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Exploring the Concept of Social Licence in the Construction Industry of a Developing Country

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Abstract

A construction company must acquire regulatory permits and licences before granting project approval. The formal processes do not embrace all the stakeholders. While regulatory permits or licences are granted by government, local and statutory authorities, there is also the need for the hosting or local community to consent to a firm's activities to complete the symbiotic relationship. This commitment of residents towards acceptance, approval and support for a project to exist within their community is known as a social licence. This paper investigates the application of the concept of social licence in the Ghanaian construction industry. A total of 102 questionnaires were used in the analysis. Findings based on the questionnaire survey of contractors, project managers, quantity surveyors, engineers and architects indicate that social licence is an emerging concept in the Ghanaian construction industry. The result also shows the limited grasp and restricted application of the concept. Only 37% of the professionals with some level of familiarity with the concept admitted to using the term social licence or its concept in the construction industry. There is a need for industry sensitisation and education to harness the benefits a company derives from acquiring a social licence.

Keywords: Community; Construction industry;Construction professionals; Ghana; Social licence.

1. Introduction

There is always a relationship or at least a quasi interaction between a business entity and the community or environment in which it operates. The activities (or inactivities) of an organisation could impact negatively on the local environment leading to nuisance, pollution, or interfere in the lifestyle, customs and daily routine of residents. Although industries such as mining, energy, manufacturing and construction, contribute significantly to growth and development of a country, they will invariably affect the immediate and adjacent communities. For any business to thrive, there must exist a mutual relationship between the company and stakeholders. Consequently, a company must acquire a social approval for a project, based upon its corporate and ethical innovation through credible attitude and interactions with stakeholders (Boutilier et al., 2012; Morrison, 2014). An informal consent and support by a local community for a project to exist in their community is described as Social licence (Nelsen and Scoble, 2006; Prno, 2013; Quigley and Baines, 2014; Yates and Horvath, 2013). It is a relatively new term which originated from the mining industry and referred to as 'Social Licence to Operate'. Mining adverse impacts such as operational dust, noise, economic challenges and perceived future risks can lead to opposition from the communities with the resultant delays, interruptions and even shutdowns. Mere possession of government formal licence or observance of statutory regulations is not a panacea for project success. Moffat and Zhang (2014) opined on the importance of companies to acquire and keep 'social licence to operate' from local communities in order to reduce unnecessary litigation and costly conflicts. The construction industry shares the same environmental and social pressures as the extractive industry.

The construction industry is crucial for the socio-economic development of a country. Development construction, such as high-rise buildings, express roads, water supply and sewages, contributes significantly to a nation's infrastructural stock, besides other economic benefits such as employment creation (Osei, 2013). Its

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products, including large building and road infrastructures, however, change the physical, aesthetics, environmental and social lifestyle of communities. Due to anticipated environmental, economic and social impacts on stakeholders, companies need to seek community acceptance or approval for their construction activities. Aside from the formal regulatory processes and licensing regime that construction projects go through before approval or permits are granted, there is a need for informal collaboration between the company and the community/stakeholders. Through this process, the company secures an ongoing acceptance of its activities for the entire life cycle of the project. Productive negotiation of the company with stakeholders from an environmental and social perspective before the commencement of the project will forestall any adverse reaction or impediments from local communities to the project—the community grants construction social licence. Barreiro-Deymonnaz (2013) postulated that intense agitations and utter pressures from social and environmental lobbyists on governments would institute social licence into an obligatory requirement for projects in the construction industry. There is, therefore, the need to create awareness and discuss social licence and the modalities for a construction company to acquire and maintain it. When a company acquires a social licence, it does not only translate into acceptance and approval by the community, but legitimacy is established, coupled with credibility and trustworthy. A company perceived by the community as responsible and dependable thrives with minimum work inference and interruption, which could culminate in expensive delays and even abandonment of a project. Based on a developing country, this introductory study aims at investigating the concept of a social licence; and its level of understanding and practice in the Ghanaian construction industry. In order to achieve this, the following research questions will be addressed: i) What is the level of awareness of the construction industry of the concept of social licence? ii) What factors can guarantee the successful acquisition of social licence? The paper will deliberate upon the key success factors of any process for obtaining a social licence and entities that determine that it has been obtained. The focal point is the construction companies, characterised by building and civil contractors, project managers, architects, quantity surveyors and civil/structural engineers.

2. Literature Review

The section deliberates on the concept and definition of social licence, method of acquiring a licence as well as any possible measurement technique

2.1 Definition of Social licence

All industries, such as manufacturing, construction and natural resources, civil society as well as non-governmental organisations can inevitably face rising stakeholder expectations and increasing criticism. Citing Freeman (1984), Boutilier and Thomson (2011), Gehman, et al. (2017) and Olander (2007) defined stakeholders as any group or network of people upon which activities or inactions of a company can impact or on the contrary, who can also influence or affect the company's routine activities. Shareholders, regulators, employees and customers are traditionally considered as direct stakeholders of a company. Companies interact with other groups of persons other than the immediate shareholder. The broader definition of stakeholders which includes local residents, community development groups, citizen associations, environmental and development organisations has been adopted in this paper. There are recorded pieces of evidence from the mining sector of community opposition, interferences and interruption of work, culminating in costly delays in mining development, and abandonment or eventual shutdowns (Browne et al., 2011; Moffat and Zhang, 2014; Prno, 2013). Barreiro-Deymonnaz (2013) also argued that the construction industry should learn from the extractive industries to conform to social values and address environmental concerns of a society driven by increasing social pressure. It can be contended that communities are becoming conscious and alive to social challenges. Introduction and development of new technologies (such as social media and other mobile communication services) facilitate better community engagement, fast and easy dissemination of information and greater networking for effective communication, dialogue, and activism (Yates, and Horvath 2013). What has become increasingly clear, according to Lacey et al. (2012), is that it is no longer enough for mining companies to satisfy the formal licensing conditions. The same can be said for the construction industry too. Certainly, no government agency or institution is capable of validly representing the community's will always on construction activities (Barreiro-Deymonnaz, 2013). Local communities do not express acceptance or opposition to a project based on governmental dictates. How can a company gain acceptance and approval from stakeholders/communities for uninterrupted and successful implementation of a project?

Cooney (2017) described two sources of risks faced by a company as a political risk at the national level and local political risk. The traditional political risk from the government can be managed by adherence to stipulated regulations; obtaining and sustaining permits and licences. The management of the local political risk posed by the local community is termed as 'social licence'. According to Wilburn and Wilburn (2011), the United Nations devoted a programme of 'free, prior, and informed consent (FPIC)' to harmoniously foster corporation between industries operating on native or local communities and the residents. A Social licence was developed as an offshoot from FPIC to focus on a peculiar perspective. Literature search attributed the earliest use of the term 'social licence' to Jim Cooney, who in 1997 first employed the term 'as a metaphor' to compare local communities' dictate to consent or deny operating permission to projects to the formal government licensing protocol (Boutilier et al., 2012; Cooney, 2017; Moffat and Zhang, 2014). A few dissenting authors, however, hold the view that Patrick James first used the term social licence to infer a company's propensity to earn consent from community/stakeholders as distinct from obtaining a formal legal licence or permit (Nelsen 2007, citing James

2000). The application of the term gained currency in the mining industry then cascading later into other industries (Mercer-Mapstone, et al., 2017; Moffat and Zhang, 2014; Moffat et al., 2016; Quigley and Baines, 2014) to include the construction industry (Barreiro-Deymonnaz, 2013; Boutilier and Zdziarski, 2017).

Cooney (2017) contended that the term social licence does not have a tangible legal definition as pertains to formal government permits because it is a metaphor. The uncertainty of the term and its broad scope led to various professions defining it differently. Other authors such as Lacey et al. (2012); Moffat et al. (2016); Morrison (2014); Nelsen, (2007); Parsons and Moffat (2014); Quigley and Baines (2014); Santiago and Demajorovic (2016); share similar position. Moffat et al. (2016) for example, clarified that unlike formal legal licence captured in relevant laws and Acts, social licence is founded in societal standards, ethics, aspirations and expectations. The earliest attempt at publishing a prescribed definition for a social licence, as asserted by Boutilier (2017), was by Joyce and Thomson in the year 2000. They proposed that a project is seen as having a social licence if society accepts and approves its activities. Other authors share this view that social licence must be defined in terms of the acceptance and approval of a company's proposed project or continual operation in a locality by the community (Boutilier and Thomson, 2011; Moffat and Zhang, 2014; Nelsen and Scoble, 2006; Thomson and Joyce, 2008; Yates and Horvath, 2013). At the same time, Gunningham et al. (2004) thought of a social licence as an expectation or demand of society on a company operating in the area to fulfil environmental and societal responsibilities. Significant to defining social licence is the need for communities' or stakeholders' acceptance and approval, ultimately leading to psychological identification. A project is destined to fail if stakeholders are undecided, withdraw or withhold the social licence. Characteristic social resistance and opposition to the project will manifest in protests, violence, boycotts, sabotage or even shutdowns. Citing Thomson and Boutilier (2011), Boutilier and Thomson (2011) proposed a pyramid model of the Social licence that applies the Four Level/Three boundary conditions. It describes a four hierarchical level framework – withholding/withdrawal, acceptance, approval and psychological identification – and three boundary conditions. The boundary conditions start from legitimacy through to credibility (border between acceptance and approval) towards a peak of trust (Boutilier et al., 2012; Gehman et al., 2017).

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2.2 Gaining a Social licence

Social licence is not defined as a process, method, tool or way to achieve an outcome, but it is the outcome (Quigley and Baines, 2014). It needs to be earned, not issued because it is intangible and unwritten. In order to successfully acquire a social licence, there is the need to solicit inputs from local communities and stakeholders concerned at the early project planning phase. Wilburn and Wilburn (2011) proposed a five-step approach to achieving a social licence. The company should deliberate on how to meet the norms and customs, then gather information on how to contact the diverse stakeholder social groups in the community. On aligning the customs and norms with the micro-social contracts of stakeholders, the company next engages with stakeholder groups to dialogue on the project and elicit their consent. Finally, the company monitors the project proceeding to ensure that it meets agreed terms. In granting a social licence, Yates and Horvath, (2013) advanced several factors for consideration. They include the company's engagement with the community, respect of local norms and customs, track record, reliability and opportunities offered to the community, crisis management systems and fair compensation instrument. The methods of acquiring a social licence, according to Nelsen (2007), are a form of characterisation, combining several process features. Nelsen (2007) further identified several process features with key factors for successfully obtaining a social licence being the maintenance of positive corporate reputation, ensuring open communication between all stakeholders, going beyond legal and regulatory compliance, need to educate local stakeholders about the project and employing innovation and technology to minimise negative impacts. The rest are workforce training, understanding culture, customs and local vocation, responsible local stakeholder compensation, enabling corporate transparency, and meeting sustainable development criteria. Thus, a company cannot induce the community with monetary favours nor apply to any government entity in pursuance to a social licence (Lassonde, 2003, cited by Nelsen and Scoble, 2006). Ultimately, a company which is denied the social licence will experience negative ramifications as opposed to the serene and cooperative working environment enjoyed under this licence.

2.3 Can Social licence be Measured?

Social licence is considered intangible, but some measurement techniques are available for testing the level of acceptance, withdrawal, approval or identification with the project. Its dynamic nature means that there are different degrees of social licence. At the highest socio-political risk, social licence is withdrawn or withheld (lowest level). The next higher levels are acceptance or tolerance (bare minimum) and approval or support (high social licence). The apex with very low socio-political risk is characterised as psychological identification (highest). Boutilier and Thomson (2011) developed the four-level–three boundary conditions model. It was based on a series of statements administered in a survey to stakeholders. Factor analysis technique was used to calculate the social licence. Others such as Lockie et al. (2009) and Moffat and Zhang (2014), also used a similar longitudinal assessing tool to measure and modelled the critical elements of social licence in the mining industry. It can be deduced that social licence can be measured to an extent, but no direct application has been found in the construction industry.

2.4 Relationship between Social Licence and Social Value

Social value refers to services and works provided by an organisation to communities in which it carries out its business. Closely related to this is Corporate Social Responsibility (CSR) which is a form of investment and a public relations exercise for corporations (Browne et al.

2011) which is generally considered as non-statutory company informal codes of activities undertaken to foster social good towards community and non-contractual stakeholders (Browne et al., 2009; McWilliams al et., 2006;). The concept of social licence is different from social value or ideas. The latter refers to the contribution of a business to the economic improvement of the community (Daniel and Pasquire, 2019). It thus aims to enhance societal goals of altruism, volunteerism and philanthropy. Whereas a social licence is given by the local community based on acceptance and approval of the company, corporate social responsibility originates from the company to serve as social and public relation stunt.

3. Research Methodology

The construction professionals' perception and level of comprehension of the concept of social licence, attainment process, and maintain protocol are fundamental to its success. Although local communities and other stakeholders are the grantors of social licence, construction companies need to recognise and understand the procedural path for effective collaboration with immediate communities. The survey focused on Ghanaian construction companies' and professionals' conceptualisation of the term social licence and identified the key factors necessary to obtain it. The survey research strategy of exploratory and descriptive was adopted (Denzin and Lincoln, 2000; Saunders et al., 2009). This allowed for the collection of quantitative data using a closed-ended questionnaire, descriptive analysis and inferential statistics. The survey was designed to mimic an opinion poll to gain the awareness, understanding and perception of construction professionals of social licence in the construction industry. Nelsen (2005 and 2007) identified a list of important process features for acquiring a social licence by participants such as financiers, explorers, producers and suppliers in the mining industry. Other authors, including Moffat et al. (2016), Nelsen and Scoble (2006), Quigley and Baines (2014), Santiago and Demajorovic (2016) and Thomson Joyce (2008) also adopted this form of characterisation for testing companies' realisation of social licence. Ten important features for acquiring a social licence, as derived from these sources, were included in the questions for respondents to rate. Other questions related to how a company could establish that it has obtained a social licence and what entities determine that this licence has been obtained. Self-administered sets of questionnaires were purposively distributed through internet-mediated, and delivery and collection processes to building and civil contractors, project managers, architects, civil/structural engineers and quantity surveyors in the two major regions with the largest cities of Accra and Kumasi. There is a large concentration of construction professionals in these regions (over 70% - Association of Building and Civil Engineering Contractors of Ghana). The major construction professionals such as Project Managers, Quantity Surveyors, Architects and Engineers (Structural/Services) working in General Building Works, Civil Engineering Works and Construction Consultancies took part in the survey. Respondents took part in the study voluntarily and anonymously. They were not supposed to indicate their addresses or any other form of identification on the questionnaire. All company and personal addresses were treated confidentially. A total of 160 questionnaires were issued, and the response rate was 64%. One hundred and fifteen were returned out of which 102 questionnaires were adjudged as responsive and used in the analysis. Thirty-eight responses were received from the internet-mediated sources out of which five were non-responsive. The hand-delivered questionnaires returned 77 responses; 69 were completed correctly, and eight were rejected. Table 1 shows the profile of respondents.

The surveyed professionals were engaged in General Building Works (33%), Civil Engineering Works (12%) and Building/Civil Engineering Works (55%). In Ghana, class A contractors are engaged in Roads, Airports, and related structures while class D contactors undertake general building works. Equipment owned and human resources, contractors are also classified into financial categories 1 to 4, with tier one contractors having no limit on the contract they can tender for, based on their financial capacity. Financial class 2 contractors cannot handle works above US$ 500,000, while the limit of class 3 contractors is US$ 200,000. Construction Consultancy Services include architectural, quantity surveying, structural and services engineering. This group represented the largest professionals (40), who took part in the survey. It was followed by D1K1 and A1B1 contractors with 32% and 12% respectively. Majority of respondents (about 90%) had over five years of working experience; in fact, 30% have been working in the industry for at least sixteen years.

Table 1: Respondents' Profile

Characteristics	Frequency	Percentage
Type of Construction work		
General Building Works	34	33.3
Civil Engineering Works	12	11.8
Building/Civil Engineering works	56	54.9
Profession		
Project Manager	13	12.7
Quantity Surveyor	61	59.8
Engineer	16	15.7
Architect	8	7.8
Others	4	3.9
Company Classification of Respondent		
D1K1	32	31.4
D2K2	5	4.9
D3K3	2	2
Consultancy Services	40	39.2
A1B1	12	11.8
A2B2	7	6.7
A3B3	1	1
Others	3	2.9
Working Experience		
1 – 5 years	11	10.9
6 – 10 years	28	27.5
11 – 15 years	32	31.4
16 – 20 years	16	15.7
Over 20 years	15	14.7

Consequently, these respondents are experienced and conversant with dealings in the construction industry to contribute to the study. Data analysis was carried out by the use of Relative Importance Index technique to rank the factors for obtaining a Social licence. The other results have been displayed using bar charts.

4. Results

The results are presented to follow the key issues under consideration. The presentation is structured into four sections under 'Construction Industry awareness of the concept of social licence', 'Success factors for social licence acquisition', 'Methods of acquiring social licence' and 'Identifying entities that determine if a social licence has been obtained'.

4.1 Construction Industry Awareness of the Concept of Social licence

In order to test the construction industry's awareness of the concept of social licence, selected categories of professionals were asked about their familiarity with the concept. 53% out of the total of 102 respondents were familiar with this concept within the context of the construction industry. The 52% familiarity level cannot be considered as substantially high. It is also not comparable to the 78% awareness level for a mining industry survey conducted in Canada by Nelsen (2007). Besides, familiarity with a term does not necessarily translate into cogent understanding or active practice. This position was reinforced from their responses to a further question seeking to investigate the present applicability of social licence. Only 37% responded in the affirmative to currently using the term or applying its concept in their organisations.

4.2 Success Factors for Social licence Acquisition

In order to test the understanding of the construction participants on the success factors for acquiring a social licence, 13 project managers, 61quantity surveyors, 16 civil/structural engineers, eight architects and other four professionals working in consultancy services, general building and civil engineering works (see Table 1) were requested to rate ten key success factors for obtaining a social licence. The factors were adopted from Nelsen (2005 and 2007) and include 'Maintenance of positive corporate reputation', 'Ensuring open communication between all stakeholders', 'Going beyond legal and regulatory compliance', 'Need to educate local stakeholders about the project' and 'Employing innovation and technology to minimise negative impacts'. The rest are 'Workforce training', 'Understanding culture, customs and local vocation', 'Responsible local stakeholder compensation', 'Enabling corporate transparency' and 'Meeting sustainable development criteria'. Views of the selected professionals were sought using a five-point Likert-style rating scale to solicit for the level of importance of the factors. Measurement of internal consistency and reliability produced a Cronbach's Alpha of 0.991. This high value means that the set of ten factors are closely related and intrinsically important for acquiring a social licence.

Table 2: Success Factors for Acquisition of Social licence

S/N	Factors for obtaining a Social licence	∑W	Std. Dev	RII	RANK
1.	Need to educate local stakeholders about the project	417	0.924	0.818	1st
2.	Understanding culture, customs and local vocation	414	0.963	0.812	2nd
3.	Ensure open communication between all stakeholders	406	0.954	0.796	3rd
4.	Meeting sustainable development criteria	403	1.084	0.790	4th
5.	Workforce training	401	0.926	0.786	5th
6.	Enabling corporate transparency	401	1.046	0.786	6th
7.	Maintenance of positive corporate reputation	400	1.059	0.784	7th
8.	Employing innovation and technology to minimise negative impacts	393	0.927	0.771	8th
9.	Responsible local stakeholder compensation	381	0.984	0.747	9th
10.	Going beyond legal and regulatory compliance	365	1.264	0.716	10th

Analysis of the identifiable features necessary for the acquisition of social licence was by Relative Importance Index (RII) ranking based on the mean scores. This method supports the contribution of a variable to the prediction of a criteria variable, independently and in combination with other variables (Johnson and LeBreton, 2004). A set of the ranking which was based on RII is submitted in Table 2. The factor, 'Need to educate local stakeholders about the project' was ranked premium with an RII of 0.818. This was closely followed by 'Understanding culture, customs and local vocation' and 'Ensure open communication between all stakeholders' with 0.812 and 0.792 RII respectively. The least ranked factor was 'Going beyond legal and regulatory compliance' (0.726).

4.3 Methods of Acquiring a Social licence

Respondents' understanding of local stakeholder contributions towards social licence attainment was also tested. In response to a question on the importance of local stakeholders to acquiring a social licence, except for nine, all 102 respondents (91%) concurred. Local stakeholders are directly affected by the actions of a company. How could a company determine that it has obtained a social licence? Nine factors identified from the literature as determinants for gaining social licence were presented to respondents to select any appropriate numbers. The factors included 'Letters of support from community leaders', 'Media recognition', 'Outcome of open houses', 'Receipt of government permit' and 'Results of overall community consultation programme'. The rest were 'Certification by an accredited third party', 'Social licence scorecard', 'Results of a community survey' and others. Figure 1 illustrates respondents' preferences of factors that determine how companies obtain a social licence.

42% of total respondents of 102, determined that 'Results of community survey' would decide whether a company obtained a social licence. The next four factors with 37%, 35%, 34% and 21% were 'Receipt of government permit', 'Letters of support from community leaders', 'Media recognition' and 'Results of overall community consultation programme' respectively.

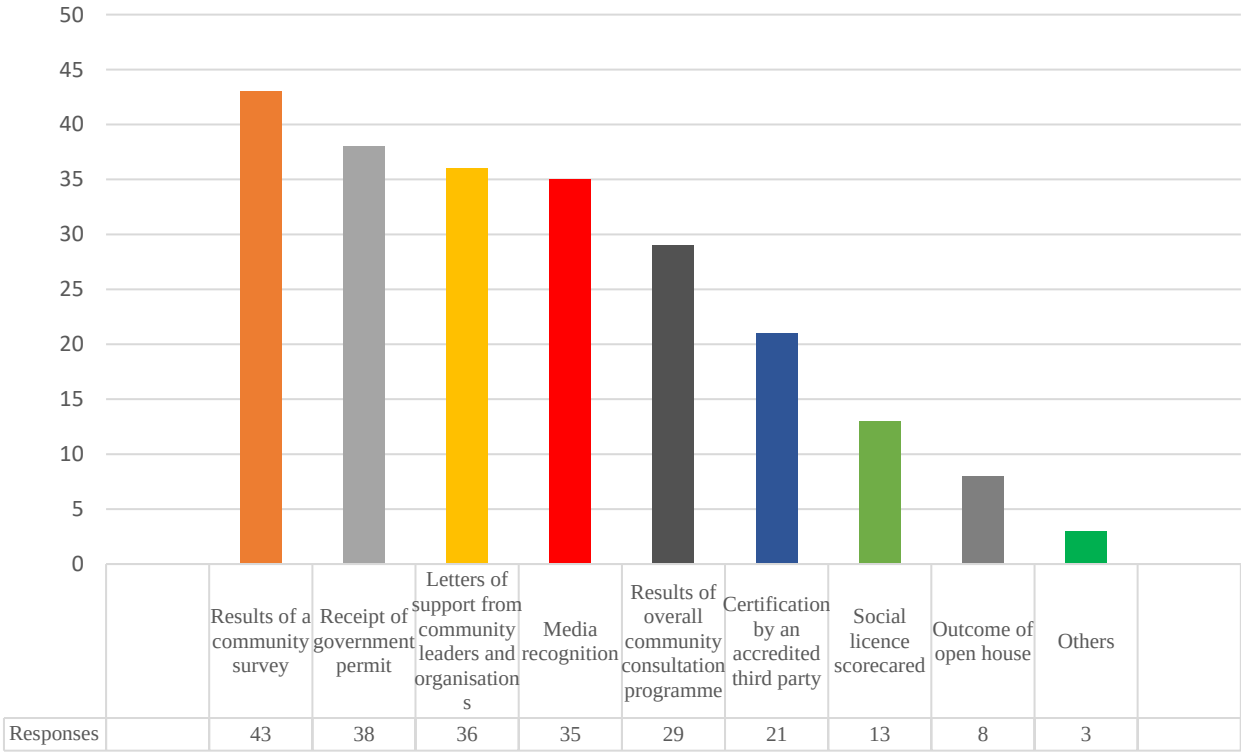

Figure 1: Methods of Social licence Acquisition

4.4 Identifying Entities that Determine if a Social licence has been Obtained

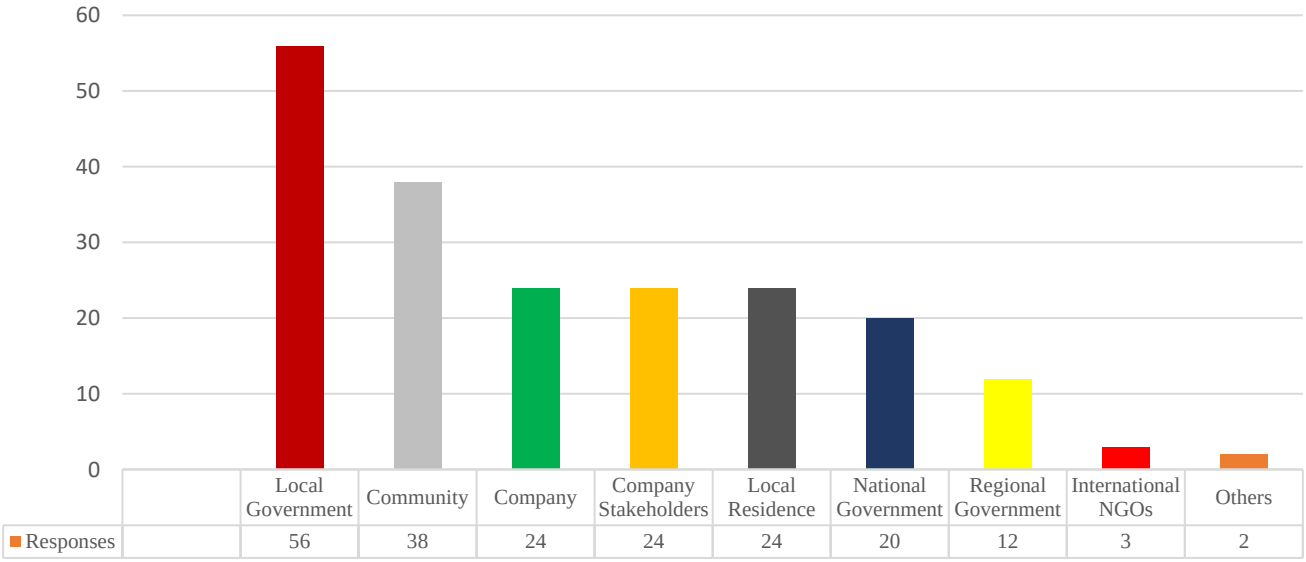

Figure 2: Entities that Determine if Social licence has been Obtained

In addressing the question of entities that determine if a social licence has been obtained by a company, Nelsen's (2007) factors designed to test mining companies' perception of parties that determine that a social licence is obtained was adopted for the construction industry. Project managers, quantity surveyors, engineers and architects (see Table 1) were requested to select any number of entities ranging from National government, Regional government, Local government, Construction company, Local residents, Community, Shareholders to International NGO's. Figure 2 illustrates the responses of the 102 professionals regarding their opinion on the bodies which determine that social licence has acquired. 55% of the 102 construction professionals selected local government as the body that determines that a social licence has been obtained. This was followed by the

community (37%) and three other entities; company, local residents and company stakeholders with 24 respondents apiece.

5. Discussion

Construction infrastructures impose physical, aesthetic, economic and general environmental consequences on local communities. To forestall any adverse reaction, opposition, acrimony and disruption of construction activities, companies must secure collaboration with communities/stakeholders. Social licence is the acceptance and approval of a company's activities by the community. Originated from the mining and extractive industry, it has spread to other industries. The social licence concept is new to the Ghanaian construction industry. Although a moderate number of respondents (52%) claimed to be familiar with the term, only 37% admitted to using the term or applying its concept. However, familiarity with a concept does not translate automatically into an application. Besides, most of the respondents might misconstrue the term with social value or corporate social responsibility. Social value refers to services and works provided by an organisation to communities in which it plies its business. While corporate social responsibility can be looked at from a company's self-serving public relations or philanthropic view with little say from the community, social licence deals with the community's acceptance or consent to a company's project. A further study will probe the distinction between a social licence and other social values and corporate social responsibility. Currently, there is an average level of familiarity with the term in the Ghanaian construction industry.

Project success is contingent on the construction company establishing a sustainable mutual relationship with local communities and stakeholders. Social licence acquisition process entails several related features. High Cronbach's Alpha (0.991) confirmed the internal consistency and reliability of these key success factors rated by construction professionals. This is supported by the fact that the last-ranked factor, 'Going beyond legal and regulatory compliance' had a relative importance index of 0.716 relatively close to 0.818 for the highest-ranked (Table 2). The top three ranked factors of 'Need to educate local stakeholders about the project', 'Understanding culture, customs and local vocation', and 'Ensure open communication between all stakeholders' compared well with similar work by Nelsen (2007) in the Canadian mining industry. The factor, 'Understanding culture, customs and local vocation', was however ranked uppermost instead of 'Need to educate local stakeholders about the project'. Meeting and educating stakeholders on the need and importance of the project through consultative and townhall assemblies, a homage to elders and leaders, used of flyers, social media, and other advertisement media, as well as observance of local norms and culture will boost the acquisition process. 'Meeting sustainable development criteria', 'Workforce training', 'Enabling corporate transparency' and 'Maintenance of positive corporate reputation' were ranked between fourth and seventh, respectively. Sustainable development which refers to a system of development that ensures economic growth, environmental awareness and social attachment of current and future generations (Brundland 1987, cited by Luke 2016) has become a critical benchmark in the construction industry. Companies must plan and strive to operate their activities in ways that support and contribute to the development of sustainable local communities. The entire workforce requires constant periodic training to set them abreast with current progressive technologies and working techniques. Progressive workers will endear themselves to the communities, culminating in the maintenance of a social licence. Openness and fair dealings promote community trust in the company. The ultimate factors essential for achieving social licence were 'Employing innovation and technology to minimise negative impacts' (RII - 0.771), 'Responsible local stakeholder compensation' (RII - 0.747), and 'Going beyond legal and regulatory compliance' (RII - 0.716). Improved technology and innovative construction systems reduce the social, environmental and economic impacts on the stakeholders. These, together with adequate compensation and informal social services provision by companies, can serve as a panacea for gaining a social licence.

A company determines that it has obtained a social licence based on the 'Results of a community survey', 'Receipt of government permit', 'Letters of support from community leaders', 'Media recognition' and 'Results of overall community consultation programme' (Figure 1). There is a need for interaction between the company and local stakeholders if the former is to be assured of a social licence. The high rating accorded 'Media recognition' is surprising and in contrast to other studies in the mining industry. Similarly, only eight out of the 102 respondents selected 'Outcome of open house' as a key determinant to obtaining a social licence. The findings indicated that the number of professionals who elected that the local government determines that a social licence has been obtained more than doubled that for the company. Although the local government could also determine that a social licence has been obtained, the large response rate could indicate a misconception with the formal licence, which is also obtainable at local government...

6. Conclusions

The level of familiarity of construction professionals with the concept of social licence was found to be moderate. Besides, a relatively low proportion of respondents admitted to using the term in their organisations. When the misconception of the term as being synonymous to corporate social responsibility is factored into the discussion, then it can be deduced that there is a low application of the concept. The respondents identified with the ten success factors for the acquisition of the social licence. The ranking of the 'need to educate local stakeholders about the project' as paramount underscores the collaborative bonding between the company and community. The need to understand the culture and customs as well as open communication between all stakeholders also rated high on the scale of success factors. A company recognises that it has obtained a social licence through community consultative

programme and survey, supports from community and media recognition. Social licence is an emerging concept in the Ghanaian construction industry. The results showed that the industry has a limited grasp of the term and restricted application of its concept. There is a need for industry education to harness the benefits of social licence acquisition to the company. When the concept of a social licence becomes the mainstay of the construction industry, individual companies will harness the benefits, thereby cascading into the overall growth of the Industry. These benefits will manifest in community acceptance, non-interference and uninterrupted in work which could culminate in costly delays and abandonment of projects. Acceptance of companies by stakeholders and collaboration thereof will foster fertile production working environment.

The scope of this exploratory work was limited to the general perceptions of construction contractors and professionals. It portrayed only the construction industry's viewpoint. The positions or perspectives of the local community, independent and non-governmental organisations, the international community, government and policymakers were not incorporated into this study. For a holistic understanding of social licence, future research work that encompasses all stakeholders would have to be undertaken. .

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