

From Stakeholder Reporting to Stakeholder Engagement: the new concept of CSR

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The analysis of the process of evolution undergone by CSR, demonstrates that the participation of the stakeholders, “the stakeholder engagement”, constitutes the new frontier towards which CSR is oriented in this particular historical moment in Italy.

From the attention, at times exaggerated, which academics and business have dedicated to the instruments of accountability, defining standards, methods of confrontation, and often interpreted as the only visible trace of the orientation of CSR of business, these days the orientation is changing.

In fact, in the meantime it has been understood that it is not the Social Report which demonstrates the orientation to CSR and also that accountability does not just mean publishing a document but promoting a process of relationships with the stakeholders which includes, obviously, the document of accountability.

The second element which has emerged is that together with the original Social Report, there are now other instruments of CSR (ethical codes, ethical committees, social marketing, initiatives of social responsibility, social auditing and social rating, internal non profit organisations – corporate welfare -, etc.) and with these the construction of a stable continuative relationship with the stakeholders is taking place since this is what offers the maximum “added value” to the businesses which adopt it.

The stakeholder engagement is not new, in strategic management it has at least a 40 year old history, the news is its rediscovery at the end of the 90s as an instrument of CSR, when CSR at the end of its evolution, enters the orbit of strategic management.

The stakeholder engagement registers phases of varying reach and added value in the management of CSR: manipulation, information, consultation and conciliation, partnership and participation of the stakeholders in the decisions, in fact some functions are delegated to the stakeholders. These are the salient stages of the CSR evolution where even the internal business functions undergo significant changes: like the phase of manipulation involved the function of communications in a one way direction and at a strictly operative level (marketing, PR, communication, etc.) the partnership phase or the participation in the decision-making increases the importance of the management of this matter: from the lowest levels passing to the highest and arriving in the sphere of top management in a strategic position with respect to the other functions.

Obviously this route, at times concentrated, intense and rapid in its involvement of the stakeholders, presents risks and opportunities, but the experience matured so far has demonstrated that the opportunities are unquestionably more than the risks, highlighting and revealing the stakeholder engagement as an element of strategic management when CSR becomes a strategy of the business.

The conclusion is that the stakeholder engagement, in the sphere of strategic management, had not registered a significant following, as it did in the Anglo-Saxon and Japanese worlds, however, thanks to CSR it was re-discovered and in this re-discovery it emerged instead of managing the consent it was useful for a more punctual strategic positioning and therefore in the end an economic advantage.

The analysis of a few case studies, in the public environment, have enabled the promotion of some interesting reflections.