Social licence to operate (SLO)

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Overview

1. Defining SLO
2. Benefits of SLO (and what happens if you lose SLO)
3. Different levels of SLO
4. Challenges of SLO
5. Tips for creating, maintaining or repairing SLO

Defining SLO

- Ongoing acceptance or approval (or lessened opposition) from the local community and other stakeholders who can affect profitability (or viability)

- A set of demands and expectations, held by local stakeholders and broader society, for how a business should operate

- An intangible construct associated with an organisation's and/or industry's acceptance, approval, consent, demands, expectations, and reputation

Parsons & Moffat, 2014

Benefits of SLO (and what happens if you lose SLO)

Benefits of SLO:

- Legitimacy, credibility, and trust
- Improved corporate reputation
- Long term business success
- Ongoing access to resources
- Improved market competitiveness
- Strengthened stakeholder relationships
- Positive effects on employees

Loss of SLO can lead to:

- Serious delays and costs
- Reduced market access
- Boycotts or protests
- Community anger
- Regulation
- Operations ceasing

Different levels of SLO

1. Withdrawal
2. Acceptance
3. Approval
4. Psychological identification

Thomson & Boutilier, 2011

Challenges of SLO

- Often driven by perception, rather than facts
- Companies cannot manage and/or control their SLO
- Opinions change over time
- No such thing as a 'single' SLO granted by stakeholders → range of social licences
- Multiple stakeholders to account for
- Difficult, if not impossible, to measure

Tips for creating, maintaining or repairing SLO

Creating:
- Understand what your SLO actually is
- Tell facts
- Build trust
- Engage
- Respond to changing social expectations
- Authenticity in voice/action
- Shared vision

Maintaining:
- Maintain relationships with key stakeholders
- Share problems and create solutions together
- Compromise is not always the solution
- Communication

Repairing:
- Understand breach of SLO
- Be prepared/open to change
- Rebuild trust
- Time
- Invest in repair
- Learn