिए, वहाँ के आदिवासी अथवा मूल निवासियों को नौकरी देने में प्राथमिकता, आदि।

2. हितधारक भागिता अपनाने के कारणों की स्पष्ट जानकारी

कोई भी व्यवसाय अथवा संस्थान हितधारकों से संबंध तभी स्थापित करना चाहेगा जब वह व्यवसाय से जुड़े हितधारकों के हित-अहित समझना चाहेगा, उन्हें अपने संस्थान के मूल्यां, मिशन, रणनीति और प्रतिबद्धताओं के बारे में सटीक जानकारी देना चाहेगा अथवा किसी समस्या से निपटने में हितधारकों का सहयोग चाहेगा, आदि, आदि। हितधारकों से जुड़ने की शैली इस बात पर निर्भर करेगी कि उनसे जुड़ने के कारण क्या हैं और स्मरण रहे कि यह समय-समय पर बदलते रहते हैं।

3. हितधारकों से जुड़ने की ठोस योजना

हितधारक भागिता के उद्देश्यों को निर्धारित कीजिये साथ ही इस पर भी विचार कीजिये कि इस भागदारी से संस्थान और हितधारक की क्या आवश्यकताएँ और विशिष्ट मुद्दों पर उनकी स्थिति का सही आंकलन करके ही उनके साथ जुड़ना होगा।

4. वार्तालाप की शुरूआत कीजिये

हितधारकों के साथ वार्तालाप की शुरूआत खुलेपन और एक दूसरे के प्रति सम्मान के साथ शुरू करके संस्थान पारस्परिक

लाभ के अवसर पा सकते हैं। वार्ता की शुरूआत से पहले यह सुनिश्चित कर लीजिये कि वह निर्णयों को किस हद तक प्रभावित कर सकते हैं। ध्यान रहे कि इस प्रकार के किसी भी वार्तालाप में अगर आप अपने पहले से लिए निर्णयों को हितधारकों पर थोपने की कोशिश करेंगे तो यह उनके विश्वास को डगमगा देगा और आपकी हितधारक भागिता के लिए बनाई योजना धरी की धरी रह जायेगी।

5. वार्तालाप का सिलसिला जारी रखिये और प्रतिबद्धताओं को पूरा कीजिये

हितधारकों के साथ वार्तालाप के दौरान हुए समझौतों को ईमानदारी और प्रतिबद्धता के साथ पूरा करने का प्रयास कीजिये और वार्तालाप की निरन्तरता को बनाये रखिये।

हितधारक भागिता के लिए बनायी और कार्यरूप में लाई गयी कोई भी सही और स्पष्ट योजना, व्यवसाय अथवा संस्थान के लिए अपना पक्ष जनता के सामने रखने और अपने उद्देश्यों और योजनाओं की जन स्वीकृति प्राप्त करने का सर्वोत्तम साधन है। साथ ही साथ यह योजना संस्थान को हितधारकों के विचारों को समझने में भी सहायता करती है ताकि उन विचारों को अपनी व्यापार योजना में शामिल कर संस्थान सतत् विकास के अपने लक्ष्य को हासिल कर सकें।

Articles invited for "Growth"

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