



Knowledge document

Meaningful stakeholder dialogue

Five common pitfalls

SEER





Introduction

This tool is part of a collection of resources, including tools, knowledge documents, and training, designed to help companies prepare and conduct [meaningful dialogues](#) with their stakeholders. Meaningful stakeholder engagement is fundamental for (International) Responsible Business Conduct (IRBC) and is reflected in [all steps of the due diligence process](#) as included in the OECD guidelines.

What pitfalls should your company avoid when engaging in meaningful dialogue with stakeholders and implement the OECD guidelines? Find out below.

Pitfall 1 | Conducting dialogue without genuine motivation

As legislation like the Corporate Sustainability Reporting Directive (CSRD) becomes more stringent, the urgency of stakeholder engagement increases. However, this can lead to the risk of companies viewing dialogue with stakeholders merely as a legal obligation, rather than as an integral part of (International) Responsible Business Conduct (IRBC). When there is no genuine motivation to listen to stakeholders, the dialogue often degenerates into a box-ticking exercise that companies rush through. This may result in 'managing' stakeholders through impersonal digital tools and questionnaires, involving only 'risky' or well-known stakeholders, or seeking confirmation of existing practices rather than encouraging authentic feedback. Such an approach undermines the purpose of stakeholder dialogue and can harm stakeholders by raising unrealistic expectations about its impact, leading to distrust.

To avoid this pitfall, it is essential to critically assess your company's motivation. Is your company truly willing to listen to stakeholders and adjust its policies or actions based on their input? Consult the [tool](#) 'Preconditions for starting a dialogue' to understand the importance of genuine motivation and commitment from your company.

If the benefits of stakeholder dialogue are not fully clear to your company, explore the added value of meaningful stakeholder dialogue in the [tool](#) 'The added value of dialogue for your company'.

For deeper insights into factors that influence stakeholder commitment, including the importance of genuine motivation, refer to the [tool](#) 'Promoting stakeholder commitment'.

Pitfall 2 | Not engaging with the right stakeholders

Some companies make the mistake of engaging only with stakeholders who confirm their existing views or who are easy to reach, while avoiding those who ask tough questions, highlight risks, or are directly impacted – often negatively – by the company’s actions. Responsible business practices require focusing on the individuals and groups whose rights or interests are most affected by your company’s activities, whether positively or negatively. These are your (potentially) affected stakeholders. Failing to engage with them can lead to misguided priorities, overlooked risks, and missed opportunities.

To avoid this pitfall, it is crucial to conduct a thorough stakeholder analysis to identify your (affected) stakeholders. Refer to steps 1 and 2 in the [tool](#) ‘Identifying your stakeholders’ for guidance. When identifying these stakeholders, prioritise the risks of negative impacts on people and the environment, rather than focusing solely on risks to your company. Often, these stakeholders have limited or no ability to influence your company. Engaging with them may present challenges, such as language barriers, cultural differences, and accessibility issues. For advice on overcoming these challenges, consult steps 3 and 6 of the [tool](#) ‘Identifying your stakeholders’. Additionally, the [knowledge document](#) “Listening to workers in the supply chain” provides specific insights on engaging with this group of stakeholders.

Pitfall 3 | Neglecting to build trust with your stakeholders

Trust is a foundational element of meaningful dialogue. However, companies often overestimate the level of trust they have with their stakeholders, leading to disappointment when stakeholders are not as open and honest as expected. For example, a company might engage in dialogue with a supplier about an IRBC risk, only to find that the supplier is unwilling to admit the issue exists at their production site. Similarly, when discussing working conditions with workers in the supply chain, those workers may be hesitant to speak out if they do not yet trust your company.

To avoid this pitfall, it is crucial to carefully assess the level of trust between you and your stakeholders. Is there any reason for your stakeholders to be suspicious, such as past incidents or perceived unreliability or unpredictability from your company? If so, focus on rebuilding trust before making any demands. Even in the absence of clear distrust, prioritise establishing a constructive relationship built on trust from the outset. This is especially important when addressing sensitive or complex issues. Trust is built by being reliable, showing commitment, acting with integrity, and demonstrating expertise. For more guidance, refer to the [tool](#) ‘Building trust’.

Pitfall 4 | Engaging stakeholders at the wrong time

Continuous involvement is essential for meaningful dialogue. Engaging with stakeholders only occasionally and at times convenient for the company can lead to them feeling disregarded and powerless, which undermines mutual trust. A common mistake is involving stakeholders only after the purpose of the dialogue has been predetermined and structured to favour the company's desired outcome. This approach overlooks the importance of collaboration in shaping the dialogue itself. Another frequent error is failing to provide feedback after the dialogue, whether regarding the results, the impact, or the follow-up actions – this is crucial even if the dialogue has not led to immediate changes.

To avoid this pitfall, start by thoroughly understanding who your stakeholders are and determine the appropriate times to engage them in dialogue. The [tool](#) 'Identifying your stakeholders' can help, particularly step 4, which outlines when to engage certain stakeholders in relation to the due diligence process. Plan how and when to involve different stakeholders to ensure ongoing, meaningful dialogue. Also, remain open to initiating dialogue when stakeholders approach you.

A transparent attitude and regular communication are key to maintaining continuous involvement and reciprocal contact. The [tool](#) 'When and how to share information?' offers principles for maintaining contact before and after a dialogue. A crucial principle is ensuring that your company remains accessible to stakeholders to prevent one-sided communication. Additionally, refer to the [tools](#) 'Checklist multi-stakeholder dialogue meeting' and 'Checklist multi-stakeholder dialogue meeting abroad' to learn how to effectively involve and inform your stakeholders during the preparation phase of a dialogue.

Pitfall 5 | Lacking the necessary skills to engage in meaningful stakeholder dialogue

Engaging in meaningful dialogue with stakeholders requires a specific set of skills, including cross-cultural communication, conversation skills, flexibility, language proficiency, and empathy. These skills are crucial because you will encounter differences in culture, power dynamics, and interests. Additionally, the topics discussed may be sensitive or emotional, requiring you to be well-prepared to handle them constructively. Ultimately, having the right skills is more critical for ensuring meaningful dialogue than merely possessing theoretical knowledge about the process.

To avoid this pitfall, assess whether your current skills align with what is needed for meaningful dialogue. Developing these skills involves a combination of training and practice. Refer to condition 5 in the [tool](#) 'Preconditions for starting a dialogue' for strategies to enhance these skills in yourself or your colleagues.

Additionally, practice using the examples provided in the [tools](#) 'Good practices in conducting dialogue', 'Asking the right questions', and 'Building trust'. To improve cross-cultural communication, consider utilising the [tool](#) 'Considering country-specific and cultural factors'.

Regularly evaluate and refine your skills and internal dialogue processes. If you need to engage in dialogue soon but lack the necessary skills, or if you anticipate a high potential for conflict, consider hiring an external facilitator. The [knowledge document](#) 'What makes a good facilitator?' provides tips on selecting the right facilitator.

Information and support

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Click on a topic below for more information and support preparing and conducting a meaningful stakeholder dialogue.



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Colophon

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