Meaningful dialogue outcomes contribute to laying a foundation for social licence to operate

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ABSTRACT

Social Licence to Operate (SLO) has become an important part of discourse in the extractive industries. It has been argued that attaining a social licence requires meaningful stakeholder engagement and, more specifically, dialogue. The links between social licence and dialogue have not been the subject of much research in the resource context. To address this gap, we examined empirically the perceptions of stakeholder engagement practitioners involved in the extractives industries regarding the outcomes that can result from dialogue in SLO engagement processes. Dialogue, when meaningful, was seen to potentially result in sixteen outcomes some of which were trust, relationships, perceptions of fairness, social acceptance, shared decision-making, and legitimacy. Many of these outcomes have previously been proposed to be integral to the development of SLO in both the academic and popular literature. This article, then, offers a synthesis of and an empirical foundation for such recommendations, and in doing so can inform the design of engagement strategies. We also offer a conceptual contribution to the social licence literature by proposing that some of these central factors of SLO, and outcomes of dialogue, be reconceptualised to add a layer of depth to our understanding of processes in this context. Finally, this investigation reveals areas that future research and development of practice in SLO stakeholder engagement can address.

1. Introduction

The need to attain a social licence to operate (SLO) was recently ranked as third on a list of the top ten industry challenges (Ernst and Young, 2015), and it continues to be front and centre in the discourse of both the extractives industries and in natural resources management (NRM) more broadly. SLO can be defined as an *ongoing and fluid level of acceptance by stakeholders, at multiple levels, which may be revoked at any stage of the project lifecycle based on changes in perceptions, and reflective of the relationships between a company and its external stakeholders*, according to recent literature (Franks et al., 2010; Moffat et al., 2015; Prno and Slocombe, 2012; Thomson and Boutilier, 2011). The drivers for achieving SLO and the role of dialogue in SLO as portrayed in academic literature provide an important context for understanding professionals' perceptions of desirable outcomes from dialogue.

1.1. Drivers of social licence to operate

Increasing amounts of research have focussed on how to attain and maintain a social licence (e.g. International Council of Mining and Metals, 2015b; Litmanen et al., 2016; Moffat and Zhang, 2014; Moffat et al., 2014; Ross et al., 2014; Thomson and Boutilier, 2011). Across these models, the development of social acceptance (used as the most predominant proxy for social licence) has been linked to factors such as perceptions of trust, fairness (procedural and distributive), governance capacity, familiarity with development, legitimacy, credibility, respect, compatibility of interests, impacts, contact quality, contact quantity, identity, and risk. However, the mechanisms or processes through which positive stakeholder perceptions of such factors are developed has undergone little explicit examination.

The importance of relationships among a company and its stakeholders in relation to SLO is increasingly recognised in both academia and in practice (e.g. Mercer-Mapstone et al., under review; Moffat et al., 2015; Prno and Slocombe, 2012). Yet, this area has also received little empirical examination. To address these gaps – in engagement strategies that support social licence and those that support positive company-stakeholder relations – we examine the role of dialogue in achieving outcomes that may contribute to the establishment and maintenance of a social licence.

1.2. The role of dialogue in SLO

'Meaningful' stakeholder engagement and communication have been proposed to be of central importance to SLO and social acceptance (Basu et al., 2015; Moffat and Zhang, 2014; Moffat et al., 2014; Thomson and Boutilier, 2011; Warhurst, 2001; Williams and Walton, 2013). Dialogue, as one mechanism of engagement, has been argued to be of particular importance in making engagement meaningful, authentic or inclusive (Kuch et al., 2013; Williams and Walton, 2013). Collaborative approaches to engagement, such as dialogue, have been portrayed as important in ensuring that stakeholder engagement transcends a 'transactional' view of social licence that can result in conflict or marginalisation (Owen and Kemp, 2013). Here, 'transactional' refers to actions that 'tick a box' for regulatory purposes or to satisfy some company policy without representing genuine mutual engagement. 'Meaningful dialogue' to build relationships, trust, and social acceptance has been called for (Kuch et al., 2013; Prno, 2013; Williams and Walton, 2013). The extent to which this rhetoric translates into practice, however, is not well understood conceptually or empirically.

The empirical evidence that is available suggests that there is merit to such claims. Moffat and Zhang (2014) found that, in the context of a coal seam gas (CSG) development, the quality of contact among communities and companies was a driver of trust, and thus, acceptance. Gillespie et al. (2016), also working in the context of CSG, identified communication and interaction as one mechanism than builds a community's trust in industry proponents – if the communication is genuine. Despite such evidence and the prevalence of claims of importance across academia and industry (see, for example: International Council of Mining & Metals, 2015a; Santos GLNG, 2012; Williams and Walton, 2013; Yates and Horvath, 2013), there remains a dearth of empirical research to reveal the nature of the relationships between drivers of social licence and dialogue.

To build on the scope of currently recorded evidence, we sought to document the outcomes that dialogue might achieve in the context of attempts to gain social licence to operate, as seen by community engagement practitioners. These practitioners are responsible for the design, implementation, and evaluation of stakeholder engagement strategies, and they hold a wealth of tacit knowledge. Thus, we pose the question: *What outcomes do stakeholder engagement practitioners aim to achieve, or see being achieved, through dialogue in the context of social licence to operate processes?*

2. Methods

We employed in-depth, semi-structured interviews to explore the above research question. Interview participants, recruitment, and interview protocol are described below.

2.1. Interviewee recruitment

Interviewees included a diversity of 'expert' stakeholders with a familiarity with 'social licence to operate' and experience in stakeholder engagement fields within NRM. 'Expert' describes those people whose job focuses on the design, implementation, research, and evaluation of various aspects of stakeholder engagement. Interviewees were employed in a variety of natural resource sectors or contexts, including: industry, research institutions, government, and independent consulting.

A list of potential interviewees was compiled based on relevance of experience. A snowball sampling approach was used by asking initial interviewees for recommendations for other contacts. Interviewees were provided with overarching interview questions; an information sheet and consent form; and a request for an interview. Of the resulting 25 interviews conducted, 12 of the interviewees were female and 13 were male. Interviews were conducted across Canada and Australia

with 13 interviewees from the former and 12 from the latter. Illustrative job titles of interviewees included: Senior social performance advisor, Community engagement specialist, Stakeholder and advocacy manager, Director of sustainable mineral resource development, Policy analyst, and Manager of aboriginal affairs.

Interviewees came from a broad range of disciplinary background across, for example, social sciences, engineering, science, and law. Interviewees reflected on their experiences in a broad range of contexts, including experiences across 17 countries (from Asia, Africa, Australasia, South America, and North America) and 15 renewable and non-renewable energy industries, as well as other land use contexts, such as agriculture and fisheries.

2.2. Data collection

In-depth, semi-structured interviews were conducted with 25 individuals by the lead author between May – August 2016. Interviews lasted from 30 min to three hours. Interviews were conducted in person or via telecommunications, and they were digitally recorded and transcribed. Interviewees were asked the questions: *What outcomes do you hope to achieve when you engage in dialogue?* and *What outcomes do you see being achieved from meaningful dialogue?* Interviewees were asked to consider their answers within the context of 'social licence to operate' following a brief discussion to establish their understanding of that concept.

No further interviews were conducted once preliminary and ongoing thematic analysis throughout data collection (conducted by the lead author) indicated that theoretical saturation had been reached, as few new concepts were arising in successive interviews (Creswell, 1994). The results presented here are part of a larger interview dataset for which ethics approval was granted by the University of Queensland Sustainable Minerals Institute Ethical Review Committee (Approval Number: 16-001).

2.3. Analysis

Thematic analysis was used to analyse the transcribed interviews. Thematic analysis is a foundational method for qualitative research. It is flexible and powerful in providing an analysis of data that is detailed, rich, and complex (Braun and Clarke, 2006). We adopted the Braun and Clarke (2006) six-phase approach to thematic analysis, which applies a rigorous strategy to coding of the data into themes and subthemes through iterative cycles of reading, coding, defining, and summarising.

A codebook was developed prior to beginning analysis. Codes were developed based on the interview focus as well as insights and field notes taken throughout the data-collection process. This codebook was an active tool and was edited, updated, and reorganised throughout the analysis process. The initial round of analysis focused on identifying statements where interviewees indicated an outcome that resulted from dialogue processes. This collection of text references constituted the overarching 'Outcomes' theme. This portion of the dataset was then coded into subthemes, where statements were grouped by the type of outcome, for example, 'trust' as an outcome of dialogue. All coding was undertaken using *NVivo Plus 11*. Coding was undertaken by the first author of this study and cross-checked iteratively with a co-author.

3. Results

The 25 interviews yielded 428 text references to the theme 'outcomes of dialogue'. Sixteen outcome subthemes of dialogue emerged within this dataset. Summary data and descriptions of themes are presented in Table 1. Certain outcomes, which were most complex or nuanced, are further detailed in Sections 3.1-3.5 below including salient quotes. These outcomes include relationships, trust, and understanding – as the three most frequently mentioned outcomes of