Journal of
Professional Communication

jpc

Social license to operate:
Practical understanding of the concept and processes to attain and maintain it

Tatjana Laskovic★

City of Edmonton, Edmonton (Alberta)

ARTICLE INFO	**ABSTRACT**
	This study builds on previous research of social license with the goal of developing a deeper understanding of the concept at the practical and professional levels. The study explores four distinct perspectives of social license: community, business, regulatory, and public participation expert perspective. Additionally, the study seeks to understand the extent to which organizational behaviour affects the social license processes and the role of communication in processes related to social license. Overall, the study's findings show that the practical understanding of social license is not so different from the theoretical understanding of the concept. While participants emphasize that social license is actually a relationship, they also identify the importance of stakeholders' perceptions; organizational behaviour and performance; and the interests and values of organizations and stakeholders as key considerations in matters of social license.

The concept of social license to operate recognizes that business performance impacts society. Therefore, minimizing the costs and maximizing the benefits of business operations to society at large is increasingly becoming the norm. While no business is exempt from respecting the rights of everyone in the community (Boutilier & Thomson, 2011; McCabe, Whiteley, & Thomas, 2007), nowhere is this more obvious than in the natural resources development industries. These industries impose significant societal and environmental costs, often extending to communities near and far, and are increasingly under the constant and rigorous scrutiny of the global

★*Corresponding author (Tatjana Laskovic)*
Email: tajcika200@gmail.com

advocacy, regulator, and activist stakeholder groups.

   While social license is growing in importance, today's business realities present unique challenges to obtaining and maintaining this license. For example, trust – a foundation of any social license – is significantly insufficient in the relationships between the government, the business, and the public (Dare, Schirmer, & Vanclay, 2014; Edelman, 2015). In addition, the lack of common understanding, both in theory and practice, of the concept of social license makes the process of obtaining and maintaining it elusive (Prno, 2013). This makes it difficult for companies to operationalize the concept, resulting in further strategic implications specifically related to decision-making, stakeholder management, and communication management (Gunningham, Kagan, & Thornton, 2004; Prno, 2013). Another important challenge is the proliferation of social media and the rise of social activism, which enables numerous publics to take over the social license agenda and pressure companies to continuously prove that they want, deserve, and can maintain social license (Cleland, 2014; Yates & Horvath, 2013).

   These challenges present an opportunity to investigate the understanding of the concept among community and business representatives as well as professionals directly involved in helping organizations achieve desired goals of social license. As Canada's energy province, Alberta provides a suitable setting for exploring the dynamics of social license, with the Regional Municipality of Wood Buffalo in particular offering an appropriate context for this study. The region is home to the Athabasca oil sands – the largest reserve of crude bitumen in the world (Regional Municipality of Wood Buffalo, 2011). The extent of natural resource development in the region as well as collaboration-minded community, focused on long-term sustainability, are an excellent backdrop for investigating the practical understanding of the concept of social license. Additionally, as the research points out the need to probe the non-business perspectives on social license (Hall, Lacey, Cornish-Carr, & Dowd, 2015), this setting provides a unique opportunity to gauge the community perspective as well as the views of public participation experts, whose work directly addresses the matters of social license and spans the business, community, and regulatory understanding of the concept.

   Through the following research questions, this study explored how the concept of social license to operate is currently understood in practice, the extent to which organizational behaviour is perceived to affect the social license processes, and the role of communication in the organizational strategy related to social license:

RQ1: How is the concept of social license perceived in practice by the community, business, public participation experts, and regulatory representatives?

RQ2: How and to what extent does organizational behaviour affect the social license process?

RQ3: What role does communication play in processes related to social license?

Social license

The term 'social license' is attributed to a Canadian mining executive, Jim Cooney, who used it in the late 1990s to describe what he thought was a necessary condition for the successful future of the mining industry in terms of responding to society's expectations for responsible resource development (Prno, 2013; Thomson, 2015). Academics and business experts alike generally agree that social license is an intangible concept, tied to a range of perceptions that vast numbers of stakeholders – internal and external – hold about organizational leadership, behaviour, and performance; benefits and risks of specific projects; as well as interests and values inherent to the dynamics of relationships between organizations and their stakeholders (Dare et al., 2014; Hall et al., 2015; Howard-Grenville, Nash, & Coglianese, 2008; Kern, Sachs, & Rühli, 2007; Moffat & Zhang, 2014; Yates & Horvath, 2013).

Approval and *acceptance* are often identified as key elements of social license (Boutilier & Thomson, 2011; Dare et al., 2014; Gunningham et al., 2004; KPMG, 2013; Lansbury Hall & Jeanneret, 2015; Prno, 2013; Rooney, Leach, & Ashworth, 2014), arising in a cumulative fashion as organization builds *legitimacy*, *credibility*, and *trust* with relevant stakeholders (Boutilier & Thomson, 2011). Additionally, *trust* is most often recognized as the underlying principle of the entire notion of social license (Boutilier & Thomson, 2011; Bursey & Whiting, 2015; Cleland, 2013; Dare et al., 2014; KPMG, 2013; Moffat & Zhang, 2014; Yates & Horvath, 2013), underscoring the concept's fragile nature as well as the need for organizations to be aware of and consistent in their messages and actions.

Stakeholder engagement and *relationship building*, underscored by meaningful *dialogue*, are considered central aspects of efforts to obtain social license (Anderson & Bieniaszewska, 2005; Dare et al., 2014; Hall et al., 2015; Howard-

Grenville et al., 2008; Kent & Preister, 2013; Kern et al., 2007; KPMG, 2013; Lansbury Hall & Jeanneret, 2015; Prno, 2013; Yates & Horvath, 2013), while the overall *organizational behaviour* is a crucial factor that positively or negatively affects efforts to achieve social license (Davis & Franks, 2014; Hale & Belanger, 2015; KPMG, 2013; Moffat & Zhang, 2014; Prno, 2013; Yates & Horvath, 2013).

Context is another important consideration related to achieving social license (Prno, 2013). Ever changing attitudes, values, and broad socio-political trends affect individual perceptions, which are then reflected in matters of social license related to specific projects or organizations (Gunningham et al., 2004; Hall et al., 2015; Moffat & Zhang, 2014; Prno, 2013; Yates & Horvath, 2013). This emphasizes the dynamic nature of social license as well as the need for ongoing due consideration of specific "local conditions, needs, and customs" (Yates & Horvath, 2013, p. 9) in the processes related to attaining and maintaining social license.

In terms of measurements of social license, most research focuses on identifying factors that could indicate the presence or absence thereof (Boutilier & Thomson, 2011; Dare et al., 2014; Moffat & Zhang, 2014), including identifying tangible costs such as project delays, increased regulatory burdens, reduced market access, increased stakeholder pressure, and public criticism and litigation (Cleland, 2013; Dare et al., 2014) or perceived benefits of having a social license such as an improved corporate reputation, ongoing access to resources, reduced regulation, improved market competitiveness, strengthened stakeholder relationships and positive effects on employees (Dare et al., 2014). Other research suggests that a level of social license can be inferred from perceived quantities of other 'intangibles,' such as credibility, relationships, reputation, or trust (Boutilier & Thomson, 2011; Moffat & Zhang, 2014).

Social license and trust

Trust, like social license, is hard to define. However, in examining more than 30 definitions of trust, Watson (2005) found that the notion of expectations was at the root of most definitions. The trusted party needs to meet certain expectations, through words or actions, of the trusting party. This is an important point to consider given that social license itself rests on a company's efforts to deliver on the expectations of its stakeholders (Boutilier & Thomson, 2011; Gunningham et al., 2004; KPMG, 2013; Prno, 2013; Yates & Horvath, 2013). Moreover, considering Watson's (2005) findings, it is understandable why discussions of social license are ultimately considered the discussions of

public trust (Cleland, 2014; Laplume, Sonpar, & Litz, 2008).

In the context of relationships, Hon and Grunig (1999) identified three qualities of trust – integrity, dependability, and competence. Specifically related to relationships between communities and mining companies, Moffat and Zhang (2014) mention two types of trust. The first is 'integrity-based' trust, which reflects community's perceptions that a mining company is adhering to a set of principles (Mayer et al., 1995, & Kimetal, 2004, as cited in Moffat & Zhang, 2014). The second is 'competence-based' trust, which reflects the community's perception that a mining company has the skills and knowledge necessary to manage its operations in the interest of both the company as well as the community (Butler and Cantrell, 1984, as cited in Moffat & Zhang, 2014). Trust built on such concrete examples is also thought to act as a protective barrier in instances of organizational crises, preventing the immediate loss of social license (Moffat & Zhang, 2014; Yates & Horvath, 2013).

Additional research on social license found that responsiveness, fairness, and transparency – especially as related to disclosure of performance, including communicating the instances of negative events – in organizational messages and actions all underline the process for establishing and maintaining a social license and building trust (Dare et al., 2014; KPMG, 2013; Moffat & Zhang, 2013; Yates & Horvath, 2013).

Social license and stakeholder management

The interests of organizational stakeholders – from individuals and groups within the local community to networks of various stakeholders near and far – are a key component in matters of social license (Boutillier and Thomson, 2011; Gunningham et al., 2004; Kent & Preister, 2013; Yates & Horvath, 2013). Therefore, stakeholder management is prominent in discussions of social license.

More than 30 years ago, Freeman drew attention in the business management literature to a broader base of interests, recognizing that an organization should be managed according to the interests of all of its stakeholders, not just shareholders (Freeman, 1984, as cited in Laplume et al., 2008). In distinguishing three stakeholder theory types – normative, instrumental, and descriptive – Donaldson and Preston (as cited in Mellahi & Wood, 2003) emphasized the deliberate and culturally driven nature of stakeholder management strategies underlying each theory. For the discussion of social license, it is important to note that the main premise of the descriptive perspective takes into account

the multiplicity of stakeholders' views, values, and influences, as well as their combined effects on organizational behaviour (Brenner & Cochran, 1991, as cited in Mellahi & Wood, 2003).

Another relevant aspect of the descriptive perspective of stakeholder theory is its basis in resource dependence theory, which indicates that organizations must respond to the demands of those who control important resources necessary for their continued operation (Mellahi & Wood, 2003). This is similar to Post, Preston, and Sachs's (2002) notion of "stakeholder view" in organizational stakeholder management, which posits that an organization's ability to sustain its profitability depends on its relationships with critical stakeholders. All of these are important factors to consider, especially in the context of natural resources development, where companies have to continuously negotiate their rights to occupy land, use resources, and impose risks upon local communities in order to generate economic and social profits benefits.

While stakeholder theory recognizes the role of relationships in an organization's success, some researchers suggest that more attention needs to be given to the discussion of extremely negative and highly conflicting relations between organizations and stakeholders. To understand why and how organization-stakeholder relations change over time, Friedman and Miles (2002) proposed a model that combines stakeholder theory with a realist theory of social change and differentiation. This model highlights society's role in influencing individual perceptions through social interactions or events (Friedman & Miles, 2002). The model also stresses the importance of identifying different stakeholders to properly analyze the state of the organization-stakeholder relationships (Friedman & Miles, 2002).

Social license and public relations

The strong emphasis on relationships in the strategies and processes related to social license warrants a closer examination of the role public relations can play in an organizational approach to social license. For the purposes of the discussion of social license, a suitable definition of public relations comes from Flynn, Gregory, and Valin (Canadian Public Relations Society, 2008), who suggest that "public relations is the strategic management of relationships between an organization and its diverse publics, through the use of communication, to achieve mutual understanding, realize organizational goals and serve the public interest." This definition highlights the strategic management function of public relations from the perspectives of relation-

ship management and communications management. Both are relevant to the discussion of social license.

According to Grunig (2013), who introduced the notion of two-way symmetrical communication to public relations, at the heart of the practice is the cultivation of long-term, mutually beneficial relationships between organizations and their publics. This is accomplished through shared trust, satisfaction, and commitment (Institute for Public Relations, 1999), and it "is grounded in the moral duty to do what is right, based on universal norms of obligation" (Bowen, 2013, as cited in Duhé & Wright, 2013, p. 99). Further, Hon and Grunig (1999) posit that "relationships form because one party has consequences on another party" (p. 12). The authors also consider organization-public relationships to be "situation-specific" and "behaviour-dependent" (Institute of Public Relations, 1999, p. 13).

Building on this proposition, Hung (2005) suggested that organization-public relationships arise when "interdependence" between organizations and their strategic publics leads to "consequences that organizations need to manage constantly" (p. 396). According to Hung (2005), interdependence and the environments in which organizations operate trigger the formation of specific relationships. The types of relationships formed depend on which approach an organization takes to communication (Hung, 2005). Additional research on relationship management recognizes organization-public relationships as an essential element of strategic management processes, making them vital to organizational effectiveness (Men & Hung, 2012). Organization-public relationships are also considered to have a significant positive effect on public perceptions of an organization (Bruning, Castle, & Schrepfer, 2004) or serve as an effective platform for dialogue with publics (Bruning, Dials, & Shirka, 2008).

Regarding the role of communication in managing mutually beneficial relationships between organizations and their publics, Bruning, Dials, and Shirka (2008) suggest the focus should be on dialogue. Dialogue creates opportunities for an organization and its publics to engage in a two-way exchange of thoughts, ideas, and arguments, allowing all parties to better understand each other's needs (Bruning et al., 2008). Furthermore, Kaptein and Van Tudler (2003) maintain that, while stakeholder dialogue is highly effective at transforming a relationship of confrontation into one of collaboration, stakeholder dialogue can be the beginning of a new "social contract" (Kaptein & Van Tudler, 2003) driven by "the extent of urgency, the legitimacy and power of the stakeholders and the issues that arise, the stakeholders' willingness to cooperate, and the competencies of the company" (p. 215).

Van Ruler and Verčič (2003) describe dialogic communication as a strategic continuous learning process that, together with three other communication strategies – persuasive, informational, and relational – forms the reflective communication management approach. Van Ruler and Verčič (2003) view the reflective communication management approach as necessary for "[sustaining] the license to operate" (p. 25).

In terms of public relations, it is also important to understand the individuals or groups with whom an organization needs to develop relationships. Grunig's situational theory of publics posits that publics arise within any given context based on their perception of a problem, perceived power to solve the problem, and perceived personal connection to the overall situation where the problem is perceived to exist (Aldoory & Grunig, 2012). Botan and Soto (as cited in Sommerfeldt, 2012) recognize that the nature of shared interests brings organizations and groups of people together; publics continuously grow or diminish as dialogue unfolds between an organization and affected parties. In this sense, it is not necessarily the problem that underpins the existence of a given public; rather, it is the processes of developing agreements on issues that concern both parties (Sommerfeldt, 2012).

Social license and corporate social responsibility

Within the broader context of corporate social responsibility (CSR) – which provides a platform for an organization to manage its obligations to shareholders who have obligations to other stakeholders (Anderson, & Bieniaszewska, 2005; Banerjee, 2008; Carroll, 1991; Dahlsrud, 2006; Maclagan, 1999), social license to operate is typically understood as an underlying driver of corporate social behaviour that is embedded in the overall corporate CSR strategy (Carroll, 1991; Lotila, 2010; Trebeck, 2008). The need for a social license is perhaps most explicitly demonstrated in discussions of the "triple bottom line" approach to CSR, where some researchers see a direct link between an organization's license to operate and an organization's ability to create tangible value beyond finances, most successfully demonstrated through various community investment efforts (Kaptein & Van Tulder, 2003; Prexl & Signitzer, 2008).

While CSR activities are thought to be key in maintaining "social acceptance," Porter and Kramer (2008) are critical of the underlying tension between an organization and the society that seems to guide these activities. Specifically, in the case of a "license to operate," Porter and Kramer (2008) suggest that,

while this approach "offers concrete ways for businesses to identify social is-sues" (p. 82) and act accordingly, it transfers control of an organizational CSR agenda to stakeholders, who, in some cases, may not have legitimate claims or are unable to fully appreciate organizational business needs, capabilities, and required trade-offs (Porter & Kramer, 2008). Additionally, the "license to operate" approach does not add value to organizational decision-making, nor does it necessarily lead to longer-term win-win outcomes if an organization continuously has to concede to various pressures (Porter & Kramer, 2008).

Therefore, Porter and Kramer (2008) argue that effective corporate social agenda takes relationships between the organization and society into account and focuses on exploring points of mutual dependence that can effectively be addressed by both society and the organization; the result, this author would add, should reflect a meaningful "triple bottom line." Along these same lines, other researchers emphasize the need for businesses to understand their role in society. If an organization understands its role, it is better able to under-stand society's perspective on their corporate social responsibilities as well as factors that encourage society to affect corporate legitimacy (Carroll, 1991; Dahlsrud, 2006; Wood, 1991, as cited in Lotila, 2010; Pedersen, 2010).

Research method

This research study explored the extent to which theoretical propositions addressing key factors of social license and related processes are relevant in a setting defined by natural resource development. By investigating multiple perspectives and using a deductive method of social science research, this study sought to understand the practical aspects of social license.

Data collection procedure

This study relied on three data collection procedures: in-depth inter-views, documentation, and archival material. In-depth interviews were the main source of evidence. The following twelve individuals were interviewed:

- four individuals from the non-business sector and community oriented-groups in the Regional Municipality of Wood Buffalo;
- two individuals from one of the largest developers active in the Athabasca oil sands;

- five public participation experts; and
- one individual with an extensive background in public participation who contributed a regulatory perspective.

Documentary information included a review of annual reports, corporate social responsibility reports, media coverage, executive speeches, and other communications materials as well as publicly available corporate policies of seven major operators in the Athabasca oil sands: Athabasca Oil Corporation, Canadian Natural Resources Limited, Cenovus Energy, Conoco Phillips Canada, Imperial Oil Resources, Suncor Energy, and Syncrude. These operators were randomly selected from the Canadian Association of Petroleum Producers membership based on their established presence in the oil sands (Barnes, 2013). All of the operators were also invited to participate in interviews.

Archival records reviewed for this study included government regulations related to oil sands development, enforcement activity against the operators, and survey data produced by others relevant to this study.

Results

Interview Findings

RQ1: How is the concept of social license perceived in practice by the community, business, public participation experts, and regulatory representatives?

To better understand the practical views of the concept of social license, the data gathered for this question is reported under three main aspects: the meaning, process, and purpose of social license.

The meaning – What is social license?

Social license was consistently viewed as a relationship, albeit a very specific one, where an organization and the local community come together, on their own, and work on common interests. Terms like collaboration, understanding, personal connections, partnerships and involvement were most often used by interviewees to describe social license.

Most interviewees identified trust as the foundation of social license sim-

ply because trust is considered an inherent element of collaborative relationships. In this sense, trust was also identified as an outcome of those relationships. Some interviewees considered trust and social license to be the same.

Most interviewees viewed social license as distinct from regulatory license. Some interviewees used the terms "community support" or "citizen-based regulatory process" in reference to social license. The term 'license' was considered inappropriate for several reasons: it implies legal permissions, relates to a clearly defined regulatory process, has permanence, and is authoritative. By contrast, social license was thought to be about the needs of the community and the businesses. The concept was further described as a "verbal contract that arises from an acceptable level of trust" or an "unwritten understanding between proponents and stakeholders that projects would proceed in a way that meets various parties' interests."

Social license has an explicit 'local' connotation. Most interviewees acknowledged the intangibility of social license, though they pointed out visible signs that a community is making efforts related to social license. Various forms of community investment and partnering initiatives were most often cited as examples of concrete social license indicators. In terms of ongoing or proposed projects, "silence" was identified as the main indicator of social license. Some interviewees believe that "vocal opposition," "protests," or similar interferences and objections are an indirect way to enforce social license. Others believe that the only way for a community to enforce social license is through media.

Community representatives also emphasized that social license is not necessarily about the demands/expectations of the community. The community is simply looking for collaboration, joint problem solving, and input into decision-making.

The process – How is social license established? Who is involved?

Social license was viewed as a process of building, maintaining, and managing relationships and, by extension, trust. Most respondents mentioned some form of "community engagement" or "public participation/involvement," such as "consultation," "collaboration," and "input seeking" as ways to establish social license. To manage and maintain social license is to "nurture relationships with the community" through "dialogue," "responsiveness," and "ongoing contact." Interviewees emphasized the need for both the community and the organization to consciously own their sides of the relationship and the responsibilities that come with it.

The next crucial element in the process of social license is having an understanding of who is involved. Most interviewees suggested that the focus is on the "local community/stakeholders," "geographical community," "those directly affected," or "those who matter." Community representatives suggested that it is the local community who hosts the companies, who comprises the companies' workforces, who bears the costs and benefits of development, and whose perspective is therefore vital.

To identify "those who matter," one of the interviewees suggested that the process of social license begins with the question, "Who are the communities or people we need to have a relationship with?" Therefore, the process of establishing a social license with the right people and communities "begins with a [company's] understanding of what makes communities/people perceive themselves to be affected by what [the company] is doing." The same interviewee strongly suggested acknowledging perceptions of the project because perceptions "give away concerns" that will need to be addressed throughout the project. From there, the process of social license is a cycle that constantly repeats itself in five basic steps: 1) hear the concern; 2) acknowledge the concern; 3) promise to respond to the concern; 4) respond to the concern or "keep the promise;" 5) repeat. The interviewee likened the process to a "spiral of trust," where one is always spiralling up as opposed to stagnating, because trust has to be sustained constantly.

Several other interviewees acknowledged the importance of perceptions, especially perceptions of risks and anything that could affect project development. The interviewees also suggested looking beyond the geographical area or focusing solely on the communities that are "right next to the development" when making decisions related to community engagement.

The notion of "keeping the promise" emerged in several interviews. It seems to underline the processes of social license, especially the company's side of the relationship. In some cases, the interviewee mentioned "keeping the promise" while suggesting that "the whole reason we're in the situation now with the need for social license is because of lost trust" or "that's what you do in a relationship – you do what you say you will do" and "you've made a commitment; you need to keep it."

Social media was also discussed, largely positively, as having a role in the processes of social license. According to interviewees, social media provides a "balance of issues" and an opportunity for a "two pronged approach to social license" by allowing a company "to target those directly impacted by the project and address those who are not in the community."

The purpose – Why pursue social license?

The answer to this question can be summarized as – it's good business. The ultimate drivers of social license are undoubtedly economic ones. Interviewees pointed out that social license is fundamentally about "continuation and progress of the business;" it is about "creating a social fabric that supports economic development;" it is a way "to integrate economic and social imperatives for business operations because successful corporations mean successful society" or, as one community representative pointed out, "By giving social license, you are bettering your own economy."

Specific business needs fulfilled through social license are about maximizing the benefits and minimizing the costs of projects and relate to managing resource access, identifying and managing risks, managing timelines, managing regulatory approvals, predicting costs, managing reputational risks, building reputation capital, making better decisions with community input, and building "forgiveness capital," as one interviewee suggested. Business representatives and public participation experts stated that all of these business needs arise from the inherent obligation every company has to its shareholders. However, it is important to understand that obligations to shareholders are "fulfilled through obligations to stakeholders." Therefore, social license is also considered a "prudent and preferable business strategy."

The underlying driver of this business strategy is demonstrating corporate responsibilities to society through strong community relations. This is demonstrated through "competent public consultation processes," "proactive visibility" in the community, "genuine involvement in the community – financially and through human resources," "concerted efforts to identify and respond to community interests," and a "genuine commitment to community investment and relationships." The interviewees believed that the fulfillment of corporate social responsibilities comprised a "moral" side to a social license, though most of them maintained that this is inherently rooted in business needs and realizing economic gain.

In general, community investment and community partnerships emerged as common themes, capturing how companies can essentially manage the interests of both stakeholders and shareholders.

RQ2: How and to what extent does organizational behaviour affect the social license process?

Based on the understanding of social license established in the previous section, it should not come as a surprise that organizational behaviour matters. The data gathered for this question revealed that organizational behaviour is key to "upholding" a social license, as it creates favourable conditions for establishing and maintaining relationships.

When it comes to matters of social license, interviewees stated that organizational behaviour is important on two levels: 1) business performance and 2) specific demonstrated behaviours towards a community and stakeholders. Interviewees identified a range of specific behaviours that demonstrate genuine commitment to community involvement, including listening; understanding/demonstrating empathy; being open on several levels: open communication, open to collaboration, and open to accepting contentions; being transparent; acknowledging concerns; demonstrating competence; and demonstrating consistency in words and actions.

When discussing organizational behaviour, most of the interviewees discussed behaviours in relation to a specific community or development. This indicates that the notion of "local" is of great importance. However, there were also references to a corporation's performance record in general – historical and in other places – and to the overall company reputation, which can have a significant impact on the decisions related to any community or project.

In discussions of organizational behaviour, culture emerged as the underlying factor that "sets the tone for social license." Culture is at play on two levels: the community culture and the organizational culture. First, community representatives pointed out that they want to see "proactive visibility in the community" of company leadership and other staff, as well as efforts on the part of the new leadership and new companies, to understand the community they have entered. Essentially, the community needs to get a sense of a company's culture. Many interviewees pointed out that internal culture of "good working environments," "having fair practices and treating their employees right," or "having loyalty among their staff" is a "cue for social license."

Second, an organizational approach to social license has to permeate the organization's culture. An organization has to be very clear on what social license means to business operations and what the organization is trying to achieve through social license. A clear strategy will help define appropriate business practices and policies for operations and conduct of everyone in the organization, from leadership and employees to vendors, contractors, or any-

one else who could represent the organization.

RQ3: What role does communication play in processes related to social license?

Interviewees overwhelmingly identified communication as the "critical piece" in building and maintaining connections with the community. Interviewees established the difference between what is and is not communication in terms of social license.

Starting with what communication is, and to build on the data reported in the previous section, most interviewees agreed that "communication has to match the behaviour" of an organization. "Good," "clear," "open," and "honest" communication was thought to "set the foundation of social license." Communication was also described as "active listening" because "a company needs to hear what the community is saying."

In terms of communication being a two-way process, some of the interviewees specifically pointed out that 'two-way' includes sharing information and seeking input into decision-making. Seeking input is where communication evolves into engagement, and dialogue becomes the main form of interaction between a company and the community or stakeholders. According to most interviewees, dialogue facilitates mutual understanding as well as open and collaborative environments that support problem solving.

When it comes to explaining what communication is not, most of the interviewees stressed that "typical PR stuff like glossy annual reports, radio ads, brochures, or media appearances" – even though these are the focus of many communications departments – does not help in building relationships. Therefore, one-way communication efforts of "sending messages and not planning to receive messages back or not intending to respond" were considered to be a habit of public relations-minded communications departments/organizations rather than public participation-minded communications departments/organizations.

Other supporting evidence

The review of relevant documentary evidence revealed that companies invited to participate in this study have comprehensive organizational strategies to support social license efforts. The mentions of these efforts – concentrated around the themes of stakeholder and Aboriginal relations;

environmental performance; community investment in arts, social services, community programs, and education; technology innovation; and the health and safety of workers and surrounding communities – dominate the companies' sustainability/corporate responsibility reports (Athabasca Oil Corporation, 2016; Canadian Natural Resources, 2016b; Cenovus Energy, 2016a; ConocoPhillips Canada, 2016; Imperial Oil, 2016; Suncor, 2016b; Syncrude, 2016c). Furthermore, the scan of the companies' websites and available corporate policies shows that *acceptance* and long-term *relationships* are underlying reasons for pursuing social license. "Integrity," "respect," "open communication," "transparency," "responsiveness," "accountability," "innovation," and "good operating record" are terms most often used in positioning the corporate behaviour that stakeholders should expect to see, while "collaboration," "proactive engagement," and "seeking input" is what companies are asking of stakeholders (Athabasca Oil Corporation, 2016; Canadian Natural Resources, 2016a; Cenovus Energy, 2016b; ConocoPhillips Canada, 2016; Imperial Oil, 2016; Suncor, 2016a; Syncrude, 2016a; Syncrude, 2016b; Syncrude, 2016c).

Further, the Canadian Association of Petroleum Producers (CAPP) (Annesley, 2014) suggests that performance – specifically demonstrated through economic and social benefits as well as environmental performance, including monitoring and timely, transparent reporting – is one of the two building blocks of social license framework for oil sands companies. Performance is also the foundation for communication and engagement, the second building block of the social license framework (Annesley, 2014).

The Canadian Association of Petroleum Producers (2015) also indicates that its member companies actively engage local communities on proposed developments and participate in numerous partnerships and industry-wide initiatives that promote the economic and social wellbeing of the communities surrounding oil sands development. Furthermore, a CAPP survey of communities directly affected by oil and gas development has found that the "majority of residents feel the industry is responsive and a valuable member of the community" (Canadian Association of Petroleum Producers, 2015, p. 13).

Discussion

Taken together, the results of this study provide important insights into the practical understanding of social license, specifically related to the unique community setting of oil sands development. Overall, there was minimal divergence of views among the four distinct perspectives explored in the study

– community, business, public participation, and regulatory. Additionally, the study findings showed that a practical understanding of social license does not vastly diverge from a theoretical understanding of the concept. While the study participants emphasized that social license is actually a relationship, the importance of stakeholders' perceptions; organizational behaviour and performance; and the interests and values of both the organization and stakeholders were still identified as key considerations in matters of social license. Trust was also identified as a defining feature that supports the continuation of social license.

Most of the study participants viewed social license as distinct from regulatory license. In addition, several study participants noted the need for greater synergy between regulatory and social license processes, or at least increasing the understanding among stakeholders of how the two complement each other. Exploring this point further would help to raise awareness of opportunities for public participation that are already enabled by the regulatory process and to increase the credibility of regulatory decisions.

In discussing the processes of social license, participants emphasized the importance of perceptions and the need for personal connections with those that matter. Overall, participants identified relationships with local communities as being vital to the success of an organization's pursuit and maintenance of social license simply because local communities and stakeholders have specific interests and values, and an organization has to demonstrate their desire to discuss and address these interests and values to the fullest extent. Most participants also emphasized that organizations have a responsibility to seek out those with whom they may need to establish a relationship and to anticipate changes in the business environment that may impact stakeholders' perceptions. This highlights the strategic nature of social license processes, where it is crucial to understand business goals as well as the risks bearing on the achievement of those goals. This also highlights a clear role of business management functions, such as relationship management and communication management, in processes related to social license.

As for the measurement of social license, some study participants highlighted the intangible or unquantifiable nature of the concept. Social license was not considered to be something that is directly measured. Rather, social license can be inferred from several things: reputation measurements; the general quality of relationships with surrounding communities; good regulatory relationship and standing; and general "silence" about organizational activities. The community representatives also mentioned visible signs of community investment as an indicator that a company is making an effort to establish

relationships with the community. Some research suggests that community investment is a way for companies to create shared value for the company and for the community where the company operates (KPMG, 2013). That the community is taking note of these efforts is a good sign for the industry.

Conclusions

This study builds on previous research of social license by providing a deeper understanding of the concept in practice and including non-business perspectives on social license in research. In addition to supporting the main theoretical propositions about social license, the study's findings reveal that, in practice, social license is thought of as a relationship. This relationship is fundamentally affected by organizational behaviour and further shaped by organizational strategy. Specific factors underlying organizational behaviour are competence, consistency, and credibility. Specific factors underlying organizational strategy are communication, focus on stakeholder perceptions, and the extent to which an organization as a whole can embody an approachable personality. To this end, the processes of establishing and maintaining social license are of great importance.

In matters of social license, it is important for organizations to note the following:

1. **Character matters.** Credibility, dependability, and competence are key to upholding social license. Therefore, the most powerful weapons in the organization's arsenal are its own culture and values, which reflect in the organization's behaviours and permeate their interactions with stakeholders.
2. **Talk is cheap.** Communication has to be supported by evidence of relevant performance, and stakeholders should be able to see that an organization is fulfilling its promises.
3. **You are judged by your own example.** Demonstrated organizational behaviour spans time and place, and a history of an organization's performance record – including the quality of its relationships with stakeholders – is the best indicator of an organization's future performance and conduct in relation to stakeholders. In today's business environment, when building relationships, you never start from a clean slate.
4. **Details are important.** Organizations should consider any issue raised by stakeholders, no matter how small, to further the process of establishing

social license. In other words, "nobody trips over mountains; it is the small pebble that causes you to stumble. Pass all the pebbles in your path and you will find you have crossed the mountain."

5. **Do not assume you know your stakeholders.** Norms, values, and interests are active forces that reflect in stakeholders' perceptions and constantly change the organizational stakeholder landscape. Knowing who is important, when, and how in relation to what an organization is doing is paramount to achieving social license.

Limitations

The small sample size and extremely low representation of business perspectives are the main factors limiting the generalization of findings to a broader understanding of social license in practice. Additionally, as there is limited research exploring non-business perspectives on social license; this study is limited by not having a body of research to build on and use in the interpretation of results. This study would also benefit from participation of public relations experts, given that the participants' perspectives are solely founded on an understanding of public relations as a one-way symmetrical/asymmetrical function.

Future research

In addition to further exploring the role of public relations in organizational efforts to establish social license, specifically related to facilitating a "stakeholder view" of the organization and enhancing organizational relationship management strategies, this study provides several other opportunities for research, especially in the areas of stakeholder management, organizational behaviour and culture, leadership, relationship management, and ethics. Additionally, replicating this study in several other communities across Alberta, including communities not in the vicinity of any natural resource development, could reveal other important factors related to social license, especially those that bear on the acceptance of an organization and its activities.

References

Aldoory. L., & Grunig, J. E. (2012). The rise and fall of hot-issue publics: Relationships that develop from media coverage of events and crises. *International Journal of Strategic Communication, 6* (1), 93-108. doi: 10.1080/1553118X.2011.634866

Anderson, C. L., & Bieniaszewska, R. L. (2005). The role of corporate social responsibility in an oil company's expansion into new territories. *Corporate Social Responsibility and Environmental Management, 12*(1), 1-9. doi: 10.1002/csr.071

Annesley, J. (2014). *Toronto Star Editorial Board CAPP presentation* [PowerPoint slides]. Retrieved from http://www.capp.ca/~/media/capp/customer-portal/documents/243382.pdf?la=en

Athabasca Oil Corporation. (2016). *Corporate responsibility.* Retrieved from https://www.atha.com/corporate-responsibility/

Banerjee, S. B. (2008). Corporate social responsibility: The good, the bad and the ugly. *Critical Sociology, 34*(1), 51-79. doi: 10.1177/0896920507084623

Barnes, D. (2013, October 30). Alberta's oil sands epic stretches back more than a century. *Edmonton Journal.* Retrieved from http://www.edmontonjournal.com/business/history+Alberta+oilsands+epic+stretches+back+more+than/9109610/story.html

Boutilier, R. G., & Thomson, I. (2011). *Modeling and measuring the social license to operate: Fruits of a dialogue between theory and practice.* Retrieved from http://socialicense.com/publications.html

Bruning, S. D., Castle, J. D., & Schrepfer, E. (2004). Building relationships between organizations and publics: Examining the linkage between organization public relationships, evaluations or satisfaction, and behavioral intent. *Communication Studies, 55*(3), 435-446.

Bruning, S. D., Dials, M., & Shirka, A. (2008). Using dialogue to build organization–public relationships, engage publics, and positively affect organizational outcomes. *Public Relations Review, 34*(1), 25-31. doi:10.1016/j.pubrev.2007.08.004

Bursey, D., & Whiting, V. (2015, May). Rethinking social license to operate: A concept in search of definition and boundaries. *Environment and Energy Bulletin, 7*(2). Retrieved from http://www.bcbc.com/content/1708/EEBv7n2.pdf

Canadian Association of Petroleum Producers. (2015). *Responsible Canadian Energy progress report 2014*. Retrieved from http://www.capp.ca/responsible-development/responsible-canadian-energy/rce-reports

Canadian Natural Resources. (2016). *Our business approach*. Retrieved from http://www.cnrl.com/about-cnq/our-business-approach.html

Canadian Natural Resources. (2016). *Stewardship report to stakeholders*. Retrieved from http://www.cnrl.com/corporate-responsibility/stewardship-report/

Canadian Public Relations Society. (2008). *CPRS public relations definition*. Retrieved from http://www.cprs.ca/aboutus/mission.aspx

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of moral stakeholders. *Business Horizons, 34*(4), 39-48.

Cenovus Energy. (2016). *Corporate responsibility*. Retrieved from http://www.cenovus.com/responsibility/index.html

Cenovus Energy. (2016). *Expect respect program*. Retrieved from http://www.cenovus.com/responsibility/expect-respect-program.html

Cleland, M. (2013). *Unpacking social license: Toward a framework for addressing the social license challenge facing the natural resource sector* (Canada West Foundation's Centre for Natural Resources Policy Research Report). Retrieved from http://cwf.ca/research/publications/unpacking-social-license-discussion-paper/

Cleland, M. (2014). *From the ground up: Earning public support for resource development*. Retrieved from http://cwf.ca/pdf-docs/publications/From%20the%20Ground%20Up%20Report%20v9.pdf

ConocoPhillips Canada. (2016). *Sustainable development process*. Retrieved from http://www.cpcsustainability.com/our-approach/our-sustainable-development-process.cfm

Dahlsrud, A. (2006). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management, 15*(1), 1-13. doi: 10.1002/csr.132

Dare, M. L., Schirmer, J., & Vanclay, F. (2014). Community engagement and social license to operate. *Impact Assessment and Project Appraisal, 32*(3), 188-197.

Davis, R., & Franks, D. (2014). Costs of company-community conflict in the extractive sector. *Harvard Kennedy School Corporate Social Responsibility Initiative*. Retrieved from http://www.hks.harvard.edu/m-rcbg/CSRI/research/Costs%20of%20Conflict_Davis%20%20Franks.pdf

Duhé, S., & Wright, D. K. (2013). Symmetry, social media, and the enduring imperative of two-way communication. In J.-N. Kim, K. Sriramesh, & A. Zerfass (Eds.), *Public relations and communication management: Current trends and emerging topics* (pp. 93-107). New York, NY: Routledge.

Edelman. (2015). *2015 Edelman trust barometer global results*. Retrieved from http://www.edelman.com/insights/intellectual-property/2015-edelman-trust-barometer/global-results/

Friedman, A. L., & Miles, S. (2002). Developing stakeholder theory. *Journal of Management Studies, 39*(1), 1-21.

Grunig, J. E. (2013). Furnishing the edifice: Ongoing research on public relations as a strategic management function. In J.-N. Kim, K. Sriramesh, & A. Zerfass (Eds.), *Public relations and communication management: Current trends and emerging topics* (pp. 1-26). New York, NY: Routledge.

Gunningham, N., Kagan, R. A., & Thornton, D. (2004). Social license and environmental protection: Why businesses go beyond compliance. *Law & Social Inquiry, 29*(2), 307-341.

Hall, N., Lacey, J., Cornish-Carr, S., & Dowd, A.-M. (2015). Social license to operate: Understanding how a concept has been translated into practice in energy industries. *Journal of Cleaner Production, 86*, 301-310. doi: http://dx.doi.org/10.1016/j.jclepro.2014.08.020

Hale, G., & Belanger, Y. (2015). *From "social license" to "social partnership:" Promoting shared interests for resource and infrastructure development (Commentary no. 440)*. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2699104

Howard-Grenville, J., Nash, J., & Coglianese, C. (2008). Constructing the license to operate: Internal factors and their influences on corporate environmental decisions. *Law & Policy, 30*(1), 73-107.

Hung, C. F. (2005). Exploring types of organization-public relationships and their implications for relationship management in public relations. *Journal of Public Relations Research, 17*(4), 393-425.

Imperial Oil. (2016). *Community & society*. Retrieved from http://www.imperialoil.ca/Canada-English/community_ccr2009.aspx

Institute for public relations. (1999). *Guidelines for measuring relationships in public relations*. Gainesville, FL: Hon, L. C., & Grunig, J. E.

Kaptein, M., & Van Tulder, R. (2003). Toward effective stakeholder dialogue. *Business and Society Review, 108*(2), 203-224.

Kent, J. A., & Preister, A. (2013, October 21). *A social license to operate in the 21st century: Overcoming the clash of two cultures. Oil and Gas Facilities*. Retrieved from http://www.energycentral.com/utilitybusiness/businesscorporate/articles/2756/A-Social--to-Operate-in-the-21st-Century-Overcoming-the-Clash-of-Two-Cultures/

Kern, I., Sachs, S., & Rühli, E. (2007). Corporate responsibility from an industry structure perspective: Stakeholder relations and maintaining the license to operate – a comparative case study of the Swiss telecommunications industry. *Corporate Governance, 7*(4), 446-454.

KPMG. (2013). *The community investment divided: Measuring the value of community investment to support your social license to operate*. Retrieved from http://www.kpmg.com/ZA/en/IssuesAndInsights/ArticlesPublications/Mining-Indaba/Documents/the-community-investment-dividend.pdf

Lansbury Hall, N., & Jeanneret, T. (2015). Social license to operate: An opportunity to enhance CSR for deeper communication and engagement. *Corporate Communications: An International Journal, 20*(2), 213-227. doi: 10.1108/CCIJ-01-2014-0005

Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management, 34*(6), 1152-1189. doi: 10.1177/0149206308324322.

Lotila, P. (2010). Corporate responsiveness to social pressure: An interaction-based model. *Journal of Business Ethics, 94*(3), 395-409. doi: 10.1007/s10551-009-0272-0

Maclagan, P. (1999). Corporate social responsibility as a participative process. *Business Ethics: A European Review, 8*(1), 43-49.

McCabe, M., Whiteley, A., & Thomas, G. (2007). Business, government, and community relationships. *International Review of Business Research Papers, 3*(2), 221-232.

Mellahi, K., & Wood, G. (2003). The role and potential of stakeholders in "hollow participation:" Conventional stakeholder theory and institutionalist alternatives. *Business and Society Review, 128*(2), 183-202.

Men, L. R., & Hung, C. F. (2012). Exploring the roles of organization-public relationships in the strategic management process: Towards an integrated framework. *International Journal of Strategic Communication, 6*(2), 151-173. doi:10.1080/1553118X.2011.605778

Moffat, K., & Zhang, A. (2014). The paths to social license to operate: An integrative model explaining community acceptance of mining. *Resources Policy, 39*, 61-70. doi: 10.1016/j.resourpol.2013.11.003

Pedersen, E. R. (2010). Modelling CSR: How managers understand the responsibilities of business towards society. *Journal of Business Ethics, 91*(2), 155-166. doi: 10.1007/s10551-009-0078-0

Porter, M. E., & Kramer, M. R. (2008). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review, 84*(12), 78-92.

Post, J. E., Preston, L. E., & Sachs, S. (2002). Managing the extended enterprise: The stakeholder view. *California Management Review, 45*(1), 6-28.

Prexl, A., & Signitzer, B. (2008). Corporate sustainability communications: Aspects of theory and professionalization. *Journal of Public Relations Research, 20*(1), 1-19. doi: 10.1080/10627260701726996

Prno, J. (2013). An analysis of factors leading to the establishment of a social license to operate in the mining industry. *Resources Policy 38*(4), 577-590.

Regional Municipality of Wood Buffalo. (2011). *Municipal development plan.* Retrieved from http://www.rmwb.ca/Doing-Business/Municipal-Development-Plan.htm

Rooney, D., Leach, J., & Ashworth, P. (2014). *Doing the social in social license. Social Epistemology, 28*(3-4), 209-218. doi: http://dx.doi.org/10.1080/02691728.2014.922644

Sommerfeldt, E. J. (2012). The dynamics of activist power relationships: A structurationist exploration of the segmentation of activist publics. *International Journal of Strategic Communication, 6*(2), 269-286. doi: 10.1080/1553118X.2012.686256

Suncor. (2016). *Community investment.* Retrieved from http://www.suncor.com/en/community/297.aspx

Suncor. (2016). *Sustainability*. Retrieved from http://www.suncor.com/en/responsible/302.aspx?linkid=hS&RD

Syncrude. (2016). *Ethics and business conduct*. Retrieved from http://www.syncrude.ca/our-company/ethics-and-business-conduct/

Syncrude. (2016). *Stakeholder relations*. Retrieved from http://www.syncrude.ca/community/stakeholder-relations/

Syncrude. (2016). *Sustainability report*. Retrieved from http://syncrudesustainability.com/2014/

Thomson, I. (2015, November). Corporate social responsibility: The social license to operate a mine. *International Resource Journal*. Retrieved from http://www.internationalresourcejournal.com/mining/mining_november_12/the_social_license_to_operate_a_mine.html

Trebeck, K. (2008). Exploring the responsiveness of companies: Corporate social responsibility to stakeholders. *Social Responsibility Journal, 4*(3), 349-365. doi:10.1108/17471110810892857

Van Ruler, A. B., & Verčič, D. (2003, May). *Reflective communication management, A public view on public relations.* Paper presented at the 53rd Annual Conference of the International Communication Association, San Diego, CA. Retrieved from http://195.130.87.21:8080/dspace/bitstream/123456789/534/1/Reflective%20Communication%20Management_a%20Public%20View%20on%20Public%20Relations.pdf

Watson, M. (2005). *Can there be just one trust? A cross-disciplinary identification of trust definitions and measurement*. Submitted to the Institute for Public Relations for the 2004 Ketchum Excellence in Public Relations Award. Retrieved from http://www.instituteforpr.org/topics/trust-definitions-measurement/

Yates, B. F., & Horvath, C. L. (2013). *Social license to operate: How to get it, and how to keep it*. Pacific Energy Summit 2013 Summit Working Papers. Retrieved from http://nbr.org/research/activity.aspx?id=305