EXPOSING STUDENTS TO THE POTENTIAL AND RISKS OF STAKEHOLDER ENGAGEMENT WHEN TEACHING SUSTAINABILITY: A CLASSROOM EXERCISE

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In-class, stakeholder negotiation exercises are proposed as a means of students experiencing and reflecting critically on the potential and the risks of an increasingly popular mechanism for advancing sustainability—stakeholder engagement. This article reviews the theoretical framework for stakeholder engagement and for an issue-based rather than firm-centric approach to classroom stakeholder negotiation exercises. An example of a classroom exercise is given as the basis of a possible template for replicating the exercise. This assists students to recognize the potential and risks associated with stakeholder engagement at individual, organizational, and societal levels.

Keywords: stakeholder engagement; negotiation exercises; sustainability; experiential exercises

A key challenge in teaching business students about environmental and broader sustainability issues is getting them to understand the complexity of these issues and the differing perspectives involved (Kearins & Springett, 2003; Springett, 2005). Environmental issues are often technical and laced with scientific uncertainty. They can involve difficult social and economic issues,

Authors’ Note: The authors gratefully acknowledge Dale Fitzgibbons, Suzette Dyer, and Kevin Collins for feedback on the article.

JOURNAL OF MANAGEMENT EDUCATION, Vol. 31 No. 4, August 2007 521-540
DOI: 10.1177/1052562906291307
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and they draw in stakeholders with various vested or entrenched interests that are often at odds with one another (Heugens, 2003). Transcending both traditional disciplinary boundaries and singular levels of analysis, these issues complicate decisions about public policy as well as individual firms’ business strategies (Egri, Feyerherm, & Rogers, 1997).

One way to approach this teaching challenge is through the experiential exercise of simulated stakeholder negotiation. This article reviews the theoretical framework for this type of exercise, provides a template we developed for running an in-class stakeholder negotiation based on a specific exercise example, discusses key learning from such an exercise, and concludes with issues that arise for the instructor.

Our approach adds a new twist to the common classroom negotiation exercise by emphasizing a critical, more systems-based perspective over one that privileges either firm priorities or the business case (see Banerjee, 2004; Kearins & Springett, 2003; Springett, 2005). Our objectives, which this exercise has consistently achieved, are as follows: (a) to have students experience the complexities of an issues-based approach (thereby diminishing the central emphasis on the firm); (b) to have students examine not just the potential but also the risk aspects of stakeholder engagement; and (c) to have students reflect on the processes and outcomes of stakeholder negotiation in a structured way, not least in terms of whether the outcomes are optimum for the natural environment or for sustainability (Crane & Livesey, 2003; Collins, Kearins, & Roper, 2005). Our purpose is neither to teach nor to have students necessarily learn particular negotiation skills or techniques. Rather, the simulated stakeholder negotiation exercise we offer provides the opportunity for critical reflection on the part of students as to the effectiveness of both the process and outcomes of the negotiation at an individual, organizational, and societal level.

The exercise, now in its fifth iteration, utilizes a local issue for in-class negotiation (see also Egri et al., 1997). It developed from our earlier experiences in running stakeholder negotiations using prepared cases or negotiation scenarios (e.g., Beckenstein, Long, Arnold, Gladwin, & MEB, 1997; Egri, 1999; Lawrence & Svendsen, 2003; Ramus, 2003) that although undeniably useful, lacked local relevance and perceived urgency for our New Zealand students. Our exercise gives students in our postgraduate strategic environmental management classes responsibility for choosing the issue to negotiate and can be extended to their researching it and facilitating the negotiation. A similar approach works with executives and senior undergraduate classes of up to 30 students in subjects such as business ethics, or business, government, and society. This approach can be modified with lower level students to include the instructor as facilitator to provide a more consistent learning and assessment environment.
A Critical Theory Framework for Understanding Business, Stakeholders, and Sustainability

Although the term sustainability has entered mainstream discourse, the actual achievement of sustainability in practice remains problematic. That businesses have a significant role to play in the path to sustainability is not in doubt, given their centrality to the root of many environmental problems and issues related to social equity (Welford, 1997). However, many current business practices appear incompatible with notions of sustainability, particularly the obsession with continued growth (Hamilton, 2003). Although there have been significant advances in pollution control and emission reduction, these do not mean that current modes of development practices are sustainable for the planet as a whole (Hart, 1997). Even the vaunted adoption of more proactive environmental and social responsibility practices by businesses has met with some skepticism as being insufficient and sometimes more rhetorical and evangelical rather than substantive (see Banerjee, 2003; Livesey & Kearins, 2002; Newton, 2002; Newton & Harte, 1997). A number of commentators suggest that radical change in business practices is required for sustainability to occur (Hawken, 1993; Ehrenfeld, 1999; Welford, 2000) rather than merely just business sustaining itself—often at the expense of other stakeholders, including the natural environment (Collins et al., 2005). Others concur that changes in business education and training also are needed for such transformation to come about (Marshall, 2004; Springett & Kearins, 2001).

One theoretical approach to teaching sustainability is grounded in a critical systems-based orientation (see Banerjee, 2004; Kearins & Springett 2003; Springett, 2005), which posits the importance of reflecting on where current business practices have brought society as a whole (i.e., to a situation of relative unsustainability predicated on short-termism, ever higher resource throughput and consumption, along with the privatization of profits and socialization or externalization of losses). Critical education encourages students to question some fundamental axioms of management thought and unsustainable business practice—and to seek greater understanding of the need to change for sustainability, and the ways that change may occur. An allegiance to any particular school of critical theory is not requisite to the approach we advocate; rather, more important is (a) an acknowledgement of the responsibility of business for its effects on environment and society, and (b) a recognition that the political economy of capitalism often mitigates against taking this broader systems-based perspective. Related to these aspects is the importance of developing reflexivity among future business managers in recognition of their implication in issues beyond the obvious or direct control or influence of the individual firm.
Increasingly, business is being challenged to seek input from a broad range of stakeholders (Andriof, Waddock, Husted & Rahman, 2002; Roome & Wijen, 2005; Sharma & Vredenburg, 1998), including the environment and society at large (Moore et al., 1992; Starik, 1995). The literature on stakeholder management addresses the idea that a firm’s stakeholders extend beyond traditional stockholders to include employees, customers, suppliers, the local community, governments, and other groups that may be affected by, or have an impact on, the firm (Freeman, 1984). The basic justification underlying the adoption of a stakeholder approach to management is that it can contribute to the long-term survival and success of the firm (Clarkson, Donaldson, Preston, & Brooks, 2000). However, we argue that the achievement of social and environmental sustainability demands more than the pursuit of financial sustainability by the firm. A different perspective from that of stakeholder management—where the firm manages stakeholders primarily in its own interest—is needed.

Thus, we address a growing segment of the literature that has focused on a firm’s stakeholder relationships particularly related to environmental issues (Fineman & Clarke, 1996; Madsen & Ulhøi, 2001; Starik & Gribbon, 1993). Environmental and social issues often implicate the firm in large, complex stakeholder relationships—not necessarily centered around the firm but around issues of mutual concern. A coming together of stakeholders in dialogue—a form of stakeholder engagement rather than management—is often seen as providing the platform for sustainability (Hart & Milstein, 2003; Hart & Sharma, 2004; Rondinelli & London, 2002; Sharma & Starik, 2004).

The potential benefits of stakeholder engagement are well documented in terms of enhancing business legitimacy (Hoffmann, 1997; Westley & Vredenburg, 1991), fostering joint working relationships (Clarke & Roome 1999), promoting learning (Roome & Wijen, 2005; Sharma & Vredenburg 1998), and stimulating competitive imagination (Hart & Sharma, 2004).

However, the risks of stakeholder engagement and participation in stakeholder dialogue often are not analyzed in the literature (Crane & Livesey, 2003). For example, there is risk at an individual level relating to identity and reputation. Individuals investing themselves in open negotiation processes are almost inevitably judged by their peers—and even by themselves—as more or less competent, as sufficiently or insufficiently knowledgeable about the issue at hand, as appropriately open- or close-minded, and so forth. Such evaluations may have enduring consequences.

With the likelihood of sustainability being constructed very differently by different stakeholders, the question of self-interest arises as an additional source of risk. For example, it may not be in a business manager’s self-interest to champion some of the long-term changes or investments sustainability may require. The manager may choose to leave these issues to be dealt with in
the indeterminate future (Collins et al., 2005). Furthermore, various ethical dilemmas arise for the individual around decisions to represent organizational viewpoints with which they may not personally agree or to share or withhold particular information.

There are risks for the organizations, and not least of all for the businesses involved in not achieving their preferred outcomes. Compromises may incur financial burdens that may not be borne equally by all participants, or may render particular firms uncompetitive. Moreover, organizational stakeholders’ interest, time, and resources can vary enormously. Power differentials are a feature of many stakeholder interactions. Although some stakeholder groups may be successful in advocating particular views, or in forging coalitions, they may risk alienation of other stakeholders and adverse effects on current and future relationships. Organizational legitimacy is often at stake.

Finally, there is risk at a societal level that the outcomes may not be optimal for sustainability. Whether we can assume that all stakeholders will act in the interests of the greater good, even when engaged rather than managed, is an issue that needs confronting. Businesses are not necessarily prepared to act in favor of sustainability. In addition, conflicting stakeholder views can perpetuate “business-as-usual” and forestall the adoption of more radical changes.

Experiential exercises, which are common in teaching about sustainability, provide a mechanism for linking learning to immediate and pressing real world situations (Galea, 2004). Experiential methods also tend to be the preferred approach to teaching negotiation (Weiss, 2003) because they allow students to absorb complex interconnections from interactive involvement rather than through a lecture or reading that merely describes the complexity. Extending the gaze of business students beyond the firm and getting them to take on other roles extends their “peripheral” vision. Our graduating students’ careers are not within business alone, but also in government and nongovernmental organizations. And even if they are directed toward business, it is increasingly likely that they will be required to interact with a range of stakeholder groups with different views—and in so doing, encounter both potential benefits and risks. Often in these situations, the participants have little formal training in negotiation or sometimes even in facilitation. In our experience, most business students are not formally trained in these skills unless they have opted for a communications focus in their degree. It is a taste of these realities and complexities that we expose our business school students to by using sustainability stakeholder negotiation exercises in the classroom. Decentering the firm, as we discuss in the next section, prepares our graduates to participate in stakeholder negotiations that assume the firm as an equal participant rather than one that manages the process or is the ultimate arbiter of decisions.
Decentering the Firm: Adopting an Issue-based Approach to Stakeholder Engagement

The hub and spoke model of firms and their stakeholders introduced by Freeman (1984) in his influential book “Strategic management: A stakeholder model” still has considerable traction. Stakeholder maps constructed both by business (as frequently displayed in their environmental and social reports) and in classroom texts (e.g., Hill & Jones, 2001) generally illustrate relationships with the firm in the middle of the diagram and various stakeholders surrounding the firm. Even models capturing the more complex networks among stakeholders and intrastakeholder differences still tend to put the firm at the center of the model (Crane & Livesey, 2003).

There are, however, suggestions that “perspectives on stakeholder theory have moved away from an entirely corporate-centric focus in which stakeholders are viewed as subjects to be managed towards more of a network-based, relational, and process-oriented view of stakeholder engagement” (Andriof & Waddock, 2002, p. 19). A number of theorists, including Freeman himself, have moved in this direction—as Rahman and Waddock (2003, p. 9) put it, reframing the relationship between business and society toward more of a business in society framing.

Some business school instructors have put the environment or an environmental issue at the center of the stakeholder map and include the firm as just one stakeholder related to the environmental issue (Egri, 1999; Lawrence & Svendsen, 2003; Ramus, 2003). This approach, which de-centers the firm (see also Calton & Kurland, 1996), allows students to view the matter at hand from a societal perspective rather than a more narrow business perspective. The approach also leads students to acknowledge that in some instances, business interests may be in conflict with larger societal interests. In addition, it reflects the critical, more systems-based approach of those who believe that in educating for sustainability, we need to generate forms and practices of education that are congruous with the issues addressed (Kearins & Springett, 2003; Marshall, 2004). We recognize that the singular issue approach is itself a simplification—as is any impression that stakeholders are either equal in power or lacking in self-interest. Our exercise focuses students’ attention on these issues.

Examples of classroom environmental stakeholder exercises include Beckenstein et al.’s (1997) stakeholder negotiation exercises, Moore et al.’s (1992) Frond Lake environmental policy role play, Egri et al.’s (1997) stakeholder exercises, and Egri’s (1999) role-play simulation of the Canadian government’s Environmental Round Table. Moore et al. (1992) offer two versions of their role play where the focus can variously be on the interactions among five senior managers or with members of the town council, in a total session time of 75 to 90 minutes. In Egri’s (1999) role-play simulation,
students are assigned to be one of the 10 newly appointed members of the Environmental Round Table and asked to reach consensus on a mission statement for the group at the end of an hour. Lawrence and Svendsen (2003) have developed a CD with a stakeholder dialogue simulation centered around the fate of a stand of old-growth forest in Canada. Ramus (2003) adds a different twist by having the stakeholder negotiation focus on environmental rule making; students are coached by the real stakeholders before they role play the negotiation.

Egri et al. (1997) describe a role play that is the most similar to ours in that it focuses on a local or national issue of significance to the students and requires at least three 2-hour class periods. Students develop personal portfolios surrounding each role (for evaluation), journal their impressions and feelings and the tactics they and others use, and prepare a final paper. All these items are assessed, as is student participation. The exercise more obviously focuses on process than does ours and is not explicitly linked to the same kind of systematic analysis.

In general, however, stakeholder negotiation exercises comprise several basic elements. These elements include students taking on prescribed roles, including those of business managers, traditional (stockholders), and less traditional (advocacy groups) stakeholders; students in those roles engaging in dialogue or negotiation; and students participating in some kind of debriefing discussion on the process with a view to bringing to the fore key learning from the process. The template we developed, described below, includes all these elements while recognizing the potential and risks of stakeholder engagement for sustainability.

**Stakeholder Negotiation Exercise**

Preparation on the part of the instructor offering this exercise is not onerous. However, several decisions need to be made ahead of running the exercise. We outline these and demonstrate them using our favorite example.

Choosing the issue for negotiation is a key early decision. With far-reaching subjects like environmentalism and sustainability, it is important to choose an issue that is focused enough to be dealt with adequately in the available class time (we normally allocate just a little over 4 hours). Local, national, and international sustainability issues abound; however, we generally advocate involving the students in choosing a local issue so as to gain their interest and enhance their involvement from the outset.

In the example described here, early in the semester a postgraduate class of strategic environmental management students selected the issue of a proposed mega-landfill to be located just outside the local city as the focus for the stakeholder negotiation exercise to be held later in the semester. The students were familiar with the location of the proposed landfill. The need
to dispose of waste was a relatively simple concept, but it involved multiple issues. It had long-term implications (the site would operate for decades), sustainability components (efficacy of zero-waste strategies), conflicting vested interests (the city council, farmers living next to the site, city residents and local iwi—the indigenous population), and enough scientific uncertainty (the permanence of the landfill seals, the structural appropriateness of the site) to make it representative of many environmental dilemmas. In other classes, students have twice chosen the contamination of Lake Taupo, an iconic New Zealand landscape; the proposal to bring V8 car racing to the streets of the city; and the joint management of fisheries and introduction of catch quotas.

A second key decision is whether to provide the students with information, or let some or all of them research the issue. In our landfill exercise, two student facilitators researched the case in lieu of a required research project. It does not matter whether the information they provide to various stakeholders is uneven; more important is that it is of good quality, and for that, they are rewarded.

A third and related key decision is whether the instructor or the students facilitate the negotiation exercise. Seeing the facilitation role in essence as just another stakeholder role, albeit one imbued with power, we allow two students to volunteer for the role, with the instructor assisting when necessary. The two student facilitators, as noted above, research the issue, come up with the stakeholder groups, set the schedule for the session, get the group to agree on ground rules for interaction, and work among the stakeholder groups to achieve consensus.

Significantly, our experience shows that the key learning outlined in our objectives occurs regardless of whether the student facilitators have been trained in the role, and whether consensus is reached. If the outcome is consensus, learning occurs when students explore how it was achieved or what was left out of any agreement. If the class does not reach consensus, then there are opportunities to reflect on what might have been done differently, whether various stakeholders remained entrenched in their positions, or whether a consensus would have been beneficial for the environment or the community.

In our landfill example, consensus was not reached, which initially was quite frustrating to the students, but led to a good discussion during two debriefing sessions over what individuals or groups could have done differently. In our simulation, the stakeholder group representing the local indigenous population successfully convinced the stakeholder group with governmental authority to delay a decision on the mega-landfill location and continue consultation because they were not “appropriately” consulted. Students were initially quite angry at this outcome but later admitted that they had relegated this stakeholder group as “not a priority.” All of these
outcomes accurately reflect what can and does occur in real life (see Banerjee, 2000, 2001). The example also reflects a real-life situation with business not at the center of a stakeholder map; in this example, local government was the final arbitrator.

The fourth key decision revolves around grading. In our example, students were told that participation was mandatory for any grade to be awarded. All students received a negotiation participation mark worth 5% of their overall course assessment. The student facilitators received the same 5% and an additional 20% in lieu of their required research project.

The fifth key decision is timing. We allocated one week’s class time just over halfway through the semester, plus a short time at the beginning of the following week for a second debriefing. We worked with the class to secure agreement to holding the exercise during one of the two regular 2-hour time slots and a further 2-hour slot the same evening, in lieu of the other 2-hour class normally held later that week. This allowed negotiations to start in the morning and continue that same evening.

Students signed up for one of six stakeholder groups. (We have found that two to five students per group works well.) The facilitators provided each stakeholder group with background materials unique to the group. Although students notified the facilitators of their preferred stakeholder group (usually indicating a second choice for the facilitators), we advised them not to choose a stakeholder group in which they already had experience. For example, if students had worked for the city council and had represented its views in other forums, they were requested not to volunteer for that stakeholder group. Participation in an unfamiliar stakeholder group stretches the students and facilitates achievement of our objective of taking an issues-based approach.

The week before the exercise, students were assigned two readings that provided background relating to the benefits of stakeholder engagement. These readings were “Engaging fringe stakeholders for competitive imagination” (Hart & Sharma, 2004) and “Talking for change? Reflections on effective stakeholder dialogue” (Bendell, 2003).

The exercise started with a 2-hour morning class at which facilitators distributed an agenda for the day (see Appendix A). Stakeholder groups met first among themselves, and then each group had 5 minutes to present its position on the proposed landfill. Time was then spent informally gathering information or starting negotiations with other stakeholder groups. Student facilitators moved among the groups looking for opportunities to build consensus.

The negotiations continued during an evening session. The evening session served several purposes, including increasing student ownership of the exercise. The morning session piqued students’ interest, and the long break during the day gave them a chance to reflect on their stakeholder group’s position. It was not uncommon for students to appear to be “acting” their
stakeholder part in the morning session and then “own” their role in the evening session. Students tended, for example, to use third-person language during the day, but evolve to the first person by the evening. The evening session helped simulate real-life stakeholder sessions, where people may be tired and working against a deadline.

It is critical to build time into the end of the session for a debriefing to review and solidify the key learning. As the sessions were sometimes emotional, the debriefing gave students an opportunity to share their experience and “come out” of their assigned stakeholder roles. It also was helpful to allow a little time during the next regular class session for an additional debriefing. In many cases, the students’ perspective after time for reflection was different from immediately after the evening session. For example, at the first debriefing, students were frustrated that a decision on the location of the landfill had not been reached; but by the second debriefing, the focus shifted from not achieving the consensus to what could have been done differently. We elaborate on the debriefing and key learning in the next section.

Feedback from our sessions has been very positive. In the landfill exercise, 100% of course evaluations said that the exercise was worthwhile and should be retained. In fact, 50% of the students stated it was the highlight of the course and suggested increasing the percentage of assessment associated with the exercise by allowing all participants a chance to research the case and a particular stakeholder position. This suggestion was first raised during the debriefing session when students discussed their desire to delve deeper into the issues than the briefing materials provided by the facilitators allowed.

We continue to experiment and innovate with this exercise. In the last iteration, we have followed students’ suggestion to allow stakeholder groups to research their position and the issue themselves rather than the facilitators providing that information. This approach increases student ownership of the exercise and enhances the real-life unevenness of information, whereas prepared cases tend to start each from the proverbial “level playing field.” We also have added a session in which we keep the same case but students switch stakeholder groups for a second iteration. Switching roles allows students to view the issue from another perspective and realize how judgments about the issue can depend on their stakeholder position. There are many possibilities for amending this exercise to suit different situations, time constraints, and purposes.

Debriefing to Bring Out Key Learning for Students

We offer stakeholder negotiation as an experiential exercise where students learn by doing and through reflecting on the process and outcomes. In debriefing the exercise, students are led to reflect on the benefits and risks of stakeholder engagement at an individual, organizational, and societal
level through questions, such as the italicized ones we provide in each of the following paragraphs. We summarize these in Appendix B, which can be provided to students as a basis for personal reflection after the negotiation, small group, or class discussion in the second debriefing session. It also can be a takeaway framework for evaluating the effectiveness of engagement in stakeholder negotiations or other collaborative efforts around sustainability.

What did I do that assisted the negotiation process? What risks did I take? How do I see my performance? How might my performance be viewed by others? Students reflect on their own role in the negotiation process. They consider what they did that affected positively and negatively on the process. They also reflect on the outcomes for them as individuals. They may be perceived more or less favorably by their peers as a result of their actions. Having experienced negotiation and efforts at consensus-making within a tight timeframe with a group of stakeholders whose interests were, initially at least, at odds with each other, they also are likely to have encountered frustrations often inherent in these processes. Thus they learn about power dynamics, rationality, and emotionality—and their own responses in such processes. Sometimes things students do work well for them and maybe even for others; sometimes the things they do and the ways they act work against their interests, against others’ interests, and even against the objectives of the exercise. Students reflect on their own contributions and discuss how they might have acted differently and to what probable effect. A late-night e-mail received from a student after our final evening session shows the intensity of emotions:

I’m feeling a bit peeved. Ted and I and others used the information provided to us about the situation re Tainui (a local indigenous tribe). We then acted in good faith and negotiated as we thought we were supposed to. I think Hannah using that 52-page report as a basis and not telling us till the end was not an act of good faith. I think that up till this point this exercise was worthwhile but have to say that I am pretty angry that I wasted all that time and effort to be there and am even angrier that some parties thought that we had wronged them by negotiating our points. Anyway please ignore this and feel free not to mention it again, but if I hadn’t written it I wouldn’t sleep.

PS I learned that I would be a terrible negotiator tonight and that both Scott and Daniel would be excellent [names have been changed].

The above student e-mail also highlights the need for the second debriefing session. The issue the student described in the e-mail was not raised at the first debriefing session that same night but came up after the session and the debriefing during the next class session. Students often have difficulty coming out of their roles immediately after the negotiation. After the second debriefing session, this student felt the exercise was a more positive experience. She was able to discuss her concerns with the other participants and hear their reasons for doing what they did. She was able to question...
their motives and think through the ethics of her own approach. This example points to the importance of analyzing effectiveness at the group or organizational level.

How did our group work together? What benefits did we realize from our working together? What risks did we take? Did we achieve what we set out to achieve or not?

Students working in businesses and organizations, as in our exercise, are likely to find themselves, at least on occasion, in group situations not of their own choosing and having to represent viewpoints with which they may not be entirely familiar or comfortable. They personally may not even agree with the position they are supposed to represent.

I had been placed in the Tainui group, which for me was an eye-opener. Being a naïve European white girl, I had no idea about Tainui, what they were about and what their purpose was. All I knew about them was they owned property around the Waikato. I felt particularly silly when, in addition, the topic of the stakeholder negotiations was the Hampton Downs Megadump, which was a real life case and not a topic made up for the negotiations, and I hadn’t really taken much notice of any of it! I was a little disappointed that I hadn’t even read it in the newspaper! (Student learning journal).1

Overall the stakeholder negotiation was a great learning experience for me. Not only did I learn about the controversial topic of the Megadump at Hampton Downs, I got an insight as to what a stakeholder negotiation might be like and I learnt heaps about Tainui. In addition, I found that everyone was representing their parties accurately as to how they might react to such negotiations, which made the negotiations exciting (Student learning journal).

How students work in their group and how they represent their organizational interests affects their ability to work effectively with other stakeholders. Whether organizational reputation and stance remain intact in the face of personal pressure to cooperate underscores the split loyalties often inherent in the negotiation dynamic. The financial ramifications of any compromise might be a concern for particular groups. Achieving individual and organizationally optimal outcomes may well be seen to be important for individuals and organizations—but these are insufficient to taking a societal-based approach to an issue, as the following questions exemplify.

Who won and who lost overall? Was the most sustainable outcome achieved? In whose judgment? What could have been done to enhance the achievement of sustainability? What, in real life, should happen next? Our exercise leads students to discuss important issues, such as whether the best outcome in environmental or sustainability terms was reached, and how “best”
should be determined. Students become aware that sustainability involves many more stakeholders than just business or individual organizations, and that other, particularly nonbusiness, perspectives need to be taken into account even though due consideration of the issues might sometimes prove frustrating.

I enjoyed the challenge of being “the bad guy” when it came to representing [the waste management company]. The exercise has highlighted the unpredictable nature of negotiation, and I felt we were hard-done-by the representatives of [the local government] in the end. I felt [the facilitators] did an excellent job of collecting and presenting information for the negotiation and controlled the negotiation well. I can’t help but feel that if we had tackled some of the smaller issues first, the negotiation may have turned in our [waste management company] favour. As progress on the big issues bogged down, it became clear that we weren’t going to get full settlement that night. That’s the way it goes though, and even though we didn’t get a favourable result, I still enjoyed the whole process (Student learning journal).

There is a crucial recognition that engaging nonbusiness perspectives in dialogue, and perhaps even achieving consensus, may not always yield the best results for the business, the environment, or the community. Perceived self-interest on the part of some or all stakeholders may prevail over the common good. Questions in the debriefing should focus on these critical issues and explore perceptions of who “won.” Finally, students should reflect on what they have learned about stakeholder negotiation.

Was coming together to negotiate the issue worthwhile and why? What have we learned about the issue in general? What have we learned about the process of stakeholder negotiation? As the following quote from a student learning journal shows, the learning that occurs is often very personal.

The negotiation exercise proved challenging due to the short time-frame to prepare and the difficulty in getting the whole picture. Added to that was the disappointment for me around my expectation that Maori [indigenous population] students would elect to be Tainui representatives as I had been excited at the learning opportunities they would offer. That not being the case, I felt very burdened around being appropriate and comprehending what the major issues are for Tainui. I also wanted to go further than the historic impacts and look at specific issues that arise for Maori regarding the Megadump. Consequently, I felt very under-resourced. Through the exercise, I was surprised at how involved I became, not only on the day, but in the lead-in period. The real feeling of frustration I, and obviously others, felt must be typical of how smaller stakeholder groups feel in their struggle to be taken seriously. It is easy to see how anger can result for Maori trying to effect change and understanding, compounded by history. For me, there has been a huge shift in understanding the position.
Maori are seen to take on governance issues. While previously sympathetic with an understanding on a practical level of issues being addressed or re-dressed, I feel I can better relate to and understand the korero (conversations) I have been privy to in various Maori forums (Student learning journal).

Classroom stakeholder negotiation exercises help students understand the complexity of environmental and sustainability problems. There is rarely one answer or outcome that will please all stakeholder groups. Indeed, though there may be a preferred outcome in terms of sustainability, students see firsthand that tradeoffs can and do occur. Less-than-ideal solutions arise and are often seen by students having better buy-in and a higher likelihood of successful implementation. As discussed, students may not be able to achieve consensus. Learning occurs regardless. Another e-mail received from a different student after the final evening session captures the impact of the exercise:

What an awesome experience. Who can sleep after that! Should have gone to the Hilly (a local pub) for a debrief. Great exercise, even for 5%.

Our experience incorporating stakeholder negotiation exercises in our classrooms has been quite positive. More important for us as educators, students have learned far more than we initially imagined and the experience for them (and us) has been a highlight of the course. However, we acknowledge that an instructor considering such an exercise for the first time may have some concerns. We discuss these briefly below.

**Issues for Instructors**

Instructors may be unwilling to relinquish control and trust the process we have outlined to yield a learning experience for students. One option here is to start by using a prepared or “canned” case for the first exercise. The canned case option may give instructors greater confidence because it has been classroom-tested. It also limits the time needed for students to research the issue. The downside here is that local interest and student motivation for the exercise may be reduced. Another option is for the instructor to act as facilitator. The instructor-as-facilitator option does put the instructor in control, but it also means that the instructor’s actions are ultimately up for evaluation by the class in the debriefing, and the instructor is less able to conduct the debriefing from a more obviously neutral observational stance.

Another instructor concern may be the time needed to set up the exercise, especially the first time it is run. We believe, however, that implementing
the template we have shared requires a relatively small amount of work for the learning benefits achieved. The time commitment is probably less than that needed to prepare the equivalent 4 hours of class lectures for the first time. Done properly, the exercise becomes the responsibility of the students. Our main role has been as guides through the process, sometimes helping with informational resources, suggesting agendas for the exercise and amplifying learning points.

Finally, the instructor may be uncomfortable with facilitating the debriefing, particularly where students’ interactions have become emotionally charged during the exercise. We have underscored the importance of devoting time to at least one debriefing to allow students to come out of role and to draw out key learning from the exercise. In our experience, taking an observer’s role in the negotiation process allows the instructor important reflection time to make notes and develop additional questions as the need arises. Important considerations here are respect for the right of individuals and groups to hold differing perspectives on the same issue (even where consensus may be the aim), and the adoption of appropriately professional conduct in a relational setting. If the ground rules agreed for the exercise did not deal with these aspects, or if they were not adhered to, it would be appropriate to raise them for discussion in the final debriefing.

In conclusion, we believe that our approach builds on existing practice in several ways. In adopting a critical, more systems-based perspective, students learn about the potential and the risks of stakeholder engagement: that the process or outcomes—whether consensus is reached or not—may not be optimal for all individuals, groups, or society. Power differentials, ethical dilemmas, challenges to identity and reputation, and compromises often arise within the exercise. Furthermore, the outcomes may not be optimal for sustainability, broadly conceived. The exercise we have outlined embraces a broader, more systemic perspective on “sustainability” that goes beyond the perspective of any single business or entity wanting to sustain itself. These are all important aspects to reflect on given that stakeholder engagement is increasingly seen as crucial to the achievement of sustainability.

It is our contention that classroom stakeholder negotiation exercises do facilitate experiential learning and critical reflection about the complex nature of sustainability, and the importance of relationships in working toward it. Our students tell us their understanding of these aspects is enriched beyond what we could have hoped to achieve from readings, lectures, or class discussions. We continue to experiment with the exercise, but the basic template we offer readers in this article still underpins our efforts and has withstood the test of several iterations.
Appendix A

Stakeholder Negotiation Exercise

SAMPLE PROGRAM FOR OPENING (MORNING) SESSION

(Example prepared by student facilitators and amended by authors to be more generic)

Formal introduction to topic and process, and the purpose of the negotiation, by facilitators
Opportunity for stakeholder groups to ask general questions
Setting of session ground rules 15 minutes

Stakeholder groups meet independently to discuss approach to tonight’s negotiation and to clarify any information before presenting their issues to the assembly 20 minutes

[This preparation time could be conducted outside of class time, prior to the session, to allow more time for actual presentations and informal intergroup negotiation in this session, particularly where there are more stakeholder groups involved]

Stakeholder groups introduce themselves and present their key issues to the assembly (one person from each of the [number] stakeholder groups presents the key issues from their group’s perspective [in the order prescribed])

Each group has 5 minutes to present their two key issues
Total: 30 minutes [Example has six stakeholder groups]

Stakeholder groups informally gather information from other stakeholders and decide which issue(s) they believe requires focusing on in later [evening] negotiation

20 minutes

Stakeholder groups announce to the assembly the issue(s) they believe need to be negotiated

10 minutes

Facilitators ask whether additional information is required from them for the later [evening] negotiation session, invite participants to come early to the next session for drinks, nibbles, and socialization [gets everyone there ready to start on time], and close the opening [morning] session

5 minutes

TOTAL: 100 minutes
## Stakeholder Negotiation Exercise

### SAMPLE PROGRAM FOR (EVENING) CONCLUDING NEGOTIATION SESSION

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time for drinks and nibbles and informal socialization</td>
<td>15 minutes</td>
</tr>
<tr>
<td>Facilitators welcome participants back and recap on main</td>
<td></td>
</tr>
<tr>
<td>points made during morning session.</td>
<td></td>
</tr>
<tr>
<td>What issues have been laid on the table?</td>
<td></td>
</tr>
<tr>
<td>What issues appear to have been resolved?</td>
<td></td>
</tr>
<tr>
<td>What issues remain?</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Socialization and refreshment time continues with</td>
<td>10 minutes</td>
</tr>
<tr>
<td>stakeholder groups having the opportunity to meet with other</td>
<td></td>
</tr>
<tr>
<td>groups to finalize any informal alliances and agreements.</td>
<td></td>
</tr>
<tr>
<td>Individual stakeholder groups meet to redefine and note</td>
<td>5 minutes</td>
</tr>
<tr>
<td>(new) position ready to present to the assembly.</td>
<td></td>
</tr>
<tr>
<td>Stakeholder groups announce to the assembly the issue(s)</td>
<td>5 minutes</td>
</tr>
<tr>
<td>they still need to negotiate.</td>
<td></td>
</tr>
<tr>
<td>Agreement is sought with the assembly as to which issues</td>
<td>5 minutes</td>
</tr>
<tr>
<td>to focus on and in which priority.</td>
<td></td>
</tr>
<tr>
<td>The assembly focuses on each issue individually or in</td>
<td>35 minutes</td>
</tr>
<tr>
<td>appropriate clusters.</td>
<td></td>
</tr>
<tr>
<td>Facilitators draw negotiation to a close and reiterate the</td>
<td>5 minutes</td>
</tr>
<tr>
<td>dimensions of any agreement reached.</td>
<td></td>
</tr>
<tr>
<td>Informal discussion/debriefing assisted by the instructor</td>
<td></td>
</tr>
<tr>
<td>What have we learned about ourselves and our roles in</td>
<td></td>
</tr>
<tr>
<td>the process?</td>
<td></td>
</tr>
<tr>
<td>What have we learned about the process of stakeholder</td>
<td></td>
</tr>
<tr>
<td>negotiation?</td>
<td></td>
</tr>
<tr>
<td>What have we learned about the issue and about</td>
<td></td>
</tr>
<tr>
<td>achieving sustainability?</td>
<td></td>
</tr>
<tr>
<td>How could we have improved this process?</td>
<td>30 minutes</td>
</tr>
<tr>
<td>TOTAL: 100 minutes</td>
<td></td>
</tr>
</tbody>
</table>

## Appendix B

### Evaluating Stakeholder Engagement for Sustainability

The following matrix is provided as a basis for you to reflect systematically on the potential and risks of stakeholder engagement for sustainability.
<table>
<thead>
<tr>
<th>Levels of Analysis</th>
<th>Process</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual/manager</td>
<td>What did I do that assisted the negotiation process?</td>
<td>How do I see my performance?</td>
</tr>
<tr>
<td></td>
<td>What risks did I take? be viewed unfavorably by others?</td>
<td>How might my performance</td>
</tr>
<tr>
<td>Group/organizational</td>
<td>What benefits did we realize from our working together?</td>
<td>What positive outcomes did we achieve for our group?</td>
</tr>
<tr>
<td></td>
<td>What risks did we take?</td>
<td>What outcomes were less than optimal for our group?</td>
</tr>
<tr>
<td>Issue/societal/systems</td>
<td>Who won and who lost overall? Was the most sustainable outcome achieved?</td>
<td>How did our negotiation contribute to sustainability outcomes?</td>
</tr>
<tr>
<td></td>
<td>How did our negotiation fail to deliver in terms of sustainability?</td>
<td></td>
</tr>
</tbody>
</table>

What could have been done to enhance the achievement of sustainability? What, in real life, should happen next?

**Note**

1. Student learning journals are a separate assessment in one of our courses and not tied directly to the stakeholder negotiation exercise.

**References**


