



Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Ngā Manu Kōrihi

Communicating with Stakeholders

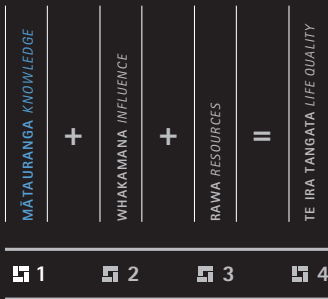
MĀTAURANGA KNOWLEDGE







Ka koekoe te tui. Ka ketekete te kākā. Ka kūkū te kereru

The tui sings, the kaka chatters, the pigeon coos

REALISING MĀORI POTENTIAL



The framework above identifies three key enablers that are fundamental to Māori achieving Te Ira Tangata (improved life quality) and realising their potential. All our written information has been organised within these three key enablers or Te Ira Tangata.

 1	<i>Mātauranga – Building of knowledge and skills. This area acknowledges the importance of knowledge to building confidence and identity, growing skills and talents and generating innovation and creativity. Knowledge and skills are considered as a key enabler of Māori potential as they underpin choice and the power to act to improve life quality.</i>
 2	<i>Whakamana – Strengthening of leadership and decision-making.</i>
 3	<i>Rawa – Development and use of resources.</i>
 4	<i>Te Ira Tangata – The quality of life to realise potential.</i>

DISCLAIMER The information contained in this publication is for general information only. While every effort has been made to ensure the accuracy of the information, because the information is generalised, its accuracy cannot be guaranteed. Readers are advised to seek independent advice on particular matters and not rely on this publication. No liability is assumed by Te Puni Kōkiri for any losses suffered directly or indirectly by any person relying on the information contained in this publication.

CONTENTS

2	Introduction
3	ROLE OF THE BOARD
3	What boards communicate about
4	Protecting reputation and profile
5	Policies
6	COMMUNICATIONS – THE FUNDAMENTAL PRINCIPLES
7	STRUCTURING POSITIVE COMMUNICATION
7	Key points for planning
9	Know the issues
10	Set the story
10	Get the message out
14	CRISIS COMMUNICATION

INTRODUCTION

Good communication with all stakeholders builds the understanding and support that contributes to an organisation's enduring success. The board has a key role to play in forging and maintaining relationships with management and staff, owners, government agencies, peer organisations, the media and the public – and effective communication is the critical element.



Communication is also the thing that is most likely to go visibly wrong for a board. It is a source of frustration for many Māori organisations that a great deal of good work can be undone through negative communication – whether that is within the organisation itself, among owners, or in the public arena through the media.

It is the board's role to ensure that good lines of communication are actively established and maintained with all the stakeholders who hold sway over the organisation's future.

This booklet outlines how a board can look at communication with stakeholders in a systematic and structured way, techniques boards can use to maintain good communication, and an outline of crisis communications management.

For more information about how boards work and tools and resources for boards, see www.effectivegovernance.tpk.govt.nz

But first – what is a "stakeholder"?

Essentially stakeholders are individuals or groups who have an interest in the organisation at any level, or at any distance, both internal and external, e.g. beneficial owners, customers, shareholders, clients, employees, board members, suppliers or contractors. Fundamentally anyone who has a "stake" in how the organisation operates.

ROLE OF THE BOARD

Communication happens at every level of an organisation with every stakeholder – whether it is someone giving customer service to a member of the public or a farm manager commenting to the local newspaper on the squash season. It is the board's role to ensure that communication happens in a managed and positive way and, above all, that the organisation, at all levels, speaks with one voice.



The board is responsible for ensuring that communications policies are set for the whole organisation, and to directly manage lines of communication to management, to shareholders and beneficial owners, and in some cases on important matters agreed with management, to customers, government, the media and the public.

Most of the organisation's day-to-day business communications, however, will be carried out by management within the overall communications framework agreed by the board.

It is also the board's responsibility to make sure that there is sufficient budget for both the board and management to communicate effectively with stakeholders.

WHAT BOARDS COMMUNICATE ABOUT

Areas on which the board is most likely to be in direct communication with stakeholders include:

The board itself and its operations

Communication about board operations is often called "disclosure" and should include matters such as who is on the board, how board members are selected, how the board fulfils its governance role, who is on board committees, how these committees operate and what board members get paid.

A key word for "disclosure" communication is "accessible". It is in the board's interest to



ensure that stakeholders can easily find and understand information about the operation of the board. Being open about how the board goes about its business gives confidence to shareholders, beneficial owners and other stakeholders.

Vision, plans and performance

It is the board's role to clearly articulate the organisation's vision, and to report on the plans in place to achieve that vision as well as how well the organisation is performing against those plans.

Building a strong understanding within the organisation of where the organisation is going and how it is going to get there, helps present a consistent view and ensures that everyone who is communicating – formally, informally, managed or not – speaks with one voice.

It is also critical to share this type of information with external stakeholders in a managed way. Key ways of communicating this type of information, used by nearly all types of organisations, are the annual report and the annual meeting, though these will generally be prepared and organised by management.

Once the board has set the vision and the reporting framework, it is likely to delegate to management any communication through regular channels,

such as a website or newsletters.

It is important that the organisation's vision, plans and reports are presented in a clear and concise manner which can be easily understood by all stakeholders.

Consultation and dialogue

Part of a board's role is to engage in dialogue with stakeholders – and this is particularly important in many Māori organisations where beneficial owners have views to contribute on the organisation's vision and performance.

Some boards of Māori organisations, for example, consult extensively through hui when they are developing their strategic plans. Well planned hui that engage shareholders can give a widespread sense of ownership of the strategy.

Other stakeholders, such as funders, government agencies and possibly customers may also expect to be consulted as part of the board's process of developing its vision, and plans for achieving that vision.

PROTECTING REPUTATION AND PROFILE

Guarding and shaping the reputation of the organisation is also a key role for the board. One important consideration for many Māori organisations is the level of public profile that is sought. Unless

there are specific legal requirements, such as for publicly listed companies or for organisations spending government funding, an organisation can choose its level of public reporting and profile.

There are many successful organisations, such as major private companies, that deliberately keep a low profile. Others choose to pursue a high profile to advance their strategic aims. Whichever way a board chooses to go, it is helpful to explicitly express what level of public profile is desirable, and to ensure the decision is reflected in the organisation's communications plans and policies.

POLICIES

It is not up to the board to manage all communications with stakeholders. Much of this is carried out by management and staff. It is, however, the board's role to ensure that there are policies and procedures that should be followed at all levels of the organisation.

Communications policies are likely to include:

- **Media policy:** Setting out who can speak to media on behalf of the organisation and the process for approval of what is said. This is particularly important for crisis communications management.

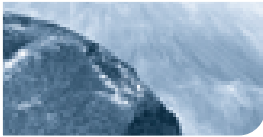
- **Brand policy:** Setting out how the organisation's logo and branding can be used and under what circumstances.
- **Internal communications policy:** Setting out how communications within the organisation should be managed.
- There may also be policies around email and internet communications.



COMMUNICATIONS

– THE FUNDAMENTAL PRINCIPLES

Communication must be trustworthy and consistent. Following this principle over time will support sound, long-term relationships with stakeholders at all levels.



Speak with one voice. The board's integrity and reputation is at stake in every communication with a stakeholder, even in one-on-one informal settings where an individual board member may be asked for their view on a particular board decision. It is vital that the board speaks with one voice on every issue, every time.

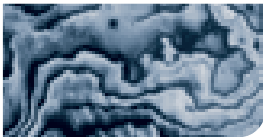
Regardless of an individual's private views or agenda, a unified voice is essential to keep the trust and faith of stakeholders.

The most effective way for a board to ensure that messages are consistent is to nominate a spokesperson and have other board members refer any queries that arise to that spokesperson.

Communication is a **two-way system**. Listening is as important as speaking for communication that develops supportive relationships with stakeholders.

STRUCTURING POSITIVE COMMUNICATION

Communication is an essential part of every organisation and every issue. It is the board's role to ensure that communications with stakeholders are well managed and actively supports the organisation on its journey forward.



Taking the appropriate time to effectively plan and structure an approach to communication with stakeholders helps a board to maintain its key relationships, spot potential issues arising, and be well positioned to respond quickly and successfully to changes in the communications environment.

KEY POINTS FOR PLANNING

Know your stakeholders

Understanding who your stakeholders are, what kind of relationship you have with them now, and what you want for the future, is a critical first step in planning communications with stakeholders.

It is vital to communicate with stakeholders in a way they can easily understand. If stakeholders cannot understand what has been said, they will feel that they are not involved, and not appreciated or important.

Who are they?

Boards can have a wide range of stakeholders, these can include but are certainly not limited to:

- The Chief Executive
- Organisation employees
- Beneficial owners (such as shareholders, trust beneficiaries)
- Potential trustees/directors
- Customers
- Competitors



- Suppliers
- Other iwi
- Local community
- Government agencies
- Local government
- Media

Creating a list of stakeholders makes sure that everyone who should be involved in the communication process is included in your communications strategy.

Prioritise your stakeholders

Prioritisation makes sure the board's communications effort is directed where it is most effective.

For example, many Māori organisations will make sure that beneficial owners hear news and information before any other stakeholder group, or at the very least at the same time as the public release of major statements and reports, such as the annual report.

If stakeholders are not prioritised, there is a strong risk that the loudest stakeholders will claim the board's attention, rather than those most important for the journey forward.

Assess your relationships

From time to time boards are likely to want to assess the state of their relationships with stakeholders.

A formal stakeholder analysis can be a useful tool, indicating where more work is required. A stakeholder analysis is likely to assess the level of influence the stakeholder has over the organisation's future, and how supportive it is of the operations of the board and the organisation in general.

A formal stakeholder analysis will show where communications work is most required. It can also often show where more effort is going than is required. A common pattern is for a majority of effort to go to stakeholders who are "easy" to deal with and who are already very supportive. Although it is essential not to take these relationships for granted, a concerted effort with all key stakeholders is necessary.

Many successful Māori organisations for example, have put a great deal of time and effort into building positive relationships with local government officials. This gives both parties a good understanding of the aims and operations of each organisation, to the long-term benefit of both – and the wider community.

Listen to your stakeholders

Whether you use research, informal visits, hui or any other techniques, the key is listening to get a good

understanding of your stakeholders and their needs.

Key questions to keep in mind are:

- What do they want to hear from you?
- How do they want to hear it?
- Where do they want to have input?
- How do they want to have input?
- How do they see your relationship?
- What kind of relationship do they want with you?

The stakeholder management plan

Once a board has collected information on its stakeholders, it can draw up a stakeholder management plan for the year. This would set out how each stakeholder group would be managed and by whom.

Some requirements would be set by the constitution/trust deed or charter of the organisation. The board is also likely to already have a schedule for formal communications, such as the annual meeting or consultation on major decisions being made during the year.

Further to these, the board would set a schedule of stakeholder communications activity for the year. This schedule would also include informal communication for instance, noting that a particular board member will update a particular stakeholder informally.

It would also set out which communication has been delegated to management, and what the approval process is around delegated communication.

KNOW THE ISSUES

Stakeholders rightly expect all board members to be fully conversant with all current board business and issues. Newer board members should be briefed on major past issues so they can respond as expected, and this may simply be to refer any enquiry to the nominated board spokesperson. Many boards rely on the Chair or Deputy Chair to lead communication with stakeholders to ensure that all communication is consistent and well informed.

Board members should also be regularly scanning the environment for any issues coming up which may affect the organisation in the eyes of stakeholders. Issues such as decisions that may be unpopular with owners or the local community will require careful and specific communications management.

Failure to consider issues from a stakeholder point of view can lead to damaged stakeholder relationships, and in the worst cases, to negative nationwide public airing of the issues.



A key role for the board is to keep the organisation safe from damaging communication by identifying and managing issues before they take on a momentum of their own.

SET THE STORY

The "story" can be about a particular issue or about the journey the organisation is on. Many organisations view their annual reports and statements of strategic intent as ways to crystallise and communicate their stories to a wide range of stakeholders.

It is vital that what the board communicates is always consistent. This means making sure that every board member is giving the same message in all situations, whether it is talking about the organisation's vision or explaining why a particular decision has been made.

The board may also decide that only designated board members can speak on a particular topic or issue to ensure that "off the cuff" statements made by individual board members do not escape into the public domain and unwittingly harm the reputation of the organisation.

Developing key messages on even a single issue can take a considerable amount of discussion but this discussion can be a productive way of making sure

all the issues are canvassed and that a position is thoroughly thought through.

It is critical that everyone on the board agrees with the final set of messages. It is this set of messages that forms the "story".

Key messages should be:

- Short
- Clear
- Easy to understand
- Adjustable in tone and level for different audiences without altering meaning

It is a common complaint from those wanting to tell their story that audiences are just not understanding what is being said. Some reasons for this are:

- Using language and concepts that are too technical, or outright jargon
- Trying to get across too much detail – the story just gets lost
- Putting too many conditions or restrictions on a statement – this makes the communication look untrustworthy

GET THE MESSAGE OUT

Once a board knows who its stakeholders are and what it wants to communicate, it is time to actively get the message to the right people. Boards will usually work very closely with management on getting the message out. This helps ensure consistency

of messages, and ensures that lines of communication are maintained between board and management.

Planning the timing of communication delivers the most benefit for your effort. For example, a hui before the start of a financial year can generate good feedback on planning, allowing time for changes to be incorporated and can show up where issues may arise once the plan moves to implementation.

There is a huge range of communications techniques from informal chats to web-sites to national newspaper ads. Any one of them can be the right technique for the right stakeholder in the right situation.

Beneficial owners are a particularly important audience for many Māori organisations, and it can be a challenge to communicate with them, as many live away from their rohe, in some cases overseas.

What follows is a summary of communications channels and techniques that have been successfully used by Māori organisations. Note that even if a communication channel is directed at a specific audience, such as beneficial owners or staff, the board should ensure that the communication is managed as if it were in the public arena.

Common channels:

- Hui: The most important communication channel for Māori is face-to-face. Excellent organisation and planning will get the most return on the time and expense invested in the hui. A good Chair, extensive advance advertising, an opportunity for people coming to add to the agenda and planning to end on a positive "good story" note can all help.
- Annual Meeting (Hui-a-tau): The most important meeting between the board and the shareholders or beneficial owners each year is the annual meeting. Detailed planning of the event and agenda will give the best outcome.
- Chief Executive – Board Chair meetings: Good Chief Executive – Board Chair communication is essential for the unity and direction of the organisation. Most Chief Executives and Board Chairs have a schedule of regular meetings throughout the year and add in meetings when necessary.
- Management – Board meetings: Members of management will usually be asked to present on particular issues to the board at regular meetings. There may also be value in holding occasional joint meetings



between the management team and the board.

- Newsletters and magazines: These can be anything from a formal magazine to newsletters that are created by the contributions of different whānau and hapū, with a section for board communication. Making sure the style and format matches the expectations and needs of the stakeholders is essential – a glossy newsletter may be seen as wasting money by some stakeholders, but as a statement of professionalism and pride by others.
- Media through press releases, briefings and interviews: Establishing long-term relationships with media means that reporters know who they should be speaking to, and that they have some understanding of your organisation and its activities. A media plan, which includes media training for board spokespeople, is essential for any organisation that may have interaction with the media, whether planned or “reactive”.
- Communication through whānau leaders: Communicating with whānau leaders and asking them to pass on the information can give a sense of ownership and generate discussion within the whānau about

where the organisation is going and what it is doing.

- Email: A fast, low cost, and personal channel that relies on a good database. Email can be very useful when stakeholders are widespread throughout New Zealand, or the world.
- Websites: Maintaining an up-to-date, easy-to-use website makes information about the organisation easily accessible to your stakeholders, and can help people who live away from their rohe feel in touch with their organisation.
- Letters on specific topics of importance: Formal letters are useful for specific information which needs to be referred to again, or passed on to other people.
- Iwi radio: Radio offers the opportunity for interactive discussion of issues of importance to the organisation.
- Briefings: Bringing a group of stakeholders together, for example, all the government agencies in an area, to talk about something new, or to correct an ongoing misperception, gives a chance for targeted communication.
- Staff hui: Staff are the people delivering on the vision for the organisation and a critical stakeholder group.

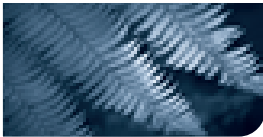
- Phone calls: Phoning people is most useful when you need to be sure that your audience has got your message and has had a chance to clarify understanding.
- Surveys: Listening is 50 percent of communication. A properly run survey (e.g. using a constructed sample group rather than ringing a few people) can give a board feedback that it would not get through other channels.
- Paid editorial: Organisations with a strong need to put their stories to a wide audience could consider paid newspaper editorial content - "advertorials".
- Print or radio advertising: Can be useful for advertising key meetings, or responding to major crises.

An accurate, up-to-date contact database is critical to the success of many of these channels.



CRISIS COMMUNICATION

Good planning will ensure that most communication with stakeholders happens in a managed way, but there is always the risk of an unforeseen issue arising, often in the media, which has the potential to negatively affect the organisation's reputation and possibly even operation.



Good crisis management can actively enhance the organisation's reputation by showing a strongly professional and effective response to the crisis.

The types of events that can precipitate a crisis in stakeholder communications include:

- Board members disagreeing publicly with board decisions
- Accidents or events causing harm or loss to customers, staff or members of the public
- Disgruntled owners going directly to the media
- Perceptions that conflicts of interest have been ignored by the board
- Unauthorised actions by board members or organisation members
- A government investigation
- Major financial losses
- Accusations of fraud or other illegal activity
- Accusations of discrimination
- The arrest of a board member
- Accusations of mis-spending of government funding

The board will then be required to move into crisis communication mode. The effect of the crisis will depend to a great extent on how well the board manages communication during this time.

A crisis is an opportunity to demonstrate the board's integrity and ability to deal with difficult

issues and situations. It is also a time when the value of the positive relationships a board has built with stakeholders come to the fore.

The key to good crisis communications is to plan before the crisis. Although every crisis is different, and the plan will need to be adjusted in each case, the basics stay the same. Preparation will assist a fast response and reduce the stress a crisis creates.

Elements of the crisis communications plan

- Ensure everyone knows the importance of speaking with one voice, and who's voice it should be
- Designate the spokesperson for crisis communications (usually the Chair of the board or the Chief Executive) and who will deputise if either of these is unavailable. Make sure everyone is aware that only the spokesperson can comment to any external stakeholder
- Know who will be involved in the crisis communications team (this could include the Chair of the board, the Chief Executive, your lawyer and your communications person) and have all their contact details at the ready

In a crisis

- Bring the crisis communications team together
- Get the facts
- Make sure you are fully aware of all the legalities involved in the issue
- Develop clear key messages on your position – use plain English or Māori
- Make sure the spokesperson is well prepared (this could include running a hard "question and answer" session to make sure potentially difficult questions are anticipated and answers prepared)
- Get your position out to stakeholders quickly and professionally
- Keep priority audiences up-to-date with clear statements about what is happening (this could include shareholders/owners, employees, government agencies) – do not let them get all their information through the media. Your owners and employees, in particular, need to feel like "insiders"
- Make sure media representatives have the context they need for balanced reporting. Often a background fact sheet or information on your website



will give journalists the background they need to do a good job

- Treat all media equally unless you are sure your relationships with particular journalists will work to your advantage
- Be as open and upfront as you can. If you don't provide information, journalists will find it from another source
- Work with supportive stakeholders who are prepared to comment publicly in your favour
- Keep a record/log of all queries and interactions with the media and who is dealing with each item

MORE INFORMATION

Te Puni Kōkiri's www.governance.tpk.govt.nz offers extensive information on the practice of effective governance. As well as covering the main topics relating to governance, the site has a full glossary of terms and references to useful resources both online and in print.



Te Puni Kōkiri, Te Puni Kōkiri House
143 Lambton Quay, PO Box 3943, Wellington, New Zealand
PHN *Waea* 04 819 6000 FAX *Waea Whakaahua* 04 819 6299
WEB *Paetukutuku* www.tpk.govt.nz

GOVERNANCE

WEB *Paetukutuku* www.governance.tpk.govt.nz