

# Building social licence to operate

Social licence to operate (SLO) is increasingly important in New Zealand. Organisations are recognising they need to do more than just meet their minimum legal and regulatory requirements to operate effectively – they also need to address societal concerns around the social, economic, environmental and cultural impacts of their activities.

However, despite its increasing usage, the meaning and application of SLO are still poorly understood. International studies indicate that the understanding of SLO differs across, and even within, organisations. Without a clear understanding of the concept many organisations believe they are building and maintaining SLO, only to find that their approach is failing to deliver them the desired outcome.

Manaaki Whenua Landcare Research (MWLR) social researchers have developed a framework (Figure 1) that helps to guide organisations in gaining and maintaining a social licence.



Figure 1: SLO engagement framework

The framework has four phases:

- **Socialising** the concept of SLO with the organisation.
- **Hearing** the views of stakeholders and understanding their expectations is essential in building and maintaining SLO.
- **Integrating** or co-developing the views and expectations of stakeholders into an organisation's processes and procedures so it fosters SLO and promotes participative and learning opportunities.
- **Reflecting:** working towards SLO is a dynamic and evolving process – learning opportunities are important and need to be fed back into the process in a continuous reflecting step.

For those organisations contemplating engaging with stakeholders and communities to build and maintain SLO, our work highlights four key messages that need to be considered before committing to the task.

**Key message #1 – Relationships and trust are central to SLO; therefore a 3rd party cannot get SLO for you.**

Relationships and trust are central to SLO. For organisations to gain SLO for their programmes, they need to build and maintain those relationships and trust over time. MWLR

can work with organisations and guide them in the process of gaining and maintaining SLO. However, MWLR cannot create SLO on behalf of the organisation. That work needs to be undertaken by the organisation itself.

**Key message #2 – Trust cannot be demanded; it must be earned in the eyes of others.**

Trust arises when organisations deliver approaches, behaviours and outcomes that demonstrate trustworthiness.

As Colmar Brunton's Public Sector Reputation Index<sup>1</sup> highlights, people's experiences with an organisation (good and bad), can have a lasting effect – sometimes more than 10 years. A negative experience with a public sector organisation is more powerful in the first year than a positive one, but in both cases the experience stays with people for a long time. Therefore, history counts – organisations that regularly deliver good experiences are more likely to have better relationships and reputations with communities of interest and experience improving social license to operate, and vice versa.

**Key message #3 – Communities grant SLO.**

Social licence to operate is not about what organisations see looking out into a community, it is about what affected communities and stakeholders see looking in at the organisation. Organisations that focus foremost on themselves over the risks to the community jeopardise their ability to secure a SLO. Achieving and maintaining a SLO, requires a desire to do what is right by stakeholders and the community, rather than just doing what is required to reduce risk to the organisation.

Because communities grant a SLO it is important that organisations understand what it is that communities are basing their approval on. The best intentions by an organisation can count for nothing if affected communities and stakeholders are judging them by different criteria.

**Key message #4 - SLO is a long game.**

SLO needs to be constantly re-evaluated and maintained as opinions and perceptions change and as stakeholders and communities of interest come and go. Organisations need to ensure their processes of managing the cycles of SLO is sustainable and ongoing and that there is a plan for how to maintain continued and meaningful engagement.

**Further information**

For more information on the framework or on how MWLR can assist with guiding your organisation through the process of gaining and maintaining SLO, contact Dean (Hamilton), Robyn (Auckland) or Peter (Wellington) from the Landscape Policy and Governance Team, Manaaki Whenua – Landcare Research.

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<sup>1</sup> Colmar Brunton 2019. Public Sector Reputation Index 2019. Retrieved from <https://static.colmarbrunton.co.nz/wp-content/uploads/2019/05/Public-Sector-Reputation-Index-2019-Report-FINAL.pdf> 15 February 2022.