WEBINAR

EFFECTIVE STAKEHOLDER ENGAGEMENT:
AGED CARE

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Presenter:
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GOVERNANCE EVALUATOR

In partnership with: AON & australianpublicaffairs

About Tracey Cain, CEO Australian Public Affairs



Australian Public Affairs is a national strategic communications firm, specialising in.

- regulated industries
- complex stakeholder environments

Within the **aged care** setting Australian Public Affairs has worked for providers on issues such as closure or expansion, incident response, preparation for issues/incidents, lobbying and media generation.

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WHY TALK ABOUT STAKEHOLDER ENGAGEMENT FOR BOARDS?



What's changed for aged care providers?

The Royal Commission is a trigger for industry wide change

Survivors will be those with strong governance

Also a trigger for reputation damage and policy review

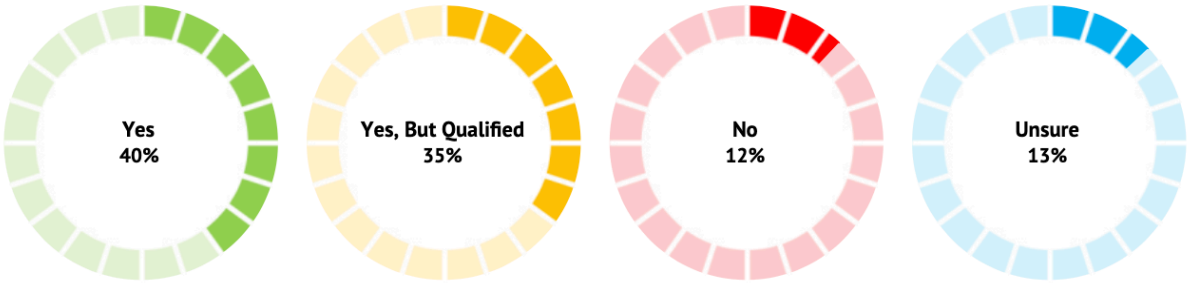


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Governance Evaluator 2019 Benchmark Report

Stakeholder Engagement has been identified by Australian boards as the number 1 risk for the second year in a row

When asked whether Stakeholder Engagement was done well – the responses from aged care boards were:



Down from
54% in 2018

Yes *– represents a mature governance capability within the Board and the criteria is wholly satisfied, as judged by the participants*
Yes, but qualified *– board capability is developing and not yet at a mature governance level as the criteria is not wholly satisfied, as judged by the participants*
No *– represents an early capability assessment of the board in that area*
Unsure *– represents areas of the boards functioning that is unknown tot the participant.*

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International developments

- UK: Listed companies required to show "effective engagement" on an annual basis
  - Could be a designated board member, a sub-committee or a representative director
  - Must be "meaningful, regular dialogue that is communicated effectively to stakeholders to encourage participation"
  - Must feed into board decision-making
- Harvard and others in the US are talking about 'stakeholder governance' being an emerging responsibility in a new paradigm

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The challenge

- How can you fulfil your director's duties to act in the best interests of the organisation if you don't 'know' the stakeholders?
- How can you identify and resolve issues requiring a governance lens earlier if you don't know what they are?
- Could you make better decisions if stakeholders are contributors?
- Isn't this better governance?

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WHAT IS STAKEHOLDER GOVERNANCE?



What is stakeholder governance?

- More than just communication
- It is about knowing, understanding, and
- It is about stakeholder engagement in governance planning or decisions

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AICD

"An organisation's relationships with its stakeholders can have a significant impact on its ability to achieve its goals.

As such, boards should oversee the process of stakeholder engagement and be satisfied that its stakeholders are identified and understood.

Stakeholder engagement is a critical component of good governance."

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What is stakeholder engagement?



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1. Research

- Understand the different types of research – qualitative v. quantitative
- Oversee a framework for meaningful stakeholder research
- What do you want to know? Is it general, is it specific, is it about something which has happened or a future plan?
- Management will implement and report back

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2. Involve

- How do you reflect on your stakeholder knowledge at every decision?
- How can you hear from stakeholders directly or do you just take the word of the CEO?
- How can your governance role involve those on behalf of whom you govern?
- UK model – designated director, advisory panel, stakeholder directors

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3. Communicate

- How are you developing support around your governance?
- How are you interacting with your stakeholders separately to management?

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Activate

- How do you reflect on that with Board decisions?
- How do you communicate the Board's understanding of stakeholder engagement?
- How do you do this whilst reinforcing the difference between governance and management?

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HOW DO YOU DO IT?



Who are the stakeholders?

- They are “those groups without whose support the organisation would cease to exist”
- Stakeholders have a ‘stake’ in the organisation – such as students, families, staff, regulators, neighbours, churches, banks, key suppliers, users of facilities
- Identify yours

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Key steps

1. Choose your method

- Will it be event-based or research driven?
- Will it be linked to a strategic plan or other outcome?
- Resources
- How do you make it sustainable and ongoing?

2. Establish a governance framework

- Link the engagement to board processes and responsibilities
- Include terms of reference
- How will the engagement be documented and reported
- What do you want to know and achieve?

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Key steps

3. Build capacity

- How will this be undertaken
- What is the board v management responsibility?
- Will management understand the governance questions you need answered?
- Will the board understand what they are given?
- Do any directors need training, and do any have special relationships with stakeholders

4. Undertake the engagement

- Participants must know the purpose and how the information will benefit the board
- Do you give them the information after its collated?
- Must be managed as a positive exercise

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Key steps

5. Analyse and act

- What have you learned?
- What do you need to do as a result?
- How can you incorporate this into board processes and decisions?
- What is the follow-up?

6. Feedback

- Report back as part of an ongoing process
- Demonstrate you listened and valued the feedback

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QUESTIONS AND DISCUSSION



Thank you for participating

- We will email a recording of the webinar along with
  - FREE Stakeholder Engagement Checklist
  - How to access your FREE AON risk health check

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