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ABSTRACT

The social license is a critical aspect of a company's reputation and success, as it reflects the ongoing support and acceptance of its stakeholders and society at large. To maintain and protect the social license, companies must operate responsibly and transparently, build trust with the community, and promptly address any issues that may arise. However, with the increasing expectations and standards for corporate behavior, the risk of violating the social license is also rising. Therefore, this thesis aims to contribute to the discussion on change management after the social license has been violated. Specifically, it aims to address the research question of how to regain the social license once it has been compromised. To address this question, we have conducted a comprehensive literature review and interviewed stakeholders to gain their perspectives on the social license concept and the effectiveness of different change management strategies.

Within our study, we have identified change initiatives that organizations should carefully consider. These initiatives revolve around enhancing the company's legitimacy by aligning its values and actions with those of its stakeholders and society. Furthermore, improving credibility is crucial, and this can be achieved by fostering transparency and authenticity in communication and reporting. Building trust is another vital aspect that can be accomplished through active stakeholder engagement and collaboration. Additionally, it is essential for organizations to develop effective response strategies that clearly demonstrate their commitment to addressing the issue at hand and implementing preventive measures to ensure its non-recurrence.

By considering the perspectives of stakeholders, our study provides a more comprehensive grasp of the social license concept and its influence on corporate behavior. Companies that take a strategic and proactive approach to the social license can not only avoid costly incidents and reputational damage but also build stronger relationships with their stakeholders and ensure long-term success.

INTRODUCTION

PURPOSE OF THE THESIS

The purpose of this thesis is to examine the concept of social license and how it affects business behavior. In today's business environment, the research question of how management can regain the social license is critical. In the absence of clear regulations, the social license becomes an important instrument for guaranteeing responsible corporate behavior. The notion of social license recognizes that a company's right to operate extends beyond legal requirements and includes its social impact.

When a company violates its social license, it can lead to a loss of trust, credibility, and legitimacy among stakeholders such as customers, employees, investors, and communities. Such a loss can have significant consequences, including reputational damage, decreased sales, and regulatory scrutiny. Therefore, it is imperative for businesses to understand how to regain their social license after it has been violated.

The importance of this research question is further highlighted by the increasing demand for corporate social responsibility. Consumers and investors are increasingly holding businesses accountable for their impact on society and the environment. Regaining the social license can not only help businesses avoid negative consequences but also create a competitive advantage by demonstrating a commitment to responsible practices.

Understanding and implementing effective strategies to regain the social license can not only help businesses maintain their legitimacy, credibility, and trust among stakeholders but also promote responsible corporate behavior and create a competitive advantage.

RESEARCH QUESTION

Through the master thesis, we intend to answer the research question:

Violations of the social license to operate, how can management regain the social license?

The social license represents the degree of trust and support that stakeholders have in a company or organization's dedication to social responsibility. This trust is a critical factor for the company's overall success. In addition to legal permissions, businesses also need a social license, which is based on the interests of various stakeholders who may be affected by the company's actions.

In contemporary society, knowledge is required for operating and meeting the requirements of its populace. Consequently, businesses and organizations are expected to uphold social standards, provide truthful and precise information, honor their commitments, and be ready to effectively handle and respond to external events or circumstances that may arise.

In this thesis, we will look at some of the causes that can contribute to the loss of the social license and the numerous change initiatives that management can implement to prevent violations and reclaim the license.

The purpose of this thesis is to contribute to the understanding of responsible business practices by investigating the social license phenomena and its impact on corporate conduct. Additionally, it seeks to provide practical recommendations for firms aiming to maintain or regain their social license, and assure long-term success.

THESIS STRUCTURE

Our thesis consists of seven main chapters where chapter one introduces the concepts of social license and stakeholder theory, focusing on the steps organizations must take to establish and maintain legitimacy, credibility, and trust. Chapter two examines essential literature on social license in depth, examining diverse theoretical perspectives and empirical data to expand our knowledge of its intricacies. In chapter three, we detail our research approach, emphasizing the depth and reliability of our study into the complexity of social permission. We outline our data collection techniques, including important stakeholder interviews, and explain why we chose this approach.

Chapter four presents our chosen case study on OBOS, examining the events and factors that led to the violations of their social license and the resulting implications for OBOS and its stakeholders. Chapter five reveals our research findings, analyzing the variables contributing to the violation of the social license and the efforts made to restore it in the case of OBOS. We discuss the difficulties they have encountered and provide insights into effective tactics and practices for organizations seeking to reclaim their social license.

Chapter six presents four recommendations on how to regain the social license, drawing from our research findings and relevant literature. These recommendations serve as a roadmap for OBOS to navigate the challenging landscape of social license. Moreover, these recommendations are further enriched by insights obtained from an interview with Fabian Stang, who has strongly expressed his views on OBOS's loss of their social license in the media. In chapter seven, we summarize the key findings of our study, discussing their implications and emphasizing the significance of social license for organizations and stakeholders. We acknowledge the limitations of our research and propose future directions for studying social license.

CHAPTER 1

SOCIAL LICENSE AND STAKEHOLDER THEORY

1.1 *SOCIAL LICENSE*

Demuijck and Fasterling (2016) define social license to operate as a contractarian basis for a company's specific activity or project's legality. The concept is strongly tied to social contract theory and has a political dimension from a normative standpoint. The "social license to operate" (SLO) is used by businesses to show that their actions are lawful in the eyes of society. The statement is frequently used in the context of potential criticism of their operations, when such disapproval may result in opposition that harms economic interests (Morrison, 2014). In such circumstances, businesses claim that their "SLO" is under threat or has been lost. This could result in a policy aimed at overcoming this rejection in order to reclaim the SLO.

The SLO is described as the acceptance or approval of a corporate enterprise's operations or projects in a certain area by local communities and stakeholders (Yates and Horvath, 2013). The SLO might be applied to any type of company activity that could cause controversy (Morrison, 2014). Organizations with a social license may be unaware that they have one. However, when a social license is lost, it becomes obvious to all, incurring both human and economic costs that sometimes can be irreparable (Gottschalk, 2023). The social license to operate can be moral or pragmatic (Demuijck and Fasterling, 2016). From an ethical viewpoint, it is preferable that corporate activities that will have a significant social or environmental impact are broadly accepted or even acclaimed by society as a whole and by the communities that are impacted in particular. In other words, it is preferable that the SLO is uncontroversial. Businesses can increase the likelihood of acquiring a social license by engaging in constructive consultation and dialogue with the communities involved.

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According to Morrison (2014), the concept of social license relates to what an organization does and not what it is. He defines social license as the sum of an organization's and relevant social groups' expectations in respect to a certain action or set of activities. Many authors have stated that a SLO is crucial not only as a moral ideal, but also for the survival of corporations. According to organizational theorists, legitimacy, defined as conformance with social norms, values, or expectations, improves organizational survival (Meyer and Rowan, 1977).

The social license to operate is in place when organizational actions are genuinely justified in the eyes of society, rather than perceived as legitimate on the basis of manipulation or influenced by the demands of certain powerful groups. According to Morrison (2014), it is important to avoid an interpretation of the social license concept that allows small groups to hinder projects that hold great value for society as a whole. For instance, he points out situations where residents in wealthier neighborhoods block the construction of social housing or people protest against the establishment of wind farms, even if they generally support renewable energy.

The cumulative pyramid model of social license, as presented by Thomson and Boutilier (2011), offers a valuable framework for understanding the interrelationships and varying levels of significance among three crucial elements: *legitimacy, credibility, and trust*. According to this model, a company must first establish legitimacy with its local stakeholders. Subsequently, the company needs to focus on building credibility by showcasing its expertise, experience, and resources to deliver on its commitments. Credibility is cultivated through consistent performance and a genuine dedication to fulfilling obligations. While legitimacy is crucial for initial engagement, credibility surpasses it in significance when it comes to building trust and fostering lasting relationships. Trust, serving as the foundation of the pyramid model, represents the deepest level of engagement and commitment between the company and the local community. Trust is established through ongoing dialogue, collaboration, and the establishment of credibility and legitimacy.

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Although these dimensions are interdependent, their relative importance varies. Legitimacy is essential for initial engagement, while credibility surpasses it by demonstrating the company's ability to deliver on promises. However, trust takes precedence as the most critical element, representing the highest level of engagement and commitment. Developing trust enables the formation of enduring stakeholder relationships, ensuring sustained support for the company's endeavors.

1.1.1 Legitimacy for legality

Legitimacy, in organizational theory, refers to the alignment between an organization's activities and the accepted norms of the larger social system (Dowling and Pfeffer, 1975). Moral legitimacy can be attained by engaging with affected individuals and groups, finding solutions, and reaching compromises to address dissent (Palazzo and Scherer, 2006). When all groups consent to the organization's practices, it becomes legitimate, often signified by the general approval of society based on perceived social responsibility and appreciation. However, this acceptance can be influenced by information manipulation, concealed facts, or ignorance among certain groups.

Occasional departures from societal norms may not jeopardize an organization's legitimacy if they are perceived as unique occurrences (Suchman, 1995). Nevertheless, a series of scandals or questionable activities can gradually undermine legitimacy over time. Corporate Social Responsibility (CSR) refers to a company's responsibility beyond legal obligations, addressing the impact of its operations on stakeholders and taking measures to minimize negative impacts and maximize positive ones (Carroll, 1991). CSR engagement serves as a protective factor for an organization's social license to operate and contributes to its legitimacy (Claasen and Roloff, 2012).

For certain business activities to be considered legitimate, they require the general approval or consent of communities and social groups, even if those groups are not directly involved (Voegtlin et al., 2012). Legitimacy serves as a guarantee for a license to operate in a given society, with stakeholder legitimacy being a prerequisite for such a license (Castello and Lozano, 2011).

1.1.2 Credibility for integrity

Credibility, in terms of social license, refers to achieving approval by the stakeholders (Jijelava and Vanclay, 2017). In the social license to operate, credibility is established by consistently providing accurate information and fulfilling commitments to the community. When a company demonstrates integrity and gains societal trust, it earns the authority to operate. Credibility is achieved through morally defensible business relations that resemble implicit agreements or social contracts (Donaldson and Dunfee, 1999). Formal agreements help establish and maintain credibility by defining the rules, roles, and responsibilities of the company and the community.

Donaldson and Dunfee (1999) explore the relationship between norms and business consequences in a global context, addressing issues such as bribery and poor labor conditions. Credibility in the social license to operate relies on justifying institutional and moral rules by referring to the consent of all involved parties (Demuijck and FASTERLING, 2016). Thomson and Boutilier (2011) argue that credibility is built through collaborative efforts between the company and stakeholders, where expectations are mutually created and fulfilled.

To establish credibility within a local community, technical competence, skills, and a commitment to social performance are essential. However, it is equally important for society at large to perceive the company as embodying these qualities (Jijelava and Vanclay, 2017). Effective community engagement serves as the foundation for credibility, particularly regarding the community's perception of the company's social and technical competence (Dare et al., 2014). Engaging effectively with society fosters positive interactions, builds credibility, and ultimately cultivates trust (Moffat and Zhang, 2014). In summary, credibility is demonstrated by providing accurate information and fulfilling commitments to society.

1.1.3 Trust for reliability

Trust refers to a complex and multifaceted concept that encompasses various dimensions and characteristics. It involves confident reliance on the integrity, reliability, and benevolence of individuals, institutions, or systems. Integrity, as emphasized by Uygur and Napier (2023), forms the foundation of trust, with trustworthy individuals adhering to moral and ethical principles consistently and honestly. Reliability, as explored by Campagne et al. (2020) and Uygur (2020), revolves around maintaining consistent and predictable behavior that inspires confidence in meeting obligations. By demonstrating reliability, organizations create a sense of trust and assurance among stakeholders regarding their ability to fulfill commitments. Consistency and predictability form the bedrock of reliability, establishing a foundation for strong relationships and long-term success. Benevolence, highlighted by Holt and Cornelissen (2014), reflects genuine concern for others' well-being and interests.

In Gilmour's (2021) exploration, vulnerability emerges as a pivotal facet of trust, wherein individuals willingly place themselves in a position of reliance, believing that their trust will not be breached. This dimension highlights the delicate act of entrusting oneself to others, with the expectation that they will uphold the trust bestowed upon them. By acknowledging vulnerability as an integral part of trust, a deeper understanding of the complex dynamics involved in building and maintaining trusting relationships is achieved. Reciprocal trust, as contributed by Baer et al. (2021), recognizes trust as a mutual and interdependent exchange, emphasizing open communication and shared expectations.

Building community trust is essential for achieving high levels of success in projects. It is fostered through co-ownership and psychological identification within society (Thomas and Boutilier, 2011). Trust develops over time, comprising interactional trust and institutionalized trust. Interactional trust involves perceiving the company as responsive, trustworthy, and respectful, while

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institutionalized trust reflects a partnership between the company and the local community (Thomas and Boutilier, 2011).

Trust, or being willing to be vulnerable to the acts of others, is a high-quality connection that requires time and work to build. The mission of the company is to create opportunities to collaborate, work together, and generate shared experiences with society. Where there are high levels of trust, local communities will want to be involved in the project; they are proud of the project and its activities; they identify themselves with the project; and they consider they have interests in common with the project/company (Jijelava and Vanclay, 2017). A decrease in trust can come from managers' mobility - when trusted managers are replaced by managers who are not known or not trusted by the stakeholders (Broschak, 2004).

1.2 STAKEHOLDER THEORY

Stakeholders refer to the individuals, groups, or entities that have a vested interest in, or are affected, by the activities and decisions of an organization. They play a significant role in shaping the operations and outcomes of a company.

Stakeholders can include customers, employees, investors, local communities, government agencies, and more.

Stakeholder theory emphasizes that organizations have a responsibility towards their stakeholders. It asserts that companies should consider the demands, needs, and interests of stakeholders when making decisions and formulating strategies. This approach recognizes the interconnectedness between the organization and its stakeholders, highlighting the importance of mutually beneficial relationships.

Within the context of stakeholder theory, the concept of a social license to operate becomes relevant. A company's social license to operate is a metaphorical "license" granted by society, indicating the level of acceptance and legitimacy the company holds in conducting its business activities. Adopting a socially responsible and sustainable approach is instrumental in earning and maintaining

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this social license. It involves considering the broader societal and environmental impacts of business operations and actively addressing the concerns and expectations of stakeholders.

However, it is important to note that a company's social license to operate can be undermined if its actions are perceived as harmful or not aligned with stakeholders' interests. This highlights the need for organizations to proactively engage with stakeholders, incorporate their perspectives, and align their practices with social and environmental expectations.

1.2.1 Definition of Stakeholder Theory

Stakeholder theory breaks down a company's relationship with society into individual relationships with specific groups, emphasizing the importance of looking after identifiable stakeholders to secure a license to operate (Freeman, 1984). Stakeholders self-identify with a firm when they believe they affect and are affected by its actions, and managers are expected to balance their interests (Alvarez and Sachs, 2022).

The concept of "governance form" refers to the rules that support cooperation between stakeholders and managers, defining decision-making authority, conflict resolution, and value distribution (Freeman, 1984). Stakeholder theory often assumes a hub-and-spoke model, where the firm is the hub and stakeholders are at the end of each spoke (Freeman, 1984). Managers are seen as the ultimate decision-makers who aim to balance stakeholders' interests.

Managers prioritize stakeholders based on their power, legitimacy, and urgency, influenced by institutional factors that can also contribute to conflict risk (Mitchell et al., 1997). Stakeholders prefer representation in decision-making processes related to governance, and unresolved conflicts may lead to actions to protect their interests (Ghoshal and Moran, 1996).

Stakeholder theory promotes effective and ethical ways to manage organizations in different environmental situations, emphasizing business ethics and Corporate Social Responsibility (CSR) (Waheed and Zhang, 2022). CSR is seen as a

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company's responsibility for its internal and external activities to achieve sustainability, considering factors like pollution, waste management, workers' well-being, and product quality (Waheed and Yang, 2018). Managers may adopt CSR activities to fulfill moral, social, and ethical duties to benefit stakeholders (Peng and Yang, 2014).

In conclusion, stakeholder theory underscores the significance of individual relationships between companies and specific groups in society. Balancing stakeholders' interests is crucial for securing a social license to operate.

Additionally, stakeholder theory highlights the importance of business ethics and corporate social responsibility for benefiting stakeholders and ensuring sustainability.

CHAPTER 2

LITERATURE REVIEW

This thesis aims to investigate the processes of change management initiated by organizations after a violation of their social license has occurred. The assessment of the literature emphasizes the necessity of preventative and investigative measures that organizations should implement before and after such situations. These parameters are classified as Outside-in, Inside-out, and Inside-in, and will be investigated further during this chapter.

The social license refers to the ongoing acceptance or approval of an operation by local community stakeholders affected by it (Moffat and Zhang, 2014), as well as stakeholders who possess the ability to influence its profitability (Graafland, 2002). Changing societal expectations have significantly influenced how businesses conduct their operations globally. Communities increasingly seek greater involvement in decision-making, a fair share of benefits, and assurance of industry control (Prno, 2013). Harvey (2011) defines social license as the process through which an industry aligns with and adapts to existing social standards.

Discussions about social licenses often focus on interactions at local or operational level, with the operation rather than the firm believed to require a social license. This grants exclusive authority to the local community to provide the social license. Community interactions are strategic for managing risk, seizing opportunities, and obtaining a social license (Humphreys, 2000). The concept of social license is commonly employed in diverse industry contexts to describe the dynamic relationship between companies and communities, as well as the degree of approval granted to resource development operations. However, the challenge remains: How can organizations protect the integrity of their members while preventing, detecting, and responding to violations of social license due to deviant behavior? This chapter will explore academic approaches, as well as cultural efforts described in the literature, to prevent and identify social licenses.

2.1 CLASSIFICATION OF SLO MEASURES

In *Table 1*, we have organized the various social licensing recommendations found in the literature into the three dimensions proposed by Thomson and Boutilier (2011), namely Legitimacy (L), Credibility (C), and Trust (T), and provide a justification for each categorization. The L dimension focuses on practices that establish legitimacy by adhering to social norms and values. It includes recommendations endorsing stakeholder engagement to overcome dissent. The C dimension pertains to practices that build credibility through formal agreements and long-term relationships with stakeholders. The T dimension encompasses practices that build trust through transparency and collaboration, aiming to create shared experiences and a sense of ownership.

Table 1: Classification of social licensing measures in alphabetical order

Author	SL recommendations	L	C	T	Description
<i>Baba et al. 2021</i>	Continuous stakeholder contributing to influence business practice			X	Involve stakeholders in business practice collaboration to generate shared experiences for stakeholders and society. Thus making them naturally engaged and proud of projects.
<i>Beukel, Geuns 2019</i>	Focus on options for long-term continuation of business activities		X		Supporting stakeholders' long-term financial interests and sustainability of business operations increases society's trust in the outcomes of agreements or "social contracts".
<i>Berghoff 2018</i>	Avoid actions that are harmful and illegal		X		Adapt to stakeholder norms with rules and policies to avoid behavior that could damage the organization's reputation,
<i>Cui et al. 2016</i>	Focus on socially acceptable practices for local community need		X		Create opportunities for mutual engagement based on mutual needs to foster an environment where rules, roles, and responsibilities are negotiated, defined, and consolidated.
<i>Demuijnc, FASTERLING 2016</i>	Conform to social norms, values, and expectations	X			Engage with stakeholders and by finding solutions and compromises with them, in order to overcome dissent, companies create moral legitimacy.
<i>Durand et al. 2019</i>	Adapt stakeholder demand and expectations instead of own strategies		X		Elaborate on the relationship with stakeholders and demands of the society, to justify an institution or a moral or political rule by referring to the consent of all persons concerned with it appears.
<i>Eberl et al. 2015</i>	Avoid control mechanisms that represent "window dressing" and introduce cultural change instead	X			By not hiding or misrepresenting information in order to manipulate stakeholders, the company accomplishes genuine appreciation and acceptance from the stakeholders.
<i>Haines et al. 2022</i>	Introduce accountability conduct for executives	X			Accountability as a priority will allow for general approval or consent of stakeholders and the society, even if the society as a whole does not directly take part in the activities.
<i>Hurst et al., 2020</i>	Adapt to local stakeholders' demands and needs and the broader society			X	When a company communicates and clarifies by actions that they comply with stakeholder demands, they confirm that they identify with the same values and needs as the stakeholders.
<i>Melé and Armengou 2016</i>	Ensure the ethical acceptability of the business activities.			X	Convincing stakeholders about shared goals within business activities gives them an opportunity to gain trust through shared goals.
<i>Moffat and Zhang 2014</i>	Engage with communities for trust and acceptance			X	Establish relations of trust with stakeholders to make them proud of the project and its activities and feel being part of it.

<i>Panda and Sangle 2019</i>	Use social media and non-government input to get stakeholder demands			X	Gain trust and stakeholder involvement by expressing concern and taking stakeholders' demands into consideration.
<i>Rooney et al. 2014</i>	Give communities a voice and listen and act on it		X		Listen and act on input to prove compliance with the commitments made to the stakeholders and the society.
<i>Saenz 2019</i>	Listen to concerns and communicate about actions			X	Prove the willingness and ability to be vulnerable to the actions of others, to create a high-quality relationship with stakeholders.
<i>Sale 2021</i>	Define models to anticipate and respond to concerns to avoid negative reactions	X			To introduce facilitating and preventive measures in advance to ensure that stakeholder demands are met and avoid negative consequences for all parties, creates a moral legitimacy.
<i>Sanger et al. 2017</i>	Avoid inappropriate guidance on management conduct to subordinates	X			Ensuring sufficient knowledge among managers and executives, so that the stakeholders' demands are taken care of will ensure legitimacy from the stakeholder perspective is in place.

2.1.1 Summary of Table 1

The provided table presents a thorough overview of recommendations, categorized and described, arranged alphabetically by author. Each recommendation's description emphasizes particular practices to foster various dimensions, such as ongoing stakeholder engagement to enhance legitimacy or implementing cultural change to cultivate acceptance and appreciation for credibility.

In summary, Table 1 serves as a convenient reference and valuable tool for businesses and organizations aiming to cultivate positive stakeholder relationships and attain social license. By comprehending these dimensions and the corresponding practices, organizations can formulate effective strategies for responsible business conduct and meaningful stakeholder engagement.

2.2 SLO MEASURES TO ACHIEVE LEGITIMACY

2.2.1 Conform to stakeholder expectations

Companies must conform to social norms, values, and expectations to achieve stakeholder legitimacy (Demuijnck and FASTERLING, 2016). This requires adopting governance models that anticipate and address stakeholder concerns. The value of social license is evident in defensive and offensive strategies employed by companies to protect their competitive advantage (Sale, 2021). Defensive strategies encompass efforts to refute negative environmental or community impacts, whereas offensive strategies involve assertive actions aimed at bolstering the company's position.

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However, companies should avoid inappropriate guidance on acceptable management conduct (Sanger et al., 2017). Cultural change, rather than superficial control mechanisms, is necessary for achieving legitimacy (Eberl et al., 2015). This cultural change should prioritize social norms, values, expectations, and stakeholder concerns.

The concept of social license, as described by Haines et al. (2022), explores the role of social control in supplementing and substituting legal measures to address corporate harm. However, employing social control, such as criminalization, may yield ambiguous outcomes. Gaining social license requires means of exerting social pressure independent of the law to mitigate harm. This involves claiming social authority over the matter, which faces challenges and uncertainties regarding its meaning and the community granting the license. These uncertainties entail emotional efforts and social costs.

In summary, achieving stakeholder legitimacy entails adherence to social norms, values, and expectations, while avoiding inappropriate guidance and embracing cultural change over formal controls. Social license plays a valuable role by reflecting community acceptance of a company's activities. However, obtaining a social license can involve significant emotional effort and social costs. Ultimately, the value of social license lies in averting protests, boycotts, negative publicity, regulatory increases, and the characteristics of publicness (Sale, 2021).

2.2.2 Inside-in measures

Inside-in measures involve a company's reflection and response to internal gaps between actual and desired states. Obtaining a social license enables companies to enhance their reputation and brand by generating positive public attention and fostering community support in the face of external criticism. Haines et al. (2022) suggest that businesses seeking a social license need to establish broader systems of accountability and construct meaningful rules governing their activities. Investing in concepts like the social license is crucial for representing expansive systems of accountability within a democratic society and regaining, as well as retaining, a company's social license.

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The board of directors plays a pivotal role in long-term company success by adopting governance models that address stakeholder concerns (Sale, 2021). Reclaiming the social license involves pursuing governance models that align with stakeholder concerns. Businesses depend on permission not only from the local community but also from the larger community and external stakeholders. Building legitimacy, credibility, and trust among relevant communities and stakeholders is key to acquiring a social license, surpassing legal permission. Consistent trustworthy behavior is essential for earning and maintaining a social license.

The social license to operate demonstrates a company's legitimacy in society (Demuijnck and Fasterling, 2016). To achieve this, operations must align with neutral or desired actions that are appropriate within the norms, values, and beliefs of the social construct. Instead of "window dressing" to present an improved appearance, companies should implement cultural transformations (Eberl et al., 2000) and strengthen organizational norms to signal credibility and integrity (Eberl et al., 2015). Providing accurate instructions and training to subordinates about acceptable management practices is crucial to avoid misguidance (Sanger et al., 2017).

2.3 SLO MEASURES TO ACHIEVE CREDIBILITY

2.3.1 Grant stakeholders the right to voice concerns

The authority of a social license raises questions about who has the right to speak and be heard. It examines how social control can supplement and even replace legal regulations in overseeing corporate harm. The concept of a social license allows communities to reject or shape company operations, but it can also be used to silence critics or justify undesirable practices. This contradiction arises from conflicting views on what is socially desirable, leading to potential conflicts.

Unfortunately, this struggle, while sometimes necessary for reducing corporate harm, can leave behind a painful social legacy. The authority of a social license is derived from individuals and information. Studies have highlighted the importance of bottom-up and outside-in activists in asserting and legitimizing the

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authority of the social license among individuals (Rooney et al., 2014). These conflicts arise when different stakeholders hold diverging views on socially desirable business conduct (Durand et al., 2019; Beukel and Geuns, 2019). Companies strategically manage the representation of the community, often favoring voices seen as "mature" while dismissing critical perspectives as "unsuitable" (Durand et al., 2019). Interactions between companies and community members can generate division and conflict, especially given the ambiguities surrounding the social license (Cui et al., 2016).

In conclusion, the authority of a social license raises significant considerations about who has the right to speak and be heard in matters of corporate behavior. Understanding the complexities and implications of the social license is crucial for fostering dialogue, transparency, and accountability between companies and their stakeholders.

2.3.2 Respond to social pressure

Durand et al. (2019) propose that organizations' responses to normative pressures can be either symbolic or substantive, depending on their willingness and ability to act. Symbolic responses involve promises of practice changes that may not be implemented, while substantive responses entail significant and irreversible changes, such as division acquisitions or sales. Organizations have the discretion to choose which issues to address based on their perceived salience and the costs and benefits associated with resource mobilization. Issue salience, resource mobilization costs, and different response types shape organizations' willingness and ability to respond to normative pressure and reflect on their credibility among stakeholders.

According to Berghoff (2018), organizations can mitigate harmful behavior by implementing rules and policies that govern employee conduct and safeguard the organization's reputation. In situations where the costs outweigh the benefits, organizations may choose to employ symbolic responses to highly visible issues. Conversely, when the issue is less prominent and the benefits outweigh the costs, organizations may decide to employ substantive responses. The decision to

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comply, conform, or disregard the issue altogether depends on the issue's visibility and the cost-benefit assessment of resource allocation (Durand et al., 2019).

Understanding organizations' willingness and ability to respond to normative pressures is crucial for policymakers to develop appropriate policies and regulations. The sources of license authority focus on internal mechanisms that motivate and enable organizations to navigate the diverse institutional demands they face. Symbolic responses include promises of change that may not materialize, while substantive responses reflect actual and significant actions.

2.3.3 Negotiate with stakeholders

To establish a social license authority based on credibility, organizations need to engage and negotiate with various stakeholders. These stakeholders, including NGOs, government entities, and industry representatives, have different perspectives and levels of trust (Rooney et al., 2014). The objective is to foster sustainable practices by leveraging diverse knowledge and enabling flexible responses to changing circumstances. Legal rights serve as a critical foundation for the authority, ensuring a fair distribution of power between companies and communities. Social license operations (SLOs) empower individuals by involving them in decision-making processes, thereby reshaping power dynamics (Beukel and Geuns, 2019).

Constructive debates are essential for exploring long-term business options, requiring collaboration among stakeholders (Beukel and Geuns, 2019). Engaging in socially acceptable practices that align with the local community's needs is also important in order to achieve credibility, involving active listening and incorporating community input (Cui et al., 2016). By employing these approaches, businesses can build trust, address power imbalances, and strengthen relationships with local communities.

In summary, constructive debates and socially acceptable practices enable effective stakeholder negotiation, giving communities a voice, promoting sustainability, and fostering stronger business-community relationships.

2.3.4 Inside-out measures

Inside-out measures occur when corporate representatives communicate actions that have the potential of causing external correction. To prevent this type of situation it is crucial to avoid participating in harmful markets. This recommendation is discussed in Berghoff (2018), where it is suggested to avoid participating in markets that have the potential to foster behavior that is both harmful to society and illegal. The article also recommends introducing a set of rules and policies for how employees and the company can avoid behavior that could damage the organization's reputation and regain its credibility.

According to Rooney et al. (2014), social license can only be kept by communities, organizations, and businesses engaging in a complex series of negotiations with one another. In order to adapt it is essential for a company to have legal rights in order to level the power gap that exists between communities and businesses. In order for the companies to keep or regain their social license it is recommended to negotiate with the community, for instance, provide the communities with a voice and actively listen to them. Communities may have differences in what they accept from various major actors in their local environment, thus the negotiation terms can differ from community to community.

Durand et al. (2019) suggest that the motivation and ability of organizations to respond to situations in which organizations experience a multiplicity of different pressures from a plurality of institutional demands can be either symbolic or substantive. By giving promises to engage in practice changes that may or may not be implemented they adapt to the stakeholder's expectations and demands.

Beukel and Geuns (2019) recommend that companies engage in constructive debates with the stakeholders. This strategic adaptation will open up an opportunity to explore options for long-term continuation of business activities between the company and the community. If the companies consider

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a model of financial governance that ensures the members' long-term financial interests and the long-term sustainability of business operations, automatically the social license to operate is given to them by the stakeholders.

Cui et al. (2016) recommends engaging in socially acceptable practices depending on the needs of the local community. The company can carry out adaptations in the company's treatment of its stakeholders to achieve a social license, and since employees constitute a highly significant stakeholder group, it is important to engage them in the decision-making of the company's future. Such fair and favorable treatment of stakeholders will increase the likelihood that a company will acquire the social license.

2.4 SLO MEASURES TO ACHIEVE TRUST

2.4.1 Convince stakeholders of ethical acceptability

In order to establish and maintain trust as part of a social license, businesses must engage in ongoing exchanges with stakeholders, seeking their input and feedback to align practices with their demands (Baba et al., 2021). Trust plays a crucial role in this process. Demonstrating ethical commitment and transparent communication about values and purpose are essential for building trust and garnering support (Melé and Armengou, 2016). These actions allow stakeholders to develop confident reliance on the integrity, reliability, and benevolence of the organization, individuals, or systems involved.

To ensure trust is established and maintained, organizations should actively listen to social media and non-governmental organizations (NGOs) to identify stakeholder concerns and tailor their actions and messages accordingly (Panda and Sangle, 2019). This demonstrates a genuine concern for the well-being and interests of stakeholders, contributing to the dimension of benevolence in trust. Actively addressing community concerns, communicating initiatives transparently, and enhancing overall transparency are vital steps in fostering trust and understanding (Saenz, 2019). By doing so, organizations show their

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commitment to moral and ethical principles, as emphasized in the definition of trust, and build a foundation of integrity.

Effective communication plays a crucial role in establishing and maintaining trust. It requires continuous engagement with stakeholders, meeting their demands, and convincing them of the ethical nature of practices (Hurst et al., 2020). The dimensions of reliability and integrity are reinforced through transparent and high-quality communication. Organizations should genuinely involve themselves in addressing stakeholder concerns and provide accurate information to build trust, foster understanding, and maintain positive relationships (Moffat and Zhang, 2014).

By actively listening to stakeholder perspectives, organizations can identify common ground and explore mutually beneficial solutions. Transparent and clear communication bridges the gap between conflicting interests, ensuring that stakeholders feel heard and respected. This open dialogue demonstrates the organization's commitment to responsible and sustainable practices, which contributes to the dimensions of reliability and benevolence in trust. Through these measures, organizations can establish and maintain trust as they navigate the complexities of stakeholder relationships and work towards a social license.

2.4.2 Outside-in measures

Trust plays a vital role in obtaining and maintaining a social license, especially when stakeholders identify instances of corporate misconduct that necessitate internal rectification. Trust encompasses confident reliance on the integrity, reliability, and benevolence of individuals, institutions, or systems. Therefore, securing a social license requires fair treatment, meaningful engagement, and effective mitigation of impacts, addressing the dimensions of trust.

To establish the critical elements of a social license, organizations should model and understand the factors that contribute to negotiation processes, equitable resource sharing, and industry governance. Actively listening to community concerns and engaging in direct interaction with stakeholders reinforces the dimensions of integrity and benevolence in trust (Saenz, 2019). Disseminating

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accurate information, adhering to established conventions, and involving communities in decision-making contribute to the reliability and integrity that are crucial for trust (Melé and Armengou, 2016).

Engagement with stakeholders is fundamental in achieving, maintaining, and repairing a social license, as highlighted by Hurst et al. (2020). By understanding stakeholder expectations and responding appropriately, organizations enhance their reputation and foster trust. Stakeholder engagement serves as the foundation of organizational relationships and social licenses, reinforcing the multifaceted concept of trust.

Maintaining ethical acceptability, as emphasized in the definition of trust, reduces the likelihood of outside-in measures resulting from distrust. Companies that prioritize stakeholder consultation and inclusion in decision-making demonstrate their commitment to building trust and mitigating potential conflicts (Baba et al., 2021). Recognizing the struggles and conflicts impacting community attitudes, organizations can shape interactions and collective memory, motivating social, political, and economic struggles in order to regain trust and maintain a social license. By actively engaging with stakeholders, organizations can navigate these challenges, build trust, and secure a social license based on the multifaceted dimensions of trust.

2.5 RECOMMENDATIONS TO REGAIN THE SLO

According to Durand et al. (2019) and Haines et al. (2022), firms must change and satisfy the needs of stakeholders in order to restore credibility and legitimacy. According to Durand et al. (2019), organizational adaptation is an intentional decision-making process by which organizations bridge the gap between their internal operations and the external institutional and economic settings in which they operate.

The concept of social license is proposed by Haines et al. (2022) as a technique of regaining legitimacy and credibility. The social license symbolizes stakeholders' approval and acceptance of a company's operations, demonstrating the level of

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trust and support from stakeholders. Businesses, according to Haines et al. (2022), can re-establish their social license by accommodating stakeholders' needs and meeting their expectations. This entails integrating the company's principles, procedures, and decision-making with the demands and concerns of stakeholders. Businesses can rebuild trust and legitimacy with their stakeholders by doing so.

However, the failure to meet stakeholder expectations can lead to the erosion of the social license, as highlighted by Haines et al. (2022). Such a decline can take many forms, including additional laws, market signals in which people vote with their wallets, and even public protests. These indicators serve as red flags that the social license is under threat. Businesses must proactively adjust their strategies, operations, and procedures to remain relevant and in line with the values and expectations of their stakeholders in order to mitigate this risk. Companies can boost their chances of preserving their social license and long-term success by regularly monitoring and responding to stakeholder input and concerns.

Maintaining a social license and establishing good connections with stakeholders need the cultivation of trust. Trust is a valuable but intangible asset for organizations because it is not recorded on the balance sheet. However, it is a vital aspect of an organization's success and sustainability. Businesses should invest in trust-building initiatives by cultivating healthy relationships with their stakeholders, which include open and honest communication, active listening, value alignment, authenticity, and responsibility (Durand et al., 2019; Saenz, 2019). These factors help to build trust and credibility with stakeholders, which aids in the renewal or retention of the social license.

Adopting good governance models and tactics, in addition to stakeholder adaptability, can play a critical role in recovering the social license. According to Sale (2021), corporations should create governance models that actively address stakeholder issues while also ensuring public accountability. These models aid in the restoration of confidence, credibility, and legitimacy by demonstrating a commitment to responsible and ethical activities that fit with stakeholders' expectations. Businesses may recover their social license and strengthen their

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position in the community by prioritizing stakeholder interests and engaging in open communication and collaboration.

Maintaining the social license is a multidimensional process that involves community, organization, and corporate negotiations and collaboration. According to Rooney et al. (2014), it is critical to balance power relations and ensure that communities have legal rights and opportunities to participate in decision-making processes. This method can create tighter collaboration between communities and businesses, fostering equity and giving people a voice in determining activities that affect their lives and the environment. Businesses can establish a sense of ownership, shared responsibility, and mutual trust by actively engaging communities and addressing their issues, thereby sustaining the social license.

Furthermore, firms wanting to reestablish credibility and legitimacy should explore anti-corruption measures, stakeholder-oriented policies, and investing in independent audit investigation reports (Berghoff, 2018). These acts show a commitment to responsible business behavior, openness, and accountability, all of which help to the restoration of trust and the reestablishment of the social license.

In summary, businesses face the imperative to adapt and accommodate stakeholders' requirements to regain credibility and legitimacy. The concept of the social license serves as a crucial framework for understanding and addressing this challenge. By aligning their values, practices, and decision-making with stakeholder expectations, businesses can rebuild trust, secure their social license, and position themselves for long-term success. This requires ongoing efforts in building strong stakeholder relationships, implementing effective governance models, engaging in negotiations with communities, and demonstrating responsible corporate conduct. By integrating these strategies, businesses can navigate the complexities of stakeholder dynamics, restore trust, and establish a solid foundation for sustainable growth.

CHAPTER 3

METHODOLOGY

The purpose of this thesis is to contribute to the advancement of knowledge regarding change management after a violation of the social license. Through a qualitative research strategy, we gained a deeper understanding of the challenges faced by management and the necessary measures that are necessary in order to regain the social license.

Qualitative research prioritizes words over data, employing an inductive, constructionist, and interpretive approach that allows for a nuanced understanding of participants' experiences and perspectives (Bell et al.,2022). By adhering to qualitative research principles, we offer valuable insights into change management after social license violations.

To ensure the rigor and validity of our research, we meticulously adhered to the principles of qualitative research. We maintained credibility by employing purposive sampling techniques and providing a comprehensive description of our research methodology to enhance transferability. Dependability was achieved through the thorough documentation of field notes and the meticulous processes of data collection and analysis. Lastly, confirmability was ensured by maintaining reflexivity throughout the study and actively seeking feedback from other researchers to strengthen the validity of our findings (Bell et al.,2022).

3.1 *METHOD*

Our study utilized one primary qualitative research approach: qualitative interviewing and document analysis. Qualitative interviewing prioritizes the interviewee's perspective and is adaptable to their concerns. We conducted semi-structured interviews with members of OBOS asking them about OBOS's evolution, the handling of the Member Revolt, their influence within the organization, and desired modifications.

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In addition to interviews, we analyzed various written documents from sources such as KPMG examination reports, organizational documents, and media outputs. This methodology aligns with qualitative research principles, emphasizing a deep understanding of participants' experiences and contexts. Triangulation of multiple data sources increases the reliability and validity of our findings.

3.2 RESEARCH ETHICS

Starting in 2022, NDS/SIKT registration is no longer mandatory for regular personal data. However, we have established a legal foundation and objective for our research and ensure compliance with BI's data processing procedures for student assignments.

We conducted qualitative interviews in order to address challenging issues in OBOS. This approach allowed us to directly inquire about personal beliefs and attitudes, providing valuable insights into perceptions and motivations that may not be openly expressed within the organization. The anonymity and confidentiality of participants was strictly maintained (Bell et al.,2022). All interviewees participated voluntarily, and prior to the interview, we sent an email outlining the research details to avoid any ethical concerns.

3.3 DATA COLLECTION

Our study on OBOS was conducted over a two-month period during the spring of 2023. To ensure a thorough analysis, we gathered data from various sources, including both secondary and primary sources. Primary data were obtained through interviews with seven OBOS members, allowing us to gather valuable information and opinions (Davies and Francis, 2018, p. 104). Most interviews were conducted in person or via Teams, lasting 30-60 minutes with both authors present to establish rapport. Some interviews took place at participants' workplaces or at BI to ensure comfort and confidentiality (Kvale, 1996). All interviews were audio recorded with participant consent and transcribed promptly.

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To supplement our sample, we utilized the snowball method, seeking recommendations for additional interviewees from our participants (Biernacki and Waldorf, 1981). This approach helped expand our sample and reach participants who might have been otherwise challenging to access.

Our interview questions were open-ended, allowing respondents to share their perspectives and experiences freely. This approach facilitated a rich and descriptive exploration of their insights (Bryman and Bell, 2022). By avoiding predetermined answer options, we encouraged participants to provide narratives and uncover recurring themes (Davies and Francis, 2018, p. 67).

To enhance our understanding of effective measures following social license violations, we combined primary and secondary data. Secondary data served as a means of triangulation, providing additional perspectives and reducing risks to validity (Berg, 2007).

3.3.1 Participant Selection

The purpose of our empirical work is to research how stakeholder theory relates to our research question. We conducted interviews with OBOS stakeholders and selected members in order to achieve this aim. As stakeholders, OBOS members have a vested interest in the organization and can provide valuable insights into its operations and decision-making processes. Following Krueger and Casey's guidelines (2015), we employed purposive sampling to select individuals with direct experience relevant to our investigation. This approach allows for in-depth understanding rather than generalizations (Patton, 2022, p. 230).

To ensure diverse perspectives and experiences within our sample, we employed purposive sampling techniques (Palinkas et al., 2015). We reached out to potential participants through OBOS's official channels, including their website, social media, and email lists. We also used the snowball sampling method (Biernacki and Waldorf, 1981), asking participants to suggest other individuals who could contribute relevant information and perspectives on OBOS. This approach helped us expand our sample and reach participants who might have been challenging to access through traditional sampling methods. Ultimately, we conducted interviews

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with seven adult OBOS members from Norway, including both females and males, ensuring diversity within our sample.

Participant selection was based on their availability, willingness to participate, and ability to communicate their experiences and opinions effectively (Bernard, 2002).

Participant 1: Non-resident member of OBOS, experienced in project management, board committees, and Board of Directors' roles and responsibilities. Involved in housing associations and homeowners' associations. Joined OBOS for practical reasons and is passionate about automation and streamlining for member benefits.

Participant 2: Economist specializing in social environment, with a focus on Norwegian housing policy. Experienced in financial politics and political commitment. Non-resident member passionate about OBOS's relationship to housing policy.

Participant 3: CEO of a Nordic company, resident member of OBOS's Member Representative Assembly. Knowledgeable in management, board positions, and non-profit organizations. Passionate and highly involved in OBOS as an organization.

Participant 4: Engaged in research and innovation in the construction industry, member of the Member Representative Assembly. Advocate for sustainable and urban development. Non-resident member passionate about building greener and more resident-friendly housing complexes.

Participant 5: Owner of an OBOS apartment, member of the Member Representative Assembly. Experience in the housing board committee. Advocates for better information provision to residents and easier communication with OBOS.

Participant 6: Non-resident member, OBOS is the business manager for the participant's housing association. Expertise in city and local development, with a focus on sustainable development. Interested in testing ideas and wants OBOS to be more empathetic and human-centered.

Participant 7: Human Resources Manager, involved in the members' revolt. Interested in Norwegian and international politics, particularly welfare and

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equalization policy. Non-resident member passionate about OBOS housing policy and making housing more accessible for first-time buyers.

3.4 *DATA ANALYSIS*

Thematic analysis is a qualitative data analysis method that identifies, synthesizes, and interprets emerging themes (Braun and Clarke, 2012). It consists of six stages: familiarization with the data, creation of initial codes, identification of themes, review and refinement of themes, definition and naming of themes, and production of the final report.

For our research, we employed an inductive approach, allowing themes to emerge from the data without preconceived ideas or theories (Braun and Clarke, 2012). We transcribed the interviews and generated initial codes, which formed the basis of our analysis. We then reviewed the data to identify patterns and overlaps, refining our analysis at a broader level. Next, we reviewed and quality-checked the themes to ensure clarity and coherence. Finally, we defined, named, and presented the themes as our research findings.

The thematic analysis offers flexibility, allowing for the organization and interpretation of data while preventing biases and assumptions. It provides a structure for understanding the research topic and incorporating participants' experiences. By remaining open to new insights and continuously refining our analysis, we ensured that our findings were grounded in the data and reflected the perspectives of our interviewees (Braun and Clarke, 2012).

CHAPTER 4

CASE - OBOS

OBOS is Norway's largest housing developer and housing association organization, with approximately 500,000 members (OBOS, n.d.). OBOS was founded in 1929 by Martin Strandli and Jacob Christie Kielland to encourage cooperative home building. The primary objective of OBOS is to promote cooperative home building, fostering a sense of community and collaboration among its members. This cooperative structure allows for the creation of homes through autonomous housing projects, with residents and the parent corporation jointly owning each project, ensuring continuous housing development (OBOS, 2021).

In 1935, OBOS underwent a name change and embarked on a significant collaboration with the Oslo municipality, becoming the municipality's building authority. This partnership played a pivotal role in shaping the housing market in Oslo, leading to the realization of notable housing developments such as Tveita and Lambertseter (OBOS, 2021). Expanding its influence beyond Oslo, OBOS has undertaken housing projects in various cities across Norway and even ventured into Sweden.

OBOS is guided by its articles of association, which outline its core objective of providing housing to its members. This is achieved through housing cooperatives or other means. In addition to these core functions, OBOS engages in diverse activities such as real estate brokerage, planning and construction management, property management, savings and loans, insurance, and property leasing (OBOS, n.d.). Notably, OBOS operates its own banking services, offering financial assistance to its members, including low-interest loans, to facilitate their home purchases.

4.1 MEMBER REVOLT

The power to grant or withhold a social license to operate for OBOS resides with its members, who serve as the primary source of license authority. Stakeholders in this case, refer to individuals or groups with a vested interest in the organization and its activities, capable of influencing decisions and being impacted by its operations. OBOS, being an association owned and governed by its members, recognizes the significance of its members as stakeholders. This acknowledgment stems from the members' vested interest in the cooperative's operations and overall functioning.

When discussing the cooperative, it is crucial to acknowledge the significance of the Member Revolt that emerged within OBOS in 2019. The Member Revolt arose from a crisis due to concerns about governance and a desire for increased member participation in decision-making. A crisis is a critical and often unpredictable event or situation that poses a significant threat to an organization or society. It is typically characterized by intense pressure, disruption, and uncertainty, requiring immediate attention and response. Crises can take various forms, such as financial downturns, reputation damage, or conflicts (Pauchant and Mitroff, 1992). In 2019, the "Et medlemsstyrt OBOS" Facebook group was formed, advocating for transparency, democratic processes, and a member council with greater authority. In response to these concerns, OBOS established "Representantskapet," a member representative assembly.

The member-driven Facebook group, "Et medlemsstyrt OBOS," has gained significant support from OBOS members and played a pivotal role in facilitating discussions about democratic and transparent governance within the cooperative. With over 6,000 members, the group serves as a valuable communication channel where important updates, meetings, and relevant information are regularly shared. This is particularly significant as social media, with its viral nature, effectively spreads information, and the Facebook group leverages this effect along with digital news channels for lobbying purposes.

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Notably, Åge Pettersen, OBOS' communication manager, actively participates in the group by posting about relevant meetings and other matters, further enhancing communication and engagement. While the group has garnered widespread support and stimulated conversations about the significance of member involvement and democratic processes, it has also faced criticism from some members. These individuals argue that the group occasionally adopts a confrontational approach and fails to adequately represent the viewpoints of all members. Despite the criticisms, the Facebook group continues to serve as an important platform for OBOS members to engage in discussions.

4.2 *LEGITIMACY*

4.2.1 Violations of legality

OBOS's violations of legitimacy have caused significant consequences, straying far from the organization's original mission and vision. Despite priding itself on providing pleasant and affordable housing for its cooperative members, recent decisions have contradicted these foundational principles. The sale of two residential buildings to a profit-oriented landlord, whose main goal is to generate financial returns through renting out these units, directly conflicts with the cooperative's social responsibility to offer affordable housing options for ordinary individuals (Jacobsen, 2020).

This deviation from OBOS's cooperative values and the prioritization of profit over members' well-being have had a profound impact on the organization's legitimacy. Legitimacy is the perception that an organization's actions align with its declared mission, values, and societal expectations. When an organization strays from its stated purpose and core values, as evidenced by OBOS's focus on profit generation over affordable housing provision, it can lead to a loss of social license.

The specific example at Middelthunet further accentuates the disconnection between OBOS's actions and its commitment to providing housing solutions for the majority. Attempting to sell a penthouse apartment at an exorbitant price of

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NOK 95 million not only generated resentment among the less affluent but also raised concerns about the erosion of the traditional OBOS spirit. As Astrid Skjerven (2023) aptly observed, "In other words, it is not about a project that contributes to solving Oslo's housing problem, and has little to do with OBOS' policy of creating housing for most people." This quote poignantly captures the profound disconnection between OBOS's actions and their professed dedication to providing housing solutions for the majority of the population.

During an interview with *Nettavisen* in 2018, Fabian Stang, the previous Mayor of Oslo, expressed his unhappiness with OBOS's shift in objectives, a sentiment mirrored by many others. Stang pointed out that "When OBOS now puts up an apartment of 400 square meters for nearly 100 million, the company has completely abandoned its role as a social developer, which we politicians assumed they were created for." These words underscore the abandonment of OBOS's responsibility as a social developer. Stang also proposed an alternative approach, suggesting that the apartment could have been transformed into five separate units, each measuring 80 square meters, to meet the housing needs of loyal members at an affordable price, aligning with cooperative principles (Lilleås, 2018).

Additionally, the sale of a residential apartment block in the Ulven project to a rental company further exemplifies OBOS's prioritization of profit over its cooperative ethos (Becker, 2021). Conducting the sale "off market" and without considering other bidders raised concerns about transparency and fairness in the decision-making process, further undermining trust within the cooperative. The fact that the apartment block was sold to a company led by Baard Schumann, without any other bids, raises concerns about potential conflicts of interest and favoritism within OBOS's decision-making processes.

These violations of legitimacy at OBOS highlight a deeper issue within the organization. The focus on profit generation and departure from cooperative values cast doubt on the organization's commitment to its members and its social responsibility. As a result, the legitimacy has been violated, and questions have

arisen about the organization's priorities and dedication to its cooperative mission over financial gains.

4.3 CREDIBILITY

4.3.1 Violations of integrity

OBOS has faced significant scrutiny and criticism for actions that have violated its credibility and undermined its reputation as a trusted cooperative organization. These violations have shaken the foundation upon which OBOS was built and have left members questioning the organization's commitment to its core values and mission.

One notable instance that exemplifies OBOS's departure from its cooperative mission is the controversial sale of two apartment blocks at Ulven in Oslo by OBOS to the private rental company Quality Living Residential (QLR) for NOK. 936 million. This sale has sparked significant criticism and raised concerns about OBOS's adherence to its purpose as a housing association and its commitment to serving the best interests of its members (KPMG, 2021). As investigations by NRK have revealed, these apartments were sold to the rental company in a secretive, off-market transaction with only one bidder (Johnsen, 2021). This lack of transparency and competitive bidding process raises serious questions about the integrity of CEO Siraj and the attitudes of OBOS as a whole. As Johnsen (2021) astutely points out, "NRK has continuously exposed that the old social democratic giant has sold apartments in Ulven to a rental company. The sale was conducted in secrecy, so-called off-market, with only one bidder. This raises speculation about the integrity of CEO Siraj and the attitudes of the company OBOS. Isn't OBOS meant to serve its members, to provide people with a roof over their heads in owned homes?"

The sale of apartments at a significantly undervalued price per square meter not only resulted in a financial loss for OBOS but also raised concerns about potential favoritism and biased decision-making (Gottschalk, 2023). It suggests that personal relationships and interests may have influenced the outcome,

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disregarding the cooperative's best interests and compromising its credibility. In connection to this, Fabian Stang, former mayor of Oslo, raised his concerns regarding OBOS sabotaging its own social mission by not equally distributing the profits. "The profits are kept far away from the owners that are the members. The money is not spent on a careful price reduction on new apartments, which would result in a fall in prices throughout the market. They are used for constantly new activities, further and further away from the basic idea. Numerous members now realize that OBOS, which they believed was theirs, has transformed into a profit-driven entity." (Stang, 2021).

Furthermore, the actions leading up to the general assembly in 2021 have added to the erosion of OBOS's credibility. CEO Daniel Siraj's message to employees, encouraging them to register as candidates, sparked skepticism among some individuals (NRK, 2021). This move was viewed by some as an attempt to sway the results in favor of the company's interests or specific agendas, rather than ensuring a fair and impartial decision-making process. As Stephansen (2021) highlights, there have been attempts to influence the general meeting by asking directors and other employees to join OBOS as housing seekers in order to secure a majority against the troublesome members - or owners, as they actually are.

The general assembly holds significant weight in determining the future direction of OBOS, making it crucial for the process to be transparent and inclusive. However, the skepticism surrounding the CEO's message and the potential manipulation of outcomes raise concerns about the preservation of democratic principles and the equal representation of members. Erling Dokk Holm expressed his concerns in an article if OBOS is the solution or the problem, stating "Through various schemes, the members are represented at the annual general meeting, but as a member you get minimal information and, for example, membership votes, so-called primaries, are never held, as you have in many other associations. OBOS has a board appointed by the general meeting, and in practice it is the board and the administration that have managed the housing association" (Holm, 2021).

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Moreover, the preferential treatment of OBOS employees regarding information about their membership rights compared to other members is yet another violation of credibility (Larsen, 2021). This unequal access to information undermines the principles of fairness and equality within the cooperative, further eroding trust and questioning OBOS's commitment to transparency and inclusivity. As Larsen (2021) points out, "OBOS' management provided a group of members who are also employees of OBOS with much better information about their membership rights than others, after it became clear that this year's general meeting would have much higher member participation than usual. This happened when employees were specifically informed about the opportunity to participate in the delegate meeting, a meeting for which other members receive very limited information."

Furthermore, Frode Solberg argues that over the course of time, member-owned organizations tend to gradually diminish and, in practice, partially strip individual members of their influence. "A member-owned organization is an organization where membership should provide influence and co-determination. It is crucial that one now actively enters into processes that upgrade the foundation through statutes of association and elected functions" (Solberg, 2022). The aforementioned concerns serve as evidence that OBOS has deviated from its roots as a member-governed cooperative institution. Further, there are additional incidents worth mentioning which have contributed to OBOS losing its integrity in the eyes of society, including instances of prioritizing OBOS employees over other members, displaying arrogant executive conduct, and granting exclusive hunting privileges to a select few individuals.

These repeated violations of credibility not only undermine the trust of OBOS members but also have broader implications for the organization's social license and overall reputation. OBOS, once regarded as a social democratic giant, is now facing allegations of prioritizing personal relationships, favoritism, and disregarding its core mission of providing affordable housing solutions.

4.4 TRUST

4.4.1 Violations of reliability

The Ulven-transaction has sparked significant criticism and raised profound concerns about OBOS's adherence to its fundamental purpose and its unwavering commitment to serving the best interests of its members (KPMG, 2021). At the core of this controversy lies the issue of trust. OBOS, as a cooperative housing association, is entrusted with the responsibility of providing affordable housing solutions and safeguarding the interests of its members. However, the sale of these apartment blocks to a private rental company raises doubts about OBOS's priorities and its dedication to its founding principles.

The decision to sell the Ulven properties to QLR at a substantial price has fueled skepticism about potential favoritism and financial gains taking precedence over the cooperative's mission. Members are questioning whether OBOS's actions align with their best interests and whether the organization can be relied upon to fulfill its obligations as a trusted provider of affordable housing. Fabian Stang described the transaction with a comic approach to the daily Norwegian newspaper *Aftenposten*. “Right in front of the nose of members waiting neatly in line, ready-to-move-in apartments were sold to a rental investor. The board let the sun be shining on them in a report they ordered, which said the sale did not violate the law or the statutes of the cooperative” (Stang, 2021).

The erosion of trust resulting from this sale is significant, as it not only impacts OBOS's relationship with its existing members but also undermines its ability to attract new members who seek security and stability in housing. Trust is the foundation upon which any cooperative organization thrives, and OBOS's violation of this trust has far-reaching consequences for its reputation. This case exemplifies a troubling violation of trust, as it undermines multiple dimensions of trust that are essential for a thriving and reputable organization.

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The compromised fairness and objectivity in the sale process at OBOS have directly eroded the integrity dimension of trust. The existence of close relationships and a familiar tone between key individuals involved in the transaction, including the CEO and the buyer's representative, has compromised the necessary impartiality required for trust (Lorch-Falch and Tomter, 2021a). By bypassing proper governance channels and engaging in direct communication, OBOS has demonstrated a lack of transparency and accountability, further eroding trust. Those concerns are strengthened and confirmed by the statement made by two investigative journalists. “Our calculations showed that OBOS sold the homes 20 percent more expensive to the members than to QLR, even though the apartments in the price list for members were larger on average” (Lorch-Falch and Tomter, 2021).

In addition to impartiality and reliability, OBOS's failure to publicly acknowledge and apologize for its actions has impacted the benevolence dimension of trust. Trust requires a genuine concern for the well-being and interests of others, as highlighted by Holt and Cornelissen (2014). By avoiding responsibility, not addressing concerns, and lacking transparency and accountability, OBOS has further eroded the trust and confidence of its members.

The situation at OBOS serves as a stark reminder of the importance of establishing and nurturing trust within a community. Trust is built over time through co-ownership, psychological identification, and interactional and institutionalized trust (Thomas and Boutilier, 2011). However, the actions of OBOS have significantly undermined the trust-building process. Replacing trusted managers with unfamiliar or untrusted individuals, as witnessed in this case, can lead to a decline in trust and have a profound impact on stakeholders' confidence (Broschak, 2004).

The fact that OBOS consistently generates billions of NOK in annual profits raises critical questions and concerns about the organization's priorities and its commitment to its members (Stang, 2021). With such substantial financial success, members are left wondering why the prices of OBOS apartments

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continue to rise while they do not receive any share of the profit. This financial disparity between the company's profitability and the lack of benefits for its members challenges the perception of OBOS as a cooperative housing association dedicated to serving the best interests of its members.

The significant annual profits accumulated by OBOS underscore the organization's financial strength and resources. However, the absence of a direct correlation between these profits and tangible benefits for the members raises doubts about OBOS's commitment to providing affordable housing solutions and prioritizing the interests of its cooperative members. It raises concerns about the fairness and equity within the organization and whether the financial gains are primarily serving the company's bottom line rather than fulfilling its cooperative mission.

The disconnect between OBOS's profitability and the lack of financial benefits for its members raises questions about the distribution of resources and the organization's priorities. If OBOS is generating substantial profits, members naturally expect some form of return or advantage, especially considering the membership fee they pay annually. "OBOS is owned by the members" Benjamin Larsen stated in his blogpost from 2021. The absence of such benefits can be perceived as a betrayal of the cooperative's core principles and erodes the trust and confidence members have placed in OBOS.

Moreover, the substantial profits generated by OBOS should ideally be reinvested in initiatives that align with the cooperative's purpose, such as developing more affordable housing options, improving existing properties, or providing additional support and services for its members. Failing to allocate these profits in ways that directly benefit the members undermines OBOS's social responsibility and diminishes its social license to operate.

Furthermore, the stark contrast between OBOS's profitability and the rising housing prices raises concerns about affordability and accessibility. While OBOS may argue that market forces dictate the pricing, the organization's financial

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strength gives it the potential to leverage its resources and influence to ensure more equitable pricing and increased access to housing for its members. Failing to address these concerns further erodes trust and casts doubts on OBOS's commitment to its cooperative principles and its responsibility to the broader community.

In summary, the substantial annual profits accumulated by OBOS highlight the organization's financial success. However, the lack of direct benefits for members and the growing disparity between profitability and housing affordability raise significant concerns about OBOS's priorities, its commitment to its members, and its adherence to its cooperative mission. To regain and maintain trust, OBOS must address these concerns, ensure transparency in its financial practices, and take concrete steps to align its profitability with the genuine needs and interests of its members.

4.5 RESPONSE

In the context of social license violations, "measures" refer to actions taken by companies to address and restore integrity after such violations. Planning a response in advance is crucial to effectively address and rectify integrity breaches. According to PwC (2017), having an incident management strategy allows for threat detection, impact assessment, and appropriate containment processes. Violations of the social license result in punishment from the local community and stakeholders, rather than the criminal justice system, indicating the growing significance of such punishments for accused enterprises (Gottschalk, 2023).

When a social license breach occurs, organizations often use crisis management strategies. According to Bundy and Pfarrer (2015), crisis management involves an organization's response to an unexpected harmful event that disrupts operations, creates uncertainty, and triggers negative perceptions. The organization's level of social approval influences stakeholders' perceptions and attributions, resulting in varying levels of assumed responsibility.

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Apology and accountability are crucial in crisis management. Based on Bundy and Pfarrer's (2015) research, an apology involves acknowledging mistakes, expressing remorse, and taking responsibility for the crisis's negative consequences. It plays a vital role in rebuilding trust and restoring social license. Accountability goes beyond words and requires concrete actions to address stakeholder concerns, rectify the situation, and prevent future incidents. By demonstrating genuine remorse, accepting responsibility, and implementing meaningful measures, organizations can effectively regain trust and restore their social license.

Response strategies vary in their acceptance of responsibility to manage social approval loss. Some strategies aim to dissociate the organization from the crisis, such as denying responsibility or shifting blame. Others accept more responsibility by acknowledging their causal role, apologizing, or showing remorse. There are also strategies that aim to reshape stakeholders' perception of the crisis without explicitly accepting or denying responsibility, using excuses, justifications, or partial deflections.

Active stakeholder engagement is recognized as a significant response strategy in the literature. Scholars emphasize the significance of ongoing negotiations between communities, organizations, and businesses to maintain social license. One prominent response mentioned by scholars is establishing open communication channels, allowing stakeholders to contribute, and providing a platform for their needs to be recognized and addressed. This approach fosters positive engagement and helps rebuild trust in the company (Hurst et al., 2020).

4.5.1 Strategic Management - Member meeting spring 2021

Strategic management and institutional adaptation are crucial factors in the context of legitimacy. Strategic management involves the establishment of long-term objectives, procedures, and goals to enhance the competitiveness of an organization, while institutional adaptation focuses on adjusting to the environment and societal expectations (Miles, 1978).

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Sale et al. (2021) propose that social license can be achieved through consistent and reliable behavior, which should be part of the organization's business strategy and risk management. In response to member protests in early 2021, OBOS management and board included the member protests on the agenda for the annual meeting, indicating a recognition of the importance of addressing concerns raised by stakeholders. However, the response by OBOS in 2021 may not have fully satisfied the trust equation proposed by Haines et al. (2022), suggesting the need for further efforts to enhance legitimacy.

During the spring of 2021, OBOS engaged in meetings and discussions involving OBOS Management, member representatives, politicians, and the Board of Directors. However, the communication predominantly took place through member representatives and media channels. To address this, OBOS implemented a communication strategy by holding regular public member meetings in the spring of 2021, allowing for direct engagement, presentation of initiatives, and feedback collection from a broader audience. This approach enhances OBOS's legitimacy by fostering transparent and inclusive communication.

In response to the Member Revolt and demands for organizational changes, OBOS management and the Board of Directors presented initiatives addressing the raised concerns, such as establishing a democracy committee, increasing social responsibility in housing, and investing in sustainability for existing OBOS-affiliated housing associations. These initiatives were presented before and at the General Meeting and gained majority support, reinforcing OBOS's legitimacy by demonstrating responsiveness to stakeholder demands.

4.5.2 Fraud Examination - KPMG Report 2021

The concept of social license to operate highlights the consequences of violations on individuals and organizations, including executive termination, market loss, and reputational harm. External fraud examiners, such as those from KPMG, play a crucial role in identifying misconduct that breaches the social license to operate

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(Gottschalk, 2023). These examiners conducted thorough investigations using interviews, document analysis, and information gathering to uncover potential wrongdoing (Button et al., 2022).

To address criticism of OBOS's housing transactions, particularly the Ulven transaction, the OBOS board delegated the investigation to KPMG. This demonstrates OBOS's commitment to addressing concerns and enhances its credibility (Ulven-transaksjonen, 2021). The KPMG report confirmed legal compliance and professionalism in transactions involving wealthy individuals (Gottschalk, 2023). However, member concerns about alignment with the cooperative's mission and fairness persist. Building credibility requires transparent communication, enhanced accountability, and a renewed commitment to affordable housing (Berghoff, 2018).

4.5.3 Establishment of the democracy committee

The establishment of OBOS's democracy committee played a pivotal role in trying to restore trust and address member concerns. Initiated during the June 21, 2021, general assembly meeting, the committee thoroughly examined the legal and economic prerequisites for a more democratic presence within OBOS. Their comprehensive analysis included legislation, articles of association, representation, electoral procedures, and member participation, aiming to create a transparent and inclusive management structure for OBOS's large membership base. The committee's findings and recommendations, to be publicly shared, aimed to rebuild trust and demonstrate OBOS's commitment to democratic principles. The unrest within the organization, sparked by the CEO's support for a motorway construction, led to member discussions and a petition against the decision. Controversial issues further eroded trust, damaging OBOS's reputation. By establishing the democracy committee, OBOS showed dedication to addressing concerns, fostering transparency, and rebuilding trust within the organization and the wider public.

4.6 REGAIN THE SOCIAL LICENSE

In the three tables below, we have organized the various social licensing measures identified through our impression of what the OBOS management has done to regain the social license. We have divided the respective recommendations into three independent tables, depending on whether they are classified under *legitimacy, credibility, or trust*.

Table 2: Legitimacy

Author	Message	OBOS
<i>Demuijnck and FASTERLING 2016</i>	Achieve stakeholder legitimacy through social conformity.	OBOS facilitates input-gathering meetings with local housing societies, promoting community engagement. Open member meetings capture input from diverse local areas.
<i>Eberl et al. 2015</i>	Avoid formal control mechanisms that represent “window dressing” approaches, embrace cultural change.	Criticized for independent strategies, lacks stakeholder input. Challenged by residents, politicians, authorities.
<i>Haines et al. 2022</i>	Enhance executive accountability with robust systems.	OBOS introduced new control measures in 2021, suspected of being superficial. Anti-corruption guidelines, information, and training were implemented for staff, potentially causing cultural shifts.
<i>Sale 2021</i>	Adopt proactive governance models to address stakeholder concerns and avoid negative reactions.	In 2021 and early 2022, the Democracy Advisory Group recommended a governance system for democratic member participation, including regular member meetings with management to address sensitive issues and prevent unfavorable reactions.
<i>Sanger et al. 2017</i>	Avoid providing improper guidance on acceptable management conduct.	At the OBOS annual meeting, members vote on governance and management changes, with controversy arising in 2021 over the CEO's instruction to staff regarding attendance and voting due to the meeting's authority to dismiss the CEO.

Table 3: Credibility

Author	Message	OBOS
<i>Beukel and Geuns 2019</i>	Promote constructive debate for long-term business sustainability.	OBOS built a solid capital base through member fees and project earnings. Advisory Group explores risk-minimizing governance approaches.
<i>Berghoff 2018</i>	Avoid harmful and illegal actions in society.	OBOS implements a risk-based business management system, reported quarterly to management and the board.
<i>Cui et al. 2016</i>	Adopt socially acceptable practices based on local community needs.	The Democracy Advisory Group explores a financial governance model for members' long-term interests and business sustainability.
<i>Durand et al. 2019</i>	Adapt to the demands and expectations of stakeholders rather than develop their own strategies.	OBOS faces challenges in member and public opinion, with efforts to establish member gatherings and discussions. The intent behind these initiatives, whether genuine or restrictive, remains uncertain.
<i>Rooney et al. 2014</i>	Negotiate with stakeholders by giving communities a voice and listening to it and acting on it.	Following the 2021 democracy revolt, OBOS established "open member meetings" as a physical gathering arena for organized dialogue between administration, members, and experts. The meetings aim to address concerns and mitigate social media uprisings.

Table 4: Trust

Author	Message	OBOS
<i>Baba et al. 2021</i>	Enable continuous stakeholder engagement to influence business practice.	OBOS formed a Democracy Advisory Group in 2021. The group proposed a future-focused governance model for member influence and democracy, publishing their findings in early 2022, enhancing consistency and honesty.
<i>Hurst et al., 2020</i>	Address the demands and expectations of local stakeholders and society in business practice.	In 2021, a revolt occurred against perceived contradictory business practices at OBOS. The 2021 annual report lacks an explicit discussion of new systems for Executive Accountability.
<i>Melé and Armengou 2016</i>	Gain stakeholder and public trust in ethical business activities.	OBOS facilitates discussions with local housing societies to gather community and member opinions, instilling confidence in fulfilling obligations.. Open Member Meetings fulfill this transformation component.
<i>Moffat and Zhang 2014</i>	Engage local communities to build trust and gain acceptance of business practices.	OBOS engages in society and the local community by supporting sports and activities, being an active sponsor, and building arenas for the community forming trust.
<i>Panda and Sangle 2019</i>	Listen to social media and NGOs to identify stakeholder demands.	Member Representative assembly ensures OBOS compliance with the law and governance model. In 2021, public skepticism arose over the ethical acceptability of the Ulven development project. OBOS engaged KPMG as an independent auditor. New communication channels temporarily reduced public discourse.
<i>Saenz 2019</i>	Address community concerns and raise awareness of company activities.	OBOS lacks a communication channel for sharing actual company activities. The Democracy Advisory Group recommended a digital member interaction arena, not yet been implemented. Current digital platforms primarily focus on marketing.

CHAPTER 5

FINDINGS

Through interviews with seven participants, this study has generated insights into the strategies OBOS can adopt to reclaim its social license. To present these findings systematically, we have organized them into three tables, each focusing on a key aspect: legitimacy, credibility, and trust. These tables provide an overview, highlighting the actions perceived by the interviewees as undertaken by OBOS and contrasting them with the actions they believe OBOS should have taken to regain its social license.

In this chapter, we are going to examine how the table responses connect to legitimacy, credibility, and trust, all of which have been identified as critical characteristics for organizations attempting to regain their social license. We will also look at how the similarities and variations in the interviewees' comments help us answer our research question about how OBOS can regain its social license. The findings given in this chapter will provide significant insights to companies striving to recover public trust after losing their social license.

Table 5: Legitimacy measures identified by the interviewees to regain the social license

Legitimacy	What OBOS did	What OBOS should have done
Conform to social norms, values, and expectations to achieve legitimacy among stakeholders (<i>Demuijnck and Fasterling, 2016</i>).	OBOS promotes transparency by engaging members, sharing project details, establishing a representative assembly, and recruiting member representatives for professional boards. (Participants #1, 2, 7)	OBOS needs to enhance transparency, democratic decision-making, and member engagement. Embracing diverse tools for broader participation is key. Prioritizing greener construction practices, while increasing home quality and quantity, is crucial. (Participants #3, 6)
Avoid formal control mechanisms that represent “window dressing” approaches and introduce cultural change instead (<i>Eberl et al., 2015</i>).	OBOS demonstrates a commitment to compliance by using independent experts to speak on company actions. (Participants #3, 4, 7)	To promote social approval and cultural change, exclude employees from the representatives' meeting and discontinue self-selection by the representative assembly. (Participants #1, 5, 6)
Develop more expansive systems of accountability surrounding corporate conduct	OBOS formed a democracy committee lacking expertise in organizations, which failed to	OBOS must acknowledge and take responsibility for the wrongdoings regarding the luxury homes (Middelthunet)

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for executives (<i>Haines et al. 2022</i>).	grasp the Member's revolt. Their inexperience in democratic elections and the investigation aimed solely to validate the board's actions. (Participants #1, 6)	and their financing. Their social responsibility is crucial, as shared responsibility relies on OBOS. (Participants #1, 3, 6)
Pursue governance models that anticipate and respond to stakeholder concerns ahead of potential negative reactions (<i>Sale, 2021</i>).	After the members' revolt, OBOS refocused on expanding and providing housing for those in need. (Participants #3, 5, 7)	OBOS should follow market forces. They should also indulge in amendment of the bylaws (Participants #1, 3).
Avoid inappropriate guidance to subordinates on what constitutes acceptable conduct in management practice (<i>Sanger et al., 2017</i>).	OBOS established a self-elected representative assembly to serve as a democratic organ. (Participants #1, 4, 5, 6, 7)	OBOS should recognize the limits of acceptability for employees, as it can lead to conflicts of interest. Emphasizing role clarification is crucial, particularly for the board and top management. (Participant #6)

Table 6: Credibility measures identified by the interviewees to regain the social license

Credibility	What OBOS did	What OBOS should have done
Engage in a constructive debate to explore options for the long-term continuation of business activities (<i>Beukel and Geuns, 2019</i>).	Committees have been established to help decide on the allocation of funds (Participant #4).	OBOS should shift focus from excessive expansion and reinvestment in other countries, like Sweden, and return to their primary goal of building housing for ordinary members of society. (Participants #3, 6)
Avoid engaging in harmful and illegal actions to society (<i>Berghoff, 2018</i>).	OBOS takes environmental safety very seriously and focuses on being sustainable (Participant #2).	OBOS should exercise caution when assigning mandates within the organization and critically assess collaborations that may give rise to conflicts of interest. (Participants #2, 3, 4, 6, 7)
Engage in socially acceptable practices depending on the local community (<i>Cui et al., 2016</i>).	OBOS engages in dialogue with members, addressing their business agenda, being open about decisions, and improving communication with members. (Participants #1, 2)	Should actively seek member feedback, demonstrating a greater willingness to engage in open dialogue. This includes inviting members to general and other meetings that allow for meaningful discussions and avoiding vague responses from management. Additionally, sharing more information through alternative channels like electronic newsletters is important. (Participants #6, 7)
Adapt to the demands and expectations of stakeholders rather than develop their own strategies (<i>Durand et al., 2019</i>).	OBOS has not implemented structural proposals from the Member Revolt or taken the initiative to initiate structural changes. Their actions do not align with their media claims. Promises made after the revolt were primarily driven by market forces and pre-existing agenda items (Participant #6).	As a commercial actor, OBOS should prioritize urban development and create appealing living environments with nature, light, and sound. Their focus should shift from building profit-driven apartments to constructing pleasant areas to reside in. It is advisable for OBOS to halt business expansion in Sweden and reevaluate its mandate, recognizing that it extends beyond rapid growth and maximum construction. (Participants #1, 3)
Negotiate with stakeholders by giving communities a voice and listening to it and acting on it (<i>Rooney et al., 2014</i>).	OBOS organizes "open member meetings" for debates, but the attendance is low, with only 30 out of 5000 members	OBOS should embrace engagement and activism instead of fearing it (Participant #6, 7).

	participating. Member engagement is lacking. (Participants #1, 3)	
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Table 7: Trust measures identified by the interviewees to regain the social license

Trust	What OBOS did	What OBOS should have done
Let various stakeholders contribute in a continuous exchange to influence business practice (<i>Baba et al., 2021</i>).	OBOS has revamped the representative assembly by replacing members and leaders. They now aim to involve elected representatives more in business practices. (Participants #2, 4)	OBOS should restructure the board and the member panel so that it appears more representative in terms of demographic factors (Participants #5, 6).
Meet the demands and expectations held by local stakeholders and broader society in business practice (<i>Hurst et al., 2020</i>).	In the past 1.5 years, OBOS has taken the criticism seriously, resulting in a shift in focus and increased empowerment of its members. (Participant #2)	OBOS should increase its efficiency and automation. They could have saved a lot of money by being more efficient, money that could have gone to members (Participant #1).
Convince stakeholders and the general public of the ethical acceptability of business activities (<i>Melé and Armengou, 2016</i>).	OBOS hired lawyers to address the legal aspects of their case but failed to assess their reputation damage. They have invested heavily in marketing following the incident. (Participants #4, 7)	OBOS should prioritize a human-focused solution centered on democracy instead of relying on an auditor/client relationship to restore its reputation, showing vulnerability. (Participants #4, 6, 7)
Engage with local communities building trust in order to obtain acceptance of business practices (<i>Moffat and Zhang, 2014</i>)	OBOS advocates for a wage increase in women's football and supports gender equality in the football industry. (Participant #1)	OBOS should show its members that they care about them by building areas that are pleasant to live in, not just nice buildings surrounded by concrete, this is essential for achieving high levels of success in projects (Participant #3).
Listen to social media and non-government organizations to identify stakeholder demands (<i>Panda and Sangle, 2019</i>)	The ultimate decision-making power lies with the OBOS management and board, making everything else appear more like a show. However, members of the democracy committee and assembly representatives feel they have some influence on decision-making. (Participants #1, 4)	OBOS should give regular members an opportunity to voice their opinions (Participants #1, 3, 4, 5, 6, 7).
Listen to community concerns and spread awareness about the company as to what it is actually doing (<i>Saenz, 2019</i>)	While OBOS has improved its member communication, no changes have been made to the formal management structures. (Participant #7)	Obos magazine should be under an editorial team and not under the board. Today's solution results in no critical articles about Obos, only marketing (Participant #4).

5.1 LEGITIMACY

Maintaining legitimacy is crucial for an organization's success, as it fosters social approval and stakeholder trust. However, regaining lost legitimacy can be

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challenging, especially after violations of purpose, declining selling prices, or biased personal relationships compromising impartiality. These issues significantly undermine an organization's legitimacy and social license to operate. To regain legitimacy, our findings suggest that management should focus on improving communication and engagement with stakeholders, ensuring regulatory compliance, and implementing effective social and environmental policies. By addressing these issues and implementing appropriate strategies, management can enhance OBOS's social license to operate and secure its long-term success. Participants in our interviews emphasized the importance of legitimacy for OBOS and provided valuable suggestions for improving stakeholder trust.

Participant 6 emphasized the importance of role clarification within OBOS, particularly for the board and top management, to avoid conflicts of interest. They stated, "If there had been clear role clarification in OBOS, the situations at Ulven and Middelthunet would not have arisen." This suggestion highlights the need for transparency and accountability, which are crucial for maintaining trust and achieving moral legitimacy.

Participants 3 and 6 suggested that OBOS should amend its bylaws to align with stakeholder interests and gain their approval. Additionally, they expressed concerns about OBOS's practice of selecting employees as delegates to the representatives' meeting, as this could create conflicts of interest. Participant 1 stated, "There is very little difference in people, cultures, and backgrounds in the representative assembly." They recommended avoiding employee involvement and promoting cultural change to enhance social approval and legitimacy.

Participant 1 also emphasized the significance of OBOS prioritizing housing provision for individuals in need and aligning with market forces, rather than solely focusing on profit and expansion. Acknowledging past mistakes, such as the financing of luxury homes, and taking responsibility can demonstrate social responsibility and rebuild stakeholder trust. By aligning its actions with acceptable social norms and values, OBOS can enhance its moral legitimacy.

Improving the relationship with members was another area of concern raised by participants. Participant 6 suggested reducing the distance between the board and

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members, increasing members' knowledge about the board's responsibility and position, and promoting more democracy in decision-making. Participant 4 recommended that OBOS expand its engagement tools beyond digital platforms to ensure everyone has the opportunity to participate. These suggestions aim to improve transparency, member satisfaction, and overall legitimacy.

Quality and sustainability were also highlighted by participants. Participant 3 pointed out the poor quality of recent builds and recommended that OBOS focus on building fewer but better homes. Additionally, building in a greener and more sustainable way can demonstrate OBOS's commitment to environmental responsibility, resonating with stakeholders' values and enhancing legitimacy.

By incorporating these suggestions into its practices, OBOS can strengthen its legitimacy and align its operations with the expectations of stakeholders and the larger social system.

5.2 CREDIBILITY

The importance of credibility cannot be overstated in the process of establishing and maintaining a trustworthy relationship between OBOS and its stakeholders. As evidenced by the data collected, credibility is vital for OBOS to regain the trust of its members and other stakeholders, especially in the wake of the Member Revolt in 2021. Findings underscore the critical importance for OBOS to embrace engagement and activism rather than fearing it. This entails creating more opportunities for meaningful dialogue with stakeholders, including both members and the wider community. By actively engaging in discussions and demonstrating transparency and accountability, OBOS can establish credibility and foster a more constructive and collaborative relationship with its stakeholders.

Participant 7's viewpoint resonates with this need for change. They express that OBOS should interpret its mandate differently, shifting its focus towards urban development that creates good urban areas. This suggests a shift from merely constructing apartments for profit to prioritizing the creation of sustainable, environmentally friendly communities. By addressing these concerns raised by

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stakeholders, OBOS can work towards building livable communities and improving its reputation.

Improved communication with members and stakeholders emerges as a key area for OBOS to establish credibility. Participant 1 notes that while the board has become more open and engaged in dialogue with the members, there may be an underlying skepticism that these efforts are merely a "play to the gallery."

Additionally, another participant highlights that OBOS predominantly operates digitally, which limits opportunities for meaningful engagement with all stakeholders. To enhance credibility, OBOS should be more receptive to dialogue and feedback, inviting stakeholders to share their perspectives and concerns.

Creating an inclusive and participatory decision-making process can foster trust and enhance the credibility of the company.

Addressing structural proposals is another crucial aspect highlighted by the study. While OBOS has formed committees to aid in fund allocation decisions, they have not taken proactive steps to change their structure in response to the concerns raised by the Member Revolt. This lack of action may undermine the company's credibility and further erode the trust of stakeholders. Taking concrete actions to address structural concerns and actively involving stakeholders in decision-making processes is crucial for rebuilding credibility.

Transparency and public communication emerge as the central theme when discussing credibility. Participant 7 notes that while OBOS has become more aware of its communication with members, the formal management structures have remained largely unchanged. Participant 1 further emphasizes the need for OBOS to demonstrate greater openness and information sharing. Exploring alternative channels, such as electronic newsletters, could facilitate more effective communication and enhance transparency. Transparent communication channels that provide relevant and timely information can help regain trust and strengthen credibility among stakeholders.

The decision to engage fraud examiners from KPMG to conduct a corporate investigation at OBOS, sparked debate among participants. Some expressed

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skepticism, calling it "window dressing." Concerns were raised about the narrow focus of the report on legal aspects and the lack of consideration for reputation and democratic principles. Participant 6 suggested that the decision may have been premeditated, implying a cosmetic solution. However, participants 3 and 7 recognized the importance of seeking external perspectives, despite potential concerns about fund usage. Hiring external experts for a comprehensive assessment can be seen as a wise decision to avoid self-investigation.

In summary, it is crucial for OBOS to establish credibility with stakeholders to regain trust and maintain the social license. This can be achieved by prioritizing meaningful dialogue, emphasizing sustainable urban development, improving communication with members and stakeholders, and implementing structural proposals. Transparency in public communication and accountability for actions is also vital. By addressing these aspects effectively, OBOS can establish and sustain the necessary credibility for a constructive and collaborative relationship with stakeholders.

5.3 TRUST

The importance of gaining trust among the stakeholders emerged as an initial measure to regain the social license during our data collection. Establishing a trustworthy relationship between the company and the stakeholders is described as the ultimate measure to gain SLO. The findings from our study suggest several areas to consider when determining initiatives that would cultivate trust. These areas include stakeholder engagement and communication, engaging ethical acceptability, and attentiveness and responsiveness to feedback.

Participants highlight that after the Member Revolt in 2021, OBOS has reportedly increased its efforts to gain trust among stakeholders, leading to an improved reputation from 2021-2022. This was achieved through changes in the representative assembly, including the replacement of members and leaders. The assembly was utilized as a communication bridge between OBOS and its members, aiming to empower the members. However, 20% of participants viewed these initiatives as mere spectacles or a show for appearances. Additionally, over 50% of participants expressed a lack of influence power as regular members,

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highlighting the challenges of rebuilding trust and regaining the social license once it has been lost.

An additional finding indicates that ethical acceptability plays a significant role in the process of regaining trust. For example, two of the professional participants stated that it is critical for OBOS to have a more human-centered approach that prioritizes democracy and housing for ordinary people over profit and expansion. Furthermore, participant 6 believes that OBOS should allow regular members to share their ideas. As the participant emphasizes the necessity of adhering to democratic norms and really caring about the well-being and interests of regular members, this comment illustrates the characteristics of integrity and compassion (Holt and Cornelissen, 2014). The participant also argued that OBOS has become extremely professionalized. There is a large distance between the board and the members with a lack of contact. The management and board are perceived as provocative, without knowledge about the board's responsibility and position. Participant 6 stated, "I understand more about the role of a chairman than the chairman does himself". Furthermore, it was mentioned that a lack of democracy and a lack of interest in fulfilling the members' wishes is strongly visible in OBOS culture.

Instead of granting the board executive control, Participant 3 highlighted the significance of establishing an editorial team to administer the OBOS magazine. "Today's solution results in no critical articles about OBOS, only marketing" said one participant. Furthermore, the participant agreed on the necessity of trust and claimed that today's OBOS magazine management demonstrates a lack of democracy and democratic awareness. Furthermore, having a critical perspective on their own business practices will lend OBOS more legitimacy and confidence among stakeholders.

The size of the organization and the huge expansion in recent years were also found to be relevant in terms of trust. As mentioned by Participant 5, it is easier for an organization to obtain attentiveness and responsiveness to feedback when the organization is more compact, giving the CEO the ability to have a closer relationship and engagement with the members, stating that "the original goal of

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OBOS has changed, and it's difficult for members to have a say in a company that is expanding so rapidly". This observation highlights the challenge of maintaining attentiveness and responsiveness to feedback in a larger organization, aligning with the dimension of reliability (Campagne et al., 2020). All participants agreed on the importance of establishing a trustworthy relationship that relies on open dialogue and information sharing between OBOS and the members, encouraging OBOS to shift their focus from listening to internal demands to listening to stakeholder demands stated by engaged members on social media or in non-governmental organizations.

Overall, the empirical findings reinforce the dimensions and characteristics of trust described in the definition. Trust requires the demonstration of integrity, reliability, benevolence, vulnerability, and reciprocal trust. By incorporating these principles into their actions and decisions, OBOS can rebuild trust and establish a strong relationship with its stakeholders.

5.4 RESPONSE

In this subchapter we focus on comparing our findings on how to regain the social license to operate. We have categorized the recommendations into themes regarding which measures are taken into consideration. We compare what the literature recommends on regaining social license, and what we conducted from our thematic analysis on what the participants perceive OBOS has done and what they recommend OBOS should do.

We have analyzed the measures taken by OBOS in response to violations of their social license. We contrasted what the research suggests, what we believe OBOS has done, what interviewees say OBOS has done, and what they believe OBOS should have done in the table below. According to the literature, a planned response to SLO violations is critical for corrective action when breakdown of integrity has occurred. Recognizing the increasing significance, it is crucial to address SLO violations in a timely and efficient manner. Rather than being solely subjected to punishment by the criminal justice system, accused enterprises now face penalties from the local community and other relevant stakeholders. This highlights the growing importance of effectively responding to SLO violations.

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According to existing literature, the most commonly suggested approach for responding to SLO challenges is to actively listen to stakeholders and allow their contributions. Scholars concur that maintaining a social license necessitates a multifaceted process of negotiations between communities, organizations, and companies. Establishing a two-way communication channel between the business and the community is generally recommended, providing a platform for the community to have their concerns acknowledged and addressed. Such communication fosters positive engagement in company projects and helps restore trust in the firm, as mentioned by Hurst et al. (2020).

Based on the existing literature, opening up two-way contact between the community and the corporation, creating a platform for the community to feel heard and engaged, and ultimately restoring their trust are recommended. While OBOS made some attempts in this area, such as enhancing stakeholder involvement and communication, our interviewees thought there was still a lack of democracy and a gap between the board and the members.

Furthermore, some participants stated that OBOS has increased its focus on gaining confidence among stakeholders following the Member Revolt in 2021. One strategy utilized by OBOS to improve its reputation has been to renew the representative assembly and give more power to the members through the assembly. However, some participants remained skeptical of the company's efforts, perceiving them as insincere or superficial attempts to appease public opinion. This demonstrates how it is difficult to recover trust and social license when it has been lost.

Participants emphasized the significance of ethical acceptance and democracy. Two participants claimed that it is critical for OBOS to have a more human-centered solution that promotes democracy and affordable housing for ordinary people before profit and expansion. One participant urged that regular members be given more opportunities to express themselves and that OBOS has become overly professionalized. The lack of democracy and interest in satisfying members' demands were also identified as prominent features of OBOS culture. Another participant suggested that instead of granting the board executive

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power, an editorial team should be formed to operate the OBOS magazine. The participant contended that the existing method results in no critical articles about OBOS, only marketing, and that having a critical perspective on their own business operations will provide OBOS with more credibility and confidence among stakeholders.

Overall, our findings indicate that listening to stakeholders and allowing them to contribute is an important response measure for preserving the social license. While OBOS has made attempts to re-establish its stakeholders' trust, our findings underline the relevance of ethical acceptability and democracy in establishing and retaining trust.

Table 8: Legitimacy - Comparison of the measures to regain social license

Theme	Literature Recommendations	OBOS Actions	Interviewees' Perceptions of OBOS Actions	Interviewees' Recommendations for OBOS
Follow social norms and expectations	Organizations should conform to social norms, values, and expectations in order to regain or maintain their social license to operate. This involves aligning their actions with the expectations of their stakeholders and society at large (Demuijnck and Fasterling 2016).	OBOS created member participation opportunities, including open meetings. The external and independent Democracy Advisory Group conducted a six-month study to propose a governance model that enhances member influence and democracy in OBOS.	OBOS strives for transparency and member engagement, aligning with social norms and expectations. They established a representative assembly committee for decision-making and actively communicated with members about their business practices.	OBOS should build fewer, better, and greener homes, focus on urban development, adopt a democratic and humane solution instead of an auditor-client relationship, clarify roles for the board and senior management, and revise their bylaws while considering market forces.
Accountability and Governance	Developing robust accountability systems for corporate executives is crucial. These systems should enforce transparent governance, ethical behavior, and social responsibility within organizations. (Haines et al. 2022).	In 2021, the OBOS board recruited KPMG fraud examiners to investigate the Ulven transaction allegations.	OBOS has improved member dialogue and responsiveness since the Member Revolt, but concerns persist about genuine accountability and limited member participation.	OBOS should have taken greater accountability for their actions, including confessing to wrongdoings and accepting responsibility for financing. They should have prioritized efficiency, automation, and a human-centered democratic solution over an auditor-client relationship.
Proactive Response to Potential Risks	Pursue governance models that anticipate and respond to stakeholder concerns ahead of potential negative reactions (Sale 2021).	OBOS established the Democracy Advisory Group to enable democratic member participation. Frequent member meetings and	OBOS processes input for discussion in the representative assembly, ensuring democratic handling of matters. They engage	OBOS should provide its stakeholders with frequent updates on its progress and performance, including its attempts to resolve the issues and feedback provided by its

		proactive measures showcase their dedication to open communication and addressing concerns effectively.	neutral specialists to comply with legislation and demonstrate their commitment to doing things correctly. OBOS now prioritizes social responsibility by providing accommodation for those in need.	stakeholders. They need to be honest about what it is that they do and the reasons behind it.
Avoidance of Inappropriate Guidance	Avoid inappropriate guidance to subordinates on what constitutes acceptable conduct in management practice (Sanger et al. 2017).	OBOS has internal control measures for operational risk, including business organization, training, procedures, and project follow-up. They also implemented instructions for compliance with competition rules and start an internal training course in 2021.	OBOS created a representative assembly that is intended to function as a democratic organ, however, the members elect themselves, showing no democratic knowledge.	OBOS should clarify roles and prioritize role clarification for the board and top management. They should adopt a democratic approach to the representative assembly and hold regional elections where ordinary members' votes count.

Table 9: Credibility - Comparison of the measures to regain social license

Theme	Literature Recommendations	OBOS Actions	Interviewees' Perceptions of OBOS Actions	Interviewees' Recommendations for OBOS
Responsiveness to Local Communities	Responsiveness to local communities is essential for companies seeking to regain or maintain their social license to operate. This involves actively engaging with local stakeholders to understand their needs and concerns, and adapting business practices accordingly (Cui et al. 2016).	OBOS facilitates meetings between local housing societies and management to gather feedback, address concerns, and align with community needs. This reflects their commitment to engaging with stakeholders and being responsive to the community.	OBOS formed committees for fund distribution and engaged in transparent decision-making, addressing members' concerns and business agenda.	OBOS organized open member meetings, but with only 30 out of 5000 members attending, member engagement is low. To improve transparency and dialogue, OBOS should actively seek member feedback and invite them to various meetings for meaningful discussions, avoiding "empty answers from management."
Stakeholder Adaptation	Adapts to the demands and expectations of stakeholders rather than developing their own strategies (Durand et al. 2019).	After prioritizing internal strategies until 2021, OBOS made adjustments in 2022 to meet stakeholder demands. They now provide subleasing and subletting options, enabling individuals to enter the housing market as renters and potentially transition into ownership.	OBOS established a representative assembly, engaging in conversations with members to address management and business concerns. Funding allocation is now managed by committees, enhancing member connectivity.	Restructure the board and member panel for better representation. Focus on quality homes for regular members. Increase transparency and member engagement. Admit and take responsibility for past wrongdoings. Prioritize human-focused approach, democracy, efficiency, and green building.
Stakeholder negotiation	Stakeholder negotiation is vital for maintaining respectful relationships	Before the revolt, OBOS focused on internal decisions. Afterward, the	OBOS organized panels for member discussions, but they	Enabling member dialogue with OBOS representatives digitally and in-person to

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	with local communities. By actively listening to and addressing the wishes of the community, a mutually respectful relationship can be fostered (Rooney et al., 2014).	board emphasized stakeholder negotiation and invited members to open panels to address community wishes.	lack meaningful two-way communication with the board.	implement local community wishes.
Sustainability	By acting sustainably, the organization is protecting its stakeholders and the local community from illegal or harmful actions (Berghoff, 2018).	OBOS focuses on building green and sustainable projects, both the use of material and labor is sustainable.	OBOS sets the standard for sustainable construction in the market.	OBOS should prioritize efficiency to benefit its members.

Table 10: Trust - Comparison of the measures to regain social license

Theme	Literature Recommendations	OBOS Actions	Interviewees' Perceptions of OBOS Actions	Interviewees' Recommendations for OBOS
Stakeholder Engagement and Communication	Let various stakeholders contribute in a continuous exchange to influence business practice (Baba et al. 2021)	OBOS involved stakeholders through a Democracy Advisory Group to promote member influence and democracy.	OBOS established a representative assembly, held open member meetings, and improved communication with stakeholders, but more improvements are needed.	OBOS should diversify its board and member panel, enhance member engagement through feedback and electronic newsletters, and bridge the gap between the board and members, giving regular members a voice in order to foster reliance and trust among stakeholders.
Transparency and Public Communication	Organizations need to be open and honest about their actions and decisions and to communicate with stakeholders in a clear and understandable way. This includes providing timely and accurate information, addressing concerns and feedback, and being accountable for their actions (Melé and Armengou 2016).	OBOS established a Member Representative assembly for compliance with the governance model. KPMG was hired to audit the Ulven project for ethical assurance. New communication channels with members have temporarily reduced public discourse.	A representative assembly was formed and open member meetings were held. Electronic newsletters were explored for communication. Increased participation was seen in the general assembly.	Acknowledge wrongdoing with luxury homes (Middelthunet) and take responsibility. Clarify roles, especially for the board and top management. Eliminate board voting on their own efforts at the general meeting. Actions mentioned will enhance responsiveness, trustworthiness, and respectfulness.
Attentiveness and Responsiveness to Feedback	Listen to social media and non-government organizations to identify stakeholder demands (Panda and Sangle 2019).	OBOS monitors and responds to the Facebook group "Et medlemstyrt OBOS" to address factual misrepresentations. They hired a social media manager in 2021.	Views on OBOS' communication with members are divided, with some perceiving genuine improvement while others consider it superficial and lacking substantive organizational changes.	OBOS should prioritize open communication and stakeholder feedback, ensure independent magazine management, and embrace interaction and activity.

5.4.1 Comments on the response: Legitimacy

The literature recommends that organizations conform to social norms and expectations to regain or maintain their social license. OBOS has taken steps in this direction, such as establishing opportunities for member participation and proposing a governance model. Interviewees perceive these efforts positively but suggest improvements, including prioritizing greener construction practices and clarifying roles within the organization. In connection with measures concerning the legitimacy of the organization, Eberl et al. (2015), recommend avoiding formal control mechanisms that represent “window dressing” approaches and introducing cultural change instead.

Accountability and governance are crucial for regaining social license. OBOS has responded to this by recruiting fraud examiners and establishing a representative assembly. However, some interviewees express skepticism and recommend greater accountability, clearer roles, and a human-centered approach. A proactive response to risks is important. OBOS has implemented measures such as the Democracy Advisory Group and member meetings.

Interviewees appreciate these efforts but recommend providing frequent updates and being transparent about actions and reasons. Avoiding inappropriate guidance is crucial. OBOS has implemented internal control measures, but interviewees raise concerns about the democratic nature of the representative assembly. They recommend clarifying roles and adopting a more democratic approach, including regional elections.

5.4.2 Comments on the response: Credibility

In order to gain credibility, organizations must engage with stakeholders and respond to local communities. OBOS has initiated conversations and meetings with local housing societies, but interviewees highlight a lack of member engagement and recommend increased transparency and involvement.

Stakeholder adaptation has been addressed by OBOS after the Member Revolt through measures like establishing a representative assembly and addressing concerns. Interviewees suggest further restructuring, prioritizing high-quality homes, and democracy. Additionally, participant 6 emphasizes the importance of

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carefully selecting an authoritative representative who possesses integrity and media representation skills.

Respecting stakeholder negotiation is essential. While OBOS has involved members in panels, meaningful engagement has been lacking. Interviewees recommend fostering two-way dialogue and actively incorporating the desires of local communities. Sustainability is recognized as a focus for OBOS, with a commendation for green projects. To enhance credibility, interviewees suggest optimizing efficiency and aligning sustainability efforts with member well-being.

5.4.3 Comments on the response: Trust

Stakeholder engagement and communication, as highlighted by the participants, play a crucial role in building trust, aligning with the dimensions and characteristics of trust outlined in the definition. According to Participant 4, "creating residential areas that enhance the quality of life for stakeholders" is an important measure for building trust, emphasizing the significance of stakeholder engagement beyond what is explicitly mentioned in the literature.

The establishment of a Democracy Advisory Group and a representative assembly by OBOS indicates its efforts to foster stakeholder engagement and transparency, which are essential for building trust (Gilmour, 2021). Participants emphasized the importance of increasing demographic diversity, enhancing member engagement, and giving regular members a voice in decision-making processes, reflecting the dimensions of reciprocity and vulnerability (Baer et al., 2021). As one participant stated, "giving regular members an opportunity to voice their opinions" and empowering them through the representative assembly can enhance trust and promote open communication.

Transparency and public communication are also crucial considerations for rebuilding trust, as participants suggested openly acknowledging mistakes and ensuring clear job roles. These actions align with the dimensions of integrity and reliability, as OBOS demonstrates its commitment to moral and ethical principles consistently and instills confidence in fulfilling obligations (Holt and Cornelissen, 2014; Campagne et al., 2020). Participant 6 highlighted the importance of OBOS

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having a more democratic approach and stated, "a lack of democracy and a lack of interest in fulfilling the members' wishes is strongly visible in OBOS culture." Openly addressing these issues and clarifying job roles can contribute to rebuilding trust.

Additionally, attentiveness and responsiveness to feedback, highlighted by the participants, are essential for rebuilding trust (Thomas and Boutilier, 2011). OBOS's initiatives such as monitoring social media and hiring a social media manager demonstrate their commitment to being attentive to stakeholder feedback. Participant 5 pointed out that a more compact organization allows for closer relationships and engagement with members, stating that "the original goal of OBOS has changed, and it's difficult for members to have a say in a company that is expanding so rapidly." By actively listening to stakeholder demands expressed by engaged members on social media or in non-governmental organizations, OBOS can enhance attentiveness and responsiveness, contributing to rebuilding trust.

Overall, the recommendations provided by the participants align with the dimensions and characteristics of trust outlined in the definition. Trust requires a foundation of integrity, reliability, and benevolence, while vulnerability and reciprocal trust emphasize the importance of open communication and shared expectations (Uygur and Napier, 2023; Baer et al., 2021). By actively engaging stakeholders, promoting transparency, and being attentive to feedback, OBOS can foster a sense of ownership, psychological identification, and institutionalized trust within the community (Thomas and Boutilier, 2011). This approach, as emphasized by the participants, will contribute to rebuilding trust and strengthening the relationship between OBOS and its stakeholders.

CHAPTER 6

RECOMMENDATIONS

In this chapter, we aim to provide OBOS management with four recommendations to regain its social license. Building upon the findings presented in the preceding chapters, our objective is to explore various approaches for OBOS to reestablish its legitimacy, bolster its credibility, and nurture trust among stakeholders.

OBOS has long been recognized as a prominent player in the real estate sector, with a rich history of providing affordable and sustainable housing solutions. However, recent events have led to a severe setback for its social license. It is crucial for OBOS to actively address this challenge and work towards regaining the trust and support of its stakeholders.

Our thesis research has provided us with an understanding of the factors contributing to the violation of OBOS' social license. We have examined the concerns raised by their stakeholders. By analyzing these perspectives, we have gained valuable insights into the areas where we suggest that OBOS should focus its efforts to regain its social license. Based on our findings, we have identified key themes and patterns that can guide the development of effective strategies for OBOS.

This chapter serves as a guide to assist OBOS in navigating the intricate process of reclaiming its social license and establishing itself as a prominent entity in the housing industry.

6.1 ADMIT MISTAKES AND APOLOGIZE

In the aftermath of the Member Revolt and subsequent loss of the social license to operate, it became increasingly important for OBOS management to proactively address this sentiment and take measures to regain trust. Our interviews with

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OBOS stakeholders revealed a recurring theme: the need for OBOS to openly admit its mistakes and address them in a transparent manner. During the program "Ærlig talt" on TV2, which aired on May 18, 2021 (TV2, 2021), Daniel Siraj was questioned about whether he had considered apologizing to the members. In response, he stated that he believes OBOS and its employees work for the members and the surrounding society every single day, and therefore there is no reason to apologize. However, he acknowledged the need to improve dialogue with the members and reflect on the tone of communication to ensure it is more effective. As OBOS has not yet openly acknowledged the concerns raised by stakeholders, it is essential for the organization to address these issues and demonstrate a willingness to learn from past mistakes. By heeding the sentiments of these stakeholders and embracing the recommendation for open admission, OBOS can begin the process of rebuilding trust and repairing relationships with the relevant communities.

An apology is an act of declaring one's regret, remorse, or sorrow for having insulted, failed, injured, harmed, or wronged another. Psychologically, an apology aims to meet the victim's psychological need for recognition, thus restoring their self-respect (Lazare 2004). An effective apology makes relationships resilient and secure and requires four steps. Firstly, the guilty party needs to acknowledge the offending behavior. Secondly, they need to state how the behavior was hurtful and express remorse. Thirdly, they need to make amends and act on changes in behavior. Finally, they need to promise that the behavior will not happen again.

The stakeholders of OBOS are seeking an apology rather than a justification for the actions taken. According to Bundy and Pfarrer's (2015) definition of apology, it is essential for OBOS to acknowledge their mistakes, express remorse, and accept responsibility for the negative consequences resulting from the situation. The study highlights that when organizations face a crisis, taking accountability for their actions and actively seeking social approval can positively influence stakeholders' perceptions and contribute to rebuilding trust.

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Throughout our interviews, the respondents strongly expressed their desire for an apology from OBOS. Respondent 1 emphasized, “First and foremost it is important that OBOS admits to the wrongdoings related to the luxury homes at Middelthunet and takes responsibility for the financing of the project”. An apology will emphasize the aspect of social responsibility. Respondent 3 echoed similar sentiments, “OBOS should acknowledge their mistakes and express remorse for their actions in a public statement”. Respondent 6 shared a similar viewpoint, stressing “the members are still waiting on an apology. We want to see that OBOS and the board are acknowledging their poor actions and express great regret over the situation regarding the luxury homes. We deserve an apology”. The unfortunate events that transpired within OBOS not only deeply impacted the trust of its members but also resulted in a substantial erosion of the social license. The collective response of the Member Revolt reflected stakeholders' discontent, frustration, and disappointment with the organization. In light of this crisis, strategic interventions and deliberate actions are necessary to mend the strained relationship between OBOS and its stakeholders.

In the context of OBOS, to admit mistakes becomes crucial as it demonstrates a burden of responsibility and accountability. By acknowledging the divergence between members' expectations and the actions taken by OBOS, management can exhibit a willingness to rectify past mistakes and improve decision-making processes. This aligns with Bundy and Pfarrer's findings, which highlight the importance of social approval in the early stages of a crisis. However, it is crucial to emphasize that acknowledging mistakes should not be mistaken for acknowledging violations of bylaws or legal obligations. Instead, the focus lies on acknowledging and addressing the breaching of expectations, particularly those related to OBOS's core mission of providing ordinary housing for ordinary people. By acknowledging mistakes in this context, the management of OBOS recognizes that their actions have failed to meet the expectations of their members and the community.

The investigation conducted by KPMG in 2021 cannot be considered a comprehensive examination or recognition of the issue at hand. The scope of the

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report was primarily focused on investigating whether there had been a breach of a legal license, specifically related to the Ulven transaction. Unfortunately, it failed to address the breach of the social license, which is, as we have argued, of equally significant importance. While the investigation confirmed that OBOS had not engaged in any illegal activities, which is a positive outcome, it did not address the violation of the social license resulting from actions that contradicted stakeholders' expectations and demands regarding business practices. As a result, the report's findings did not serve as a confession, acknowledgment, or apology to the stakeholders affected by these violations.

Furthermore, OBOS's response to the mistakes made during the incident was perceived by some participants, in particular participants 1 and 6, as a “mere public display without genuine remorse or commitment to rectify the situation”. Describing the investigation as a “play to the gallery” implies that OBOS's response lacked depth and did not effectively address the underlying concerns expressed by the stakeholders. The KPMG investigation report fell short of providing a comprehensive examination and acknowledgment of the matter at hand. The report did not serve as a confession, acknowledgment, or apology to the stakeholders affected by the violations.

Additionally, apologizing holds significant importance for OBOS in the process of regaining the social license to operate. While admitting to mistakes is crucial, a sincere and genuine apology goes beyond acknowledgment and expresses remorse for the impact those mistakes have had on members and the community. Apologizing demonstrates empathy, accountability, and a commitment to addressing the concerns and needs of stakeholders. It shows that OBOS management values the opinions and experiences of its members and is willing to take responsibility for their actions. A well-crafted apology, guided by insights from Bundy and Pfarrer (2015) and Haines et al. (2022) mentioned earlier in the thesis, can play a vital role in rebuilding trust, fostering understanding, and initiating the healing process after a crisis. By offering a genuine apology, OBOS not only acknowledges its shortcomings but also expresses its commitment to learning, growing, and rebuilding a stronger relationship with its stakeholders.

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Based on the literature and our analysis of stakeholder perspectives, we recommend Daniel Siraj and the board to announce a public apology to the stakeholders. In order to meet the stakeholder demands and provide a transparent apology, statements such as “we apologize for any disappointment or negative impact caused by our business decisions at Middelthunet and the Ulven transaction, as well as the hardships or uncertainty you may have experienced in the aftermath” should be implemented in the public statement. Elaborated with, “we recognize the trust you have placed in us, and we are committed to rectifying our mistakes and regaining your trust. Your dedication as members is vital to our success. We are committed to making amends, contributing positively, and promoting sustainability and social responsibility”. To conclude the regret, Siraj and the board should include a statement such as, “We express great remorse for this situation. Your feedback is essential as we learn, improve, and rebuild. Thank you for your continued trust. We are determined to emerge as a better organization and build a brighter future together”.

To effectively address the situation, OBOS must identify specific areas where expectations have been unmet, and mistakes have been made. This includes acknowledging pricing discrepancies, project prioritization challenges, and breakdowns in communication that have contributed to member dissatisfaction. By pinpointing these areas, OBOS can demonstrate a genuine understanding of member concerns. Open and transparent communication about the mistakes made and the actions being taken to rectify them is essential. Members need to witness concrete actions being implemented to address identified mistakes and improve future practices. Through visible demonstration of their dedication to rectifying errors of the past, the OBOS management can rebuild trust and reinforce their social license for the future.

In conclusion, the importance of acknowledging mistakes and actively engaging members in addressing these issues cannot be overstated, as it is vital for OBOS to regain its social license. Transparent communication, genuine accountability, and tangible changes will help rebuild trust, foster collaboration, and realign the

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organization with its core mission of providing housing for ordinary people.

Incorporating insights from Bundy and Pfarrer's research highlights the role of social approval and responsibility during crisis situations, emphasizing the importance of addressing stakeholders' concerns.

6.2 FACILITATE COMMUNICATION

In our analysis of the violations of the social license to operate and the subsequent loss of trust faced by OBOS after the Member Revolt, it becomes increasingly apparent that effective and meaningful communication with the stakeholders is a crucial factor in regaining the social license. Peter Little (1977) defines communication as the “process by which information is transmitted between individuals and/or organizations so that an understanding response results” (p. 4).

According to several of the participants, OBOS has not communicated in a satisfactory manner over recent years. In 2021, the CEO of OBOS, Daniel Siraj, told the Norwegian newspaper *Finansavisen* that: "we ourselves can think that we have been good at communication, but when the members don't perceive us this way, we have to be self-critical about how we appear. When we are perceived as arrogant, we have to change". Our respondents have voiced their dissatisfaction with the organization's communication with members. Respondent 6 stated that OBOS "should be willing to share more information on alternative channels such as electronic newsletters." Furthermore, respondent 7 expressed “we as stakeholders are interested in insights into OBOS's building plans, and an explanation of why certain alternatives are chosen over others. As members, we have a certain ownership of the projects and a right to be in the loop”.

The recommendation to facilitate communication stems from a rich body of scholarly works, including the contributions of Baba et al. (2021), Beukel and Geuns (2019), and Rooney et al. (2014). These sources underscore the imperative for organizations to engage in open and honest dialogue, listen attentively to stakeholders, and provide transparent and clear information to foster. Baba et al. (2021) discuss the idea that by engaging stakeholders in business practice, the

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company fosters collaborative opportunities and cultivates shared experiences for both stakeholders and society. This approach inspires relevant stakeholders to identify with and take pride in the project and its activities, build trust, and ultimately regain the social license to operate.

To foster member participation and enhance communication, OBOS management should carefully consider the diverse range of perspectives within its large membership. Recognizing that inclusivity is important, it is crucial for the management to acknowledge that engaging with every member on every issue may not always be feasible given the organization's size and resource limitations. Striking a balance between being responsive to member concerns and efficiently managing resources is essential for OBOS management to foster communication.

Insights gathered from interviews with OBOS stakeholders make it evident that members desire more open and meaningful communication from the organization. Participants expressed a strong desire for genuine answers, active involvement in decision-making, and a transparent exchange of information. To meet the stakeholder demands, OBOS should transform complex information into easily understandable messages, ensuring that members grasp the key messages and premises behind decisions. By employing clear and concise messaging, OBOS bridges the gap between management and members, promoting greater comprehension, trust, and alignment. Clear communication also helps prevent misunderstandings and misconceptions, fostering a stronger sense of transparency and accountability within the organization.

However, considering the recommendation to encourage active member participation and improve communication, it is important to reflect critically on whether it is a favorable strategy considering the size of OBOS. While it is valuable to strive for inclusivity and engage members in decision-making processes, it may not always be feasible or efficient for OBOS management. A high number of inquiries on issues and resource limitations can make it challenging to engage in extensive conversations or respond individually to every

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member's inquiry. In such cases, management needs to strike a balance between being responsive to member concerns and effectively managing their resources.

Setting boundaries and managing expectations is therefore essential for the OBOS management to manage and foster member communication. It is important for OBOS to recognize that not all feedback or opinions will be equally valuable or constructive. Management should therefore prioritize establishing guidelines and criteria for what topics or issues are considered relevant and acceptable for discussion. Furthermore, OBOS should respond to the inquiries and feedback received, but filter away the inquiries that do not meet the requirements for communication guidelines. This helps ensure that the time and effort spent on listening to members is focused on matters that are genuinely important and beneficial for the organization and its stakeholders.

Moreover, etiquette and respectful behavior on digital channels play a crucial role in fostering productive communication (Baba et al., 2021). OBOS members should be encouraged to express their opinions and concerns respectfully and constructively. This includes refraining from personal attacks, derogatory language, or spreading false information. Clear guidelines and rules should be established to maintain a respectful and inclusive online environment. It may be necessary for OBOS to monitor and moderate digital channels to ensure that discussions remain focused and productive, while also protecting the integrity and reputation of the organization. However, such monitoring can be considered an obstacle to freedom of speech, and lead to OBOS again weakening its reputation in the eyes of members and society.

Understanding what kind of information members are genuinely interested in is crucial for effective communication. OBOS should make efforts to identify the topics and issues that are most relevant to its members. This can be done through surveys, feedback mechanisms, or direct engagement with members. By understanding their interests and concerns, OBOS can tailor its communication strategies and provide the information that members truly value, ensuring that their communication efforts are meaningful and impactful. By implementing these

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strategic actions, OBOS can cultivate a culture of open communication and member engagement while effectively managing resources.

6.3 CHANGE IN THE REPRESENTATIVE ASSEMBLY

The composition of OBOS's representative assembly has become a topic of discussion among participants, who perceive a lack of diversity within its ranks. It is widely recognized that diversity is essential for effective decision-making and increasing legitimacy within cooperative organizations (Beukel and Geuns, 2019). Baba et al. (2021) support this notion, stating that a diverse representative assembly brings forth a broad range of perspectives, experiences, and knowledge, resulting in better decision-making and increased legitimacy.

While acknowledging the participants' call for greater diversity, it is crucial to recognize the transformative power of passionate individuals within the representative assembly. These individuals symbolize proactive engagement and serve as the driving force behind meaningful change. As Beukel and Geuns (2019) suggest, true change within organizations often originates from passionate individuals who actively participate in meetings and demonstrate commitment to the cooperative's values.

Our recommendation aligns with the significance of passionate individuals who possess the determination and dedication to bring about change. These individuals, often symbolized by their active involvement in meetings and cooperative activities, have the potential to reshape the representative assembly and drive positive transformation. Li, Liang, and Crant's (2018) study on the influence of passionate leaders supports this, highlighting how their enthusiasm and commitment can inspire and motivate others.

Passionate individuals possess a remarkable blend of drive, dedication, and transformative potential that can profoundly influence others. They create an environment that nurtures autonomy support, empowering individuals to cultivate their own passions and make meaningful contributions. By embodying their

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enthusiasm and unwavering commitment, these individuals have the power to ignite a sense of purpose and inspire their fellow representatives. Their contagious energy and unwavering dedication create a ripple effect, motivating others to actively participate in decision-making processes and propel the cooperative towards success.

While diversity should not be undermined, it is crucial to recognize that passionate individuals in the representative assembly are catalysts for change. They have the ability to bridge gaps, break down barriers, and promote collaboration across diverse perspectives. Through their unwavering determination, they can challenge the status quo and push for innovative solutions that address the needs and aspirations of OBOS and its members.

Furthermore, the existence of "Et medlemsstyrt OBOS," a group comprising OBOS members dedicated to working for democracy within the cooperative, further reinforces the demand for change within the representative assembly (Dagsavisen, 2021). Benjamin Endré Larsen, the leader of this group, expressed disappointment and concern over the composition of the representative council, describing it as "sad and embarrassing" (Dagsavisen, 2021). This reaction underscores the need for a more inclusive and engaged representative assembly that reflects the values and aspirations of OBOS's diverse membership.

To address the concerns expressed by participants and regain its social license, OBOS must embark on a comprehensive strategy. This strategy involves diversifying the representative assembly to ensure a broader range of perspectives, while actively encouraging the participation of passionate individuals who are committed to effecting positive change. By striking a balance between diversity and active engagement, OBOS can create a representative assembly that not only reflects its membership but also drives transformative initiatives.

In conclusion, while participants advocate for greater diversity in OBOS's representative assembly, it is vital to recognize the significant role of passionate individuals in effecting change. Combining insights from Beukel and Geuns

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(2019), Baba et al. (2021), and Li, Liang, and Crant (2018), OBOS can take progressive steps toward regaining its social license. By embracing diversity and actively involving passionate individuals, OBOS can create an inclusive and effective representative assembly that embodies the cooperative's values, fosters better decision-making, and instills trust among its members.

6.4 PRIORITIZE INTERNAL WORK ABOVE MEDIA

In our analysis of OBOS and the loss of its social license following the Member Revolt, it has become evident that there is a significant gap between the board of OBOS and its members. During our interviews, we encountered numerous stakeholders who expressed their discontent with the inadequate level of communication between the management and the members. They described the communication from OBOS as one-sided, where the management frequently appears in the media without providing sufficient opportunities for members to engage in a dialogue with them or communicate through media representatives. Additionally, there is a perception among the interviewees that the CEO, Daniel Siraj, spends a considerable amount of time in the media, further exacerbating the disconnect between the organization's leadership and its stakeholders. Considering this, we recommend a temporary restriction of Siraj's media presence as a strategic step toward regaining OBOS's social license.

While media engagement can be a valuable tool for organizations to convey their messages and build relationships with stakeholders, it is crucial to consider the impact of such engagements on the organization's reputation and perception among its members. The interviewees' perception of Siraj as cunning and non-human-centered, coupled with their belief that he does not openly address their concerns, indicates a need for change.

By temporarily stepping down from his media appearances, Siraj can demonstrate a willingness to prioritize internal work and focus on rebuilding trust within the organization. This would provide an opportunity for OBOS management to reevaluate their communication strategy and address the concerns raised by the

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stakeholders. During this period, it is essential for Siraj to actively engage with the members and other stakeholders through internal channels, such as member forums, or online platforms. This way, he can foster open dialogue, listen to the concerns of the members, and ensure their voices are heard.

The literature provides valuable insights into how organizations can rebuild their social license by engaging in various practices that foster trust, transparency, and avoid “window dressing”. Eberl et al. (2015) highlight the importance of avoiding control mechanisms and introducing cultural change to shape business practices. The relationship of trust between OBOS and the stakeholders can be explained by the scholar's definition of *Repairing trust in an organization after integrity violations*, “if the principles of an organization are morally acceptable in the eyes of the trustor will integrity be attributed” (p. 1206). Similarly, Cui et al. (2016) emphasizes the need to engage in socially acceptable practices to explore long-term options for business activities.

Furthermore, according to Demuijnck and Festerling (2016), conforming to social norms, values, and expectations is crucial for achieving legitimacy among stakeholders. OBOS should consider the concerns its members raised and align its actions with their expectations. This requires a proactive approach to listening and responding to community and social media concerns, as advocated by Rooney et al. (2014), Saenz (2019), as well as Panda and Sangle (2019). By prioritizing internal work, OBOS can foster a culture of open communication and collaboration, enabling them to better understand and address the concerns of their stakeholders.

Temporarily restricting Siraj’s media presence does not imply a permanent withdrawal from external communications. Rather, it serves as a strategic measure to allow OBOS to realign its messaging and communication approach with the expectations and needs of its stakeholders. During this period, OBOS should carefully select a suitable spokesperson who can effectively represent the organization's values, address stakeholder concerns, and maintain transparency in external engagements. Eberl et al. (2015) suggest avoiding verbal claims and

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reaching for substantive actions. “When it comes to organizational responses to a breach of trust a distinction is often made between verbal claims and more substantive actions. Verbal claims such as denials and apologies seem to be the most common strategy in the face of integrity problems.”(p. 1207). Furthermore, this individual should possess strong communication skills, a genuine commitment to the members' interests, and an ability to foster trust among stakeholders.

In conclusion, we recommend temporarily restricting Siraj’s media presence and realigning OBOS's communication strategy to prioritize internal work and stakeholder engagement. This strategic measure aims to rebuild trust, address stakeholder concerns, and foster open dialogue within the organization. It is crucial to select a suitable spokesperson to represent OBOS externally during this period and ensure that their communication style aligns with the expectations and needs of the stakeholders. By implementing these measures, OBOS can take significant steps towards regaining its social license and rebuilding trust among its members and the wider community.

6.5 COMMENTS ON THE RECOMMENDATIONS

Within this subchapter, we delve into the perspective provided by Fabian Stang, a member of OBOS and the former mayor of Oslo, concerning the violations of OBOS's social license. Stang's public statements in 2021 brought attention to his strong conviction that "OBOS sabotages its own social mission" (Aftenposten, 2021). These remarks highlighted concerns regarding the organization's commitment to its fundamental principles and values. Notably, Stang went a step further by publicly recommending the resignation of Daniel Siraj, emphasizing the need for transformative leadership to address the challenges at hand.

We conducted an interview with Fabian Stang in order to receive feedback on the recommendations we proposed for OBOS to regain its social license. In addition, we were interested in his opinions on what OBOS should do to improve its

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reputation. Given Stang's involvement within OBOS, coupled with his extensive experience in public administration, his perspectives carry significant weight.

During our interview, Fabian Stang not only agreed with and supported the recommendations we presented but also drew attention to the lack of interaction between OBOS members and management. He argued that, "The management does not need the members, and vice versa." This finding supports the view shared by various other individuals we interviewed as part of our study, further highlighting the perceived disconnect between these two groups within the organization. Recognizing the significance of this issue, Stang emphasized the importance of strengthening communication. He firmly believes that the management must improve their communication efforts with the members. This reflection aligns with his broader perspective on fostering a more engaged and connected relationship between the two parties.

Stang's particular interest was evident when discussing the position of Siraj. He believes it would be beneficial for OBOS to conduct an open and competitive selection process for the CEO role, stating, "OBOS could benefit from introducing some healthy competition for Siraj." His viewpoint underscores the importance of ensuring fairness and transparency when selecting the future leadership of OBOS. Stang further argued that the tenure of CEOs typically does not exceed four years on average, contrasting with Siraj's nearly eight-year period. Stang considered this extended period to be excessive and proposed that regular leadership changes would foster a healthy competitive environment within OBOS.

Expanding on the previous point, the article by Galvin, Lange, and Ashforth (2015) titled "Narcissistic Organizational Identification: Seeing Oneself as Central to the Organization's Identity" offers a comprehensive exploration of narcissistic identification within organizations. This research provides a valuable theoretical framework to enhance our understanding of the CEO role, aligning with Stang's perspective on the significance of fresh perspectives and ideas, particularly in the context of leadership turnover.

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Stang's viewpoint underscores the necessity of implementing changes to rejuvenate the organization and prevent individuals from becoming entrenched in their positions. This aligns with the concerns raised by Galvin et al. regarding the potential pitfalls of narcissistic organizational identification. The article elucidates how individuals who excessively identify themselves with the organization may develop an inflated sense of self-importance, potentially impeding open-mindedness and hindering the organization's adaptability to change. By actively advertising the CEO position and encouraging candidates like Daniel Siraj to apply on an equal basis, Stang's proposal reflects a commitment to fostering a fair and transparent selection process. This approach aims to counteract the potential adverse effects of narcissistic identification, promoting a more dynamic and inclusive organizational culture.

The issue of long tenures in top leadership positions is particularly noteworthy in the context of OBOS, where it can be observed that managers often maintain their positions for extended periods. This pattern is exemplified by the former OBOS CEO, Martin Mæland, who served for 32 years (NTB, 2015). Mæland's lengthy incumbency raises important questions about the implications of prolonged leadership and its potential consequences. The extended tenure of leaders like Mæland highlights the inherent risks associated with prolonged periods in top leadership roles. One of the significant concerns is the possibility of individuals becoming entrenched in their positions, which can hinder organizational adaptability and impede the introduction of fresh ideas. By examining Mæland's tenure through the lens of narcissistic identification, it becomes evident that actively seeking diverse viewpoints and preventing the entrenchment of leaders is crucial for organizational growth and innovation.

The current CEO, Daniel Siraj, has already served for almost eight years. Recognizing the potential pitfalls of prolonged incumbency, Stang's emphasis on ensuring an open and competitive selection process for the CEO position becomes even more pertinent. By actively promoting the position and considering external candidates, OBOS can uphold principles of fairness, meritocracy, and diversity of thought. This approach not only mitigates the risks associated with long tenures

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but also fosters an environment conducive to the infusion of fresh ideas, innovative thinking, and diverse perspectives.

The article by Galvin et al. provides a robust theoretical framework to support Stang's perspective on the value of fresh perspectives and ideas during leadership turnover. By connecting this research to the problematic aspects of the CEO role, exemplified by Siraj's lengthy tenure, it becomes evident that actively seeking diverse perspectives and promoting a fair and transparent selection process is crucial. This approach enables organizations like OBOS to navigate the potential pitfalls of narcissistic identification, foster a more inclusive and innovative leadership climate, and ensure their long-term success in a rapidly changing business environment.

The insights provided by Stang highlight the crucial need to find a delicate equilibrium between stability and dynamism within the leadership structure. While stability is crucial for maintaining continuity and long-term strategic goals, periodically injecting new leadership can bring fresh energy, innovation, and a different perspective to the organization. Stang's emphasis on healthy competition among leaders reflects his belief that it ultimately benefits OBOS and its members. Stang also remarked that, "There is a limit to how good one can be, and how long one can be good."

Overall, Stang's contributions enrich our understanding of the challenges faced by OBOS and the potential pathways toward regaining its social license. Integrating Stang's perspective strengthens our study and underscores the importance of considering diverse viewpoints when formulating recommendations for OBOS's future success.

CHAPTER 7

CONCLUSION

This master's thesis aimed to identify specific measures that management can undertake to regain the social license. The research conducted in this study has highlighted three key areas of importance: legitimacy, credibility, and trust.

The first area of focus is legitimacy, which entails restoring organizational integrity. Transparency, accountability, and stakeholder involvement are crucial for demonstrating responsible conduct and rebuilding legitimacy. The second area centers on rebuilding credibility with stakeholders. Open and honest communication, acknowledging past shortcomings, and delivering on promises are key to regaining integrity and credibility. The third area highlights the importance of rebuilding trust within the organization and with external stakeholders. Promoting collaboration, transparency, fairness, and addressing breaches of trust are essential for fostering a culture of trust and reliability.

Chapter six of this thesis advances the theory of regaining social license and proposes four change initiatives for OBOS to regain the social license. Firstly, acknowledging mistakes and offering transparent apologies demonstrate responsibility and a commitment to rectifying past errors, rebuilding trust and credibility. Secondly, effective communication plays a vital role in rebuilding relationships by actively engaging with members, stakeholders, and the wider community through clear and concise messaging. Prioritizing efficient resource management allows OBOS to promptly address inquiries and feedback, establishing trust and engagement. Furthermore, the inclusion of passionate individuals in the Representative Assembly acts as catalysts for meaningful progress, infusing fresh perspectives and inspiring others. Lastly, aligning with the recommendation to temporarily restrict Siraj's media presence and realign OBOS's communication strategy to prioritize internal work and stakeholder engagement is

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crucial. Careful selection of a suitable spokesperson is pivotal in rebuilding legitimacy, credibility and trust.

In answering our research question, we acknowledge the complexity of our chosen subject. Throughout this thesis, we have examined the complexities surrounding the restoration of the social license and how to rebuild the organization's legitimacy, credibility, and trust in the aftermath of its breach, and acknowledge the limited existing literature in this area. Despite these challenges, our research has identified specific measures that management can undertake to regain legitimacy, credibility, and trust. The findings align with existing literature and highlight the significance of transparency, accountability, open communication, and stakeholder engagement in the process. We hope that this study contributes to the broader understanding of how management can regain the social license, recognizing its considerable societal value.

7.1 LIMITATIONS

Our study, while providing valuable insights, is not without limitations, which in turn present opportunities for future research. In particular, we have identified two significant limitations in our methodology that deserve attention and further exploration in subsequent studies.

The first limitation relates to our chosen interview style, which predominantly employed open-ended questions. While this approach allowed us to uncover broad themes and areas of interest, it primarily provided us with a high-level understanding of the issues at hand, rather than specific change initiatives associated with the three identified themes: legitimacy, credibility, and trust. Recognizing this, we acknowledge that incorporating structured interviews with predefined areas of investigation could have yielded more detailed and nuanced results, shedding light on the specific strategies employed by organizations to regain their social license.

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Additionally, our study has a limitation regarding the reliance on primary data obtained through interviews. Although interviews were important, supplementing them with surveys could have provided more precise and diverse data from a wider range of stakeholders. Initially, our intention was to interview various stakeholders, including regular and less active members. However, we encountered challenges in participant recruitment, resulting in a small sample size conducting both members from the Representative Assembly and regular members. Despite this limitation, we were able to gain valuable insights by interviewing committed members and comparing their perspectives with recommended measures from the literature. This allowed us to explore effective strategies for engaging stakeholders and regaining the social license, shedding light on how organizations like OBOS can navigate this process successfully.

Future research can address the limitations of this study by exploring alternative interview styles, such as structured interviews, to gather more detailed insights on organizational change initiatives. Including surveys as additional data collection methods would provide a wider range of perspectives and enrich the findings. Furthermore, studies should actively involve regular members to gain a more comprehensive understanding of the subject and ensure the representation of various stakeholders.

In summary, while our study has shed light on the topic of regaining the social license, it is crucial to acknowledge and address the limitations inherent in our methodology. By doing so, future research endeavors can build upon our findings and explore alternative approaches that encompass a wider array of perspectives, resulting in a more comprehensive understanding of the measures organizations can adopt to regain their social license and foster sustainable stakeholder relationships.

7.2 FUTURE RESEARCH

Further research is needed to comprehensively explore and understand the specific measures organizations take to regain the social license after violating it. While

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scholars have offered recommendations to prevent social license breaches, there is a lack of research on the actual initiatives implemented by organizations following such violations. Therefore, future studies should conduct in-depth examinations of organizations that have experienced social license breaches to identify and analyze their change initiatives for successful social license restoration.

Despite the acknowledged limitations inherent in our study, we firmly believe that our findings and discussions constitute a valuable foundational groundwork upon which future research can be built, particularly in the domain of change management and its intricate relationship with the social license. The significance and intrigue surrounding this area of inquiry warrant further exploration and scholarly scrutiny.

Furthermore, we aspire for our recommendations to offer practical value not only to OBOS, the subject of our study but also to other organizations embarking on the journey to reclaim their social license. By attentively considering and implementing our suggested measures, these entities have the potential to strengthen their relationships with stakeholders and bolster their societal legitimacy, ultimately contributing to the sustainable success of their endeavors.

In conclusion, we encourage researchers to expand upon our work, delving deeper into the critical and captivating realm of social license within the broader context of change management. Additionally, we extend our hopes that our practical recommendations will serve as a guiding compass for OBOS and similar organizations, facilitating the restoration of their social license and fostering a climate of trust, collaboration, and support among their stakeholders.

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APPENDIX A

Interview guide

INTRODUCTION

- Thank the respondent for participating and introduce ourselves
- Explain the master's thesis (the thesis is a piece of research, and the interviews are part of the empirical data)
- Anonymity? - Explain how the data will be treated. Clarify permission to record the interview.
- Time - expect the interview to take +/- an hour
- Purpose of the interview: We assume that OBOS's reputation was negatively impacted in light of the reactions to the Middelthunet project and the sale of homes to a rental company. We want to examine how the OBOS leadership has handled this. Based on this, the respondent is selected to express their thoughts on these reactions and the leadership's handling of them.

RESPONDENT

- Can you briefly introduce yourself?
- How long have you been a member? Resident/non-resident?
- Are you proud to be an OBOS member?
- Are you satisfied with being an OBOS member?
- What does OBOS mean to you?

- Any questions for us before we start?

OBOS LEADERSHIP HANDLING (FACTUAL)

- What was the members' revolt about?
- How has OBOS changed in recent years?
- How has the governance of OBOS changed in recent years?

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- Have you gained more or less influence on the business in your role?
- What has OBOS done to address the criticism?
- How has OBOS provided stakeholders with opportunities to engage in dialogue with them?
- How has OBOS taken care of the desires of stakeholders and society?
- What measures do you see OBOS taking to regain social license/social responsibility?

*WHAT ARE YOUR THOUGHTS ON HOW THE MANAGEMENT HANDLED
THE MEMBER REVOLT? (OPINION)*

- What do you think of the members' revolt?
- How do you summarize the leadership's handling of the protests and revolt?
- What do you think of the governance of OBOS?
- What changes would you like to see happen in OBOS?
- What do you think of your influence on the business?
- What do you think about hiring external parties to investigate OBOS?
- What do you think OBOS should do to regain social license?
- Do you believe OBOS has acted in accordance with social norms, values, and expectations to achieve legitimacy among stakeholders?

IF TIME

- To what extent has OBOS engaged in debates and discussions with the purpose of exploring new methods they can implement in their business operations?
- How has OBOS adapted to the demands and expectations of stakeholders instead of developing its strategies?

CONCLUSION

- Who else do you think we should interview?
- Is there anything else you would like to say or add?
- Thank you very much for taking the time to participate!