

Enterprises and their neighbours: Building confidence to resolve conflicts

12 steps
towards a good neighbourhood



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The project idea

Historically grown locations of enterprises in direct proximity to residential areas and their interconnected environmental risks and emissions frequently lead to conflicts with the neighbourly surroundings. Qualified strategies of neighbourhood communication are a useful method towards an agreed identification of problems and priorities and the development of realistic solutions. Until now exist mainly positive experiences for large enterprises. The project „Open surroundings communication for small and medium-sized enterprises (SME)“ evaluated these experiences and supported SME in developing and introducing suitable neighbourhood dialogues by means of their own resources. The project bearers supplemented their advice competence for SME in locational situations with environmental conflicts and initiated an advisor pool.

Preface

The demands for entrepreneurial environmentalism and the safe operation of plants increased and possess today in Germany a high standard, compared with EU level. Citizens living in the enterprises' neighbourhood are assertive and critical. Neighbourhood care and locational security are common components of a modern entrepreneurial policy.

Frequently enterprises are located in historically grown areas – in immediate proximity to the residential area. Here immissions lead soon to typical neighbourhood conflicts.

In the past decade some large enterprises developed and tested concepts aimed at a sustainable neighbourhood dialogue. On the basis of a definite success of these so-called „neighbourhood circles“ in the inspection district of the Staatliches Gewerbeaufsichtsamt Hannover, the Department of the Labour and Environmental Inspection Authority in Lower Saxony, a.o. an authority for the inspection of entrepreneurial environmentalism, project experiences of an „open surroundings communication“ for small and medium-sized enterprises were to be tested and developed. Eight medium-sized enterprises succeeded both in converting preventive conceptions as well as in dealing with acute conflicts and started a sustainable neighbourhood dialogue. Since the resources of small and medium-sized enterprises are limited, an advisor pool was established. Its members will enable interested enterprises to help themselves in establishing a neighbourhood communication.

The project results show that the initiative of active neighbourhood communication is also rewarding for small and medium-sized enterprises. The co-operation supports the proper dealing with debatable topics and enables the participants on the spot in developing appropriate sustainable solutions without an involvement of inspection authorities.

On the following pages, some basic information about the proceeding to analyse the location is given. The classic instruments of a neighbourhood communication are presented and the essential steps towards an implementation of a neighbourhood dialogue described.

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*Neighbourhood dialogue of the „Forum Brinker Hafen“ with the
„ALSA GmbH“ and „Karl Konzelmann GmbH Metallschmelzwerke“*

Step 1: Early identifying of conflict potential

If one or several of the following aspects apply on a location, enterprises should initiate a pro-active communication with neighbours and authorities:

- The production of an enterprise incriminates residential areas in the immediate proximity with immissions, e.g. noise, smells, scatter, vibrations, traffic.
- Location or products and procedures enjoy no acceptance or are publicly controversial, as e.g. frequently chemical plants or incinerators.
- Production alterations and -expansions necessitate construction activities and permission procedures, against which residents protest and raise their objections.
- Residents complain about incriminations, are afraid of property depreciation, worry about production and disturbance risks and question damaging health effects.
- The enterprise has hardly any contacts to its neighbourhood and is not familiar with the corresponding interests. Residents are not informed about products, procedures and economic development.



Neighbourhood conflicts easily emerge from such mixture situations, if

- the understanding for the enterprise and its future development sinks, e.g. because incriminations exceed the previous acceptance thresholds or new neighbours do not accept these.
- complaints of neighbours drown in the enterprise's everyday business, are disregarded and sometimes neglected.
- no improvements are visible and interconnected backgrounds like legal status, technology options, investment planning, time horizons remain unclear.
- neighbours involve inspection authorities, local politics and media or establish even a citizens' initiative in order to articulate and impose their interests effectively.

Step 2: Discovering neighbourhood interests

The surroundings of an enterprise include a multiplicity of protagonists (see illustration): important dialogue partners besides direct residents are interest groups, authorities and the media. An enterprise therefore faces quite different interests: both critical demands and gracious expectations. Demands for lower immissions are interconnected with the expectation, that the enterprise offers furthermore jobs and places to train, pays trade taxes and places orders with local enterprises. Mostly the neighbourhood will not endanger the existence of local enterprises but is rather ready to strive for improvement compromises which are acceptable for both sides. Here enterprises profit on the long term if they include neighbourly interests early in their planning and organise procedures involving the residents: thus they can invest on schedule and avoid expensive updates.

Success factor 1: Interests of the neighbourhood are familiar

Identify the important protagonists for the enterprise: which contacts already exist, which ones should be initiated or improved? Which interests and expectations exist in the surroundings (topics, demands, wishes)?

Involve all interests and invite also the critical protagonists. Only if their multiplicity and their interests are obviously, a varied picture can emerge among all participants; an advantage of multiparty dialogue opposite purely bilateral discussions between conflict parties.

Step 3: Initiating contacts

It is important to initiate direct contacts between enterprise representatives and residents. Enterprises should therefore determine one (if necessary: several) contact partner(s). Informal discussion opportunities are favourable: representatives attend local events (district parties or forums) or invite residents and important social groups to visit the enterprise, to attend an open day or a barbecue.

Regular exchanges should involve representatives of local politics and administration. A fire-fighting exercise with the local fire brigade leads to contacts and is an additional contribution towards preventive fire protection. Enterprises should inform also the local media regularly: the better journalists know an enterprise, the fairer the reporting will be.

Neighbourhood dialogue means communication of own information, registration of the locational perception and assessment of activities on same eye level. However, residents often feel ignored by the enterprise or authority representatives. It is important to meet other opinions frankly and with respect and try to familiarise with the partner's perspective. Facts should be explained and be questioned and discussed afterwards. Only then a common view on facts can arise, with which arguments, convincing and an interest balance can be negotiated.

A pro-active communication supports enterprises in identifying early external developments and social expectations and including these in strategic decisions. A neighbourhood dialogue is moreover an active crisis prevention: enterprises can better assess external pressure and expectations and respond them more suitably. Residents behave constructively and objectively, if the enterprise is known as a trustworthy and reliable dialogue partner.



Representatives of local citizens' initiatives visit the „Teutonia Zementwerk AG“, Hannover

Step 4: Checking the options for activities

In the discussion with residents and interest groups, enterprises get many hints: complaints, demands, suggestions for improvement, questions, contact wishes and co-operation ideas. It is important considering the topics, dealing with them as well as to check them and feedback them afterwards.

Complaints of residents should be handled just as professionally as those of customers. If an enterprise learns early about neighbourly dissatisfaction, it can assess the causes without time pressure and find solution ways where necessary. Every direct complaint can be dealt with in own responsibility and improvements can be communicated as own success.

In the planning stage, neighbourly interests can often be considered relatively advantageously in order to avoid expensive updates. Organisational changeovers may decrease burden peaks and are of relief for residents. Limits and obstacles should be discussed frankly: the unique way to realistic expectations.

If for all parties acceptable point of views and solutions can be found in the dialogue, a reciprocal trust rises, basis for a good neighbourhood.

Objectives of the „Forum Brinker Hafen“ with the „ALSA GmbH“ and „Konzelmann GmbH“ *(see also photo on the reverse interior):*

- regular information of the neighbours about development trends of the enterprises
- fair and open-minded discussions about topic suggestions from neighbours and the enterprises
- further reduction of noise and olfactory emissions

Success factor 2: Realistic expectations about goals and results among all participants

Enterprises should clearly define their objectives. However, successful dialogues need the acceptance of all involved partners. Dialogues use the time factor in order to gain sustainable solutions: the premature enterprises include the neighbourly interests, the more successful are the options for activities in achieving improvement measures. For continuous neighbourhood dialogues enterprises and surroundings representatives can negotiate common goals, either as oral agreement or as fixed rules.

Step 5: Selecting suitable dialogue offers

If interests for certain topics, options for activities and reciprocal expectations are clearly defined, the enterprise decides on appropriate instruments being implemented in the neighbourhood dialogue (see illustration).

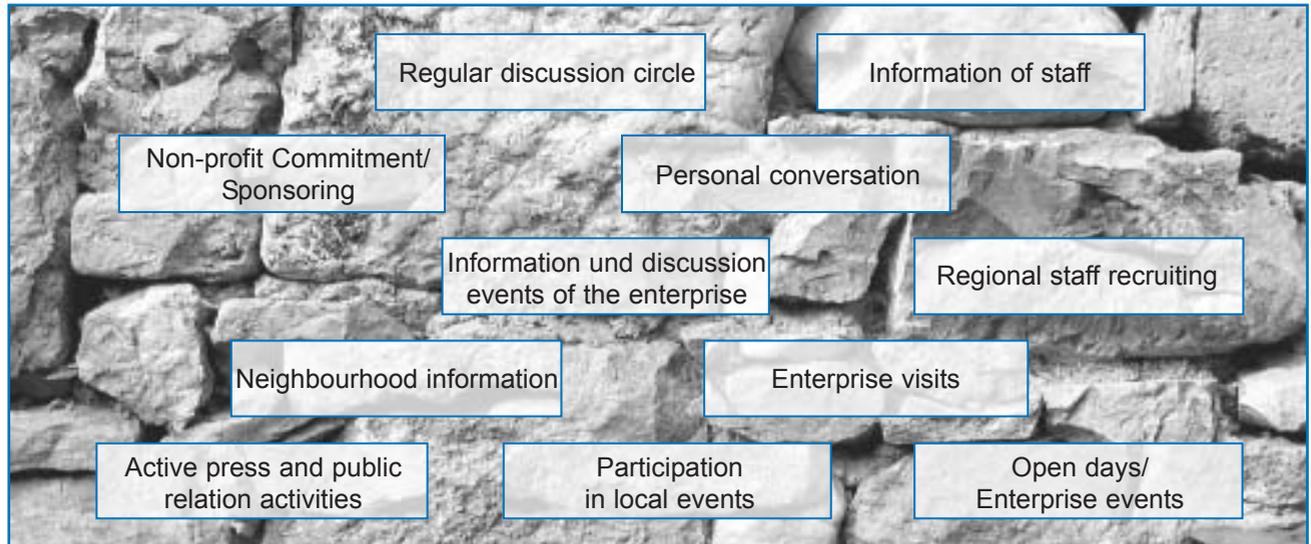
Dependent on the individual situation is to decide on

- which people, social groups and authorities should attend the dialogue,
- how the instruments should be combined and
- how media and public should become involved.

Above all, the entry into a good neighbourhood communication is time-consuming. In contrast, the costs for dialogue offers are rather low. All dialogue participants invest their working as well as their leisure time and weigh up, whether the offer is worth that expenditure. The advantages must clearly prevail opposite a dialogue relinquishment.

The question is: which costs - for additional investments, public conflicts, legal proceedings – would possibly arise without dialogue? Which demand is there on the part of the neighbours and how much expenditure can be afforded by an enterprise in the individual case? On the other side investments can on the long-term claim financial resources for improvement measures.

Instruments in the neighbourhood dialogue



Step 6: Convincing internally

Success and credibility of an active neighbourhood communication depend on support from all company levels: management and staff must stand behind the dialogue and must be convinced about its benefit.

A contact partner (if necessary: several) should be determined answering inquiries and co-ordinating feedback. If there are personal contact partners, residents turn directly to the enterprise: many questions and topics are much more simply handled within a personal dialogue since authorities are not involved.

Responsible staff of the enterprise or external experts can be involved topical-related at events, if necessary.

Success factor 3: Enterprise-internal support from all levels

The management must carry out the neighbourhood dialogue actively. Only then reliable statements can be made and promises are convertible. Opposite active communication strategies, the middle management often appears sceptically. The opening towards neighbours must be internally guaranteed regarding the objective as also the necessary time resources. A contact partner is personally responsible, under the prerequisite that he has enough time to look after surroundings matters suitably and the authority to co-ordinate improvements.

Step 7: Relief through external support

The scepticism of enterprises and authorities is initially often extensive: Is it worthwhile to invest in discussions? Do the dialogue partners honour the opening?

Especially within discussions between the concerned and the enterprise it is important to act equally fair opposite all participants, to stimulate the discussion and to avoid that critical topics are neglected. It therefore can be advisable to involve an enterprise-foreign advisor or facilitator, who can

- consult and accompany the enterprise when dialogue offers are initiated, avoiding typical initial mistakes and enabling a successful procedure;
- a neutral third party mediates better between enterprise, neighbourhood and authorities – especially in cases of massive conflicts and personal differences;
- take on the task of dialogue preparation and follow-up and the moderation of events.

The project „open surroundings communication“ allowed that the before qualified enterprises themselves took on the facilitation of their events, which was accepted by the residents.

An advisor pool was built enabling enterprises from the districts of the Local Labour and Environmental Inspection Authorities to take advantage of qualified advisors' support (*see reverse*).

Step 8: Implementing dialogue offers

The enterprises converted successfully own dialogue offers: they determined contact partners, improved their complaints management, invited the public attending open days and visiting the enterprise. They discussed improvement measures with the neighbourhood, initiated contacts with local representatives of social groups and institutions. Some of them implemented continuous discussion circles:

After an olfactory-intensive disturbance, the „Teutonia Zementwerk AG“ got into the focus of local citizens' initiatives, that critically questioned procedures and future planning; the responsible head of the district administration and the town council intervened. The enterprise invited representatives of the citizens' initiatives to attend discussion circles and started a continuous dialogue (*see picture*).

The Coated Abrasives producer „VSM“ invited local representatives to attend the inauguration of a new company building. A guided tour through the premises and a subsequent celebration led to various informal contacts: afterwards, two staff members visited the district forum and presented current building plans of the enterprise. Now the VSM intends to implement its own dialogue forum.



Success factor 4: External support through advice and facilitation

Especially in the initial stage of dialogues an external support is meaningful. External advisors have the experience to compensate insecurities, to assess critical situations and to respond correspondingly.

The opening of the enterprises is honoured by the dialogue partners. The facilitation by company representatives is accepted, if fairness and a discussion of critical topics are given. After an initial support, especially small and medium-sized enterprises can continue the dialogue without external support.

Step 9: Learning by doing

After each dialogue a short evaluation is helpful: what was well done, what was not? Which improvements are possible? Important aspects, that are essential for a long-term success of dialogue offers, were determined in the project (*see basic concept, reference see reverse*). Typical obstacles were:

Enterprises often hesitate too long until they start to act, instead of initiating communication procedures in calm times without any pressure. In a crisis they are forced on to the defensive and must justify themselves opposite public attacks, leading to damages for the corporate image and its credibility. In vehement controversial discussions fact arguments are no longer communicable.

Enterprises do not plan the neighbourhood communication sufficiently binding. Experience shows that additional efforts beyond the normal work are required by the staff to assemble a neighbourhood dialogue. Realistic but binding time horizons help to avoid a drowning of topics internally or opposite the neighbours. Otherwise the dialogue partners doubt the matter's seriousness and lose the willingness to participate.

Enterprises present their information often too extensive and detailed. The better and clearer information is prepared – and thus the central messages – the more remains in memory. Whoever is not afraid of inquiries and favours an active discussion can respond textual interests of the listeners concretely. Too long monologues, a frequent mistake during the first events, lead to time over-drafts and cause frustration among the public.



Members of the „Honeywell Specialty Chemicals Seelze“ and the „Sigma-Aldrich Laborchemikalien“ are informed about a planned plant.

Step 10: Striving for results

Successful dialogues produce consequences. Follow-up measures are introduced, appointments are made and results achieved. It is useful to have the important things recorded – e.g. in a common records or an agreement. The realisation should be transparent and comprehensible:

- What is to be done until when by whom?
- What must be arranged enterprise-internally and how information is to be managed?
- When can dialogue participants expect a feedback?

A publicly visible „topic memory store“ supports effectively all dialogue participants in selecting and planning the topics together. This enables them also to determine that questions have been clarified and that results and successes were achieved.

Finally, even dialogue offers are not created for the eternity but have to be adapted flexibly to current needs:

- Probably the interest of the neighbourhood flattens after finishing of the most important topics: then it can be arranged to meet again only at a current demand.
- Probably current planning lead vice-versa to an elevated information demand: the enterprise can offer additionally own events or can spread written information in the neighbourhood.
- Further participants would possibly like to be involved in a continuous neighbourhood dialogue: the circle can be widened if necessary.

Instruments, style, intensity and participating will develop in future.

Success factor 5: Transparency about proceedings and contents

Transparency supports the clarification of different interests and the dealing with conflicts decisively and helps all participants in communicating on a factual level. Important is:

- a broad and easily-comprehensible presentation of information and topics,
- openness towards all participants and their topics of interest,
- honesty (no tactical manoeuvres; communication of limits) and
- communication of results through documentation and active press and public relations work.

Step 11: Celebrating success

Successful neighbourhood dialogues have positive effects for enterprises, neighbours and authorities: misunderstandings can be clarified and fears can be cut – trust and co-operation originate between participants, who earlier often faced bitter confrontations. Even if the interest contrast between enterprises and residents still remains prevailing – a dialogue with premature and comprehensible information and open, but also critical discussions lead to appropriate compromises.

In the initially phase, a dialogue continuation can be endangered but normally it is possible after some time to create a constructive and factual discussion atmosphere, from which all participants profit. Realistic expectations about the feasible and attending a discussion on same eye level necessitates learning experiences among all participants. The more important is it to record results and successes, to accompany the realisation of arranged measures and to celebrate the success afterwards. Many residents wish to inform also the local public with an active press work about the achieved results.

Step 12: Living in good neighbourhood

Enterprises appreciate at continuous neighbourhood dialogues a good feedback on current topics from residents and authorities. The prompt dealing with and the examination of complaints and the possibility to take insight into authorisation records are seen as advantageous by the neighbours. Agreements on and the realisation of improvement measures on a rational basis possibly become well founded through certificates, deepening examinations and even innovative research projects (*see picture*). Both parties appreciate the relinquishment of legal confrontations as well as the retraction of complaints and emphasise to consider not only the legal situation: company internal examinations can determine also advantageous voluntary measures as well as improvements through organisational changeovers.

Benefits for the enterprise

- Location security
- Avoidance of location conflicts
- Smooth permission procedure
- Covering of schedule investments
- High acceptance of the neighbourhood
- Image profit for enterprises and employees
- Avoidance of legal confrontations

- Good relationships to neighbours, local function bearers, media, inspection and authorisation authorities
- Positive effects on internal communication and communication with customers

Benefits for residents and authorities

- Early information
- Incentives and recommendations for entrepreneurial plannings and decisions
- Insight into planning and authorisation records for neighbours
- Sensitisation of staff for neighbourly interests
- Negotiating of agreements and improvement proposals



Dr. Gotthard Wolf, World Foundryman Organisation (WFO), presenting the environmental award of the WFO on the 10. Neighbourhood dialogue to Dr. Uwe Bischoff, head of the foundry of Volkswagen Nutzfahrzeuge Hannover (left). The award was given to a project following the idea of integrated environmentalism and the neighbourhood dialogue.

Success factor 6: Binding dialogue partnership

Neighbourhood dialogues create reciprocal binding agreements: enterprises react on complaints, ideas and recommendations, give corresponding feedback and convert promises and improvements. Residents and authorities feel that their interests are considered and taken seriously. The neighbours are ready for factual and partially complex discussions and abstains from emotional or polemic arguments, resulting in a dialogue partnership, that both sides, however the permanent interest contrast is prevailing, are assessed as reliable and constructive and build confidence among the dialogue partners.

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<http://www.gewerbeaufsicht.niedersachsen.de> offers the following information download:

- this brochure
- the basic concept with further information and practice-orientated recommendations and checklists
- the newsletters with continuing information about the project course

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