Gaining and Sustaining Social License to Operate

Maria R.N. Radyati PhD, Dip Cons, Dip PM, Cert IV IRM
Founding Director of MMCSR and
Executive Director of CECT

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

Why Social License has to be gained and then sustained?

1. ongoing approval/acceptance by the society
2. rooted in the beliefs, perceptions and opinions held by the local population and other stakeholders about the project
3. Intangible: it is informal contract between companies and local stakeholders
4. dynamic and non-permanent because beliefs, opinions and perceptions are subject to change as new information is acquired.

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

CSR is Beyond Philanthropy

• Core characteristic of CSR is **NOT** about how to donate money but, rather, about **how to make money in a sustainable and responsible manner.**

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

How to gain it?
"*make money in a sustainable and responsible manner*"

1. Be a social purpose leader
   large companies can start by deciding what social issue most impacts their business priorities and take a leadership role.
2. Give more control to local communities and stakeholders.: Telus, a global telecommunications leader, is "putting decision-making in the hands of local leaders who know their communities best" through TELUS Community Boards

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

How to gain it?

3. Build partnerships with the right and the wrong NGOs
  – In order to secure a stronger social license to operate, corporations should build relationships with the organizations that have the most contrary points of view.

CECT   MM-CSR   MM-CE
www.cectcsr.com | www.mmcsrtrisakti.com

How to sustain it?

• Stakeholder Engagement: trust-based collaborations between individual and/or social institutions with different objectives that can only be achieved together (Rhodes, Bergstrom, Lok, Cheng; 2014)

CECT   MM-CSR   MM-CE
www.cectcsr.com | www.mmcsrtrisakti.com

Types of Engagement

1. **Inform**: giving regular information about company's CSR activities
2. **Consult**: actively seeks community views and input into policy, plans and decisions.
3. **Involve**: to work directly with the public and consider their input throughout the decision-making process.
4. **Collaborate**: the community is directly engaged in decision-making. Collaborate often includes the explicit attempt to find consensus solutions. However, as at involve, the company is still the ultimate decision-maker.
5. **Empower**: share responsibility for making decisions and accountability for the outcomes of those decisions.
6. **Negotiate**: try to reach an agreement or compromise by discussion

CECT   MM-CSR   MM-CE
www.cectcsr.com | www.mmcsrtrisakti.com

Stakeholder Management

Identify context (issues/challenges)

Relevant Stakeholder Mapping

Stakeholder analysis

Stakeholder engagement plan

CECT   MM-CSR   MM-CE
www.cectcsr.com | www.mmcsrtrisakti.com

Radyati-Simmonds Stakeholder Matrix Management*) (2016) *)Management = Identification, Analysis & Enggament Strategy			
Power to influence the Objectives of the Business	**Attitude towards the Operations of the Business**		
	Against	Neutral	Agree
Driving Force *Regardless of Legitimacy*	A (Negotiate)	B (Consult)	C (Collaborate & Empower)
Well-Respected *No power but can influence*	D (Negotiate + Proactive Action Plan)	E (Consult + Involve)	F (Collaborate & Empower + Motivate to influence others)
Little or None	G (Negotiate + Prepare Reactive/Proactive Action Plan)	H (Keep informed + Involve)	I (Collaborate & Empower + Keep informed)

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

Email to: maria.radyati@gmail.com

CECT   MM-CSR   MM-CE

www.cectcsr.com | www.mmcsrtrisakti.com

3