

Community engagement as conflict prevention: Understanding the social license to  
operate

by

Dejana Knih  
BA, University of Calgary, 2004

A Thesis Submitted in Partial Fulfillment  
of the Requirements for the Degree of

MASTER OF ARTS

in Dispute Resolution

© Dejana Knih, 2012  
University of Victoria

All rights reserved. This thesis may not be reproduced in whole or in part, by photocopy  
or other means, without the permission of the author.

**Supervisory Committee**

Community engagement as conflict prevention: Understanding the social license to  
operate

by

Dejana Knih  
BA, University of Calgary, 2004

**Supervisory Committee**

Lyn Davis, PhD (Dispute Resolution)  
**Supervisor**

Marion Little, MA (Dispute Resolution)  
**Department Member**

## Abstract

### **Supervisory Committee**

Lyn Davis, PhD, Dispute Resolution

### **Supervisor**

Marion Little, MA, Dispute Resolution

### **Department Member**

This thesis examines community engagement as a form of conflict prevention in order to obtain the social license to operate (SLO) in Alberta's oil and gas industry. It does this by answering the question: what are the key elements of the Social License to Operate and how can these elements be applied to community engagement/consultation in a way that prevents conflicts in Alberta's oil and gas industry? The underlying assumption of this thesis is that building good relationships and working collaboratively functions as a form of conflict prevention and that this in turn leads to the SLO. This thesis outlines the key features of both successful community engagement and of the SLO, to provide a guideline for what is needed to obtain the SLO. Data was collected from semi-structured interviews and through a literature review. The data analysis concluded that there are direct parallels between the key elements of effective community engagement and the key elements of the SLO as identified in the interviews. These parallels are: knowing the community, addressing community needs, corporate social responsibility, relationship building, follow through and evidence for what has been done, executive buy-in, excellent communication, and open dialogue, all within a process which is principled (there is trust, understanding, transparency and respect), inclusive, dynamic, flexible, ongoing, and long-term. Moreover, the key elements of effective community engagement and of the SLO identified in the interviews also overlapped with those found in the literature review, with only one exception. The literature review explicitly named early involvement as a key element of both effective community engagement and the SLO, whereas the interview participants only explicitly indicated it as a key factor of community engagement and implied it to be a key element of the SLO.

## Table of Contents

Supervisory Committee .....	ii
Abstract .....	iii
Table of Contents .....	iv
List of Tables .....	vii
List of Figures .....	viii
Acknowledgments.....	ix
Dedication.....	x
CHAPTER 1: INTRODUCTION.....	1
Oil and Gas in Alberta .....	1
The oil and gas industry today.....	1
Social License to Operate.....	3
Regulatory Framework .....	4
Canadian regulator - NEB.....	4
Provincial regulator - ERCB.....	6
Duty to Consult.....	6
Research Question .....	7
Significance of Research.....	7
Thesis Structure .....	8
CHAPTER 2: LITERATURE REVIEW.....	10
Alternative Dispute Resolution.....	10
ADR.....	10
Conflict prevention.....	11
Conflict management.....	12
Community engagement as conflict prevention.....	13
Defining: Community, Stakeholder, Engagement and Consultation.....	15
Community versus stakeholder.....	15
Consultation versus engagement.....	16
Corporate Social Responsibility .....	17
The Social License to Operate .....	21
SLO context.....	21
Importance of process.....	22
Public participation.....	23
Community consultation.....	24
Community engagement.....	25
Mutual benefits in a relationship.....	26
Planning.....	26
Reputation.....	27
Financial benefits.....	28
New norms and regulations.....	29
Gaps .....	30
Conclusion .....	30
CHAPTER 3: METHODOLOGY .....	31
Research Objective .....	31
Thesis Design.....	31

Theory .....	33
Assumptions of Research.....	35
Methods.....	35
Literature Review.....	36
Interviews.....	36
Participant selection.....	37
Interview process.....	38
Data analysis.....	39
Results and Recommendations .....	40
Conclusion .....	41
CHAPTER 4: QUALITATIVE DATA ANALYSIS-INTERVIEWS.....	42
Difference Between Community Consultation and Engagement .....	42
Community Engagement .....	43
Process- Key foundations.....	44
Process- Key values.....	45
Process- Design and inception.....	46
Process- During.....	48
What is required on the part of the community?.....	50
Success.....	52
Support for community engagement?.....	54
Failure.....	56
What are barriers to community engagement? .....	58
Company.....	59
Community.....	60
Regulatory.....	61
When should community engagement be used?.....	61
When should community engagement not be used?.....	62
The most effective community engagement methods.....	62
The least effective community engagement methods.....	63
Social License to Operate .....	64
Definition.....	64
Key elements of SLO.....	65
Key elements of ineffective SLO.....	67
Conclusion .....	68
CHAPTER 5: RECOMMENDATIONS AND CONCLUSION .....	69
Overlaps Between the SLO and Community Engagement.....	69
Triangulation.....	70
Knowing the community and relationship building.....	71
Addressing community needs.....	72
Corporate Social Responsibility.....	73
A principled process and open dialogue.....	74
Excellent communication.....	75
Process is dynamic and flexible.....	76
Executive buy-in.....	77
Needs to occur early.....	77
Theory.....	78

	vi
Recommendations.....	79
Future Research .....	81
Conclusion .....	82
BIBLIOGRAPHY.....	83
APPENDIX.....	98
Appendix A- Ethics Certificate.....	98
Appendix B- Interview Questions .....	99

**List of Tables**

Table 1 .....	36
Table 2 .....	38
Table 3 .....	39
Table 4 .....	44
Table 5 .....	45
Table 6 .....	47
Table 7 .....	49
Table 8 .....	51
Table 9 .....	53
Table 10 .....	55
Table 11 .....	57
Table 12 .....	58
Table 13 .....	59
Table 14 .....	60
Table 15 .....	61
Table 16 .....	66

**List of Figures**

Figure 1 .....	45
Figure 2 .....	46
Figure 3 .....	48
Figure 4 .....	49
Figure 5 .....	52
Figure 6 .....	54
Figure 7 .....	56
Figure 8 .....	57
Figure 9 .....	59
Figure 10 .....	60
Figure 11 .....	60
Figure 12 .....	61
Figure 13 .....	67
Figure 14 .....	70

## Acknowledgments

First I would like to acknowledge my parents who have provided incredible support throughout this process. My partner Mike, who always believed I could do this and moved too many times to count to support my dream and my amazing friends who have supported me when I needed it most and have inspired me to be my best.

Lyn and Marion, two amazing and intelligent women who I have the pleasure to work with and who have been incredibly patient with me while I figured out what it is I wanted my voice in this world to be.

My amazing cohort from whom I learned countless lessons and who pushed, inspired and supported me through this process.

All of the participants; I was overwhelmed by the warm reception, the willingness to participate and the interest in my work shown by all the individuals I encountered. I am forever grateful for your generosity in time and knowledge and I hope that my work does your wisdom justice.

Finally the sport of triathlon. This thesis adventure at times has been a frustrating process. Swimming, running, biking or being active in any way kept me sane and provided my brain with times of quiet and reflection bringing forth some of my greatest breakthroughs in writing. The sport, like this process, taught me that hard work, dedication, constancy, believing in myself, being persistent and consistent are all necessities for success.

## **Dedication**

This thesis is dedicated to my family, and especially to my parents. Every dream, passion, and aspiration I have ever had has been met with unrelenting support. Thank you for always believing in me.

## CHAPTER 1: INTRODUCTION

Oil and gas development in Alberta penetrates almost all aspects of life. This thesis seeks to understand one element of oil and gas development: the social licence to operate (SLO). This introductory chapter sets the context for this thesis. It begins by providing a brief history of oil and gas in Alberta, Canada, and by explaining the industry today. It then provides an introduction to the SLO and to the existing regulatory frameworks. This chapter also outlines the research question, examines the significance and the limitations of the research and finally sets out the roadmap for the rest of the thesis.

### **Oil and Gas in Alberta**

Alberta's first commercial oil discovery was by the Rocky Mountain Development Company in 1902.<sup>1</sup> Alberta's first field—a site with multiple wells—was at Bow Island Alberta where drilling began in 1908. Alberta's natural gas industry began in 1909 and the first pipeline arrived in Calgary by 1912 (McQuarrie, 2010). In 1914 the first major oil field was discovered in Turner Valley Alberta. However, it was not until the 1947 discovery in Leduc that Alberta's modern oil and gas industry began (ERCB, ND; McQuarrie, 2010).

#### *The oil and gas industry today.*

Alberta's early oil and gas industry was fraught with boom and bust cycles and was small in scale compared to today's global industry (ERCB, ND; McQuarrie, 2010).

Our contemporary societal habits are heavily dependent on oil and gas. From cars to

---

<sup>1</sup> Indigenous communities in Alberta (and across Canada) have used oil for generations and for various purposes. This research is only focusing on commercial oil and gas use and production and as a result the "first discovery" is in reference to the first commercial oil supply and not of the very first time historically that the resource was discovered/used.

industry to plastics, oil and gas is prolific in everyday life. The nonrenewable nature of oil and gas and the ever-increasing demands for these resources by consumers make development a very lucrative business. By current estimates, Alberta has 1.5 billion barrels in conventional oil and 169 billion barrels in the oil sands. Conventional oil is drilled out of the ground with pumpjacks. Once drilled the oil is then transported to refining facilities through pipelines. The oil sands are akin to mining, where the sand is collected and then processed into a usable form (ERCB, 2012; Government of Alberta, 2012b). The recovery and processing of oil and gas is complex, and highly politicized, because of the effect production has on communities and the natural environment. Alberta produces 459,111 barrels per day in conventional crude and has approximately 411,000 kilometers of pipeline that service both Canada and the United States of America. In 2010 an estimated \$10 billion were invested in the conventional sector and \$13.5 billion in the oil sands. In 2010 alone 9,492 oil and gas wells were completed in Alberta – 70% of all wells completed in Canada (Government of Alberta, February 2012a).

This development does not occur in a vacuum. It happens on landowners' fields, and in and around communities. Oil and gas deposits are located underneath land whose surface is owned by private individuals (landowners) or leased by companies (Vlavianos, 2006). According to the Canadian Association of Petroleum Producers (2012) as of 2012, 275,000 people are employed in, or by, the Alberta oil and gas industry. The enormous scale of the oil and gas industry coupled with Alberta's growing population—estimated to be 3.8 million—means that most communities and individuals come in contact with the industry at various levels (Statistics Canada, 2012). The Alberta government also collects

billions of dollars in royalty payments and taxes, which are reinvested into government-run programs. This means that even those Albertans not directly or indirectly employed in the industry are affected by the industry.

The development does not only affect people in terms of the revenue it generates (government taxes and subsequent government spending and personal salaries of those both indirectly and directly employed in the industry, etc.), it also impacts the lives of the people around whom the drilling occurs. Wells are situated all across Alberta. The oil sands development in the Wood Buffalo - Fort McMurray region covers a vast geographic area and affects not only those directly involved in the drilling, but the many communities that surround the massive site.

*Social License to Operate.*

Increased interconnectedness and a high level of issue awareness by communities, both globally and locally, have caused oil and gas companies to develop strong relationships with communities in which they operate, albeit to varying extents. These relationships go beyond the regulatory requirements companies follow. The relationship a company establishes with those affected by operations, and the level of acceptance, tacit consent, or permission the community/individuals give to that company, has been labeled as the Social License to Operate (SLO). Gunningham, Kagan, and Thornton (2004) define SLO as “the demands on and expectations for a business enterprise that emerge from neighborhoods, environmental groups, community members, and other elements of the surrounding civil society” (p.308). As a result the SLO goes above and beyond the existing regulatory requirements. This is because the existing regulations do not require the building of relationships for the obtaining of a license to drill or operate.

## **Regulatory Framework**

In Alberta, the Department of Energy is responsible for administering the Mines and Minerals act. This act controls the development of Alberta's non-renewable resources. The Mines and Minerals Act, along with associated regulations, is used by the Government of Alberta to administer commercial oil and gas extraction rights in return for royalties, bonus bid payments and rents (Vlavianos, 2006). Both national and provincial regulations exist to govern the extraction of oil and gas. Largely these are set by federal and provincial bodies: the National Energy Board (NEB) and the Energy Resource Conservation Board (ERCB) respectively. The overview in this section is not intended to function as a resource for regulatory requirements in Alberta, but instead is meant to provide context for current consultation requirements. As a result, only requirements by the NEB and the ERCB will be overviewed and a brief mention of the "Duty to Consult" requirements will be undertaken.

### *Canadian regulator - NEB.*

The NEB is an independent federal agency that regulates pipeline development, federal energy development and trade. Companies must obtain the NEB's approval if they seek to add, modify or abandon facilities, export or import oil and gas products, and/or set tolls or tariffs. In order to obtain approval each applicant must file an application (NEB, 2012). In assessing the application the NEB conducts a risk assessment of the proposal.

The NEB expects applicants will consider consultation for all projects. Depending on the project scope this could mean carrying out an extensive consultation program or simply notifying a single landowner. Applicants are responsible for justifying the extent

of consultation carried out for each application. Through the filing process a company needs to demonstrate that appropriate and affected parties have been consulted and that any concerns raised have been addressed (NEB, 2012). In order to “close the loop” in consultation activities and address concerns before they escalate into complaints, the NEB expects applications to understand the complaints, respond to them, and work jointly to resolve them (NEB, 2012, p. 37).

In 2007 the NEB launched “The Land Matters Consultation Initiative” as a part of a review of key land issues. Both landowners and companies saw value in increased community presence by the NEB throughout development projects, and landowners raised questions about the NEB’s knowledge/sensitivity to agricultural issues (NEB, 2009). Through this initiative, the NEB identified key opportunities for better company-landowner relations. This included the desire by landowners for more respectful, consistent and transparent interactions, and the development of standard easement agreements for consistency in treatment including clarity on NEB expectations for notification and consultation programs (NEB, 2009).

The NEB outlines a road map for change in the report, which includes building on existing community consultation and engagement practices, and “continuing to work proactively toward the vision where landowners’ concerns are addressed early through constructive dialogue” (NEB, 2003, p. 4). The NEB currently does provide guidelines for community and individual involvement and suggests that interested parties get involved as early as possible, however, much of the onus is on the individual to seek out the company and get involved.

*Provincial regulator - ERCB.*

The Energy Resource Conservation Board (ERCB) is a quasi-judicial regulator in Alberta. The “Upstream Oil and Gas Authorizations and Consultation Guide” serves as the ERCB’s central reference guide for regulatory requirements (2011). Consultation is becoming established as a common practice in Alberta by all four of Alberta’s government agencies that have primary authority for regulating upstream oil and gas activity in the Province: Alberta Energy, ERCB, Alberta Environment (AENV), Alberta Sustainable Resource Development (ERCB, 2011). However, the readily available documents on their websites do not provide great insights into how to effectively conduct consultation or what constitutes effective consultation - key elements to consider in perpetrating an effective and meaningful consultation. There is also no information in the ERCB guide on conflict prevention (ERCB, 2011).

The ERCB (2011) does indicate that consultation “should be interpreted in its broadest sense and can include all forms of stakeholder or First Nations consultation including notification and personal consultation” (p. 24). Moreover, the ERBC (2011) outlines that applicants can have public consultation programs that are tailored to fit the specific circumstances of the project. They also state that a single consultation program is advantageous for all parties involved (ERCB, 2011).

*Duty to Consult.*

Specific federal, legal requirements, which go above and beyond NEB and ERCB, exist with regard to Aboriginal land. Three cases: Haida (2004), Taku River (2004) and the Mikisew Cree (2005), shaped the Duty to Consult and established the legal precedent for consultation for the Crown when Aboriginal land is involved (Government of Canada,

2011; Guirguis-Awadalla, Allen & Phare, 2007; Lucas, 2005; Newman, 2009). However, since the Duty to Consult is only applicable to Aboriginal land when the Crown is concerned it is beyond the scope of this research.<sup>2</sup>

### **Research Question**

The research question guiding this thesis is: What are the key elements of the Social License to Operate (SLO) and how can they be applied to community engagement/consultation in a way that prevents conflicts in Alberta's oil and gas industry? In asking this question, this thesis explores the key elements of community engagement and of the SLO. By examining the respective key elements of both, and identifying areas of overlap, this thesis also considers whether community engagement can be used to obtain the SLO.

### **Significance of Research**

Presently, limited information and research exists that specifically examines the Social License to Operate in an oil and gas context. The research that does exist does not outline the core concept as a whole but instead focuses on singular elements of the SLO. Moreover, there is little, if any, mention of a relationship between community engagement and the SLO and their relationship to, and utility as a form of, conflict prevention. Current literature does link the SLO to collaborative theory and the existing conflict prevention and Alternative Dispute Resolution Literature (ADR) indicates that

---

<sup>2</sup> For a detailed distillation of the legal literature see Newman (2009) *The duty to consult: New relationships with Aboriginal Peoples* and *The duty to consult and accommodate: Procedural justice as Aboriginal rights* by Lorne Sossin (2010). In addition the "Aboriginal consultation and accommodation updated guidelines for federal officials to fulfill the duty to consult" by the Government of Canada (2011, March) provides an extensive overview of the duty to consult and the document "Crown consultation policies and practices across Canada" by the National Centre for First Nations Governance (2009, April) provides an examination of actions so far and of the strengths and weakness of the duty.

the two processes can result in decreased costs and a reduction in conflicts. However, conflict prevention and ADR are only linked to one another once a conflict has begun (e.g. using ADR techniques to prevent existing conflicts from escalating) and are not as tools to prevent conflicts from occurring.

As a result, this thesis explicitly examines the link between conflict prevention and ADR. It then expands on the existing understanding of community engagement and the SLO by approaching them from a, conflict prevention and collaborative theory lens. Finally, it outlines the key elements of community engagement (as well as existing barriers and what success/failure look like/what their key elements are) and of the SLO and links them to collaborative theory and the literature.

By conducting this comprehensive examination of community engagement and the SLO this thesis intends to create a foundation for future research and examination of the SLO concept as used in oil and gas development. This thesis has the potential to benefit both society and the existing state of knowledge by defining and cataloguing current understandings of community engagement and of the SLO in Alberta's oil and gas industry and how they can be used as a form of conflict prevention. A clearer understanding of what effective community engagement is and what is needed to obtain the SLO will lead to better community engagement and a more responsive oil and gas industry.

### **Thesis Structure**

This thesis is divided into four chapters beyond this introductory chapter: Chapter Two is the literature review, Chapter Three outlines the methodology and methods used, Chapter Four consists of the qualitative data analysis results (the interviews), and finally

Chapter Five triangulates the interview findings with the literature review, outlines recommendations, and provides a conclusion.

## CHAPTER 2: LITERATURE REVIEW

This thesis is deeply rooted in dispute resolution literature. Examination of the dispute resolution literature is divided into two parts: Alternative Dispute Resolution (ADR), and conflict prevention. The literature then addresses community consultation, community engagement and the SLO. Finally, gaps in the existing literature are outlined and the aim of this thesis is established.

### **Alternative Dispute Resolution**

The next three sub-sections define ADR, conflict prevention and conflict management. These definitions provide context and a foundation for the last sub-section, community engagement as conflict prevention.

#### *ADR.*

Alternative Dispute Resolution (ADR) emerged in the United States during the 1970s out of a dissatisfaction with the justice system and a desire to avoid the high costs and time delays of court adjudication. ADR was also recognized as an effective way to simultaneously increase access to the transformative benefits of empowering disputants to resolve their own problems (Pirie, 2000). Disputes can happen in any place, between any number of individuals or groups and can have varying histories – from minutes and hours to generations. Disputes also arise against a contemporary background of social, political, and economic conditions (Pirie, 2000). In order to understand a dispute it is crucial to understand all the factors that contributed to the dispute in the first place. Traditionally, ADR has focused on negotiation, mediation, arbitration, and hybrids of these, with an emphasis on finding the best solution after the dispute has begun (Pirie, 2000).

In a business context, ADR has gained the reputation of being quick and cost-effective compared to traditional dispute resolution methods, i.e. litigation (Bohlman & Dundasm, 1996; Mose & Kleiner, 1999). Keeping disputes out of the court system reduces a number of costs including: time, money, productivity, confidentiality, emotional wear-and-tear, and business relationships (Mose and Kleiner, 1999). Increasingly, in the energy industry, ADR has been used in consensus building to develop regulatory processes or bring together multiple stakeholders in decision-making (Lock, 2007). However, despite its increasing application within the energy industry, and the acknowledgement that ADR exists along a spectrum of processes, there is little mention of ADR as a form of conflict prevention in resource development literature.

*Conflict prevention.*

Conflict prevention is a term most commonly associated with international relations as well as international and regional conflicts. It dates back to the Congress of Vienna (1814-1815) and it is a concept that is central to the United Nations charter (Ackermann, 2003; Annan, 1999; Melander & Pigache, 2007). Conflict prevention consists of various methods intended to inhibit conflict from occurring. Like all of ADR, conflict prevention operates along a spectrum. Traditionally, it has consisted of a series of preventive measures like: fact-finding, mediation, negotiation, arbitration and judicial settlements (Ackermann, 2003).

A universal definition of conflict prevention is difficult to find because of the diversity in scope and approach to conflict prevention (Melander & Pigache, 2007). This thesis is interested in the structural or deep model of conflict prevention also known as conflict management. "Structural" or "deep" conflict prevention works on a long-term

time frame and addresses the root cause of a conflict. (Melander & Pigache, 2007; Ramsbotham, Woodhouse, & Miall, 2005). Moreover, it

involves a wide perspective, i.e. a large scope of targets and actions in a longer term. Structural prevention does not only aim at reducing violence but also, if not above all, at addressing its root cause and the environment that gave birth to it. (Melander & Pigache, 2007, p. 13)

As a result, conflict management is used as the desired approach for conflict prevention.

### *Conflict management.*

Conflict management is a more complex and complete view of conflict prevention. The management of a conflict includes conflict resolution within the broader objectives of prevention and containment (Lynch, 2001; Ury, 1999). Conflict management is not only the resolution of existing conflicts but is a part of “integrated resource management systems where knowledge transfer, institutional development, collective learning of scientific, political and administrative actors, and cooperation between scientists and resources can occur” (Bruckmeir, 2005, p. 65).

Risk communication literature as synthesized by Mazur and Curtis (2008) suggests that: “conflict and subsequent costs to industry and the community can be overcome or mitigated if government and industry understand, acknowledge and respond to community perceptions of the industry” (p. 601). In other words conflicts can be avoided if a preventive framework is undertaken. Conflict prevention literature, specifically addressing resource management, stipulates that conflict management needs to be a part of the overall resource management strategy. It must include all stakeholders if it is to account for all the problems and deep-rooted issues. Moreover, cooperation and consensus building is key if this is to be achieved (Bruckmeir, 2005). The conflict management strategy needs to be systematically supported to be effective. If this

systematic support is lacking, the strategy will fail to address the complex factors which have led to the conflict and it will only be responding to the symptoms of these factors (Lynch, 2001). Not only does conflict prevention need to be integrated into the operations, conflict prevention needs to be embedded into normal practices and the modus operandi of the company and its managers (Wilson, 2009).

Working at the local level to address community concerns is an effective method of conflict prevention. Wilson (2009) documents that for one forest company “conflicts issues are resolved as close to the ground as possible, with a strong focus on listening to local stakeholders and responding to their needs and concerns by making changes in company practice at that level” (p.30). Different framework tools are available like the IFC Stakeholder Engagement Manual (2007), but the literature indicates that many of the tools are not widely used because of their limited utility and the limited number of reviews about their utility. As a result the literature recommends that tools need to be adapted to the local context in order to address the specific circumstances and needs of each community (Wilson, 2009).

*Community engagement as conflict prevention.*

Community engagement and ADR will never fully replace legal proceedings but they can lessen the burden and avert conflict escalation. That is, they can serve as a form of conflict prevention (Higgs, Hrudey & Gibson, 1998). Poor communication, lack of cultural understanding, lack of relationship building and conducting business on assumptions, are all hallmarks of failed community engagement (Higgs et al., 1998). However, when community engagement is deployed effectively it can serve as a form of

conflict prevention since it fosters robust relationships and promotes understanding, cooperation and collaboration.

Effective and early public involvement in a process has potential monetary benefits to the company above and beyond the anticipated profits. This is because expectations and concerns are outlined, misconceptions eliminated, and good relations are established. Needless conflicts, which can cost time and substantial amounts of money, are avoided. As a result, Say and Babus (2011) argue that public participation and public awareness need to be done early and with greater efficacy for any large-scale investment.

Early community engagement has been associated with greater community support whereas late community engagement tends to result in poor support and even opposition. This is because genuine participation by the stakeholders helps reach a greater understanding of the project and prevents the spreading of rumours or the rise of negative perceptions of the project which, once established, are difficult to correct/mitigate (Say & Babus, 2011).

If the public is involved in the full decision making process, their concerns may be met early on in the planning process when changes may be easier to make, rather than late in the process when even small changes may cost both time and money. (Say & Babus, 2011, p. 760)

Social issues are never simple. Community participation provides an avenue for collaboration and the solving of complex problems through the provision of new and innovative ideas. Having multiple perspectives address the problem often results in more inclusive and innovative solutions (Wilson, 2009). Collaborative problem-solving also has the power to create better trust and relationships between those involved (Wilson, 2009).

## **Defining: Community, Stakeholder, Engagement and Consultation**

Defining “community”, “stakeholder”, “engagement” and “consultation” as well as providing a clear picture of what each of the concepts mean in a resource development context is difficult. This is because the terms "community" and "stakeholder" are often used interchangeably, as are the terms "engagement" and "consultation". Establishing a clear picture of what these terms mean in the context of this thesis is necessary if the key elements of each are to be explored.

### *Community versus stakeholder.*

For the purposes of this thesis communities are social groupings, which have been defined as either territory-based or territory-free. The territory-based communities are groups, which have a geographically defined area, common life and collective actions and mutual identity (Theodori, 2005). Community is "a place-oriented process of interrelated actions through which members of a local population express a shared sense of identity while engaging in the common concerns of life" (Theodori, 2005, p. 662-663). For this definition, social interaction is the key element of a community, and for this reason community actions occur in an area but the area itself does not define the community. Rather the place or area serves as the setting for the social interaction to occur (Theodori, 2005).

In the resource development context, this means a community is comprised of the individuals who are in the direct vicinity of the physical development and its effects. However, it might also comprise members who are not physical in the area but through interaction share a mutual identity. This means that determining who the community members are is not always a simple or clear-cut process.

Stakeholders are an even broader group: comprised of groups or individuals with preferences or interests pertaining to the corporation or company. This can be larger communities (cities, towns, etc.), individuals (landowners, community leaders, etc.), and other groups such as NGOs. Stakeholder groups and their members, like communities, are seldom clearly defined (Boehm, 2002). In resource development stakeholders make up anyone with an interest in a company's development. However, the level of involvement and influence each stakeholder has varies. A community and its members therefore are often considered the key stakeholders in a resource development.

*Consultation versus engagement.*

Consultation yields many definitions, narrowly it can be seen as an informative process that has the potential to improve community relations and quell opposition. More broadly it can be defined as a process that provides space for the communication of meaningful feedback. It is a two-way communication process where all parties contribute to the discussion and provide their views, information, ideas, and issues. It is an ongoing process in which trust and understanding are created over time through continual discussions, decision-making and follow-through (Status of Women Canada, 1999; Whiteman & Mamen, 2002).

Engagement describes the role of people in a dialogue or decision-making process. The process is based on meaningful dialogue, capacity building and education, and it is comprised of listening, exchange of views (i.e. dialogue), deliberation, reflection and learning. It can generate alternatives, choices and options where the participants work through the issues in a manner that results in common ground and possibly consensus (Abel, Graham, Maioni & Phillips, 1998; Whiteman & Mamen, 2002). It is "any channel

of communication purposely set by a business organization in order to receive feedback on its activities from external stakeholders” (Kepore & Imbun, 2010, p. 221).

Engagement is also an outcome achieved through ongoing dialogue, consultation and participation (VLGA, 2009). Engagement is representative and it involves individuals throughout the process. It is comprised of two-way communication, which means that it is both interactive and iterative and it aims to share decision-making power and responsibility. It is a process of innovative idea generation and participation that contributes to collective problem solving in a transparent and respectful manner and is comprised of forums and processes where individuals form opinions based on information (Sheedy, 2008).

These definitions are indicative of the very general and convoluted nature in which community engagement and community consultation are defined. As a result the distinction that will be used by this thesis is that consultation is the regulatory requirement outlined in chapter one required by the regulators of industry, and generally, apply a process to a specific issue or development. Engagement is the broader collaborative, relationship building process that does not have to have a project or mandate to occur; consultation can occur within an overall engagement framework.

### **Corporate Social Responsibility**

It is from Corporate Social Responsibility (CSR) practice and literature that community engagement and consultation, and in turn the Social License to Operate (SLO), evolved. Community engagement and consultation are a niche, element of, or a directed practice of, the overall philosophy of CSR. Therefore it is important to discuss

the evolution and the emergence of CSR since its history and context are the history of community engagement and in turn of the SLO.

Corporate Social Responsibility (CSR) emerged from debates on the role of business in society. These debates developed the literature that impacted how relationship building and collaborative approaches with individuals impacted by industry were viewed (Frynas, 2009). CSR discussions began in the 1930s, evolved in the literature in the 1950s and began to flourish in practice in the West during the 1960s and 1970s when companies began establishing connections with NGOs and communities (Carroll, 1999; Hughey & Sulkowski, 2012; Okey, 2009; Rozanova 2006).

CSR is different from philanthropy. It is not a one-way, top-down relationship, but rather a collaboration of sorts, where communities and corporations build a mutually beneficial relationship. This collaboration is not solely altruistic; expectations vary and are circumstantial since different relationships will have different levels of partnership and collaboration (Boehm, 2002). Moreover, key issues and concerns related to CSR tend to be shared across borders and within specific industries. For example, in oil and gas development, oil spills are a concern across the globe when pipeline development is occurring (Frynas, 2009).

CSR has been defined as “the synergy between the business and the civil society institutions” (Rozanova, 2006, p.51) or as “the commitment of business to pursue policies, make decisions and follow directions for actions that are congruent with the overriding objectives and values of the societies in which that business is embedded” (Loza, 2004, p. 298). These definitions stipulate a synergy, or working relationship that is reciprocal in nature, a corporate practice that goes beyond what the basic legal

requirements are and most importantly practices that meet the expectations of the individuals (i.e. the community) with which that company conducts its business.

A commitment to CSR has been found to benefit a company's reputation. Experience in dealing with the day-to-day commitments to CSR, and addressing any sudden issues, makes a company better prepared and more resilient to any unforeseen incidents (Vaaland & Heid, 2008). If, however, what Vaaland and Heid (2008) call a "critical incident" is not handled well it can jeopardize the company's reputation and operations and ultimately economic performance.

Initiatives like community investments are one of the most visible representations of a company's CSR agenda and they not only establish reputation but also generate social capital (Centre for Corporate Affairs and Business Council of Australia, 2000; Loza, 2004; Tichy, McGill & St. Clair, 1997). There is strong evidence that companies engaged in CSR and active corporate citizenship outperform their competitors, and build trust which in turn creates stronger relationships, giving them a competitive edge (Loza, 2004). There is also some evidence that CSR activities have market benefits and improve financial performance (Boehm, 2002; Loza, 2004).

CSR and public participation/involvement in general, also has the potential to increase the effectiveness of democracy by enabling community voices to be heard. Fostering an interconnected society and a more synergetic relationship between the community and the company (Loza, 2004; Say & Babus, 2011). Most communities are concerned about the developments that are taking place in their backyards. They want to be included in the decision-making and want a fair distribution of the wealth and benefits incurred from the development (Kepore & Imbun, 2011). This increase in community

demands for involvement and consultation translates to greater efficacy on issues that directly affect them (Loza, 2004). CSR can also be seen as an avenue for managing relationships. Having flexibility in actions and responses as well as long-term commitment to CSR can improve relationships between a company and stakeholders (Vaaland & Heid, 2008).

Engaging in CSR practices essentially means the company recognizes and respects that development does not occur in a vacuum (Spence, 2011). Minute by minute communication is a reality, and information about practices, successes, mistakes and failures is made public quickly and easily with the widespread use of social media and citizen journalists. As a result, transparency and globalization have in many ways strengthened the ability of many stakeholders to discover when something is wrong and to create pressure on those accountable (Spence, 2011). Some authors argue that socially responsible corporations will never replace governments as social policy providers and that expecting corporations to fill any legislative gap is unrealistic since, ultimately, corporations pursue their own business goals and bottom lines (Mendes & Mehmet, 2003; Rozanova, 2005). This however, does not mean that socially responsible corporations do not have a role in society; corporate responsibility, and responsible actions, serve an important purpose in society.

CSR can be embraced by oil and gas companies for moral reasons, but more often than not, it is because companies recognize that the negative challenges to their reputation can do serious damage to the bottom line, especially in the form of legal liability (Spence, 2011). Authors like Vrabic (2010) argue that because of the high profile of multinational oil and gas companies, and the attention negligent behaviour

receives, they are under pressure to carefully manage relations and public image with both the general public and the communities they impact directly. Because of this, notwithstanding the executives and shareholder motivations, oil companies pay great attention to CSR (Vrabic, 2010). However, CRS adoption across the industry continues to vary from company to company.

### **The Social License to Operate**

Corporate responsibility manifests itself in a number of ways, including the Social License to Operate (SLO). The SLO is not a simple concept. The following ten sub sections outline key elements of the SLO: context, importance of process, public participation, community consultation, community engagement, mutual benefits in a relationship, planning, reputation, financial benefits, and new norms and regulations. These key elements were derived from all existing literature on the SLO since the literature that deals specifically with oil and gas development and the SLO is limited.

#### *SLO context.*

Communities are increasingly becoming the focal point for decision-making, because industry is no longer the centre of the corporate universe; the centre is becoming relationships (Boehm, 2002). This is due to increased pressures and expectations being voiced and demanded by communities (and other stakeholders). It is also due to the fact that good relationships, which take into account stakeholder needs and expectations, are becoming vital for good business and in turn for the maintenance of a SLO (Boehm, 2002; Gunningham et al, 2004; Lynch-Wood & Williamson, 2007). It is no longer enough for a company to just have legal access to a resource.

Fifteen billion dollars of gold sitting in a mountainside cannot be transformed into shareholder rents with financial, engineering and marketing inputs alone. It also

requires the political and social support of key stakeholders including not only members of the economic value chain but also government officials, regulators, community leaders and members of civil society. These stakeholders may reside locally, nationally or internationally...activities perceived by stakeholders as socially responsible build up political and social capital that enhances stakeholder cooperation and reduces stakeholder conflict. As a result, the probability that a business plan can proceed on schedule and on budget is enhanced and the financial market discount applied to the objective (i.e., free of stakeholder influence) valuation of the tangible assets is reduced. (Henisz, Borobantu & Nartey, 2011, p.10).

*Importance of process.*

A badly designed process can be hijacked by small elements, which can cause serious delays. It is critical that good community relations be established early, built on a strong and solid reputation and on effective communication where all information about the development is known (Gunningham et al., 2004). Therefore, adequate and appropriate resources, clear and precise goals, clear and explicit lines of responsibility, relevant and up to date policy, clear communication about agreements, adequate information about the process/project, consistency in staff, culturally appropriate processes and insulations, adequate consultation and preparation and dealing with critical issues, are all key pieces for an effective process (O'Faircheallaigh, 2003).

Just opening up the planning process to the public without pay attention to, and accounting for, the diversity of the community could cause more harm than good (Masuda, McGee & Garvin, 2008). This is because if the process is to be based on consensus it needs to reach a balance between the different interests present in that community (Gregory, Failing & Harstone, 2008). The aim of the process is not to pit one source of knowledge against another but rather it is to find similarities, explore uncertainties and to clarify any misunderstandings (Gregory et al., 2008). Techniques like ranking, and decision trees are effective for looking at consequences of actions (Gregory

et al., 2008). These types of techniques allow for the mutual exploration of options, consequences, uncertainties and complexity, which are inherent in all resource management efforts, and they need to allow for the systematic and constructive addressing of difficult trade-offs needed for a course of action. This is achieved through careful analysis and deliberation, not through protocols and negotiations (Gregory et al., 2008).

*Public participation.*

Public participation serves as a great tool for decision-making in that it helps anticipate, and proactively deal with, the negative outcomes that are bound to arise. Public participation can also make the decisions and outcomes more palatable since most communities and citizens do not want outsiders or “experts” to define what is acceptable or needed for their community and will often disagree with policies that they did not shape or contribute to (Macias, 2010).

Effective public participation brings challenges to the forefront early on, and provides an avenue and framework to deal with these challenges in a collaborative and problem-solving manner. If they are ignored or brushed aside, they will no doubt become greater issues and will surface one day, causing rhetoric and negative re/actions likely adversarial and more difficult to handle. In order to mitigate these risks and to strengthen and increase the accountability of the process public participation needs to be iterative. For the process to be effective it also needs to have inclusive accesses, public deliberation of the issues, and it needs to be adaptive, accountable, and it needs to contribute to the building of capacity (Agger & Löfgren, 2008).

Public participation is not without challenges. The process is a serious time commitment and can be expensive. However, this should not serve as a barrier to embarking the process since the long-term financial and time costs are recuperated and can actually be reduced by incurring the initial short-term costs (Macias, 2010). This is because it can mitigate conflicts, or at the very least reduce the duration of many conflicts.

Public participation is not a "one size fits all" model and this can be a great challenge for the design and implementation of public participation processes. It is key that the models used be context and area specific. The most effective processes are those that use the correct amount of participation and the correct models/mechanisms for public participation, given the context (Macias, 2010). It is also important that a participation process address power distribution because a "participation process without redistribution of power is an empty and frustrating process for the powerless" (Arnstein, 1969, p. 216). This is why theory, effective modeling, and experience are key alongside effective early and inclusive consultation with the participants in order to determine what will work the best (Macias, 2010).

#### *Community consultation.*

In order to establish the SLO community consultation must be effective (Whiteman & Mamen, 2002). An endless number of different consultation methods exist and their use needs to be determined on a case-by-case basis. The Change Handbook (2007) as well as the IAP2 website both contain an extensive list of methods which can be utilized in different circumstances since not all methods are appropriate for all

situations, groups and issues. As a result, any method chosen should be conducted in such a way that maximum participation is generated.

A major issue that has been identified in the literature is that the identification of when consultation should occur is seldom understood by companies. Companies often do not view early consultation as a high priority which can lead to worsening local perceptions (Whiteman & Mamen, 2002). There seems to be a lack of understanding that dialogue results in enhanced mutual understanding and respect among stakeholders, and that it should be ongoing from the start of the process (request for access), continuing throughout the lifecycle of the project, and that it should begin as early as possible (Whiteman & Mamen, 2002).

#### *Community engagement.*

Companies are increasingly recognizing the need to correctly engage stakeholders, as those players are of critical importance to, “secure their ‘social license to operate’ in local communities, and manage relations with other key stakeholders, including NGOs and governments” (Wilson, 2009, p. 27). This is because community engagement can provide innovative tools to empower citizens through capacity building and thereby improving communication, trust, and participation and in turn improving trust and decision outcomes (Masuda et al., 2008).

Poor community engagement, done only to meet legal requirements or to meet public relations commitments, is transparent and seen as tokenistic by communities. The degree of power sharing present in a community engagement process makes the difference between a good and a bad community engagement process (Masuda et al., 2008).

*Mutual benefits in a relationship.*

One reason some community consultation and community engagement processes are successful is because there is a mutual benefit to the parties; they both had something to gain from the process (Kennedy, 2009). This mutual benefit raises the incentive for collaboration. Kennedy (2009) found that building relationships and achieving something significantly deeper than mere consultation was a key theme in achieving effective consultation. Her research focused on Aboriginal communities and found that, “strong relationships between First Nations and non-Aboriginal groups can avoid disputes that may lead to mistrust, costly project delays, or court action” (Kennedy, 2009, p. 258). She also found that once damage to a relationship was done it was hard to backtrack; initial precedents set early on establish the tone for how the overall relationship proceeds (Kennedy, 2009).

Although applied specifically to Aboriginal relations in her research, Kennedy (2009, p. 261-262) outlines eight key points for building strong relationships that, in this author’s opinion, transcend culture: understanding the community, approaching with respect, approaching early, make personal introductions, approach with an open mind, send invitations rather than requests to meet and negotiate, meet in person and build trust.

*Planning.*

Analysis of the literature indicates that preplanning is central to any consultation process (Whiteman & Mamen, 2002). Preplanning ensures the garnering of broad support and demonstrates a commitment to a long-term partnership. The company needs to have a thorough understanding of the community in question (culture, environment, ecosystem, society) and stakeholder identification needs to be carried out in order to determine who

the key participants are (rather than making assumptions). The consultation process should be developed, and agreed upon collaboratively with the local community, and there should always be sufficient notice of when participatory opportunities are taking place. The company must also identify and agree upon the resources needed in order to carry out the process (Whiteman & Mamen, 2002).

Although information sharing in its essence is not participatory, it is vital for an effective and participatory consultation process. This is because knowledge of where the sacred sites are, what holidays or times of year are busy and/or important (e.g. harvest time for farming communities), and what community perspectives are on development all help to shape the process and reduce the likelihood of misunderstanding (Whiteman & Mamen, 2002).

### *Reputation.*

Warren Buffett has said, “it takes 20 years to build a reputation and five minutes to ruin it” (Rayner, 2003). A company’s reputation is its capacity to meet the expectations of its stakeholders and a company’s reputation capital depends on stakeholder support (Fombrun, Gardberg, & Barnett, 2000; Hughey & Sulkowski, 2012). The media, community, regulators, consumers, partners, employees, investors, and the company’s activities are all opportunities to gain/lose reputation capital and in turn the SLO (Fombrun et al., 2000).

Reputation gains and losses are difficult to quantify and without hard numbers many companies find it difficult to see the link between community and profitability and thus may underinvest in it (Fombrun et al., 2000). Also, establishing a reputation takes

time and any quick fixes or knee-jerk reactions should be avoided since they can be seen as self-serving and can do more harm than good (Fombrun et al., 2000).

CSR and social investments into local community help to secure the SLO through establishing good reputations (Khalsa, 2010; Vrabic, 2010). However, having direct involvement is better for a company's public perception than just handing out grants (Loza, 2004). This is because a company's reputation is built on actions, perceptions and opinions. Once established, and if well maintained, a good reputation carries with it credibility (Gunningham et al., 2004). However, a reputation is difficult to protect and requires constant vigilance since a negative perception, once planted, is difficult to eradicate (Isirdi, 2007; Rayner, 2003).

#### *Financial benefits.*

Good business practices, community engagement and corporate social responsibility can be carried out for, either or both, moral reasons or economic gain. A large body of literature links the reporting of negative events, i.e. spills, bad relations, hearings, etc., to negative financial performance (Henisz et al., 2011). CSR specifically has been found to have a positive effect on financial performance (Hughey & Sulkowski, 2012; Orlitzky, Schmidt, & Rynes 2003; Van Beurden & Gössling, 2008). Moreover, ADR processes in general have been argued to reduce cost and increase capital market value. They do this by minimizing regulatory, litigation and operational delay costs (Lock, 2007).

Henisz, Borobantu and Nartey (2011) in their comprehensive analysis of gold mines where they analyzed 50,000 stakeholder events pertaining to mining concluded that “our theoretical arguments and empirical results point to the existence of a direct

positive and economically substantive relationship between financial market valuation and cooperation or conflict with a wide array of stakeholders including those outside the economic value chain” (Henisz et al., 2011, p.24). Even though their results are specific to gold mining the authors argue that their analysis can be applied to natural resource extraction in general (Henisz et al., 2011).

Therefore, if companies want to maximize their profits they need to engage the local community (Jimena, 2011). This is because the value of assets can be diminished if external stakeholders directly interfere with the process or lobby government to interfere.

Although an economic rationalist might argue that firms which overcomply cannot continue to operate in a competitive industry (since firms that comply exactly would underprice them), our response would be that, on the contrary, in certain circumstances, they cannot afford to do otherwise. (Gunningham et al., 2004, p.321)

#### *New norms and regulations.*

The SLO draws upon existing norms and regulations as well as having the potential to create new ones. It is a reflection of social demands and expectations, and can result in the adoption of improved standards, behaviours and conditions that go beyond existing regulations (Lynch-Wood & Williamson, 2007). When present, it enhances the reputation and the acceptance of a company into the community. This is done through the creation of relationships, feelings of trust and reciprocity, and it creates a sense of legitimacy for the company in the community (Browne, Stehlik & Buckley, 2011). However, if there are SLO pressures that are ignored, it can also augment legal enforcement mechanisms. This is done mainly by pressuring regulators to create stronger enforcements and weight to the existing requirements, which can result in the tightening

of the regulatory license. SLO demands can also be enforced through markets, for example in the form of boycotts (Gunningham et al., 2004).

### **Gaps**

ADR is a term and practice utilized by both the NEB and the ERCB. Both bodies use a “conflict reaction method” of ADR, where a conflict is already present and the ADR process is a reaction to said conflict. Neither bodies address conflict prevention. Although some literature does examine the SLO in resource development, there is little directly addressing the role of the SLO in oil and gas and how it relates to community engagement/consultation. Lastly there is little information about using community engagement/consultation as a form of conflict prevention. As a result this thesis examines these gaps and begins the work by describing key elements of effective community engagement and the SLO in oil and gas development.

### **Conclusion**

This chapter outlined the existing Dispute Resolution literature that specifically deals with conflict prevention and outlined the key elements of community consultation, community engagement and the SLO. The next chapter, outlines the methodology and methods used to gather and examine the research data.

## CHAPTER 3: METHODOLOGY

In this chapter the research methodology as well as the methods used in this thesis are outlined. Specifically, this chapter outlines the research objective, the research design, the assumptions of the research, and the data sources used.

### **Research Objective**

The objective was to determine key elements of community engagement as well as the Social License to Operate (SLO), and to see if community engagement can be used to obtain the SLO by examining overlaps between key elements of the SLO and of effective community engagement.

### **Thesis Design**

This thesis operated under the epistemology that knowledge is gathered experientially and that it can come in two forms: primary, in the form of direct data gathering (interviews) and secondary, in the form of documents where others have documented their interpretations of the same phenomenon. This thesis also operated under the epistemological view of constructionism; it assumed that knowledge and learning are obtained through experience. Moreover, this thesis assumes that knowledge is socially constructed.

As a result, this thesis operated under an interpretive qualitative research methodology. The interpretive methodology is:

Existential (nondeterministic) and constructivist. These two views are correlated with an expectation that phenomena are intricately related to many coincidental actions and that understanding them requires a wide sweep of contexts: temporal and spatial, historical, political, economic, cultural, social, personal. Thus the case, the activity, the event, the thing is seen as unique as well as common. Understanding the case requires an understanding of other cases, things, and events but also an emphasis on its uniqueness. (Stake, 2010, p. 31)

According to Stake (2010) an experiential understanding of social phenomena is one of the hallmarks of qualitative research. And as Crotty (1998) outlines the interpretive approach is interested in understanding human and social reality and it seeks to develop interpretations of social lives through culturally and historically situated interpretations. This thesis derived experiential understanding through interviews.

Crotty (1998) states that for Weber “uniqueness and historicity are manifested in nature as well as humanity, while general covering laws may explain human behavior as well as natural phenomena” (p.68). This thesis operates under Weber's understanding of what interpretive methodology is capable of and it deployed both an attempt to understand the particular, by obtaining an understanding of community engagement and the SLO, and of the general, by examining if the key elements of the SLO and of effective community engagement overlap. This is not to say that a universal explanation was sought; rather general guiding principles were sought-out to better understand community engagement and the SLO, all the while recognizing that they are unique and circumstantial.

As a result, this thesis focused on macro interpretations of community engagement and the SLO in order to understand, and derive, the key elements of each and how they overlap. Although a macro level understanding was used, a micro level focus was kept on Alberta's oil and gas industry in order to limit the scope of the thesis. Lastly, to see if the macro level interpretations derived from the interviews are representative of current knowledge as found in the literature, the key elements of community engagement and of the SLO found in the interviews were compared to those found in the literature review. Consequently, this thesis was structured in the following manner: First a

literature review was conducted to outline the key elements of community engagement and of the SLO. Second, interviews were conducted to gain first hand understanding of effective community engagement and the SLO. Finally, the two sets of data were compared.

## **Theory**

Crotty (1998) states: “different ways of viewing the world shape different ways of researching the world” (p.66). As a result, it is worthwhile to discuss the theoretical orientations under which this thesis operates. This thesis operates under the epistemological view of constructionism. Social knowledge is understood as knowledge that is learned and obtained through experience and that this knowledge is socially constructed; that is the knowledge is shaped and developed by each individuals lived experiences.

This thesis also operates under complexity theory. Complexity theory rejects "the validity of analytical strategies in which things are reducible to the sum of their parts" (Byrne, 1998, p.14). It rejects the longstanding Newtonian linear perception of the world and instead it sees the world as chaotic, adaptive, ever-changing and evolutionary full of complex systems and phenomena. (Bog & Geter, 2007) Moreover, this thesis views resource development not only as a means of revenue and expenditures but also as a complex human activity.

This thesis is largely influenced by collaborative theory as applied to resource management. The diverse actors in resource development, their diverse priorities and perspectives, the impacts associated with development, and our colonial history means that a confluence of perspectives and competing priorities needs to work together if

development is to occur. Although this thesis is aimed at understanding community engagement and the SLO with regard to oil and gas development it recognizes that the complexity of development and the ever-changing and ever-evolving nature of community engagement and the SLO means that the understanding of both is based on current knowledge and is likely to change as the system, and its players, change.

Situated under collaborative theory, this thesis utilizes the DIAD theory (diversity, interdependence, authentic dialogue theory) as developed by Innes and Booher (2010). The DIAD theory presents the three conditions required for “collaborative rationality” or for the process to produce socially valuable outcomes and for it to be adaptable to challenges and the context (Innes & Booher, 2010). First:

collaborative processes that are designed and managed to generate collaborative rationality are likely to produce, not only effective options for how actors can move forward together to deal with their problems, but also individual and collective learning that will help make the community more adaptive and resilient. (Innes & Booher, 2010, p. 9)

Second:

It very much matters *how* the collaborative process unfolds... To comment on the adequacy of a given process it [the collaborative process] cannot be depicted by broad brush, but must be unpacked and looked at in detail to see if it meets the conditions of collaborative rationality. (Innes & Booher, 2010, p. 9)

And third, “collaborative processes can lead to change in the larger system that help make up our institutions more effective and adaptive and make the system itself more resilient” (Innes & Booher, 2010, p. 10). Therefore for DIAD to be present there must be diversity and interdependence of interest on the part of the participants, there must be authentic dialogue which the authors define using Habermas’ (1981) requirements (reciprocity, relationship, learning and creativity), and finally the process results in shared

identities and meanings, new heuristics and innovations if it meets the above (Innes & Booher, 2010).

### **Assumptions of Research**

The thesis and the research question operate under the assumption that the oil and gas industry employs community engagement and that within this community engagement there are common key elements which overlap with the SLO. This thesis also operates under the assumption that effective community engagement needs to focus on relationship building and in turn needs to be collaborative. This is based on Innes and Booher's DIAD theory (2010).

### **Methods**

The focus of the methods, proposed in the research proposal, shifted as the thesis evolved. Initially, a limited turnout for the interviews was anticipated and therefore a strong environmental scan of current practices was proposed. However, as the thesis unfolded finding documents with existing practices was difficult and it became apparent, through the literature review, that key elements of the overall process were more important than the specifics of how a process is done. Therefore, the environmental scan turned into an extensive literature review, to determine the key elements of effective community engagement and the SLO; and the interviews became the primary focus, and the main source of results, since the sample size was large enough—11 participants—to extrapolate recommendations. The final component, comparison of data findings, remained the same. The focus was to compare the findings from the literature and the interview results and to extrapolate recommendations. Table 1 outlines the proposed research methods the actual methods used.

**Table 1***Initial and Actual Research Methods*

<b>Initial Focus</b>	<b>Actual Focus</b>	<b>Method</b>	<b>Data Source</b>	<b>Purpose</b>
Primary	Secondary	Environmental scan	Articles, primary data from government industry and regulators, gray literature. The data consisted of both qualitative and quantitative data types.	Gain an understanding of community consultation/engagement practices, methods and the SLO
Secondary	Primary	Interviews	Non-random purposeful sampling	Gain an understanding of community consultation/engagement and the SLO in Alberta
N/A	N/A	Comparison of results	N/A	Comparing the two data sets to formulate recommendations

**Literature Review**

The literature review consisted of documenting the key elements of effective community engagement and of the SLO as identified by the literature. Key elements pulled from articles on community engagement and the SLO were grouped into common themes and made up the overall literature review. This literature review was then used in the comparison with interview findings.

**Interviews**

Non-random purposeful sampling was used for the interviews in order to obtain insights into community engagement and the SLO. Non-random purposeful sampling goal is to gain insight and to maximise the understanding of a phenomenon through the selection of specific individuals for their knowledge on the subject matter (Onwuegbuzie

& Leech, 2007). As a result, semi-structured interviews were conducted since specific information was being sought out from the interviews with individuals knowledgeable on the subject matter.

*Participant selection.*

The participants for this thesis were selected because of their involvement in the Alberta oil and gas industry. The two main regulating bodies, National Energy Board (NEB) and the Energy Resource Conservation Board (ERCB), were contacted as well as the industry association of producers. Because of the limited scope and resources of this thesis, community and industry participant selections were limited. Synergy groups were chosen to represent the community perspective since they operate from a collaborative perspective, consist of community members involved in the community engagement/consultation process, and their purpose is to represent the community voice and needs. This choice however, is a limitation of this thesis since Synergy Alberta perspectives do not necessarily represent Alberta's general population. This is because Synergy group participants often have a better understanding of community engagement processes than Alberta's general populations.

Other stakeholders, including Alberta's various Aboriginal communities, were not included in this project to limit the scope of the research to commercial practices from a corporate perspective. Finally, the companies selected for this thesis were chosen based on convenience. All companies selected have offices in Calgary and all mention community involvement in some capacity on their website. A form of snowball sampling was also used. If participants suggested another individual would be appropriate for the thesis they were also contacted. Table 2 lists the contacted organizations.

**Table 2***List of Contacted Organizations*

<b>Type of organization</b>	<b>Name of organization</b>
Regulatory	National Energy Board Energy Resource Conservation Board
Association of Producers	Canadian Association of Petroleum Producers
Community	Synergy Alberta
Industry	Suncor Energy Canadian Natural Resources Limited EnCana Corporation Husky Energy Enbridge Cenovus Energy Talisman Energy Nexen Syncrude Canadian Oil Sands PennWest Exploration ARC Resources Baytex Energy PENGROWTH Energy Enerplus Shell Canada Chevron Encana Keyera MEG Energy Athabasca Oil Sands Corp Vermilion Energy Pembina Pipeline Laricina Energy

*Interview process.*

After ethics approval was obtained (see Appendix A Ethics Certificate), an email was sent to each of the participants listed in Table 3 as well as any individuals suggested by participants in the interviews. The email informed the participants about: who I am, what my aims were, and what would be required of them. It also provided them with the consent form. Either a follow up phone call or email was undertaken in order to schedule

the interview and/or to answer any questions about the thesis. Table 3 provides a breakdown of the number of participants.

**Table 3**

*Breakdown of the Number of Participants by Organization Type*

<b>Type of Organization</b>	<b>Number of Participants</b>
Regulatory	3
Community-Synergy Alberta	3
Industry	4
Industry-Community Consultation Practitioner	1
Industry	4

*Data analysis.*

All of the interviews were recorded and notes were taken during the interviews (see Appendix B for a list of questions asked). A thematic analysis was then applied to the interview results. The Braun and Clarke (2006) “phases of thematic analysis” process as outlined by Kepore and Imbun (2010) was used. This process consists of six phases: familiarizing yourself with the data, generating initial codes, searching for themes, reviewing themes, defining and naming the themes and finally producing the report where the findings were linked to the research question and to the literature (Braun & Clarke, 2006; Kepore & Imbun, 2010).

Only community engagement and SLO themes were extracted from the interview results. As stated the shift in focus from current methods to key elements in the thesis occurred after the proposal was submitted and the questions were formulated. Therefore, the two questions about what community engagement and consultation currently look like were excluded from the results. However, if participants noted anything about key elements in their answers this information was included.

## **Results and Recommendations**

A methods triangulation, where multiple methods are used to research a single problem, was used in order to compare and corroborate findings and to generate the results and recommendations for this thesis. Multiple methods and sources of data were applied since they enable the examination of different patterns and elements of a case (Gast, 2010; Patton, 2002; Stake, 2010; Yin, 2009). The use of multiple methods and different sources of data creates a chain of evidence, or what Yin (2009) calls “converging lines of inquiry” where the concluding findings of a case thesis will be more convincing if supported by multiple sources of information, thus increasing the credibility of findings. It also reduces data collection bias since multiple methods are used to reach a conclusion (Patton, 2002). This is not only true for case thesis research but as Stake (2010) indicates for all qualitative methodology and research methods.

The data gathered from the interviews was used to create an understanding of community engagement and the SLO. Regardless of from which group the interview participants were drawn, their responses converged on many of the insights/ideas they presented on the community engagement and on the SLO. This unexpected cohesion in the data set suggests that the key themes and key elements generated and identified as significant in Chapter Four have a potential universality. In order to check if this was the case key elements found in the literature were checked against the key themes and included to support the interview findings as well as to supplement anything that was missing. Finally, the DIAD theory was linked to the overlaps found between effective community engagement and the SLO.

**Conclusion**

This chapter outlined the methodology and the methods used by this thesis. The next chapter is an examination of the existing community engagement/collaboration and social license to operate literature.

## CHAPTER 4: QUALITATIVE DATA ANALYSIS-INTERVIEWS

This chapter outlines the key findings obtained from the qualitative data analysis, the interviews. Triangulation of interview and literature data is undertaken in Chapter Five. Participants were asked a series of uniform questions about community consultation, community engagement and the social license to operate (SLO). The participants were: four industry employees, one community consultation practitioner who works on behalf of industry as a contractor, three synergy group representatives, and three regulatory representatives. Three of the participants also presented landowner perspectives when they referred to proposed developments that occur in the vicinity of their property.

Key themes were pulled from the 11 interviews using the Braun and Clarke (2006) thematic analysis as described by Kepore and Imbun (2010) and as outlined in Chapter Three. The findings in this chapter represent the original findings and categories derived from the interviews by using the Braun and Clarke (2006) thematic analysis. The information gathered through the interviews was grouped into common themes for the purposes of confidentiality and brevity. As a result, this chapter is divided into three sections. First, the difference between community consultation and community engagement is outlined. Second, the key elements of community engagement are outlined. Finally, the key elements of the SLO are outlined.

### **Difference Between Community Consultation and Engagement**

When asked if there is a difference between community engagement and community consultation, most participants indicated a difference. Those who saw a difference stated that community engagement is a focus on relationship building and that

community consultation deals with specific issues or plans. Consultation was outlined as being directed to a particular activity or action and as a way to seek feedback, mitigate concerns and amend scope; consultation also has legislative requirements. Community engagement was described as the bigger picture and that it could include consultation. Community engagement was described as an ongoing, potentially long-term and broad-based practice.

Two participants did not see any difference between community engagement and consultation. Both noted that there is a difference in approach, but essentially they are the same. One participant acknowledged that the term is used interchangeably but, if there was a difference, it would be that: consultation is for the purposes of removing objections to a proposed action whereas community engagement does not have to have an approval or regulatory processes attached to it; it could just be about building good relations with the community. Another participant also acknowledged the interchangeable nature of the term and stated that community engagement is more participatory, whereas consultation is more of a provision of information.

### **Community Engagement**

The questions: what constitutes effective community engagement, and what is required on the part of the company and community for effective community engagement was asked. When the data was analyzed the answers to what is required by the company were grouped with the key elements of effective community engagement since they were either identical or represented components of the key elements. The Braun and Clarke (2006) thematic analysis as described by Kepore and Imbun (2010), was then applied to the findings to simplify the data. It was discovered that the answers to the questions could

be divided in to five unique sub sections: key foundations of the process, key values, what the process needs to include at inception/design, what needs to be include during the process, and what is required by the community. Each section in represented in table form, which outlines the key factors and provides explanations, and as a diagram of the key factors.

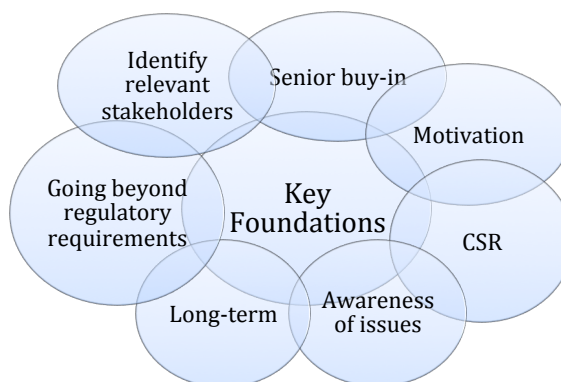
*Process- Key foundations.*

The data analysis of the interviews found that for a community engagement process to be effective it needs to have a strong foundation. Table 4 outlines the key foundations generated using the Braun and Clarke (2006) thematic analysis of an effective community engagement process and Figure 1 provides a visual representation.

**Table 4**

*Key Foundations of Effective Community Engagement*

<b>Key Foundation</b>	<b>Explanation</b>
<i>Senior buy-in</i>	The executives, and the company, must believe in the process.
<i>Motivation</i>	Why is it that you are engaging the community? The most effective programs are genuine; people can see through half-hearted attempts.
<i>Corporate Social Responsibility (CSR)</i>	Having a CSR strategy that establishes presence and reputation early is key. Having a commitment to being a good corporate citizens and a good neighbor. Human presence is sometimes more valuable than money since you show that you care.
<i>Awareness of current issues; trends within the overall industry</i>	An awareness of what the existing big trends are (e.g. hydraulic fracturing) and knowing how to address community concerns associated with those trends and issues.
<i>Long-term; the process takes time</i>	An understanding that community engagement is a long-term process is key. It is depended on reputation, image, consistent engagement and relationship building all of which take time.
<i>Going beyond regulatory requirements</i>	The regulatory requirements are the baseline; they are the starting point not the end goal.
<i>Identifying relevant stakeholders</i>	This means doing research on the stakeholders and including them in the process.

**Figure 1***Key Foundations of Effective Community Engagement**Process- Key values.*

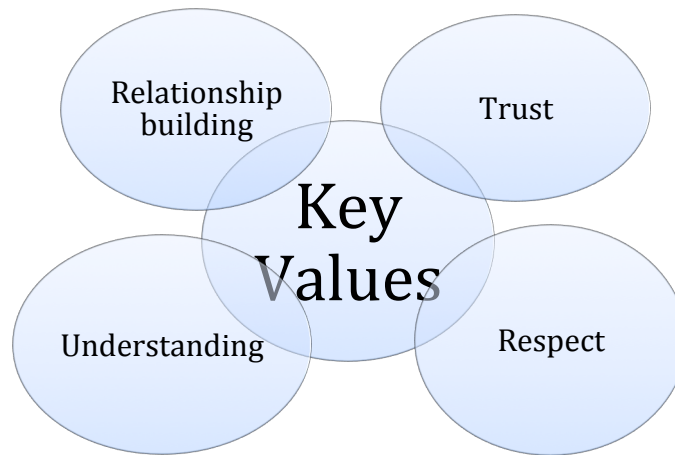
The data analysis of the interviews also found that an effective community engagement requires the adherence to values. The key values, derived by using the Braun and Clarke (2006) thematic analysis, are listed in Table 5 and they are important throughout the lifecycle of a community engagement process. The boundaries of the values outlined are not steadfast, but are interrelated. Figure 2 provides a visual representation of the key values.

**Table 5***Key Values of Effective Community Engagement*

<b>Key Values</b>	<b>Explanation</b>
<i>Relationship building</i>	There needs to be ongoing relationship building with all key stakeholders. This means face-to-face contact. This recognizes that relationship building takes time and the other three values need to be honoured for it to succeed.
<i>Trust</i>	The company has to be willing to trust the community. Trust is also intrinsically tied to a good reputation and the keeping of promises. Companies need to gain the trust of the community by being consistent, keeping promises, being transparent and adhering to the other three values.
<i>Respect</i>	Respecting community needs, values, practices, timelines and opinions. It means having the right attitude and conducting the process in a principled manner.
<i>Understanding</i>	Understanding involves being aware community capacities and having an understanding of community values, needs, issues, etc.

**Figure 2**

*Key Values of Effective Community Engagement*

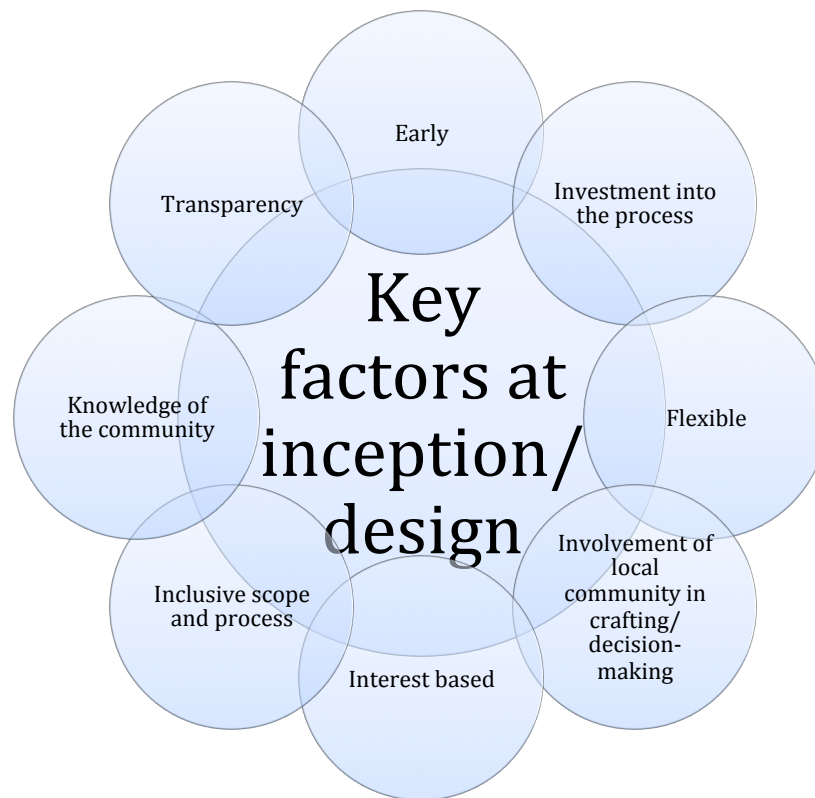


*Process- Design and inception.*

The data analysis of the interviews found that the design of the process and how it is implemented at inception has a profound effect on the effectiveness of the community engagement process. Table 6 outlines the key elements required in process design/inception for effective community engagement as extrapolated from the interviews using the Braun and Clarke (2006) thematic analysis and Figure 3 provides a visual representation.

**Table 6***Key Elements of Process Design And Inception*

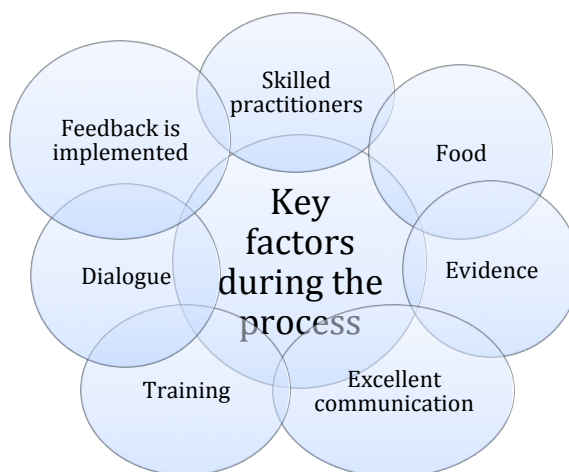
<b>Key Elements</b>	<b>Explanation</b>
<i>Early</i>	The earlier a process begins the better the opportunity is for establishing strong relationships. It enables for the identification and addressing of issues early enough for changes to be made before commitments, and positions, become cemented.
<i>Investment</i>	Time, resources, and money need to be invested into the community and into the process for it to be effective.
<i>Flexibility</i>	Companies need to be flexible when it comes to their plans (consultation plans, project plans, etc.) and they also need to be honest and transparent about what can and cannot be change.
<i>Involving the local community in the crafting of the process</i>	The best process is the one that has the community involved in its creation. This means that the people have a say in how the process will occur, what works for them and what methods will be used. This is reflected in the IAP2 (2007b) core values.
<i>Interest based</i>	The process should be conducted in an interest-based manner to create understanding of the underlying interests.
<i>Inclusive scope and process</i>	Having an inclusive process and scope means involving all the key stakeholders. It is an iterative process.
<i>Knowing the community</i>	Knowing the history of the community, what developments have occurred (or failed) in the past; knowing the community values, interests, beliefs etc. are all key for an effective process.
<i>Transparency</i>	Transparency means being honest and open about the project/process. It means having open and honest communication. This means readily providing information, being honest when something is unknown. People want to be treated with dignity and respect so admitting when you do not know provides a human face to the process. Transparency means demonstrating continuous improvement. It means responding to questions and doing your best to resolve issues as they arise. It also means reporting accurately: the progress, issues, successes, etc. and correcting mistakes when they occur.

**Figure 3***Key Elements of Process Design And Inception**Process- During.*

The data analysis of the interviews found that the way the process is designed and undertaken is a key element for successful community engagement. Table 7 outlines the key elements required during the process for effective community engagement to occur as derived from the interviews using the Braun and Clarke (2006) thematic analysis and Figure 4 serves as a visual representation.

**Table 7***Key Elements Required During the Process*

<b>Key Elements</b>	<b>Explanation</b>
<i>Having skilled practitioners</i>	Acknowledging that community engagement is a skillset, which requires the right people who are well trained. This means having skilled and trained individuals conduct the process. Several practitioners stated that you would not have a non-engineer do their work because it is a trained skill, why should community engagement be any different?
<i>Food</i>	Two participants stated that food is paramount to getting people to relax and open up. Having food and coffee present creates a better atmosphere and eases the tension.
<i>Evidence</i>	Proving evidence that community feedback has been heard, how it was used, and if it was not used providing an explanation why not.
<i>Excellent communication</i>	Communication needs to be open, honest and transparent. It needs to be readily available and available as early as possible. It needs to be project specific, clear, concise, and consistent. The information needs to be free from jargon, easy to understand, and respectful. Company people need to be available to answer questions.
<i>Training</i>	Providing a comprehensive training program for locals as well as those conducting the process.
<i>Dialogue</i>	There is active participation in the process and it is a multidimensional dialogue where everyone participates. For this to happen there has to be open-mindedness and a willingness to listen and change.
<i>Feedback is implemented</i>	The feedback received is implemented.

**Figure 4***Key Elements Required During The Process*

*What is required on the part of the community?*

Although community engagement is company instigated it is not a one-way process. The key factors required of the community for effective community engagement to occur as found in the interviews by using the Braun and Clarke (2006) thematic analysis are outlined in Table 8 and the visual representation of the key factors is provided in Figure 5.

**Table 8***Key Factors Required On The Part of The Community*

<b>Key Factors</b>	<b>Explanation</b>
<i>Being informed and asking good questions</i>	Good decisions cannot be made without active participation. The community needs to: listen, get informed (read the materials), and ask good questions. They need to know that they can take their time to process the information and then make a decision.
<i>Honesty</i>	Community members need to be honest and express their concerns and when they do not understand something. This includes asking questions and providing feedback. For this to occur, the community needs to feel respected and have trust in the process/the company.
<i>Community capacity</i>	Companies need to be cognoscente of the capacities and limitations that exist the community. Money, the right people and time are key capacities with which many communities struggle.
<i>Willingness to participate</i>	Community members need to show up and participate. They need to be willing to work with the company and be willing/able to set aside past issues/perceptions and give the new process a chance. Participants acknowledge that it is the responsibility of the company to have effective processes in place to address concerns.
<i>Timely and constructive feedback</i>	The community provides timely constructive feedback. This occurs when community capacity is present.
<i>Understanding responsibilities and rights</i>	Communities need to be aware that they have rights that they can exercise but also that they do not have care blanche control of the decision-making process.
<i>Being involved</i>	Community members need to pay attention to, and get involved in, the events that are going on in their community so that they do not miss any opportunities to engage or object; the regulator cannot hold a company accountable for missed opportunities.
<i>Genuine openness</i>	Being open to learning and listening to the information. Going in with a predetermined mindset does not bode well for collaboration.
<i>Collaborating</i>	Being willing to work with other communities. Unique to Alberta is the challenge of farmer autonomy. By working together communities and individuals would force industry to create stronger community engagement processes.

**Figure 5**

*Key Factors Required On The Part of the Community*



*Success.*

The participants were asked about success and what successful community engagement looks like. The data analysis of the interviews found that what success looks like and what is required for success are the same; success cannot happen without the key elements and the key elements are the reason success occurs. As a result the overarching key elements of success generated using the Braun and Clarke (2006) thematic analysis are presented in a single table, Table 9. Figure 6 provides a visual summary of the key factors for success.

**Table 9***Key Factors Required For Success*

<b>Key Factors</b>	<b>Explanation</b>
<i>There is open dialogue</i>	People need to feel heard, understood, listened to and know that their feedback has been implemented. If feedback was not implemented they need to know and understand why that decision was made.
<i>The process is open</i>	The community invites the company to community events. The company is involved in the community not just through community investment, which is important, but also through volunteering, etc.
<i>There are no objections</i>	According to industry representatives, in success there are no objection and few to no conditions on the project. This is because good community relations have already addressed community concerns.
<i>There is a relationship</i>	Success is having a SLO by establishing long-term relationships. It also means having a reciprocal relationship. The community feels like they are benefiting from the relationship and that the company is a good neighbor. This does not always mean money but it could be participating in anything that the community sees as important.
<i>There is continuity</i>	There is continuity in contact. The community knows who to contact when an emergency occurs or when they have a question.
<i>There is good communication</i>	Early and ongoing communication, in an accessible format, is present.
<i>The process addresses the root causes</i>	The key issues and the root causes of the economic, safety, environmental, etc. concerns are addressed.
<i>It is comprehensive</i>	The process reaches the whole community. This does not mean that everyone attends every meeting but it means that no one is excluded from the process (unless they want to be).
<i>It is proactive</i>	A process should never start when a crisis occurs; if it does it is too late.
<i>It is flexible</i>	There is no cookie cutter approach to community engagement. The process needs to be flexible and designed in a way that helps the people involved understand. It needs to provide access so that the community is involved in the design, the decision-making, and they are informed to do this well.
<i>There is respect</i>	People respond to how they are treated. There is give and take on both sides and each side is respectful of the other's needs, values, etc.
<i>There is trust and transparency</i>	Trust and transparency were often stated as the ultimate measure of success. The parties trust one another and there is transparency in communication and in the process.
<i>Arriving at the right decision</i>	In success, all parties have a sense that they have arrived at the right decision. This might not be outright consensus but it also does not mean only agreeing to the lowest common denominator.
<i>Process is responsible</i>	The process does not happen at the expense of the environment; any mitigation needed to make the process responsible is taken.

**Figure 6***Key Factors Required For Success**Support for community engagement?*

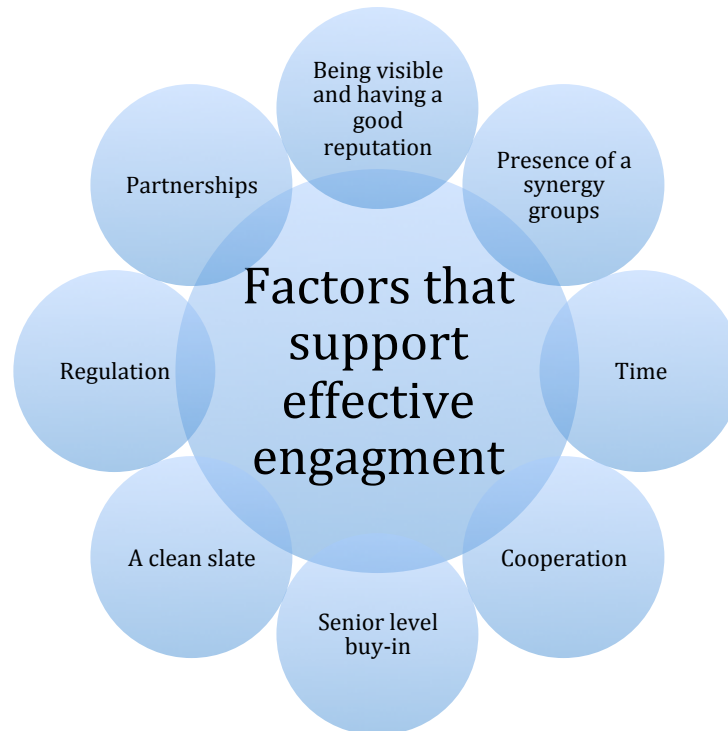
The participants were asked what factors support community engagement. Most reiterated many of the key factors (having the right people do the work on both sides, having a tailored process that is focused on relationship building, a commitment to the process, the company being accountable and both sides being open-minded) required for success or for effective community engagement and as a result, only factors not already

mentioned in this chapter are outlined. Table 10 outlines the key factors identified in the interviews that support community engagement; these key factors were generated using the Braun and Clarke (2006) thematic analysis. Figure 7 provides a visual summary of the factors.

**Table 10**

*Factors That Support Community Engagement*

<b>Key Factors</b>	<b>Explanation</b>
<i>Being visible and having a good reputation</i>	A reputation does not have to be in that community since a good or bad reputation travels. Being present and being involved is key since it builds good relationships.
<i>Presence of a synergy groups</i>	The presence of a synergy group in a community is a great indicator that there are people in the community who are interested in cooperative community engagement.
<i>An interest in development</i>	If the community is interested in development and if the company has an interest in community development.
<i>Time</i>	The more time the easier the process is. If there is time there is not as much pressure and people have the opportunity to reflect, to consider and to be involved.
<i>Cooperation</i>	Having cooperation between companies when there is limited community capacity.
<i>Senior level buy-in</i>	Having senior level buy-in is key for effective community engagement. In addition to belief in the process it also means having support for the process and having measurement cycles for success. This means that there are measures and constant improvements and the process is not depended on just one person.
<i>A clean slate</i>	It is helpful when the community has had positive experiences in the past with either this company or the industry overall. It is also helpful if there have not been issues in the past because some companies will pay the price for another's mistakes.
<i>Regulation</i>	Having strong regulations. Several participants stated that having the regulators do a better job of encouraging good community engagement and having a requirement for better processes would support better community engagement.
<i>Partnerships</i>	Formulating partnership with local groups, individuals and/or organizations. This creates an ally and builds credibility.

**Figure 7***Factors That Support Community Engagement**Failure.*

Like success, the data analysis of the interviews found that the key factors and characteristics of failure are the same. Table 11 outlines the key factors identified as derived by using the Braun and Clarke (2006) thematic analysis and their explanations, and Figure 8 provides a visual summary of the key factors of failure.

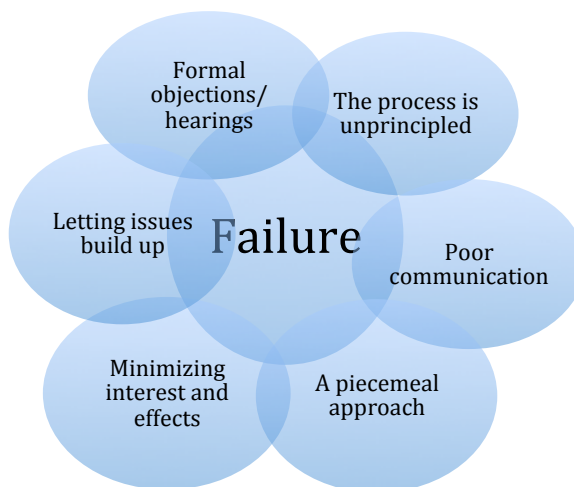
**Table 11**

*Key Factors of Failure*

<b>Key Factors</b>	<b>Explanation</b>
<i>Formal objections/ hearings</i>	The inability to mutually resolve issues and to find mutually acceptable solutions resulting in formal objections and/or regulatory hearings. Having protest, lawsuits etc. are all indicators of failure.
<i>The process is unprincipled</i>	The company has a poor attitude and a lack of respect. People are arrogant, secretive, and only do the minimal requirements. There is no honesty and/or transparency. One participant stated that why should it come as a surprise that people are angry and uncooperative if they, their time and business imperatives have not been respected.
<i>Poor communication</i>	Having poor communication where the company is arrogant, fails to provide enough or effective information that is in an accessible format (full of jargon). Having community members who are not receptive to the process and that object without being well informed.
<i>A piecemeal approach</i>	Not having the right people do the work. Having contractors who are more interested in quantifiable results than in relationship building. Or anytime that information gathered is not effectively transferred to the company and into practice.
<i>Minimizing interest and effects</i>	Minimizing the impact or not informing the community of all potential effects. This ties directly into honesty and in turn into an absence of trust.
<i>Letting issues build up</i>	Early involvement is key for success. As a result allowing issues to build up and allowing dissatisfactions and issues to go unaddressed leads to failure.

**Figure 8**

*Key Factors of Failure*



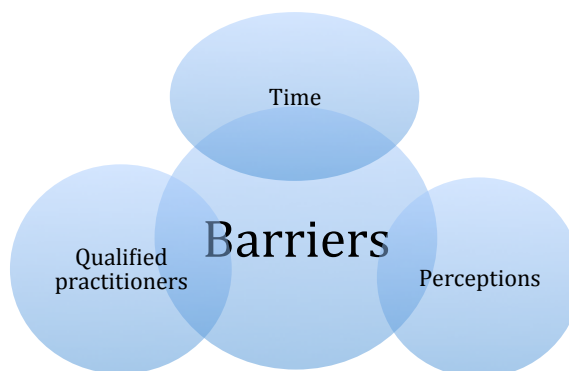
*What are barriers to community engagement?*

Participants were asked about barriers to community engagement. The data analysis of the interviews generated using the Braun and Clarke (2006) thematic analysis found that barriers which are present for both the community and the company, just the community, just the company and in terms of regulation. The barriers that exist for both the community and company are outlined in Table 11 and Figure 8.

**Table 12**

*Barriers for Both Community and Company*

<b>Barrier</b>	<b>Explanation</b>
<i>Time</i>	Companies typically have very fixed timelines (construction, regulatory, etc.). Many companies do not leave enough time to carry out effective consultation. Also sometimes community and industry timelines are incongruent. For example, drilling occurs in the winter when the ground is hard, so some companies carry out community engagement just before. This is harvest time for many Albertans' and one of their busiest times of the year.
<i>Perceptions</i>	Perceptions, fears, previous unresolved feelings, and political agendas are all barriers to community engagement. One respondent also stated that the media and Internet act as barriers. Many people rely on both as a source of information, and as is often the case, may not be privy to all the details. This barrier also ties into perceptions, fears and histories since it is difficult to fight what has come before you (i.e. rumors and preconceptions).
<i>Qualified practitioners</i>	Companies are having a hard time finding qualified consultants who have local experience and established relationships in the area.

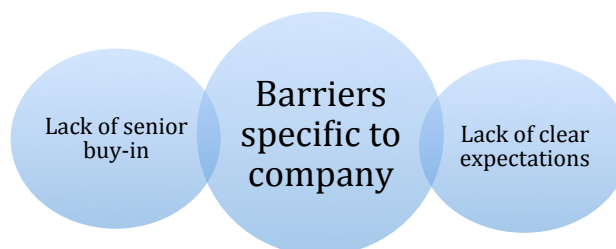
**Figure 9***Barriers for Both Community and Company**Company.*

There are also barriers to community engagement that are unique to companies.

Company barriers identified in the interviews using the Braun and Clarke (2006) thematic analysis are outlined in Table 13 and Figure 10.

**Table 13***Barriers Specific to Company*

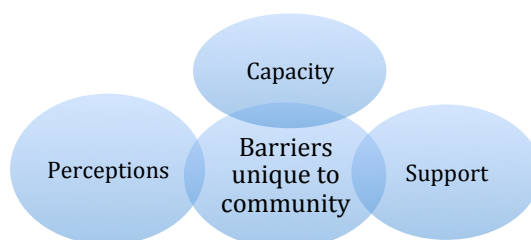
<b>Barrier</b>	<b>Explanation</b>
Lack of senior buy-in	Not being willing to engage, just being focused on the short-term, making money and only looking to meet the minimum requirements were all factors brought up as a barrier under the overall umbrella of senior level buy-in.
<i>Lack of clear of expectations</i>	In order to have success the respondents stated that it is necessary to clearly communicate to the community the process and any legal restrictions. Often frustrations occur when different expectations about the process are present. Having clear expectations and having frank conversations about what is and what is not possible is crucial for relationship building, and in turn, successful community engagement.

**Figure 10***Barriers Specific to Company**Community.*

The barriers unique to communities as identified in the interviews using the Braun and Clarke (2006) thematic analysis are outlined in Table 14 and Figure 10.

**Table 14***Barriers Unique to Communities*

<b>Barrier</b>	<b>Explanation</b>
Capacity	All participants mentioned some form of community capacity. Capacity and availability/access to resources were indicated as barriers to community engagement for the community.
Support	A lack of support from industry for the community engagement processes was identified as a barrier to effective community engagement.
Perceptions and attitudes	Perceptions and attitudes by the community and its members are a barrier to effective community engagement. This could be represented in a number of forms including: not showing up, a lack of interested in receive consultation information and to meet, a limited understanding of the industry, and a lack of desire/interest in development. Having a lack of understanding or a biased perspective, that is not knowing the project but basing objections on other jurisdictions.

**Figure 11***Barriers Unique to Community*

*Regulatory.*

Several interview participants mentioned regulatory barriers to effective community engagement. The regulatory barriers derived from the interviews using the Braun and Clarke (2006) thematic analysis are outlined in Table 15 and Figure 11.

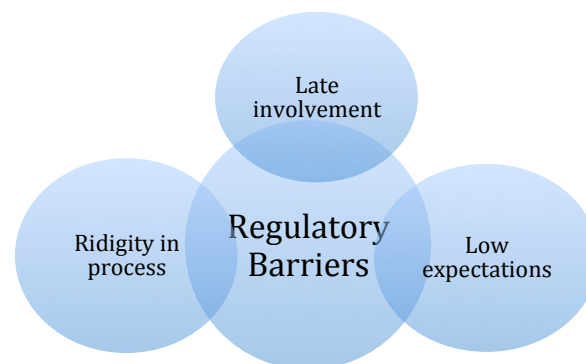
**Table 15**

*Regulatory Barriers*

<b>Barrier</b>	<b>Explanation</b>
<i>Late involvement</i>	One participant stated that the regulator does not engage in the process early enough.
<i>Low expectations</i>	One participant stated that stronger regulation is needed on the part of the regulator if community engagement is to be effective and successful because many companies only engage up to a certain threshold.
<i>Rigidity in process</i>	One participant noted that regulatory processes are sometimes too ridged and too focused on quantifiable (e.g. how many people were talked to) instead on relationship building.

**Figure 12**

*Regulatory Barriers*



*When should community engagement be used?*

All participants stated that community engagement should occur early and happen often. Participants stated that anytime an impact is felt by the community (traffic, socioeconomic, etc.) engagement should occur. It should happen early because changes

and modifications can be made to a project. An early community engagement process also allows a company to define its identity, instead of hearsay and rumors. Participants stated that the early component can be a challenge since companies do not know if the project will actually happen and so they do not want to raise any alarms in the community or to inform their competitors until a deal is solidified. This was viewed as very short sighted. It was stated that even when seismic analyses are being done, the company should be working on establishing relationship as relationship building needs to happen before a project has even started if it is to be effective. This is because, if early contact is done wrong it can leave a very bad impression of the company. The intensity of the community engagement might fluctuate over time, but community engagement needs to continue through the entire lifecycle of the project and needs to be well maintained.

*When should community engagement not be used?*

Most participants could not identify a time when community engagement should not be used. Those that did indicated that community engagement should not be used if you, the company, are not willing to incorporate any of the feedback and/or if you have already made up your mind. This is just notification and/or window-dressing. If you are not genuine you will do more damage than you can manage and will likely further upset members of the community. You also cannot force a community to engage. It is up to the community to decide if they want to participate. One industry participant cautioned against community engagement where the process has failed in the past.

*The most effective community engagement methods.*

When asked about the most effective methods for conducting community engagement, all the participants stated that a tailored approach specifically designed for

the community was the most effective. The process needs to be community and context specific. The most effective approach is one that has been adapted to the community and where the community has been asked how they want to be engaged. An effective approach gets to know the community. Who are the leaders (opinion and elected)? Where does the community get its information (radio, church, coffee shops, etc.)? Are there synergy groups in the area or an ERCB field center? These are all important questions to ask when designing a community engagement process.

In terms of the specifics, participants stated that the following were most effective: being involved in synergy groups, community meetings and events supplied with food, conducting information sessions and investing in the community, having one-on-one and face-to-face meetings with people, and meeting with community members where it is most convenient and comfortable for them. It was identified that knowing your audience and how they access information is key for effective communication.

One participant also stated that it is most effective to build a multi-stakeholder process that is a part of the overall development project. This way it is not just one sector being mobilized but rather multi-stakeholder participation based on consensus decision-making. The participant stated that although not easy, it is extremely effective. An industry participant also mentioned the “7 habits of highly effective people” training method as effective. The participant stated that this training helps with relationship building.

*The least effective community engagement methods.*

All participants specified that cookie-cutter methods created without any consideration for the needs of the local community and that do not seek feedback are

ineffective. Having people come in and inform the community how the process will be executed was seen as being derogatory and disrespectful. These, along with just sticking to the minimum regulatory requirements, are all ineffective methods.

In terms of specific methods, town-hall meetings were most frequently brought up as ineffective. Participants stated that they create an adversarial environment, provide an opportunity to grandstand and that they create a physical barrier between the community and the company. One participant indicated that they often leave people feeling angrier than when they arrived. Finally, participants stated that any approaches where you are just informing, and which is not targeted, is ineffective. Therefore, having a company newsletter or calendar, just providing packages with printer information littered with jargon and legalistic language, mail outs and newspaper advertisements, or any information that is put out with the hope of someone picking it up were all stated as ineffective.

### **Social License to Operate**

Specific questions about the social license to operate (SLO) were asked. The following sections: definition, key elements of the SLO, and key elements of an ineffective SLO or the absence of a SLO, outline the interview findings and were all derived by using the Braun and Clarke (2006) thematic analysis.

#### *Definition.*

When asked to define the SLO, all participants stated that the SLO is something that is granted by the community. Two industry participants explicitly stated that it means having an effective community engagement program. The SLO demonstrates the alignment of values and expectation by the industry with the people they affect (this can

be as broad as the civil society). The SLO is a big picture partnership. It means working together to get the job done right for the betterment of everyone. When the SLO is present, the community is well informed about the process and there are no objections to the development. It is an acceptance of your work. A participant stated that another phrase for the SLO is trust built over time through good relationships.

*Key elements of SLO.*

The key elements of the SLO as identified in the interviews by using the Braun and Clarke (2006) thematic analysis are outlined in Table 16 and in Figure 12. Many of the key elements of the SLO are similar, if not the same as for effective community engagement. One participant answered that the key elements of the SLO are the same as community engagement. These similarities are explored in chapter 5.

**Table 16***Key Elements of The SLO*

<b>Key Element</b>	<b>Explanation</b>
<i>Company buy-in</i>	From the very senior to the ground level there is a belief that the SLO is real, it is good for the bottom line, and it is integrated into everything that company does.
<i>Respect</i>	Respect is key for the SLO. It is treating others how you want to be treated and giving people the benefit of the doubt. People respond to how they are treated.
<i>Understanding of the values</i>	When the SLO is present there is an understanding of the values and expectations of the community and of Albertans.
<i>Community needs and concerns are addressed</i>	Having a SLO means that the company has taken into consideration community concerns and it has either resolved or mitigate those concerns. The community feels that there is a benefit to having the development in their community.
<i>Community investment</i>	It is not just a matter of throwing money at an issue. It is investing in what matters to the community. It is about volunteering, using local services and being a part of the local community.
<i>Building relationships</i>	Relationships have been built up over time. The community knows whom to contact if something happens. There is a strong framework for two-way communication. There is trust, honest, and respect. It feels and acts like a partnership where the company and community are acting in unison in order to carry out a successful project and to get the work done. When a relationship is present people forgive and understand.
<i>Follow through</i>	It means being accountable and following through on promises made.
<i>Principled</i>	There is an established relationship that is built on trust, honesty, respect and transparency.
<i>Inclusive</i>	The process is inclusive. It involves everyone who is directly impacted but also the broader community.
<i>Communication</i>	All communication is effective and targeted. The community is well informed and understands the process.
<i>Dynamic process</i>	The process is dynamic and adaptive. It is in line with community interests and with societal interests.
<i>Ongoing process</i>	In order to obtain a SLO there needs to be an ongoing community engagement processes. And just because you receive the SLO at one point does not mean that it is forever. People and circumstances change and so community engagement needs to be ongoing and consistent. It needs to be maintained.
<i>Dialogue</i>	There is ongoing open dialogue throughout the process. This also means that both sides monitor the situation and communicate concerns/issues etc. with one another.

**Figure 13***Key Elements of the SLO**Key elements of ineffective SLO.*

Although the SLO can be strategic, since it does help the bottom line, it is ultimately about human relationships. Most participants argued that you either have the SLO or you do not. This is because people can tell if they are being deceived and they can tell if you are just pretending to care. They identified that cutting corners, not acting

locally, breaking commitments, not engaging the community in the design of the community engagement process, being disrespectful, having short term thinking, not building and/or maintain relationships, and acting in an unprincipled way, are all hallmarks of the absence of a SLO. Overall it is the ignoring of the interests, needs, values and expectations of Albertans in general, and of the community in particular, that leads to the absence of a SLO.

### **Conclusion**

This chapter outlined the key findings extrapolated from the qualitative data analysis using the Braun and Clarke (2006) thematic analysis. It outlined the key elements of community engagement and of the SLO as identified by the interview participants. The next chapter looks for similarities between effective community engagement and the SLO, it links the information obtained through interviews to the information found in the literature review and finally it provides recommendations and concludes the thesis.

## **CHAPTER 5: RECOMMENDATIONS AND CONCLUSION**

Chapter 4 outlined the key elements of effective community engagement and of the SLO as found in the interviews. This chapter considers whether community engagement can be used to obtain the SLO by examining if key elements of the SLO and of effective community engagement overlap. This chapter triangulates, or supports the findings from the interviews with the finding gathered in the literature and presents any key elements missing. This chapter correlates the triangulated results to DIAD theory. Finally, it presents a conclusion, recommendations and suggestions for future research.

### **Overlaps Between the SLO and Community Engagement**

Two industry participants explicitly stated that obtaining the SLO requires effective community engagement. In order to see if the key elements of effective community engagement and of the SLO overlap, the key elements generated through the Braun and Clarke (2006) thematic analysis as described by Kepore and Imbun (2010) in Chapter Three were compared side by side. The same key elements were then categorized. It was found that almost all of the key elements of effective community engagement were present in the key elements of the SLO. Figure 14 outlines the overlapping key factors. The only factor that did not overlap was: “going beyond regulatory requirements”. It could be argued however, that this was implicitly indicated since the SLO is a practice of going beyond regulatory requirements and most participants defined it as such.

**Figure 14**

*Overlaps Between Effective Community Engagement and the SLO*



### **Triangulation**

This section supports and supplements the interview results with the information found in the literature review. The intent of this section is to provide support for the key elements identified in the interviews and to provide any additional information identified in the literature review. Since all of the interview-identified key factors of effective community engagement and of the SLO overlapped (Figure 14), the following section is organized according to those overlaps. Knowing the community and relationship building, addressing community needs and follow through, a principled process and open

dialogue, as well as a dynamic and flexible and ongoing and long-term process, were grouped together since they were related. As a result, this section is divided into eight sub sections: knowing the community and relationship building, addressing community needs, Corporate Social Responsibility, a principled process and open dialogue, excellent communication, process is dynamic and flexible, executive buy-in. Lastly an additional section “needs to occur early” was added to reflect a key element found in the literature that was not explicitly identified by the interview participants.

*Knowing the community and relationship building.*

The SLO and effective community engagement both need to be community specific and have an understanding of community values (Khalsa, 2010; Lassonde, 2003; Nelsen & Scoble, 2006). Local histories and cultures must be taken into account if community engagement is to be effective and the approach should be flexible and adapted to the local context (Higgs et al., 1998; Whiteman & Mamen, 2002). Stakeholder identification and a situational analysis of the community ought to occur early, and be done well, if relationships are to be built and processes are to be effective (Nelsen & Scoble, 2006; Wilson, 2009). A genuine reciprocal working relationships, working directly with the community, and in general engaging the community results long-term effective decisions, outcomes and it builds trust and is therefore key for effective community engagement and the SLO (Higgs et al., 1998; Owens & Sykes, 2009).

Making assumptions about a community and their wants/needs can be detrimental to not only the relationship but to the overall project. Therefore, it is important to conduct any meetings in a culturally appropriate setting and for all relevant stakeholders to be included if the process for it to be truly effective (Bruckmeier, 2005; Whiteman,

2009). Being involved in the community and being part of the community framework by participating in community events confers legitimacy by displaying compatibility in beliefs and valuing others (Hallahan, 2003). Overall, having an understanding of the culture and the history of a community allows for a better understanding of what has transpired, what is to come, and it creates greater adaptability in process (Higgs et al., 1998).

*Addressing community needs.*

A truly effective community engagement strategy requires early input and guidance from the stakeholders on how they see the process unfolding and what they want it to address (Wilson, 2009). When decisions are made within the community—that is by the citizens themselves—there is a greater sense of satisfaction with the process (Higgs et al., 1998). Therefore, a process needs to be developed with the community and suitable to its circumstances and needs (Nelsen, 2009; Nelsen & Scoble, 2006). The goals and the process should be jointly defined and the company must recognize that each community is different and that any effective community engagement process will require a case-by-case approach (Whiteman & Mamen, 2002).

It is crucial that feedback received is put into practice (Wilson, 2009). Listening to concerns is a priority; however, listening and inaction could be worse than ignoring the concerns and opinions of the stakeholders altogether. Companies need to have teams that are well equipped and capable (both in terms of skills and authority) to integrate the suggestions and address the concerns expressed by the stakeholders. The interview participants went one step further and indicated that the community needs to be informed of this implementation; they need to see the evidence of the work done.

*Corporate Social Responsibility.*

Interview participants argued that community investment and Corporate Social Responsibility (CSR) need to be present for both effective community engagement and for the obtaining of the SLO. Although a few participants mentioned community capacity it was only brought up as a barrier to effective community engagement. In the literature however, community capacity was raised as a requirement for obtaining the SLO. Building capacity means building local understanding and resources so the community can effectively, and fully, take part in the decision-making process; it is also useful in addressing power differentials (Whiteman & Mamen, 2002). Capacity building is marked by: building local ownership and self-reliance, practicing genuine partnerships, understanding the specific context of the project in that community and having a long-term commitment to the project (Loza, 2004). In order to obtain a SLO it is crucial for a company to work within existing community frameworks and with the community to build local capacity to manage projects and consensus. Building local capacity is key to being accountable and sustainable in practices because it allows for the management of expectations, where truth and transparency of actions, intentions, consequences and plans is expressed and openly communicated (Khalsa, 2010).

Successful and effective CSR goes hand in hand with community collaboration. CSR can be seen or practiced as collaboration between corporation and communities and the development of mutually beneficial relationships between the two (Idemudia, 2007). CSR initiatives need to be aligned with local community needs, expectations, culture and priorities if CSR initiatives are to foster good relations and in turn gain legitimacy and prevent conflict (Idemudia, 2007). Collaborative partnerships can also better allocate

existing resources and they generate a better “bang for buck” for existing social investment budgets and for public partnerships (Khalsa, 2010). This is because misconceptions are eliminated. For companies, collaboration makes it easier to conduct business and for communities it can act as a safeguard (Higgs et al., 1998). In general, the literature argues that working together and defining goals collectively is key for a successful community engagement and in turn for the SLO (Gregory et al., 2008).

*A principled process and open dialogue.*

Trust, transparency and respect were identified in the interviews as well as in the literature as key for effective community engagement and the SLO (Browne et al., 2011; De Cremer & Dewitte, 2002; Gregory et al., 2008; Jahansoozi, 2006; Kent & Taylor, 2002; Khalsa, 2010; Lynch-Wood & Williamson, 2007; Mazur & Curtis, 2008; Stehlik & Buckley, 2011; Whiteman & Mamen, 2002). Transparency, trust, and open dialogue improve, and maintain, good communication and strong relationships and as a result improved community engagement and the SLO (Jahansoozi, 2006; Kent & Taylor, 2002; Khalsa, 2010). Transparency and dialogue tend to eliminate unnecessary spending because expectations and needs are communicated and understood by the company (Jahansoozi, 2006; Lynch-Wood & Williamson, 2007; Whiteman & Mamen, 2002).

Trust and transparency also served as a form of conflict prevention. They can reduce the number of hearings because issues are communicated and understood early on and they are addressed before they escalate to a critical stage (Jahansoozi, 2006). Overall, transparency and open dialogue leads to better understandings of project, of the community, and to collaboration (De Cremer & Dewitte, 2002; Jahansoozi, 2006). The literature indicates a lack of understanding by industry that dialogues result in enhanced

mutual understanding and respect among stakeholders and that it should be ongoing from the start of the process (request for access) throughout the lifecycle of the project (Whiteman & Mamen, 2002).

*Excellent communication.*

Effective communication is key for establishing transparency, legitimacy and overall accountability for any process (Calder & Beckie, 2011). Effective communication works to create effective power sharing. It works as a way to mobilize power and knowledge through social networks and it creates a more effective community engagement process (Calder & Beckie, 2011). It also provides the community with certainty, consistency, and trust and it enables the SLO to develop (Browne et al., 2011). Effective communication is a key for fostering legitimacy since it requires attentive listening to the community and its inhabitant's opinions (Idemudia, 2007).

Participatory approaches to communication are advocated by risk communication theory because they tend to offer better and less adversarial/divisive decisions (Higgs et al., 1998). Also, having easy access to credible and accurate information, and using appropriate communication models, is a key component in building community trust (Mazur & Curtis, 2008; Peets & Leach, 2000; Slovic, 1999). However, there still remains a difference between how experts and the public interpret risk and these differences are often neglected when older communication models are used (Mazur & Curtis, 2008; Parliamentary Office of Technology, 2001; Slovic, 1999). In these older communication models experts rely on very technical information and language in a one-way style of information presentation. This model has been shown to exacerbate public concerns and decrease levels of trust (Mazur & Curtis, 2008; Peets & Leach, 2000; Slovic, 1999).

Therefore, fully disclosing documents and information in an appropriate format (i.e. plain language that is not insulting or belittling) as well as disclosing when actions are being take and when successes are achieved but also disclosing when, and what challenges are being encountered is key (Whiteman & Mamen, 2002).

*Process is dynamic and flexible.*

There is no perfect community engagement strategy. This is because like a community the SLO is dynamic and constantly evolving. This means that if a company wishes to conduct an effective community engagement strategy and obtain a SLO it must be flexible in its approach (Nelsen, 2009). It needs to adopt a strategy that is the most suitable to the situation, the available resources, needs, circumstances and capabilities of that specific community (Warner, 2000).

This flexibility and adaptability also needs to be present over time. This is because SLO is dynamic and an iterative process over the entire lifecycle of the project ensures that issues and concerns are addressed and community satisfaction is maintained (Nelsen, 2009; Whiteman & Mamen, 2002). Companies need to recognize that their ability to survive long-term in a community requires the creation of a strong community engagement process. This is because their well-being and success are intimately bound to the well-being and the support of the community in which they operate (Banks, 1995; Whiteman & Mamen, 2002). The interview participants also stated that recognizing that a community engagement process, relationship building and the SLO take time and are an ongoing process is key for success.

*Executive buy-in.*

There is strong reason to believe that the SLO is also influenced by internal factors within the company (Henisz et al., 2011). This is because different firms operating under similar regulation yet social and competitive pressures have resulted in different community engagement approaches (Henisz et al., 2011). Internal actions and pressures play a key role in driving decision-making. The management of incentives, organizational culture, organizational identity, organizational self-monitoring, and personal commitments and affiliations are key factors that contribute to the construction of a company's SLO (Howard-Grenville, Nash, & Coglianese, 2008). Organizational self-monitoring represents a set of choices about how that organization sees its image and wants to present it to the rest of the world. It is a feedback loop of impressions, values and actions (Henisz et al., 2011). As a result some authors argue that aspects of the SLO are not simply forced upon a organizations but rather that the organization is part of the norm setting through its own actions (Gunningham, et al., 2004; Henisz et al., 2011).

Public participation is often seen as means to legitimize economic goals (Masuda et al., 2008). Therefore, having clear motivations and embodying those motivations (i.e. believing in the process and in the SLO) are key if the process is to be seen as just and effective. There is a serious danger however, of these processes becoming tokenistic and only paying lip service to the process. If this is the case it can have dramatic effects on the perceptions of justice and can do more harm than good (Whiteman, 2009).

*Needs to occur early.*

In the interviews the need for the process to occur early was explicitly stated as a key factor of effective community engagement and only implicitly stated as a key factor

of the SLO. The need for a community engagement process to occur early was also outlined as a requirement for success. In the literature the overwhelming perspective is that in order to acquire the SLO companies need engage early to establish relationships with the community (Haggart, Harris, & Huton, 2011; Mazur & Curtis, 2008; Nelsen, 2009; Shindler, Brunson & Stankey, 2002 Whiteman & Mamen, 2002). Community perceptions, expectations and beliefs are central to that community's reactions to a development. And regardless of if they are factual or not they are a reality of that community. Therefore, if they are not discussed and addressed early on, they will become a reality for that community and will affect operations and potentially be a source of conflict (Idemudia, 2007).

### **Theory**

This thesis operates under the assumption that effective community engagement needs to be collaborative. This assumption was reflected in the results based on the strong emphasis that all participants placed on relationship building as well as the explicit statement in the literature that to obtain the SLO the process needs to be collaborative (Higgs et al., 1998; Idemudia, 2007; Khalsa, 2010). This thesis also operates under the assumption that for community engagement to be effective and for the SLO to be obtained the requirements for collaborative rationality as defined by Innes and Booher's DIAD theory (2010), need to be present.

This assumption was also reflected in the final results. The key components of Innes and Booher's (2010) DIAD theory: diversity, interdependence and authentic dialogue (which includes reciprocity, relationship, learning and creativity) were all represented in the key elements of both effective community engagement and of the SLO.

For example: the presence of dialogue and relationship building and interdependence and inclusion in the form of inclusion of all relevant stakeholder, were all present in the key elements of effective community engagement and of the SLO. This overlap between the key elements of effective community engagement, the SLO, and of DIAD theory speaks to the importance of using theory, as mentioned in the literature review, when conducting and designing community engagement processes.

### **Recommendations**

This research yielded many exciting findings. The convergence the interview participants presented on many of their insights and ideas about both community engagement and on the SLO suggest that the key themes/elements generated and identified as significant in Chapter Four have a potential universality. Moreover, the corroboration that the literature findings provided further suggests that this is the case. As a result, based on the interview results, the data analysis and the literature review, this thesis recommends that the key elements of an effective community engagement as outlined in Chapter 4 be incorporated in any community engagement strategy that wishes to obtain a SLO. The research question asked: what are the key elements of the Social License to Operate and how can these elements be applied to community engagement/consultation in a way that prevents conflicts in the Alberta's oil and gas industry? This thesis argues that the key elements of the SLO and of community engagement are the same and that in order to prevent conflicts in Alberta's oil and gas industry, and to prevent concerns and issues from escalating into conflicts, companies need to deploy an effective community engagement strategy. This recommendation is

based on the examination in the literature review of conflict prevention and its link to relationship building and community engagement.

The convergence in interview perspectives and with the literature review as well as the strong link between the findings and Innes and Booher's (2010) DIAD theory are extremely exciting because they suggest that if the above recommendations were implemented into practices there is a strong likelihood for better community engagement that is preventive and collaborative in nature and that facilitates the obtaining of the SLO.

This thesis is to this author's knowledge the first to look at the relationship between community engagement and the SLO in general, and in Alberta in particular. These findings and recommendations are particularly exciting since they document the practical knowledge and experience from industry, the regulatory and community participants who have been active in the industry and in community engagement for a number of years.

I recognize that although landowner perspectives were mentioned, it is not enough to formulate a clear picture of their needs and beliefs. More work needs to be done to speak directly to landowners as well as to community members who are not landowners but are impacted, as well as the broader civil society. The community perspective also needs to be expanded. Synergy represents community perspectives that could be more informed and knowledgeable about community engagement than the general public. Therefore, the community perspective needs to be expanded. Also, although Aboriginal communities were not included in this thesis, participants did mention that many of the key elements for effective community engagement and obtaining the SLO were relevant to conducting community engagement with Aboriginal communities. Therefore, an

examination which addresses all populations is needed if a comprehensive understanding of the SLO is to be developed. The industry perspective also needs to be expanded. All industry participants interviewed had a commitment to community engagement and believed in the SLO. A broader sample is needed to gain an understanding of why some companies do not engage and/or believe in the SLO.

Lastly, a stronger analysis of conflict prevention in resource development is needed. This thesis only touched on it in the form of relationship building. It would be interesting to if conflict can be used in a positive way in resource development. That is to examine the positive effects of constructive conflict, where it is used to innovate and develop dialogue.

### **Future Research**

The SLO literature is still emerging as a result there is a plethora of opportunities and elements of the concept and its relationship to community engagement as well as a source of conflict prevention that need to be explored. The interview participants raised the following questions as opportunities for further exploration of the topic:

1. How do you know when you have a SLO? How many people does it take?
2. What are the measures of the SLO?
3. How do you define the SLO?
4. How do you define community?
5. So far little work has been done at looking at the values on a broader, provincial scale. The provincial government does not have a forum for Albertans to discuss development and what it means to Albertans. Therefore, the question needs to be asked what does the SLO mean on a broad, societal level?

6. Is the SLO term only applicable to companies but can it also be applied to the regulator? That is there such a thing as the social license to regulate (SLR)? Does the regulator also need to put in the same amount of effort into building good relations? What does the SLR look like? What are its key elements? etc.

### **Conclusion**

This thesis examined community engagement as a form of conflict prevention and for the purposes of obtaining the SLO. It found that the key elements of effective community engagement and the key elements of the SLO are the same. These parallel elements are: knowing the community, addressing community needs, corporate social responsibility, relationship building, follow through and evidence for what has been done, executive buy-in, excellent communication, early involvement, and open dialogue, all within a process which is principled (there is trust, understanding, transparency and respect), inclusive, dynamic, flexible, ongoing, and long-term. It also found that effective community engagement can serve as a form of conflict prevention through strong relationship building.

**BIBLIOGRAPHY**

- Abel, F., Graham, K., Ker, A., Maioni, A., & Phillips, S. (1998). *Talking with Canadians: Citizen engagement and the social union*. Ottawa, Canada: Canadian Council on Social Development.
- Ackermann, A. (2003). The idea and practice of conflict prevention. *Journal of Peace Research*, 40(3), 339-347.
- Agger, A. & Löfgren, K. (2008). Democratic assessment of collaborative planning processes. *Planning Theory*, 7(2) 145-164.
- Annan, K. (1999). *Toward a culture of prevention: Statements by the Secretary-General of the United Nations*. New York: Carnegie Commission on Preventing Deadly Conflicts.
- Arntein, S. R. (1969). A ladder of citizen participation. *Journal of the American Planning Association*, 35(4), 216- 224.
- Banks, S.D. (1995). *Multicultural public relations: A socio-interpretative approach*. Thousand Oaks, California: Sage.
- Blowfield, M. & Frynas, J.G. (2005). Editorial: Setting new agendas – Critical perspectives on corporate social responsibility in the developing world. *International Affairs*, 81(3), 499-513.
- Boehm, A. (2002). Corporate social responsibility: A complementary perspective of community and corporate leaders. *Business and Society Review*, 107(2), 171-194.
- Bogg, J., & Geter, R. (Ed). (2007). *Complexity, science and society*. Abingdon, United Kingdom: Radcliffe Publishing Ltd.
- Bohlman, H. M. & Dundasm, M. J. (1996). *The legal, ethical and international environment of business*. Minnesota, USA: West Publishing Company.

- Braun, V. & Clarke, V. (1996). Using thematic analysis in psychology. *Qualitative Research in Psychology* (3), 77-101.
- Browne, A. L., Stehlik, D., & Buckley, A. (2011). Social license to operate: For better not for worse; for richer not for poorer? The impacts of unplanned mining closure for “fence line” residential communities. *Local Environments: The Journal of Justice and Sustainability*, 16(7), 707-725.
- Bruckmeier, K. (2005). Interdisciplinary conflict analysis and conflict mitigation in local resource management. *A Journal of the Human Environment*, 34(2), 65-73.
- Burton, J.W. (1987a). *Resolving deep-rooted conflict. A Handbook*. New York, USA: University Press of America.
- Burton, J.W. (1987b). *World society*. New York, USA: University Press of America.
- Byrne, D. (1998). *Complexity theory and the social sciences: An introduction*. London, England: Routledge.
- Calder, M. J., and Beckie, M. A. (2011). Engaging communities in municipal sustainability planning: The use of communication strategies and social networks in Alberta. *Local Environment*, 16(7), 671–686.
- Canadian Association of Petroleum Producers (CAPP). (2012). *Alberta Industry*. Retrieved June 14, 2012, from:  
<http://www.capp.ca/CANADAINDUSTRY/INDUSTRYACROSSCANADA/Pages/Alberta.aspx>
- Carroll, A.B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business Society* (38), 268-295.

- Centre for Corporate Affairs and Business Council of Australia. (2000). Corporate community involvement: Establishing a business Case. Melbourne, Australia: The Department of Family and Community Services.
- Crotty, M. (1998). *The foundations of social research: Meaning and perspective in the research process*. London, England: SAGE Publications Ltd.
- De Cremer, D. & Dewitte, S. (2002). Effects of trust and accountability in mixed-motive situations. *Journal of Social Psychology, 142*(4), 541-543.
- Energy Resource Conservation Board (ERCB). (2010). Upstream oil and gas authorizations and consultation guide. Retrieved April 1, 2012, from <http://authorizationsguide.ercb.ca/pdf/Guide.pdf>
- Energy Resource Conservation Board (ERCB). (2012). Alberta's energy reserves 2011 and supply/demand outlook 2012–2021. Retrieved April 1, 2012, from <http://www.ercb.ca/sts/ST98/ST98-2012.pdf>
- ERCB. (ND). *Learn about energy regulation: History*. Retrieved April 12, 2012, from <http://www.ercb.ca/learn-about-energy/energy-in-alberta/history>
- Fombrun, C. J., Gardberg, N. A., & Barnett, M. L. (2000). Opportunity platforms and safety nets: Corporate citizenship and reputational risk. *Business and Society Review, 105*(1), 85-106.
- Fraiser, N. M., & Hipel K. W. (1984). *Conflict analysis moves and resolution*. New York, USA: Elsevier Science Publishing Co.
- Frynas, J. G. (2009). Corporate social responsibility in the oil and gas sector. *Journal of World Energy, Law & Business, 2*(3), 178-195.

- Frynas, J.G. (2005). Oil and gas in Nigeria: Conflict and litigation between oil companies and village communities. *International Affairs*, 81(3), 581-598.
- Gast, D. (2010). *Single subject research methodology in behavioral sciences*. New York, USA: Routledge.
- Gilboa, E. (2009). Media and conflict resolution: A framework for analysis. *Marquette Law Review*, 93(87), 88-110.
- Government of Alberta. (2012a). *Industry and economy*. Retrieved June 3, 2012, from <http://alberta.ca/industryandeconomy.cfm>
- Government of Alberta. (2012b). *Alberta energy quick facts*. Retrieved July 3, 2012, from <http://www.energy.alberta.ca/Org/pdfs/QuickFacts.pdf>
- Government of Canada. (2011, March). Aboriginal consultation and accommodation: Updated guidelines for federal officials to fulfill the duty to consult. Retrieved June 23, 2012, from [http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/intgui\\_1100100014665\\_eng.pdf](http://www.aadnc-aandc.gc.ca/DAM/DAM-INTER-HQ/STAGING/texte-text/intgui_1100100014665_eng.pdf)
- Gregory, R., Failing, L., & Harstone, M. (2008). Meaningful resource consultation with First Peoples: Notes from British Columbia. *Environment*, 50(1), 36-45.
- Guirguis-Awadalla, C., Allen, S. & Phare, M.A. (2007). Consulting with the Crown: A guide for First Nations. Winnipeg, Canada: Centre for Indigenous Environmental Resources.
- Gunningham, N., Kagan, R.A., & Thornton, D. (2004). Social license and environmental protection: Why businesses go beyond compliance. *Law and Social Inquiry*, 29(2), 307-341.
- Habermas, J. (1984). *The theory of communicative action: Reason and the rationalization of society*. (T. McCarthy, Trans.). Boston, USA: Beacon Press.

- Haggart, J. W., Harris, J. M., & Huton, C. A. (2011). Public geoscience to reduce exploration risk: New methods to characterize the basement beneath geological cover and to address community engagement in the Cariboo-Chilcotin region of British Columbia. *Canadian Earth Science* (48), 861-869.
- Haida Nation v. British Columbia (Minister of Forests), 2004 SCC 73 (November 18, 2004)
- Hallahan, K. (2003). 'Community' as foundation for public relations theory and practice. *Communication Yearbook* (28), 233-279.
- Henisz, W. J., Borobantu, S., & Narthey, L. (2011, April). *Spinning gold: the financial returns to external stakeholder engagement*. Paper presented at the 11th Annual Strategy and the Business Environment (SBE) Conference, Wharton, PA. Paper retrieved from [http://www-management.wharton.upenn.edu/henisz/msbe/2011/6\\_2\\_Henisz\\_Dorobantu\\_Narthey.pdf](http://www-management.wharton.upenn.edu/henisz/msbe/2011/6_2_Henisz_Dorobantu_Narthey.pdf)
- Higgs, E., Hruddy, S. E., & Gibson, G. (1998). Sour gas, bitter relations: Poor communication between Unocal and the Lubicon Cree about sour gas risks fosters distrust rather than collaboration. *Alternatives Journal*, 24(2), 26-31.
- Hollman, P., Devane, T., & Cady, S. (2007). *The Change Handbook*. Second Edition. San Francisco, California: Berrett-Koehler Publishers.
- Howard-Grenville, J., Nash, J., & Coglianese, C. (2008). Constructing the license to operate: internal factors and their influence on corporate environmental decisions. *Law and Policy*, 30(1), 73-107.
- Hughey, C. J., & Sulkowski, A. J. (2012). More disclosure=better CSR reputation? An examination of CSR reputation leaders and laggards in the global oil & gas industry. *Journal of Academy of Business and Economics*, 12(2), 24-34.

- Hume, M. (1997). *Whose war is it anyway? The danger of the journalism attachment*. London: BM Inform.
- Idemudia, U. (2007). Community perceptions and expectations: Reinventing the wheel of corporate social responsibility practice in the Nigerian oil industry. *Business and Society Review*, 112(3), 369, 405.
- Innes, J. & Booher, D. (2010). *Planning with complexity: An introduction to collaborative rationality for public policy*. London, England: Routledge.
- International Association for Public Participation (IAP2). (2007a). IAP2 spectrum of public participation. Retrieved April 7, 2012, from <http://www.iap2.org/associations/4748/files/spectrum.pdf>
- International Association for Public Participation (IAP2). (2007b). IAP2 Core Values of Public Participation. Retrieved September 20, 2012, from <http://www.iap2.org/associations/4748/files/CoreValues.pdf>
- International Finance Cooperation (IFC). (2007) Stakeholder Engagement Manual. Retrieved August 3, 2012 from [http://www.ifc.org/ifcext/enviro.nsf/attachmentsbytitle/p\\_stakeholderengagement\\_full/\\$file/ifc\\_stakeholderengagement.pdf](http://www.ifc.org/ifcext/enviro.nsf/attachmentsbytitle/p_stakeholderengagement_full/$file/ifc_stakeholderengagement.pdf)
- Isirdi, B. (2007). *How can oil sands companies keep a good reputation to the eyes of their stakeholders?* Unpublished manuscript, School of Business, University of Alberta, Edmonton, Canada.
- Jahansoozi, J. (2006). Organization-stakeholder relationships: Exploring trust and transparency. *Journal of Management Development*, 25(10), 942-955.
- Jimena, J. (2011). Social license: A profitable issue. *Canadian Mining Journal*, 132(7), 8-9.

- Joyce, S., & Thomson, I. (2000). Earning a Social License to Operate: Social Acceptability and Resource Development in Latin America. *Canadian Mining and Metallurgical*, 93(1037), 49-53.
- Kennedy, A. H. (2009). Deeper than mere consultation: Negotiating land and resources management in British Columbia, post-*Delgamuukw*. (Doctoral Dissertation). Retrieved from cIRcle.
- Kent, M. & Taylor, M. (2002). Toward a dialogic theory of public relations. *Public Relations Review*, 28, 21-37.
- Kepore, K.P., & Imbun, B. Y. (2011). Mining and stakeholder engagement discourse in a Papua New Guinea mine. *Corporate Social Responsibility and Environmental Management* (18), 220-233.
- Khalsa, A. S. (2010, April). *Beyond the social license to operate: Value creation in social investments through more effective public-private partnerships*. Society of Petroleum Engineers International Conference on Health, Safety and Environment in Oil and Gas Exploration and Production, Rio de Janeiro, Brazil.
- Larson, J. F. (2004). The internet and foreign policy. New York: Foreign Policy Association, Headline Series, No. 325.
- Lassonde, P. (2003). How to earn your Social License. *Mining Review (Summer)*, 7-13.
- Leatherman, J., DeMars, W., Gaffney, P. D., & Väyrynen, R. (1999). *Breaking cycles of violence: Conflict prevention in intrastate crisis*. West Hartford, USA: Kumarin.
- Lock, R. (2007). Alternative dispute resolution in energy disputes: A new formula for a new era?. *The Electricity Journal* (20), 78-90.

- Loza, J. (2004). Business—community partnerships: The case for community organization capacity building. *Journal of Business Ethics* (53), 297-311.
- Lucas, R. A. (2004). Canadian participatory rights in energy resource development: The bridges to empowerment?. *Land Resources and Environmental Law*, 24(2), 195-203.
- Lynch-Wood, G. & Williamson, D. (2007). The social license as a form of regulation for small and medium enterprises. *Journal of Law and Society*, 34(3), 321-341.
- Lynch, J. F. (2001). Beyond ADR: A systems approach to conflict management. *Negotiation Journal* (July), 207-216.
- Macias, R. (2010). Public participation in energy and natural resource development: A theory and criteria evaluation. (CIRL Occasional Paper No, 34). Calgary, Canada: Canadian Institute of Resource Law.
- Marsden, C. (2000). The corporate citizenship of big business: Part of the solution to sustainability? *Business and Society Review*, 11(3), 13-27.
- Masuda, J. P., McGee, T.K., & Garvin, T. D. (2008). Power, knowledge, and public engagement: Constructing ‘citizenship’ in Alberta’s industrial heartland. *Journal of Environmental Policy & Planning*, 10(4), 359-380.
- Mazur, N. A. & Curtis, A. L. (2008). Understanding community perceptions of aquaculture: Lessons from Australia. *Aquaculture International* (16): 601-621.
- McMahon, T. F. (1986). Models of the relationship of firm to society. *Journal of Business Ethics* (5), 181-191.
- McQuarrie, J. (2010). *The Alberta Oil Patch Then and Now*. Ottawa, Canada: Magic Light Publishing.

- Melander, E., & Pigache, C. (2007). Conflict prevention: Concepts and challenges. Retrieved June 1, 2012, from [http://www.militaer.at/pdf\\_pool/publikationen/konfliktpraev\\_02\\_concept-challenges\\_e\\_melander\\_c\\_pigache\\_10.pdf](http://www.militaer.at/pdf_pool/publikationen/konfliktpraev_02_concept-challenges_e_melander_c_pigache_10.pdf)
- Mendes, E., & Mehme, O. (2003). *Global governance, economy and law: Waiting for justice*. New York, USA: Routledge.
- Mikisew Cree First Nation v. Canada (Minister of Canadian Heritage), 2005 SCC 69 (November 24, 2005)
- Moore, C. (1987). *The mediation process. Practical strategies for resolving conflict*. San Francisco, USA: Jossey-Bass.
- Mose, D. & Kleiner, B. H. (1999). The emergence of alternative dispute resolution in business today. *Equal Opportunities International*, 18(5/6), 54-61.
- Munteanu, N. A-M. (2011). Mass-media role in conflict prevention. *Military Art and Science*, 1(61), 29-36.
- National Centre for First Nations Governance (2009, April). *Crown consultation policies and practices across Canada*. Retrieved from [http://fngovernance.org/publication\\_docs/NCFNG\\_Crown\\_Consultation\\_Practices.pdf](http://fngovernance.org/publication_docs/NCFNG_Crown_Consultation_Practices.pdf)
- National Energy Board (NEB). (2003). *Appropriate dispute resolution guidelines. National Energy Board*. Retrieved April 3, 2012, from [https://www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/rrggngmpnb/pprprtdsptsltn/ADRGuidelines2003\\_e.pdf](https://www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/rrggngmpnb/pprprtdsptsltn/ADRGuidelines2003_e.pdf)
- National Energy Board (NEB). (2009). *Land matters consultation initiative streams 1, 2 and 4: Final report*. Retrieved April 4, 2012, from <http://www.neb-one.gc.ca/clf-nsi/rthnb/pblcprcptn/lndmttrs/lndmttrs-eng.html>

- National Energy Board (NEB). (2010). Pipeline regulation in Canada: A Guide for Landowners and the Public. Retrieved April 4, 2012, from [http://www.neb-one.gc.ca/clf-nsi/rthnb/pblcprcptn/pplnrgltncnd/pplnrgltncnd\\_ndx-eng.html](http://www.neb-one.gc.ca/clf-nsi/rthnb/pblcprcptn/pplnrgltncnd/pplnrgltncnd_ndx-eng.html)
- National Energy Board (NEB). (2012). Filing Manual. Retrieved April 3, 2012, from <http://www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/flngmnl/flngmnl-eng.html>
- Nelsen, J. L. (2009). Social license to operate. *International Journal of Mining, Reclamation and Environment*, 20(3), 161-162.
- Nelsen, J. L., & Scoble, M. (2006). Social license to operate mines: Issues of situational analysis and process. Department of Mining Engineering, University of British Columbia, Vancouver, Canada.
- Neuman, W. L. (1997). *Social research methods: Qualitative and quantitative approaches*. Boston, USA: Allyn and Bacon.
- Newman, G. D. (2009). *The Duty to Consult: New Relationships with Aboriginal Peoples*. Saskatoon, Canada: Purich Publishing Ltd.
- O'Faircheallaigh, C. (2003). *Implementing agreements between Indigenous Peoples and resource developers in Australia and Canada* (Aboriginal Politics and Public Sector Management Research Paper No. 13). Nathan, Australia: Centre for Australian Public Sector Management Griffith University.
- Okoh, R. N. (2005). Conflict management in the Niger Delta region of Nigeria: A participatory approach. *African Journal of Conflict Resolution*, 5(1), 91-114.
- Okoye, A. (2009). Theorizing corporate social responsibility as an essentially contested concept: Is a definition necessary. *Journal of Business Ethics* (89), 613-627.

- Onwuegbuzie, A. J., & Leech, N. L. (2007). A call for qualitative power analyses. *Quality & Quantity* (41), 105-121.
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, (24), 403-441.
- Owens, J. & Sykes, R. (2009). The international petroleum industry environmental conservation association social responsibility working group and human rights. UNESCO. Oxford, UK: Blackwell Publishing.
- Parliamentary Office of Technology. (2001). *Open channels: Public dialogue in science and technology*. (Report No. 153). London, United Kingdom: House of Commons.
- Patton, M. (2002). *Qualitative research and evaluation methods* (3rd ed.). Los Angeles, USA: Sage Publications.
- Petts, J. & Leach, B. (2000). *Evaluation methods for public participation. R&D Technical*. (Report E135). Bristol, United Kingdom: Environment Agency.
- Pirie, A. (2000). *Alternative dispute resolution: Skills, science, and the law*. Toronto, Canada: Irwin Law Inc.
- Ramsbotham, O., Woodhouse, T., & Miall, H. (2005). *Contemporary Conflict Resolution*. Cambridge: Polity Press.
- Rayner, J. (2003). *Managing reputational risk: Curbing threats, leveraging opportunities*. New York, USA: Wiley.
- Razanova, J. (2006). Portrayals of corporate social responsibility: A comparative analysis of a Russian and a Canadian newspaper. *Journal for East European Management Studies*, 11(1), 48-71.

- Rowe, G. & Frewer, L. J. (2005). A Typology of Public Engagement Mechanisms. *Science Technology Human Values*, 30(2), 251-290.
- Rozanova, J. (2005). Welfare state is deal – Long live welfare corporations? In Szell, G., Bosling, C.H., & Hartkemeyer, J. (Eds.) *Labour, globalization, and the new economy*(pp. 209-217). Frankfurt am Main, Germany: Peter Lang.
- Rozanova, J. (2006). Portrayals of corporate social responsibility: A comparative analysis of a Russian and a Canadian Newspaper. *Journal for East European Management Studies* (1), 48-71.
- Say, N. & Babus, D. (2011). Public participation in environmental decision-making on major energy projects in Turkey: The case of BTC crude oil pipeline project. *Survival and Sustainability, Environmental Earth Science*. doi: 10.1007/978-3-540-95991-5\_70.
- Sheedy, A. (2008). *Handbook on citizen engagement: Beyond consultation*. Canada: Policy Research Networks.
- Shindler, B.A., Brunson, M., & Stankey, G. H. (2002). *Social acceptability of forest conditions and management of practices: A problem analysis*. Corvallis, Oregon: United States Department of Agriculture, Forest Services.
- Slovic, P. (1999). Trust, emotion, sex, politics, and science: Surveying the risk-assessment battlefield. *Risk Analysis*, 19(4), 689-701.
- Sossin, L. (2010). The duty to consult and accommodate: Procedural justice as aboriginal rights. *Canadian Journal of Administrative Law & Practice*, (23) 93-113.
- Spence, D. B. (2011). Corporate social responsibility in the oil and gas industry: The importance of reputational risk. *Chicago-Kent Law Review*, 86(1), 59-85.

- Stake, R. (2010). *Qualitative research methods: Studying how things work*. New York, USA: The Guilford Press.
- Statistics Canada. (2012). Alberta's Population Clock. Retrieved June 1, 2012, from Statistics Canada website: <http://www.statcan.gc.ca/ig-gi/pop-ab-eng.htm>
- Status of Women Canada. (1999). Policy on consultation with stakeholders. Ottawa, Canada: Government of Canada.
- Stern, P. (2009). Hunting for hydrocarbons: Representations of Indigeneity in reporting on the new Mackenzie Valley gas pipeline. *American Review of Canadian Studies*, 37(4), 417-441.
- Synergy Alberta. (2010). About Us. Retrieved June 1, 2012, from <http://www.synergyalberta.ca/about-us>
- Taku River Tlingit First Nation v. British Columbia (Project Assessment Director), 2004 SCC 74 (November 18, 2004)
- Theodori, G. L. (2005). Community and community development in resource-based areas: Operational definitions rooted in an interactional perspective. *Society & Natural Resources: An International Journal*, 18(7), 661-669.
- Tichy, N. M., McGill, A.R., & St. Clair, L. (Ed.). (1997). Corporate global citizenship: doing business in the public eye. San Francisco, USA: The New Lexington Press.
- Ury, W. (1999). *Getting to peace: Transforming conflict at home, at work, and in the world*. New York, USA: Viking.
- Vaaland, T. I., & Heid, M. (2008). Managing corporate social responsibility: Lessons from the oil and gas industry. *Corporate Communications: An International Journal*, 13(2), 212-225.

- Van Beurden, P., & Gössling, T. (2008). Corporate social responsibility of the most highly reputed European and North American firms. *Journal of Business Ethics*, 82(2), 379-290.
- Victorian Local Governance Association (VLGA). (2009). *Local government consultation and engagement: Definitions*. Retrieved August 2, 2012, from <http://www.vlga.org.au/site/DefaultSite/filesystem/documents/Consultation%20and%20Eng/VLGA.2006%20ConsultEng%20Definitions.pdf>
- Vlavianos, N. (2006, August). *The potential application of human rights law to oil and gas development in Alberta: A synopsis*. Calgary, Canada: Human rights and resource development project. Alberta civil liberties research centre and the Canadian institute of resource law.
- Vrabic, A. (2010). Corporate social responsibility in the oil and gas industry: Strategic importance and the role CSR plays in large oil and gas multinationals. (Unpublished Master's Thesis). University of Maastricht Faculty of Economics and Business Administration, Maastricht, Netherlands.
- Warner, M. (2000, April). *Conflict management in community-based natural resource projects: Experience from Fiji and Papua New Guinea*. (Working Paper No. 135). London, UK: Overseas Development Institute.
- Weeks, D. (1992). *The eight essential steps to conflict resolution*. New York: Tarcher & Putman.
- Whiteman, G. (2009). All my relations: understanding perceptions of justice and conflict between companies and Indigenous peoples. *Organization Studies*, 30(1), 101-120.
- Whiteman, G. & Mamen, K. (2002). *Meaningful consolation and participation in the mining sector? A review of the consultation and participation of Indigenous Peoples with the international mining sector*. Ottawa, Canada: The North-South Institute.

Wilson, E. (2009). Company-led approaches to conflict resolution in the forest sector. *The Forest Dialogue* (4): 1-63.

Yin, R. (2009). *Case Study research: Design and methods* (4th ed.). Los Angeles, USA: Sage Publications.

Zhang, J. & Swartz, B.C. (2009). Toward a model of NGO media diplomacy in the internet age: Case study of Washington profile. *Public Relations Review*, 35(1), 47-55.

APPENDICES

Appendix A- Ethics Certificate



**University  
of Victoria**

**Human Research Ethics Board**  
 Office of Research Services  
 Administrative Services Building  
 PO Box 1700 STN CSC  
 Victoria British Columbia V8W 2Y2 Canada  
 Tel 250-472-4545, Fax 250-721-8960  
 Email ethics@uvic.ca Web www.research.uvic.ca

### Certificate of Approval

PRINCIPAL INVESTIGATOR	Dejana Knih	ETHICS PROTOCOL NUMBER	12-321
UVic STATUS:	Master's Student	ORIGINAL APPROVAL DATE:	16-Aug-12
UVic DEPARTMENT:	PADM	APPROVED ON:	16-Aug-12
SUPERVISOR:	Dr. Lyn Davis	APPROVAL EXPIRY DATE:	15-Aug-13

PROJECT TITLE: **Community engagement as conflict prevention - Understanding the social license to operate**

RESEARCH TEAM MEMBERS: None

DECLARED PROJECT FUNDING: None

**CONDITIONS OF APPROVAL**

This Certificate of Approval is valid for the above term provided there is no change in the protocol.

**Modifications**  
To make any changes to the approved research procedures in your study, please submit a "Request for Modification" form. You must receive ethics approval before proceeding with your modified protocol.

**Renewals**  
Your ethics approval must be current for the period during which you are recruiting participants or collecting data. To renew your protocol, please submit a "Request for Renewal" form before the expiry date on your certificate. You will be sent an emailed reminder prompting you to renew your protocol about six weeks before your expiry date.

**Project Closures**  
When you have completed all data collection activities and will have no further contact with participants, please notify the Human Research Ethics Board by submitting a "Notice of Project Completion" form.

### Certification

This certifies that the UVic Human Research Ethics Board has examined this research protocol and concluded that, in all respects, the proposed research meets the appropriate standards of ethics as outlined by the University of Victoria Research Regulations Involving Human Participants.



Dr. Rachael Scarth  
Associate Vice-President, Research

Certificate Issued On: 16-Aug-12

12-321 Knih, Dejana

## Appendix B- Interview Questions

1. Briefly, could you define what:
  - a. Community engagement means to you?
  - b. Community consultation means to you?
2. Is there a difference between community engagement and community consultation?
3. What does community engagement currently look like?
4. What does community consultation currently look like?
  - a. What methods of communication are used? (flyers, meetings, etc.)
  - b. What is working in these?
  - c. What could be improved? How?
5. What constitutes effective community engagement?
6. What is required on the part of the community?
7. What is required on the part of the company?
8. What does success look like?
  - a. What do you think is required for successful community engagement?
9. What does failure look like?
  - a. What do you think makes community engagement fail?
10. When should community engagement be used?
11. When should community engagement not be used?
12. What are the most effective methods of conducting community engagement?
13. What are the least effective methods?
14. What is a barrier to community engagement?
15. What factors help community engagement?
16. What does “Social License to Operate” mean to you?
  - a. What are SLOs key elements?
  - b. What in your opinion makes for an effective SLO?
    - i. What are its key elements?
  - c. What in your opinion makes for an ineffective SLO?
    - i. What are its key elements?
17. Are there any documents, resources, etc. you would be willing to share from your organization, which are on this topic?
18. Any additional comments?