EFFECTIVENESS OF CORPORATE REPUTATION MANAGEMENT STRATEGIES IN SELECTED OIL & GAS COMPANIES IN NIGERIA

BY

NKWOCHA, JOSIAH AKALAZU
REG. NUMBER PG/Ph.D/07/46733)

DEPARTMENT OF MARKETING
FACULTY OF BUSINESS ADMINISTRATION,
UNIVERSITY OF NIGERIA (UNN)
ENUGU CAMPUS

FEBRUARY 13, 2014
EFFECTIVENESS OF CORPORATE REPUTATION MANAGEMENT STRATEGIES IN SELECTED OIL & GAS COMPANIES IN NIGERIA

BY
NKWOCHA, JOSIAH AKALAZU
REG. NUMBER PG/Ph.D/07/46733)

BEING A THESIS PRESENTED TO THE DEPARTMENT OF MARKETING, FACULTY OF BUSINESS ADMINISTRATION, UNIVERSITY OF NIGERIA, ENUGU CAMPUS.
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A Ph.D DEGREE IN PUBLIC RELATIONS MANAGEMENT

DEPARTMENT OF MARKETING
FACULTY OF BUSINESS ADMINISTRATION,
UNIVERSITY OF NIGERIA (UNN)
ENUGU CAMPUS

SUPERVISOR
PROF. JUSTIE O. NNABUKO

FEBRUARY 13, 2014
DECLARATION

I, NKWOCHA, JOSIAH AKALAZU, a postgraduate student of the Department of Marketing, with Registration No. PG/Ph.D/07/46733, has satisfactorily completed the requirements for the courses and research work for the degree of DOCTOR OF PHILOSOPHY in Public Relations Management.

The work embodied in this thesis is original and has not been submitted in part or full for any Diploma or Degree of this or any other University.

--------------------------------------------

NKWOCHA, JOSIAH AKALAZU
Registration No. PG/Ph.D/07/46733
APPROVAL PAGE

This thesis has been read and approved for the Department of Marketing, University of Nigeria (UNN), Enugu Campus

-----------------------------------------------------------  -----------------------------------------------------------
PROF. J. O. NNABUKO, Ph.D                      E A. EHIKWE, Ph.D
Supervisor                                      Head, Department Of Marketing
DEDICATION

- To God Almighty, who granted me this educational milestone.
- To my parents, Mr. Samuel Nnoromele Nkwocha-Eke (1904 – 1991) and Mrs. Joannah Mgbeka Nkwocha (1911 – 1976).
ACKNOWLEDGEMENTS

Many people have played supportive roles in making my Ph.D programme and this research report a reality. I owe a debt of gratitude to all of such persons.

Firstly, is late Professor Ikechukwu E. Nwosu, an international marketing communications scholar, who was my Course Director/Supervisor before he died on 28th May 2011. He supervised my Masters’ Degree project, wrote the Foreword of my book on Media Relations Management, and encouraged me to do a Ph.D. He was my mentor. I pray that God Almighty will grant his soul eternal rest.

My next debt of gratitude goes to Prof. (Mrs) J. O. Nnabuko, PhD, former Associate Dean of the Faculty of Business Administration who was re-assigned to be my Supervisor. She did so with great commitment and guidance. So also are: Prof. (Mrs) Geraldine E. Ugwuonah, Dean of the Faculty of Business Administration; Dr. Andrew E. Ehikwe, the current Head of Department of Marketing, Dr. E. K. Agbaeze, the Faculty of Business Administration representative at the School of Postgraduate Studies; Dr. Shedrack C. Mogoluwa, the former HOD Marketing; Dr. Joseph.I Uduj and Dr. A.C. Nwaizugbo, (now at Nnamdi Azikiwe University, Awka).

I also thank my fellow Ph.D candidates who, through peer-review mechanism, made constructive criticisms that eventually enriched my work. They are Benedict Odigbo, Festus Akande, Livinus Ekemezie and Silk Ugwu.
My thanks also go to the following persons who played various roles in enriching this study: Dr. Tyotom Keghku of Benue State University; Dr. Wole Adamolekun of the Petroleum Products Pricing Regulatory Agency (PPPRA); Mr. Peter Ademu-Ette, Public Relations Adviser at Shell Petroleum Corporation (SPDC); Emenike Okorie of Chevron Nigeria Limited; Yemi Fakayejo of ExxonMobil, Karibi George, Chairman of NIPR Rivers State Chapter; and officials of Department of Petroleum Resources (DPR). Let me also acknowledge the efforts of my Research Assistants, Nkiruka Chukwumee and Wilson Nnanyere Okere, who worked hard in sourcing materials for this study and administering our questionnaires on respondents.

I wish to appreciate my boss, Manish Mundra, who inspires me to be the best in my profession. Others are my secretary Mike Achaziem, Theo Nwachukwu, Dr. Ngozi Anyaegbunam, Chief Adolphus Okebugwu, Stanley Egbochukwu, Onome Osifo-Whiskey and Sam Ozioko who assisted in various ways.

My family deserves great mention for being my greatest source of strength and happiness. My wife, Lady Joy Nkwocha; and the children – Jewel, Joan, Jerry, Jossy Junior and Joyce gave me the peace of mind that made it possible for me to combine both work and studies. So also is my brother, Nelson Nkwocha. Finally, the greatest gratitude goes to God Almighty.

NKWOCHA, JOSIAH AKALAZU,

February, 2014
ABSTRACT

Corporate Reputation Management (CRM), a multi-disciplinary concept in Public Relations practice, is an important management function in the oil and gas industry in Nigeria. Its five major strategies namely strategic communications, stakeholder engagement, corporate social responsibility (CSR), events & protocols management, as well as issues & crisis management have been employed in building, sustaining, promoting, projecting and repairing the reputation of selected oil and gas companies since the middle 1990s. However, the companies have continued to suffer from hostile community agitations, bitter public complaints, sabotage of oil facilities, negative media publicity and other reputational defects despite huge budgets to these areas. This has prompted the need to evaluate the effectiveness of the CRM strategies. The study had the objectives to: (i) ascertain if international oil companies operating in Nigeria have significantly adopted CRM strategies, (ii) find out whether the CRM strategies identified were effective in building and sustaining the reputation of the selected oil companies, (iii) assess if evaluative research about the effectiveness of CRM strategies was usually carried out in the Public Relations operations of the selected oil companies in Nigeria, (iv) ascertain the level of knowledge of the culture of CRM in the selected oil companies and (v) determine the level of relationship between CRM and successful business operations in the oil and gas industry in Nigeria. This study adopted a survey design methodology. The five hypotheses formulated in the study were tested appropriately. The findings show that the CRM strategies are highly effective but they have been poorly applied in the selected oil and gas companies namely Shell Petroleum Development Corporation (SPDC), Chevron Nigeria Limited, ExxonMobil Corporation and Nigeria Agip Oil Company Limited. The findings also show that CRM is not strategically positioned in top management hierarchy of the companies to participate in policy formulation and playing its leading role in building positive image for the organisations. The study has made various recommendations to address and redress these anomalies so that the oil and gas industry in Nigeria would build better relationships with critical stakeholders based on mutual understanding and benefits. Most importantly, the study recommended full and optimal application of the five CRM strategies, and a new model in stakeholder engagement called “Partnership and Participation in Community Relations and Development (PPCRD)” while corporate reputation management should be located in the top management hierarchy so that it could be given the attention it deserves in the oil and gas industry in Nigeria.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover page</td>
<td>i</td>
</tr>
<tr>
<td>Title page</td>
<td>ii</td>
</tr>
<tr>
<td>Declaration</td>
<td>iii</td>
</tr>
<tr>
<td>Approval page</td>
<td>iv</td>
</tr>
<tr>
<td>Dedication</td>
<td>v</td>
</tr>
<tr>
<td>Acknowledgments</td>
<td>vi</td>
</tr>
<tr>
<td>Abstract</td>
<td>vii</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>viii</td>
</tr>
</tbody>
</table>

## 1.0 CHAPTER ONE: INTRODUCTION

- 1.1 Background of the Study ............................................. 1
- 1.2 Statement of the Problem ............................................. 6
- 1.3 Research Objectives ................................................. 10
- 1.4 Research Questions .................................................. 11
- 1.5 Significance of the Study ........................................... 14
- 1.6 Research Hypotheses ................................................ 12
- 1.7 Scope of the Study.................................................... 14
- 1.8 Limitations of the Study............................................. 15
- 1.9 Definition of Operational Terms................................... 16
- 1.10 Summary................................................................... 20
2.0 CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction.................................................................25

2.2 Definitional and Conceptual Issues about Corporate Reputation Management (CRM).................................................................26

2.3 The Concept of Strategy in CRM........................................33

2.4 CRM in the Practice of Public Relations.................................46

2.5 Multi-disciplinary Nature of Corporate Reputation (CR).............47

2.6 Differences between CR and Corporate Image..........................52

2.7 CR and Brand Reputation: What distinction? ..........................52

2.8 Key Drivers of Corporate Reputation.....................................53

2.9 Stakeholders’ Perception in Corporate Reputation.....................56

2.10 Benefits of Solid Corporate Reputation..................................57

2.11 Specialised Areas of Corporate Reputation Management...........59

2.12 PR/Corporate Reputation Management Models.......................65

2.13 Theoretical Framework of Corporate Reputation.....................77

2.14 CRM and Facts about Persuasion and Opinion Change.............81

2.15 Ronald Alsop’s “18 Immutable Laws of Corp. Reputation”........82

2.16 CRM and Concept of Global Reputation Economy..................91

2.17 Overview of the Oil and Gas Industry in Nigeria......................94

2.18 Major Divisions of the Oil and Gas Industry in Nigeria.............95
2.19 Historical Background of Oil and Gas Industry in Nigeria.....97

2.20 Overview of Selected Oil Companies ......................... 100
   (a) Shell Petroleum Development Company of Nigeria
   (b) Chevron Nigeria Limited
   (c) Mobil Oil Nigeria Plc
   (d) Agip Oil Nigeria Limited

2.21 Regulatory Bodies in the Nigerian Oil & Gas Industry..... 109
   (a) Federal Ministry of Petroleum Resources
   (b) Directorate of Petroleum Resources (DPR)
   (c) National Oil Spill Detection & Response Agency
       (NOSDRA)
   (d) National Environmental Standards Regulation &
       Enforcement Agency (NESREA)
   (e) Petroleum Products Pricing & Regulatory Agency (PPPRA)
   (f) Nigerian Extractive Industries Transparency Initiative (NEITI)
   (g) Nigerian Content Development and Monitoring Board

2.22 Major Issues in the Oil & Gas Industry........................... 119
   (a) Gas Flaring
   (b) Oil Spillage and Pollution of Environment
   (c) Petroleum Industry Bill (PIB)
   (d) Local Content Act, 2010
   (e) Deregulation of Downstream Sector of Industry
2.23 Review of Incidents of Oil Spillage in the Niger Delta Area ........132
2.24 Oil and gas Legislations and Regulations in Nigeria.......................137
2.25 Regulations against Pollution and Environmental Degradation in Nigeria.........................................................139
2.26 Labour Movement in the Oil and gas Industry in Nigeria ..........140
   (a) Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)
   (b) National Union of Petroleum and Natural Gas Workers (NUPENG)
2.27 CRM in the Oil and Gas Industry in Nigeria ..........................144
2.28 Review of Issues that have Shaped Corporate Reputation in the Oil and Gas Industry in Nigeria (1990s to date).................................149
2.29 Stakeholders’ Analysis in CRM of Oil Industry .......................150
2.30 Viruses that destroy Corporate Reputation in the Oil and Gas Industry in Nigeria.................................................................153
2.31 Summary of Literature Review.......................... ..................155
References ..................................................................................157

3.0 CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction .................................................................................. 163
3.2 Research Design ...........................................................................163
3.3 Sources of data.............................................................................164
(a) Questionnaire

(b) Interviews

3.4 Pilot Survey and Validation/Reliability Test................................. 165

3.5 Sample Size Determination .......................................................... 169

3.6 Administration of Questionnaire.................................................... 169

3.7 Method of Data Analysis............................................................... 170

3.8 Reliability and Validity of the Instrument...................................... 171

(a) Content validation and Peer Review

(b) Statistical Validation

3.9 Summary......................................................................................... 173

References ......................................................................................... 175

4.0 CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction..................................................................................... 176

4.2 Analysis of Data ............................................................................. 176

4.3 Testing of Hypotheses ................................................................. 206

4.4 Interview Result ........................................................................... 219

5.0 CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION,
RECOMMENDATIONS AND CONTRIBUTIONS TO KNOWLEDGE

5.1 Introduction .................................................................................. 223

5.2 Summary of Major Findings and their Discussions ......................... 223
5.3 Conclusion ........................................................................................................227
5.4 Recommendations ............................................................................................228
5.5 Contribution to Knowledge ...............................................................................233

Bibliography ........................................................................................................237

Appendixes

Appendix 1: Approved Synopsis ........................................................................246
Appendix 2: Reliability and Validity Test Table.....................................................249
Appendix 3: Questionnaire ....................................................................................250
Appendix 4: Interview Guide Questions .................................................................254
Appendix 5: Letter from Supervisor to Department of Petroleum Resources (DPR) .............................................................255
Appendix 6: Letter from DPR to Shell Petroleum ................................................256
Appendix 7: Letter from DPR to Chevron .............................................................257
Appendix 8: Letter from DPR to ExxonMobil ......................................................258
List of Figures

Fig. 1: Variables in Measuring the Effectiveness of PR Campaign.................................20
Fig. 2: Key Components of any Events’ Planning.......................................................45
Fig. 3: Distinction between Corporate Image and Corporate Reputation....................52
Fig. 4: Six dimensions of Corporate Reputation ........................................................59
Fig. 5: The Public Relations Planning Cycle .............................................................71
Fig. 6: Haris-Fumbrun Model of Corporate Reputation .............................................73
Fig. 7: Frank Jefkins’ Public Relations Transfer Mode ..............................................75
Fig. 8: The S-M-C-R-F Communications Process Model ..........................................77
Fig. 9: Viruses that destroy reputation fabrics in the oil industry ............................153
Fig. 10: The Participation and Partnership Model .....................................................223
List of Tables

Table 1: Price of PMS Between 1973 – 2012 ------------------------------- 132
Table 2: Major Oil Spills (1978 – 1998) ............................................. 133
Table 3: Oil Spills Data (1976 – 1998) .................................................. 133
Table 4: Reported Oil Spills (1997 – 2001) ............................................. 135
Table 5: Oil Spills (2006 – 2009) .......................................................... 135
Table 6: Oil Companies involved in Oil Spills (2006 – 2009) ............... 136
CHAPTER ONE

INTRODUCTION

1.1 Background Of The Study

The crises in the oil and gas industry, nationally and globally, have necessitated this study. The crises emanating from pipeline vandalisation, oil spillages, devastation of the environmental, restiveness in the host communities and kidnapping of oil workers, have called to question, the effectiveness of Corporate Reputation Management (CRM) strategies deployed by oil companies to address the problem.

CRM, a multi-disciplinary concept is a very strong practise, in Public Relations (Fombrun and Van-Riel, 1997). In the past decade, it has become the subject of many studies (Fombrun, Gardberg and Sever, 1999; Gotsi and Wilson, 2001; Mahon, 2002). Today, the establishment of the Reputation Institute (RI) and Corporate Reputation Review (an academic and professional journal) in the United States of America stand as major pillars supporting the growth of the concept of CRM worldwide (Barnett, Jermier and Lafferty, 2006).

Today, CRM has become the most acceptable Public Relations practice in world-class organisations --- the banking industry, the telecommunications industry, manufacturing sector, government establishments, tertiary educational institutions, the professions, security services, and indeed, the oil and gas industry used for building and sustaining organisational reputation (Fombrun and Van-Riel, 1997; Regester and Larkin, 2002;
Nwosu and Uffoh, 2005). It combines integrity with consistency (Kottsz, 2000; Joep, 2004 and Dalton, 2005). However, many practitioners of CRM do not have a clear idea about the concept and its application (Barnett et al 2006). Knowledge of various strategies, models, tools and techniques required to achieve results are indeed needed at both academic and practitioner levels.

How does this subject relate to the Nigerian scene? Preliminary researches (Haastrup 1997, Nwosu&Uffor 2005, Ogedengbe 2007, Azaiki 2008, Obeta 2008, and Orukari, 2010) have shown that CRM is also practised as Public relations in many blue-chip organisations in Nigeria, including the oil and gas industry, which is the focus of this study. International oil companies (IOCs) operating in Nigeria’s oil and gas industry employ various strategies in CRM to address and redress reputation issues, challenges and crises that arise in the course of their operations – exploration, exploitation and distribution of petroleum and gas products.

Taking altogether, there is therefore the need to streamline the basic foundations of CRM by upholding a good working definition of the concept, and identifying its principles, models, methods, techniques and strategies employed in solving problems and achieving results.

CRM in the oil and gas industry in Nigeria is expected to tackle the myriads of issues, problems or challenges facing the industry. The major problems have been identified
hereunder by some Nigerian authors (Haastrup, 1997; Nwosu and Uffoh, 2005; Obeta, 2007; Orukari, 2010):

- Hostile communities and agitations
- Vandalisation of oil pipelines (sabotage)
- Oil spillages and pollution of environment
- Constant negative media publicity

Corporate reputation management (CRM) has been viewed from four basic concepts, namely “reputation”, “corporate reputation”, “corporate image and identity”, and “management”. Most definitions are therefore narrow. For instance, Oxford Advanced Learners’ Dictionary, (7th ed. 2010) defines reputation as “the opinion that people have about somebody or something based on what has happened in the past: to earn / establish / build a reputation --- to have a good or bad reputation.” Reputation, therefore, is the accumulation of positive values, goodwill over time in the life of somebody or a corporate organisation.

Barnett *et al* (2006:34) defined corporate reputation as:

“Observers’ collective judgements of a corporation based on assessment of the financial, social, and environmental impacts attributed to the corporation over time.”
Smaiziene and Jucevicius (2009:96) stated:

“Corporate reputation can be defined as the evaluation of a company’s socially transmissible characteristics, practices, behaviour and results; settled over a period of time among stakeholders, that represents expectations for the company’s actions, and levels of trustworthiness, favourability and acknowledgment compared to rivals”.

Kumar (1999) defines corporate reputation as the overall perception held by an organisation’s key stakeholders such as employees, customers, media, host communities, bankers or creditors, suppliers, and even competitors.

What is missing in many definitions is the linkage of corporate reputation with management. This study is interested in both terms: corporate reputation and corporate reputation management.

Management as an organizational concept is involved in the effective and efficient planning, organizing, controlling, directing, leading, coordinating and allocation of human and material resources to achieve organizational goals and objectives (Akpala, 1993). It therefore follows that corporate reputation management deals with the effective planning, organizing, controlling and directing organizational resources to achieve a positive stakeholders’ assessment of a company in relation with its competitors.
Wikipedia (2010), the internet encyclopaedia, defines corporate reputation management as the process of tracking an organisation’s actions and policies in relation to its publics or stakeholders. This, it asserts, is usually done using the tool of communications. Corporate reputation management is usually regarded as the livewire of any organisation. For instance, Sherman (1999) quoted the chief executive of a leading UK consumer goods manufacturing company as saying: "If we lost all our production facilities, we could rebuild the business. But if we lost our brand name and reputation, the business would collapse!"

From the mid-90s to date, there has therefore been a conscious effort in blue-chip organisations to build, sustain, protect, project and maintain solid positive corporate reputation, which is now recognised as an invaluable corporate asset by many researchers (Mahon, 2002; Alsop, 2004, Fombrun, 1996, and Orukari, 2010). Besides, such organisations can now evaluate or measure their reputation quotient (RQ) on a reputation scale (RS) – (Fombrun & Foss, 2001).

In CRM circles, there is also the question whether image and reputation are the same. Many people use them interchangeably. Are they right or wrong? Various researches (Bennet & Kottasz, 2000; Cornelissen, 2004; Dalton, 2005, etc) have shown that a company’s reputation is much bigger than mere image. It has a lot to do with corporate mission and vision, corporate character and culture, corporate values and
virtues, corporate brand and corporate governance, and the effective communication of same to various internal and external stakeholders or publics.

From the preceding overview of the concept of CRM, and the crises in the oil and gas industry, especially in the Niger Delta region of Nigeria, there is need to carry out a comprehensive evaluation of the effectiveness of corporate reputation management strategies employed in selected oil companies in Nigeria.

Various authors (Fombrun, 1997; Lesly, 1998; Nwosu, 1996; Ajala, 2001; Wilson, 2004; Regester & Larkin, 2002; Orukari, 2010) have in different expositions identified various strategies in corporate reputation management (CRM). In this study, the dependent variables to be measured are the following major strategies of CRM:

(a) Strategic communication
(b) Effective stakeholder engagement
(c) Corporate Social Responsibility (CSR)
(d) Issues & Crisis management
(e) Effective events management and protocol

1.2 Statement of the Problem

As one can deduce from the definition of Corporate Reputation Management (CRM), it is supposed to reduce community hostility, achieve better stakeholders’ rating, reduce pipeline vandalisation and oil spillages, as well as engender positive publicity for oil and gas companies in Nigeria.
CRM is supposed to engender positive perception of the company from its critical publics namely employees, customers, distributors, suppliers, contractors, bankers, regulatory agencies, the media, the community, top government officials, opinion leaders, etc. This is why corporate reputation is regarded as an invaluable intangible company asset (Mahon, 2002; Alsop, 2004, and Fombrun, 1996).

However, the oil companies selected for this study suffer so much reputation defects from constant negative media publicity. Various issues including hostile communities, environmental degradation, pollution, oil spillages, gas flaring, incessant labour unrests, alleged poor welfare packages, youth restiveness, kidnapping of oil workers, pipeline vandalisation, problems with regulatory agencies, etc have continued to generate negative headlines in national newspapers and airwaves (Haastrup 1997, Nwosu&Uffoh 2005, Ogedengbe 2007, Azaiki 2008, Obeta 2008). In fact, Nwosu and Uffoh (2005) are of the opinion that the oil and gas companies have over the years failed to adequately address most of the issued identified above.

Two major incidents captured by two newspaper editorials highlight the failure of oil and gas companies in addressing issues that impact negatively on their reputation:

“Shell’s latest oil spill --- For reasons that are difficult to understand, the issue of oil spills in the Niger Delta has not been receiving the kind of attention it deserves...The recent oil spill recorded by Shell Petroleum Development Company
of Nigeria has been described as the worst in the last one decade. Over 40,000 barrels of oil that was said to have leaked in the process of transferring the commodity from a floating platform onto a tanker, is certain to further increase the worry of the inhabitants of the oil-rich region (Punch, 11/1/12, pg 22)

“Chevron rig fire: A drama of insensitivity and suffering ---- A January 16, 2012 explosion and fire aboard a drilling rig in Chevron’s Funiwa Field, 10 kilometres offshore, has become the latest in a string of environmental disasters resulting from oil and gas-related operations in the Niger Delta region. The raging fire which caused massive destruction of fishes and other sea foods, has yet to receive due attention from the government and the multinational oil company, even as population in impacted communities face starvation and pollution-induced health challenges (Punch, 17/2/12, pg 18).

The IOCs have spent various sums on corporate social responsibility (CSR). For instance in 2010, Shell Petroleum Development Company (SPDC) spent a total of 65 million US Dollars in funding development projects in 244 communities in Nigeria (Shell in Nigeria, 2011). Another company, Chevron, spent a total of 56.7 million US Dollars on 425 communities in six years to fund various developmental and social welfare programmes (Chevron: 2011 Nigeria Corporate Responsibility Report).

In the same vein, Exxonmobil affiliate companies in Nigeria invested about US$280 million over the last decade (2000 – 2010) on strategic and sustainable community
investments in healthcare, education and capacity building initiatives (Vanguard, 2010).

As part of its corporate social responsibilities (CSR), the Nigerian Agip Oil Company (NAOC) also declared it has aided farmers’ cooperative societies, youths and women groups in its areas of operation with over N80 million as micro credit facility within the last four years (2005 – 2009)(Vanguard, 2009).

Azaiki (2008), Haastrup (1997) and Orukari (2010) affirm that the IOCs have adopted various strategies including Communication and community development. Despite the expenditures on CSR and communication, the companies still suffer community hostility, negative perceptions from the communities and bad press. The following newspaper headlines reflect the nature of bad press about oil companies in Nigeria:

- 10 Ijaw communities blame Shell for oil spill (Daily Champion, 13/7/09, pg. 26)
- Nigeria: Delta Assembly blasts Shell over oil spillages (Vanguard, 19/10/08,
- Oil spillage: Senate reads riot act to oil companies (Thisday, 7/11/2007
- Hundreds of protesters hold Shell workers hostage in Nembe (Sweet Crude, May 2012, pg. 102)
- Ikarama Community groans Under Oil Spills (Sweet Crude, December, 2009, pg. 52)
- Chevron Rig: Fire: A Drama of Insensitivity and Suffering (Punch editorial, 17/2/2012, pg. 18)
- Oil firms to face stiffer penalties for spillage (The Guardian, 6/10/2009, pg. 3)
- Oil industry ridden with corruption --- NEITI (Punch, 7/5/2012, pg 21)
Host communities question the so-called “huge budget on CSR”. They ask: “What is the percentage of the budget on CSR in relation to total revenue of the oil companies? Is the budget equal to the devastation on the environment, or the harm to human, caused by the oil companies?” The hugeness or otherwise of CSR can only be measured using three main perspectives: (1) Legal / statutory requirement (2) Economic framework (3) Ethical consideration.

The research problem is: Over the past five years (2007 – 2012), increasing expenses by the oil companies on Corporate Social Responsibility (CSR) has only succeeded in heightening restiveness in the host communities. Why? The CRM strategies deployed by the oil companies have not significantly achieved reduction in community hostility, pipeline vandalisation, oil spillages and bad publicity.

1.3 Research Objectives

The objectives of this study are as follows:

1. To evaluate the effectiveness of identified Corporate Reputation Management (CRM) strategies employed in selected oil and gas companies in Nigeria in the past five years (2007 – 2012).

2. To examine critically the full application of CRM strategies in the selected oil companies in the past five years.
3. To assess the extent of application of the following five CRM strategies in selected oil companies in the past five years:
   i. Strategic communication
   ii. Effective stakeholder engagement
   iii. Corporate Social Responsibility (CSR)
   iv. Events and protocol management
   v. Issues & Crisis management
4. To evaluate the impact of five CRM strategies on the operations, survival and growth of selected oil companies in the past five years.

1.4 Research Questions

The following research questions have been developed in line with the research objectives:

1. How effective are the five major CRM strategies identified in the research objectives in relation with selected oil and gas company in Nigeria in the past five years?
2. What is the level of application of CRM strategies in the oil and gas industry?
3. Where is CRM located in the overall organizational organogram --- considering the fact that CRM is supposed to be a top management function?
4. What is the extent of application of CRM strategies in the IOCs selected?
5. What is the level of impact of CRM strategies on the operations, survival and growth of the oil and gas industry in Nigeria?
6. Are regular evaluative research carried out in the selected oil and gas companies to assess impact of its CRM strategies?

7. What is the level of knowledge of the tenets and principles of CRM among the builders of reputation in the oil companies?

1.5. Research Hypotheses

Based on the stated objectives of this study, the following hypotheses are postulated for validation in the course of our research/study.

Hypothesis One:

Ho: In the past five years (2007 – 2012), International oil companies operating in Nigeria have not significantly adopted CRM strategies in their Public Relations practices and operations.

Hi: International oil companies operating in Nigeria have significantly adopted CRM strategies in their practices.

Hypothesis Two:

Ho: The CRM strategies identified are not highly effective in building and sustaining the reputation of the selected oil companies in Nigeria.

Hi: The CRM strategies identified are highly effective in building and sustaining the reputation of the selected oil companies in Nigeria.
Hypothesis Three:

Ho: Evaluative research about the effectiveness of CRM strategies was not significantly carried out in the Public Relations operations of the selected oil companies in Nigeria.

Hi: Evaluative research about the effectiveness of CRM strategies was significantly carried out in the Public Relations operations of the selected oil companies in Nigeria.

Hypothesis Four:

Ho: The level of knowledge of the tenets and principles of CRM in the selected oil companies is not significantly high.

Hi: The level of knowledge of the tenets of CRM in the selected oil companies is significantly high.

Hypothesis Five:

Ho: There is no significant correlation between CRM and successful business operations in the oil and gas industry in Nigeria.

Hi: There is significant correlation between CRM and successful business operations in the oil and gas industry in Nigeria.
1.6. Significance of the Study

This study is designed to enhance the practice of corporate reputation management, as well as contribute immensely to knowledge and literature in the all-important but volatile oil and gas industry in Nigeria. For instance, in Nigeria, there is no known detailed research or book written on the subject of corporate reputation management. Besides, despite the high importance of the oil and gas industry in the economic and socio-political development of the nation, there is still the dearth of relevant information for critical decision making.

It is expected that this research will unveil a lot of data and information about corporate reputation management practices and issues in the selected oil companies; and ultimately lead to better practices or application of the concept and its strategies to build, sustain, protect, project and repair corporate reputation. Oil company executives, regulatory agencies, government decision makers, students and practitioners of public relations will find the research quite useful and significant.

1.7. Scope of the study

For the purpose of this study, four major oil and gas companies operating in Nigeria have been selected for this study. They are:

1. Shell Petroleum Development Company (SPDC)
2. Chevron Nigeria Limited (CNL)
3. ExxonMobil/Mobil Producing Nigeria Unlimited
4. Nigerian Agip Oil Company (NAOC)

The choice of the four oil companies is based on the following criteria:

- To achieve a true representation of the major oil and gas companies in Nigeria. There are, indeed, five IOCs involved in Joint Venture (JV) exploration and production (E&P) operations in the country with the Nigerian National Petroleum Corporation (Nigeria Oil Handbook & Directory, 2005). Apart from the four IOCs identified above, the fifth is TotalFinaElf Nigeria Plc. Other oil and gas companies are ConocoPhillips, Pan Ocean, Dubri, AENR, Addax Petroleum, and many oil marketing companies.

- To capture a true representation of corporate reputation management practices in the oil and gas industry in Nigeria.

- To be able to reach the officers and managers of the four selected oil companies whose operational headquarters is in Port Harcourt where the researcher resides.

The study is restricted to the years between 2007 and 2012.

1.8. Limitation of the Study

Considering the secretive nature of the oil and gas industry, the main limitation for this study came in the area of sourcing of data/information from the selected oil companies. Being a highly regulated industry, much of the information in the industry are classified and inaccessible to the public.
However, my supervisor, Prof. J. O. Nnabuko wrote a letter to the regulatory body, the Department of Petroleum Resources (DPR), to allow the selected oil companies to release unclassified information/data for the study (Appendix 5).

This effort achieved significant result as DPR issued the required clearance letters to the four selected oil companies, and they cooperated in releasing most (not all) required data for this research (Appendix 6, 7 & 8))

Another envisaged limitation was logistics --- funds and facilities needed in gathering data. The researcher made concerted efforts and overcame these limitations.

1.9. Definition of Operational Terms

From the onset, it is important to give a clear definition or explanation of key concepts or terms in the topic of study. These include:

1) **Corporate Reputation Management (CRM) Strategies:** By “Corporate reputation management strategies”, we mean the specialized techniques or skills which are deployed in building, creating, monitoring, sustaining, projecting, promoting protecting and rebuilding public perception, public support, goodwill and mutual understanding with internal and external publics (stakeholders) of an organization to earn positive rating (evaluation/judgment) in comparism with its competitors or rivals.

The five CRM strategies identified for this study are listed below:
(a) Strategic communication

(b) Effective stakeholder engagement

(c) Corporate Social Responsibility (CSR)

(d) Events and protocol management

(e) Issues & Crisis management

Studies have shown that since the early 1990s, companies that neglected reputation management found themselves in serious decline while those who took CRM very seriously were found to have prospered through high market share, financial buoyancy, peaceful operations, corporate growth and high stakeholders' rating (Fombrun, 1996, Sherman, 1999; Orukari, 2010).

2) **The Oil and Gas Industry in Nigeria:** By this term, we mean in this context, a highly specialised and internationalised sector of the economy with a network of companies, government agencies, laws, systems and linkages involved in the discovery, exploration, production, transportation and marketing of crude oil, condensate, petroleum products and natural gas as well as all other derivables of oil (*Deregulation of the Downstream Sector of the Nigerian Petroleum Industry: Information for all Stakeholders, PPPRA*). It is the mainstay of the Nigerian economy and contributes about 95% of its foreign exchange earnings (*http://www.nnpc-nigeria.com*, 2011).

3) **Evaluation:** Evaluation in this context means “the systematic collection of information (data) about the activities, characteristics, and outcome of programmes, personnel, and products for use by specific people to reduce
uncertainties, improve effectiveness, and make decisions with regard to what those programmes, personnel, or products are doing and affecting (Watson & Noble, 2005)”. There are at least seven major types of evaluation as follows:

(a) “Effectiveness” (Impact Evaluation): This is a very popular type of evaluation. It focuses on outcome or result or performance or effectiveness of a variable over a period of time. It is usually an end-of-programme type of evaluation. In this study, “effectiveness” of CRM strategies would be measured on the following parameters:

(a) Less public complaints  
(b) Positive media publicity  
(c) Less public criticism  
(d) Less community hostility  
(e) Award and honours received from regulatory agencies.

The above parameters are based on the Frank Jefkin’s PR Transfer Process model (1985). Using the IOCs as case studies, the model would translate to:

(a) From community hostility to sympathy  
(b) From public prejudice to acceptance  
(c) From apathy about the company’s activities/programmes to interest.  
(d) From ignorance of the company’s activities/achievements to knowledge.
<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>HOW TO MEASURE EFFECTIVENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>REACH</td>
<td>• How well did the message reach the target audiences?</td>
</tr>
<tr>
<td></td>
<td>• What is the proof?</td>
</tr>
<tr>
<td>KNOWLWEDGE</td>
<td>• How well informed and educated is the audience about the company and its products?</td>
</tr>
<tr>
<td></td>
<td>• How do we know?</td>
</tr>
<tr>
<td>UNDERSTANDING</td>
<td>• Has the audience grasped the message?</td>
</tr>
<tr>
<td></td>
<td>• How can we tell?</td>
</tr>
<tr>
<td>PREFERENCES</td>
<td>• Has favour increased with the target audience?</td>
</tr>
<tr>
<td></td>
<td>• How do we know?</td>
</tr>
<tr>
<td>ATTITUDES</td>
<td>• Has the audience’s view been altered in a positive way in favour of the company?</td>
</tr>
<tr>
<td></td>
<td>• How do we know?</td>
</tr>
<tr>
<td>OPINIONS</td>
<td>• Have people’s opinions changed in the way that was intended?</td>
</tr>
<tr>
<td></td>
<td>• How do we know?</td>
</tr>
<tr>
<td>BEHAVIOUR</td>
<td>• Has target audience behaviour altered in the intended way?</td>
</tr>
<tr>
<td></td>
<td>• How do we know?</td>
</tr>
</tbody>
</table>

Figure 1: Measuring Effectiveness of a PR Campaign


(b) **Quantitative Evaluation:** This is the statistically measurable type of evaluation. It is scientific and methodical. It obtains data and analyzes them to reach conclusion. It deals with facts and figures.

(c) **Qualitative Evaluation:** This is evaluation through results that are evident but not easily measurable statistically. Such concepts as “loyalty” and “goodwill” can hardly be measured statistically.

(d) **Process Evaluation:** This is evaluation of the various processes leading to the completion of the programme. If the process is faulty, the programme would be adversely affected. For examples: were the objectives realistic and measurable? Was the message design and communication process okay?
(e) **Objective Evaluation:** This is empirical, scientific type of evaluation. It uses research (data collection and analysis) and painstaking studies to evaluate performance. The result is quantifiable and has a greater measure of reliability.

(f) **Subjective Evaluation:** This is what the Americans call the seat of the pant evaluation! It is based on a person’s “thinking” or “perception” or “intuition” or “Best of Judgment (BoJ)”. It cannot be proved scientifically.

### 2.10. Summary

This chapter has provided a lot of basic information about this study such as a general overview of the concept of corporate reputation management and its application in the oil and gas industry in Nigeria. Corporate Reputation Management (CRM), a multidisciplinary concept in Public Relations practice, is an important Management function in the oil and gas industry in Nigeria. Its five major strategies namely strategic communications, stakeholder engagement, corporate social responsibility (CSR), events management, as well as issues and crisis management have been employed in building, sustaining, projecting and repairing the reputation of selected oil and gas companies since the middle 1990s.

However, the companies have continued to suffer from hostile community agitations, negative media publicity and other reputational defects despite huge budgets to these areas. This has prompted the need to evaluate the effectiveness of the CRM strategies.
It has also clearly highlighted the statement of problem that has necessitated this study, what the research intends to achieve (objectives), research questions, and the research hypotheses.

This chapter has equally highlighted the significance of the study especially in enriching knowledge and literature, the scope of the study and the limitations of the study and how such limitations were overcome. Finally, the chapter ended with the definitions of operational terms such as CRM strategies, the oil and gas industry and evaluation.
REFERENCES


Chevron. 2011 Nigeria Corporate Responsibility Report, People, Partnership and Progress, a publication of Chevron Nigeria Limited

“Chevron rig fire: A drama of insensitivity and suffering” ----published in Punch, 12th Feb., 2012, pg. 18


Jackson, K., (2004), Building Reputational Capital: Strategies for Integrity and Fair Play that Improve the Bottom-line. UK. Oxford University Press

Kumar, S (1999), “Valuing Corporate Reputation” in Reputation Management: Strategies for Protecting Companies, Their Brand and Their Directors, AIGEurope.


Nkwocha, J.A (2010), “Reputation Management in the Oil & Gas Industry in Nigeria,” professional development lecture delivered to members of the Nigerian Institute of Public Relations on 7th October, 2010 in Port harcourt Nigeria


Orukari, B., (2010), Public Relations: The Most Excellent Profession, Port Harcourt Nigeria, Newsfair Communications

Punch Newspaper Editorial, Shell’s Latest Oil Spill, 11/12/2010, Pg. 22

Punch Newspaper Editorial, Chevron Rig Fire: A Drama of Insensitivity and Suffering, 17/2/2012, pg. 18


Shell in Nigeria: Briefing Notes, 2010

Shell in Nigeria: Briefing Notes, 2011

“Shell’s latest oil spill --- published 11th January, 2012, Punch newspapers, pg. 22


Wikipedia (2010), the internet dictionary
CHAPTER TWO

REVIEW OF RELEVANT LITERATURE

2.1. Introduction

To measure or evaluate the effectiveness of Corporate Reputation Management (CRM) strategies in the oil and gas industry in Nigeria requires a critical review of relevant literature. In this chapter, we undertook a comprehensive review of various literatures that are relevant to the study. Especially, we reviewed earlier studies on the subject matter, as well as different theories and models that later served as building block for this study and made a strong positive impact on this research report.

Further literature review helped us to see how earlier researchers, authors and experts viewed the subject-matter. From the reviews, we critically assessed the basic definitions of the concept already proffered by various authors, the difference between corporate image and corporate reputation, as well as the multi-disciplinary nature of corporate reputation.

We also undertook an overview of the oil and gas industry in Nigeria, the historical background and operations of the selected oil companies, the reputation management practices in the industry, the major issues generating reputation crises in the industry, and a profile of the regulatory authorities in the industry. This was indeed relevant to
the study because it gave us a better understanding of the oil and gas industry in Nigeria.

2.2. **Definitional and Conceptual Issues about CRM**

Corporate reputation is so important that the following quotations from prominent personalities capture its essence:

"It takes many good deeds to build a good reputation, and only one bad one to lose it!"

---- *Benjamin Franklin*

"It takes 20 years to build a good reputation and five minutes to ruin it!"

---- *Warren Buffet*

*Reputation. The only thing that can give your business a second chance!*

---- *Slogan by AIG Europe*

Despite the fact that CRM became a global phenomenon in big organizations since the mid-90s, its definition has remained controversial. Many scholars have attempted various definitions from different angles or perspectives, yet none has so far been accepted as the authoritative, precise, universal one (Barnett, *et al*, 2006).
For instance, Fombrun and van-Riel (1997:10) defined corporate reputation as “a collective representation of a company’s character... that gauges the firm’s relative standing both internally with employees and externally with its stakeholders.” This definition did not recognize employees as stakeholders, as against current view that employees are indeed very important, and one of the biggest internal stakeholder groups, and reputation ambassadors of any organization (Gotsi and Wilson, 2001). Bennett and Kottasz (2000) defined corporate reputation as “perceptions of an organization developed over time”.

One of the ways of arriving at a good definition of corporate reputation management is to dissect the three words and define them separately. For example, the New Lexicon Webster’s Dictionary of the English Language (1995: 846) defines “reputation” as a noun which refers to “the general opinion held by people about the merits or demerits of a person or thing or organization... the state or fact of being highly thought of or esteemed ... the good name of a person or thing earned through merit and distinction...”

Based on the above definitions, one can say that reputation, therefore, involves three key points namely:

1. General opinion or perception held by people, publics, stakeholders, individuals, or groups about a thing, person or organization.
2. A person, thing or organization being highly thought of, esteemed, respected or valued.

3. A good name, positive image or perception earned by a person, thing or organization through merit, distinction and excellence.

George (2008:5) however argues that Reputation may not necessarily be good or positive. According to him, it could be excellent, good, bad or ugly. According to him, “It is rare to find an organisation that can be boxed strictly into any of these categories. The reason is that an organisation may do well in certain indices of reputation-building and yet fall short of other areas”.

Oliver (2001:114) contends that the (British) Institute of Public Relations’ (IPR) earliest definition of Public relations is all about “reputation” --- the result of what you do, what you say, and what others say about you!” The definition says that Public relations practice is “the discipline which looks after reputation --- with the aim of earning understanding and support, and influencing opinion and behaviour...It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics.”

Nwosu (1996:123) also sees Public relations from the prism of building and sustaining “organizational reputation.” In a book chapter on “Corporate image and identity management”, he stated that Public Relations was focuses on helping to build and
sustain a favourable reputable and positive image for any organization through effective management of its corporate identity and corporate image. According to him, the concept also hinges heavily on the careful formulation and implementation of a sound corporate strategy to ensure positive corporate performance, which in turn brings about positive image and positive public perception.

Nwosu (1996:124) defined corporate image as the overall reputation of an organization as determined by various pictures, impressions, knowledge, information and perceptions that the publics of that organization have about it. He says it is also determined by multiple factors that include corporate performance, or non-performance, corporate identity and corporate communications over a period of time.

He argues that it is based on the above factors that individuals, groups of persons or business concerns decide whether to relate with an organization or not. He therefore advises that organizations must evolve good corporate mission, corporate identity, corporate image, corporate culture and corporate life-style and become good corporate citizens through good corporate social responsibility (CSR).

The problem with Nwosu’s definition is that it gives the impression that image and reputation are the same. This has been forcefully argued against by many scholars (Bennet, R., & Kottasz, R. 2000; Jackson, K. 2004; Cornelissen, J. P. 2004; Dalton, J.,
Leung et al (2011:4) described corporate reputation thus:

“"It is the overall perception (which) various stakeholders have about a business, product or service, both cognitive and emotional. A good reputation not only increases customers’ confidence in a company’s products, services and advertisements, it enables companies to achieve price premiums and win the war for talented employees. It can help companies to reinforce their competitiveness and cannot be easily imitated by rivals.”

Nkwocha (2010) defined corporate reputation as:

“The totality of how internal and external publics see and perceive an organisation based on various observations, impressions, knowledge, information; and most importantly its products and services, performance in the market place, corporate identity, corporate communication and corporate governance over a period of time”.

According to him, corporate reputation is the totality of what an organisation is, does, says or insinuates through its top executives, employees, products, services, programs, etc. Corporate reputation is now recognised as an invaluable corporate asset, and a critical success factor (CSF) in organisation’s profitability, competition and growth. He also sees reputation management as “all-embracing process of influencing the opinion,
behaviour or perception of the public to think highly of a person, thing or organisation; to earn goodwill, mutual understanding and support.”

Nkwocha (2010) therefore defined corporate reputation management thus:

“An emerging concept in Public Relations practice which deploys various PR strategies, tools and techniques to build, sustain, protect, rebuild and relaunch positive image, perceptions, impressions, knowledge and information about the organisation through excellent relationships with both internal and external stakeholders such as employees, shareholders, customers, community, government, the media, etc.”

According to him, the most critical components of reputation management for companies, governments, NGOs or VIPs are research, effective communication (oral and written), dynamic interaction and strategic information management.

Two comprehensive definitions of corporate reputation were offered by Barnett, Jermier & Lafferty (2006:34) thus:

“Observers’ collective judgements of a corporation based on assessment of the financial, social, and environmental impacts attributed to the corporation over time.”
Smaiziene & Jucevicius (2009:96) defined the concept thus:

“Corporate reputation can be defined as the evaluation of a company’s socially transmissible characteristics, practices, behaviour and results; settled over a period of time among stakeholders, that represents expectations for the company’s actions, and levels of trustworthiness, favourability and acknowledgment comparing to rivals”.

The limitation of most of the definitions above is that they have not addressed the challenge of managing corporate reputation. To fill that important aspect of this study, one turns to Akpala (1993), who defined Management as an organizational concept involved in the effective and efficient planning, organizing, controlling, directing, leading, coordinating and allocation of human and material resources to achieve organizational goals and objectives. Reputation management as a concept can, therefore, be vaguely interpreted as managing the reputation of a thing, person or organization “to exercise control over...to influence public opinion and behaviour.

Based on the above reviews of various definitions offered by various authors, it therefore follows that a comprehensive definition of the subject runs thus:

“Corporate reputation management is multi-disciplinary, holistic approach to Public relations that deals with effective planning, organizing, controlling and directing organizational resources to build and sustain excellent corporate culture and practices,
produce high quality goods and services, and earn positive public perception --- all aimed at achieving goodwill and positive stakeholders’ assessment of the company in relation with its competitors.”

2.3. The Concept of Strategy in Corporate Reputation Management

Many authors have reflected on the subject of strategy as a very important factor in the success and growth of corporate organisations. Hampton (1986) defined Strategy as “a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment in such a way as to ensure that the basic objectives of the enterprise are achieved”. Kotler (1986) argues that every organisation should practise strategic planning which involves developing “a clear company mission, supporting objectives and goals, a sound business portfolio and coordinated functional strategies”.

Thompson (1995) simply defines strategy as a means to an end: “The end concerns the purpose and objectives of the organisation”. According to him, there is a broad strategy for the whole organisation and functional strategies that relate to specific functions in the organisation. Benneth (1996) describes strategy as “the direction that the organisation chooses to follow in order to fulfil its mission”. Strategy is regarded as a long-term plan, which is different from tactics, the short term, day-to-day course of action.
Based on the above reviews, one can therefore infer that strategy is a road-map for achieving a mission or objective. In Corporate reputation management, strategy can also be defined in the context of “strategic planning”, “action plan”, “intended course of action”, “Specific direction”, “the means or process”, “specialised techniques” through which an organisation chooses to achieve its public relations objectives or mission or goal (Ogunsanya, 1991 and Oliver, 2001). CRM objectives are to build, project, protect, and sustain a good reputation for an organisation.

Ogunsanya (1991) submits that before proceeding on the implementation of any strategy, it is imperative to evaluate such a strategy to assess its ability to achieve the desired objective and minimise the risk of failure. According to him, the three parameters for evaluating a strategy are:

- **Conformity:** To assess whether the strategy conforms with the objectives, environmental assumptions and the desired internal conditions;
- **Suitability:** To determine the suitability of the strategy in the context of the company’s resources, capabilities, focus and time-frame;
- **Possibility:** Determine whether the strategy is possible; ascertain that it will elicit support from all stakeholders.

Based on the definitions above, it is clear that CRM strategies are a set of “best possible course of action” or a well-articulated “marshal plan” or “specialised techniques” to
achieve public goodwill and mutual understanding among various stakeholders; or to build, project, protect and sustain a favourable reputation of an organisation.

The following CRM strategies will be examined in this study:

1. **Strategic communication:** Many authors have viewed strategic communications from various angles --- as an important strategy in CRM. Oliver (2001) and Baus&Lesly (1997) see it from the angle of two-way communication, integrated communication or corporate communication that develops a consistent corporate message and tone that appropriately reflects the organisation in the way that the organisation wishes it to be reflected...messages (that) must be capable of being adapted creatively to be understood by the different audiences targeted; communication that would be appropriately understood to generate appropriate feedback, and targeted behaviour from stakeholders. This also involves public education and enlightenment about critical issues. Because this is the soul of CRM, Oliver (2001) says that many organisations have changed the nomenclature of their PR departments to Corporate Communications.

Nwosu (2004:83-84) examined the subject from the prism of synergistic communication, which “is guided by the principle of team management...creative cooperative communication that is trusting, open, respectful and progressive...that requires the communicator to be less antagonistic, less
defensive, less possessive, less adversarial, less self-centred, less political, less suspicious...but more empathic, more loving, more caring, more altruistic, more interdependent, more inter-relational, and more friendly”.

Christopher (2007: 73) calls it “participatory communication”, which is more of a dialogue than one-way communication or propaganda. Therefore, for any organisation, strategic communication involves well-planned and well-coordinated means of passing well-designed messages from the organisation to its stakeholders at the right time, in the right quantity to achieve well-defined objectives.

2. **Effective Stakeholders’ engagement:** Many authors (Orukari, 2010; Nwosu&Uffoh, 2005; Lesly, 1997, Regester and Larkin, 2002, etc) have identified effective stakeholders’ engagement as an important strategy in CRM. It involves partnership, consultation, dialogue, consensus and interactions (through various forums, meetings, interface, etc) with critical stakeholders in managing stakeholders’ issues, challenges, projects, programmes, and so on.

As Regester and Larkin (2002) put it,

“In today’s disaffected political environment, leaders in government and business are being called upon to embrace genuine public input. Public consultation is an increasingly important facet of outside-in thinking.
It is about building dialogue into the communication process to minimise conflict and to achieve as much consensus as possible in balancing the scale of protectionism and developmentalism.”

Ekekwe (2003) argues that in the past, stakeholder relationship management was not given the attention it deserved. According to him,

“Until the last five or six years, this relationship was more or less taken for granted. Not until the desperate actions (kidnapping, sabotage of facilities seizure of equipment) of some of the stakeholder groups began to threaten the companies’ licence to operate did it seem worthwhile to accord some priority to the departments in the companies which manage stakeholder relationships... More concerned with making profit than with any but the most pressing issues in the business environment, the companies failed for a long time to see positive, sustained and consistent stakeholder relationship as the social capital that it is.”

3. **Corporate social responsibility (CSR):** Many authors see corporate social responsibility (CSR) as an important strategy in corporate reputation management (CRM). Black (1989) submits:

“...It is now generally accepted that a large company has a responsibility to the community in which it operates. The
first duty is to stay strong and efficient so that it can continue to reward its shareholders and employees, while making a substantial contribution to the nation’s economy and welfare.”

This definition posits that CSR has wider perspectives than it is associated today with host communities only. For instance, Enemaku (2008) notes that:

“CSR as a public relations concept, is geared towards actualizing the public relations objective of maintaining a conducive environment for business operations and contributing significantly to the development of the community within which the organization exists and from which it derives its sustenance.”

This, according to him, projects the company to its host community, the public and the government as being a socially responsible corporate citizen (Enemaku, 1998). Some people confuse CSR with Community relations, which is a branch of Public relations. Osho and Alakija (2008), have however argued that CSR goes beyond community relations, insisting that community relations is part of CSR. Based on review of the postulations of Black (1989), Seitel (2004), Ajala (2001), CSR is involved in general enhancement of quality of life in society through various programme including the following:

(a) **Social amenities for host communities**: These include building roads, schools, water schemes, hospitals, rural electrification, markets, etc.
(b) **Job Opportunities**: Providing jobs for indigenes of host and neighbouring communities, empowerment programmes such as skill-acquisition schemes and micro-credit facilities for youths and women, etc.

(c) **Scholarship schemes**: This is for both host communities and the larger society, especially for indigent students, or for special courses such as engineering, medicine and sciences.

(d) **Environmental protection and Beautification**: Building and maintenance of beautiful gardens across the city, ensuring a clean and safe environment by mainlining good environmental management system, preventing pollution of the environment, and general acts to safeguard or protect the ecosystem and aquatic life.

(e) **Corporate donations and sponsorships**: Donations in support of good causes such as educational endowments, sports competitions, arts exhibitions, cultural displays, donations to charity or non-profit organisations, and other philanthropic activities.

(f) **Compliance to Regulations**: Ensuring that it complies to all statutory regulations such as taxes, levies, industry standards, corporate governance codes, statutory disclosures, occupational health and safety standards, etc.

4. **Issues and Crisis Management**: Issues and Crisis management constitute a major twin strategy in corporate reputation management. Where it is neglected, an organisation’s reputation suffers. Issues and crisis are linked. As Regester and
Larkin (2002) put it, “there is a growing litany of corporate and government mismanagement of issues which pose a threat to the most important of all assets – reputation. The top 250 companies in the UK, when surveyed by the Association of Insurance and Risk Managers in January 2000, claimed that damage to reputation was the biggest business risk they faced.”

Regester and Larkin (2002) defined issues management as “a proactive, anticipatory and planned process designed to influence the development of an issue before it evolves to a stage which requires crisis management”, stating further that an issue ignored can turn quickly into a crisis. Giving more insight into the subject, they said:

“Issues management involves looking into the future to identify potential trends and events that may influence the way an organisation is able to operate but which currently may have little real focus, probably no sense of urgency and an unclear reference in time... With issues management, organisations should be aiming to eliminate any possibility of outrage, often by trying to anticipate trends, changes and events that may have a bearing on the ability of the corporation to continue to operate or, indeed, achieve competitive benefit”

In 1978, the US Public Affairs Council defined issues management as “a program which a company uses to increase its knowledge of the public policy process and enhance the sophistication and effectiveness of its involvement in that process.”
In the same vein, Jones and Chase (1979) defined issues management as “a tool which companies could use to identify, analyse and manage emerging issues and respond to them before they become public knowledge”, arguing further that most companies reacted after the fact and were forced to accept what new regulations and guidelines were given to them.

Based on various submissions of experts, effective issues management has the following advantages:

- Prevents crisis in an organisation
- Enhances corporate reputation
- Increases market share
- Saves money (eg: cost of litigations, compensations) for the organisation
- Builds important relationships

In this study, some public policy issues that have the potential to affect the oil and gas industry in Nigeria have been identified. They include the Petroleum Industry Bill (PIB), gas flaring, local content development Act, deregulation of the downstream sector of the oil and gas industry, pollution, oil spillage, environmental degradation, etc.

In the area of crisis management, Regester and Larkin (2002) have provided many case studies of effective crisis management or otherwise – the Exxon Valdez oil spill incident of 24th March, 1989; TotalFina and Erika oil spill incident,
etc. Crisis management as a CRM strategy has two components: preventing a crisis from occurring and making plans to tackle it effectively if it occurs. Nkwocha (2009) posits that crisis management involves taking appropriate measures to either prevent crisis before it occurs or control it promptly when it occurs. He makes a distinction between “crisis management” which is proactive, preventive and pre-planned in nature; and “management of crisis” which literally means managing a crisis that has occurred – and involves taking sporadic, fire-brigade, and reactive, largely un-coordinated actions to quench the crisis. Crisis management is therefore planned, and helps organisation to either prevent crisis or minimize the impact of one that occurs.

In the Nigerian oil and gas industry, issues and crisis management remains critical issues as captured by Ekekwe (2003):

“A spillage in a community as a result of the activity of any company soon becomes internationalised, depending on the magnitude. Once the report, thanks to the media or some concerned non-governmental organisations (NGOs), hits the internet, the most powerful stakeholders react. Such reports tend to quickly become reputation and ethical issues.”

In the oil and gas industry, incidents that require crisis management include:

- Oil spillages
- Kidnapping of oil workers
- Gas leaks and explosions
5. **Events Management and Protocol Services:** Managing special corporate events such as annual general meetings (AGM), courtesy visits by top government officials, inspection visits by regulatory authorities, launching of new products or programmes, commissioning of new projects, staff end-of-year parties, etc, is an important strategy in Corporate Reputation management. As Ali (2001) put it, “Much PR activity is event-based, making events management a fundamental PR skill.” According to him, CRM executives should come up with creative ideas for an event, select the venue with care, and plan down to the very last detail to ensure a day to remember. How well or otherwise an event is managed impacts on the reputation of an organisation.

<table>
<thead>
<tr>
<th>KEY COMPONENTS</th>
<th>HOW TO PLAN EFFECTIVELY</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE OF EVENT</td>
<td>• Choose a date that will not clash with other big events</td>
</tr>
<tr>
<td></td>
<td>• Avoid setting a date an adverse date, such as an outdoor event in winter.</td>
</tr>
<tr>
<td></td>
<td>• Choose a date that compliments the event</td>
</tr>
<tr>
<td></td>
<td>• Enough time should be given for proper planning (depending on the event)</td>
</tr>
<tr>
<td>PLANNING COMMITTEE</td>
<td>• Select a planning committee – people who have time and skills</td>
</tr>
<tr>
<td></td>
<td>• Pick a team leader to coordinate</td>
</tr>
<tr>
<td></td>
<td>• Draw list of things to be done to the last detail, and assign responsibility to each member. Follow up and cross-check that responsibilities are actually being carried out.</td>
</tr>
<tr>
<td>VENUE</td>
<td>Ensure nothing is overlooked.</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>The location of an event must be chosen carefully to suit the type of</td>
<td>Appoint events manager</td>
</tr>
<tr>
<td>function.</td>
<td></td>
</tr>
<tr>
<td>Ensure the venue generates positive image for the event (&quot;The venue</td>
<td></td>
</tr>
<tr>
<td>makes the event&quot;); a venue that compliments your corporate image; a</td>
<td></td>
</tr>
<tr>
<td>prestigious venue.</td>
<td></td>
</tr>
<tr>
<td>Check that a proposed venue can accommodate number of persons invited;</td>
<td></td>
</tr>
<tr>
<td>That it has all requirements – relevant facilities such as ACs, PA</td>
<td></td>
</tr>
<tr>
<td>system, lightening, presentation equipment, special needs of disabled,</td>
<td></td>
</tr>
<tr>
<td>etc.</td>
<td></td>
</tr>
<tr>
<td>That the venue has all relevant conveniences, parking spaces,</td>
<td></td>
</tr>
</tbody>
</table>

| CATERING                                                             | Decide the quality, quantity and price of food and refreshments; |
|                                                                     | Decide on menu (continental, national, local, etc)               |
|                                                                     | Check if the venue allows for outside caterers                   |
|                                                                     | Take care of special dietary needs of vegetarians, vegans,      |
|                                                                     | people with food allergies, etc.                                 |

| GUEST LIST                                                           | Draw up list of all invitees – – Chairman of event, guest      |
|                                                                     | speakers, moderators, special guests, guests, Masters of        |
|                                                                     | ceremony, etc                                                  |
|                                                                     | Invitation cards should be prepared well in advance and        |
|                                                                     | distributed;                                                   |
|                                                                     | Send reminders to speakers and special guests;                  |
|                                                                     | Guests must be courteously and pleasantly treated at event.    |

<p>| ENTERTAINMENT                                                       | Musicians, singers, dancers, comedians, or other performers    |
|                                                                     | or activities planned for the event must be well-coordinated.  |
|                                                                     | Try to see any entertainer inaction before you hire them        |
|                                                                     | Find out what facilities entertainers will need, such as a      |</p>
<table>
<thead>
<tr>
<th>FACILITIES /SERVICES NEEDED</th>
<th>FACILITIES /SERVICES NEEDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairs and tables</td>
<td>Chairs and tables</td>
</tr>
<tr>
<td>Public address system</td>
<td>Public address system</td>
</tr>
<tr>
<td>Lectern</td>
<td>Lectern</td>
</tr>
<tr>
<td>Generator (for alternative power)</td>
<td>Generator (for alternative power)</td>
</tr>
<tr>
<td>Music set</td>
<td>Music set</td>
</tr>
<tr>
<td>Photo and video coverage</td>
<td>Photo and video coverage</td>
</tr>
<tr>
<td>Decoration</td>
<td>Decoration</td>
</tr>
<tr>
<td>Security</td>
<td>Security</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEGAL AND SAFETY ISSUES</th>
<th>LEGAL AND SAFETY ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take all steps to ensure safety of invitees to the event.</td>
<td>Take all steps to ensure safety of invitees to the event.</td>
</tr>
<tr>
<td>Check if you need police permit</td>
<td>Check if you need police permit</td>
</tr>
<tr>
<td>Ensure there is adequate security</td>
<td>Ensure there is adequate security</td>
</tr>
<tr>
<td>Check if any local or national laws apply.</td>
<td>Check if any local or national laws apply.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCE &amp; BUDGET</th>
<th>FINANCE &amp; BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>All events require proper funding and budgeting.</td>
<td>All events require proper funding and budgeting.</td>
</tr>
<tr>
<td>Budgeting should be specific and cover all items</td>
<td>Budgeting should be specific and cover all items</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROGRAM OF EVENTS</th>
<th>PROGRAM OF EVENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Draw up program and follow it through.</td>
<td>Draw up program and follow it through.</td>
</tr>
<tr>
<td>Give timeline to all items on the program.</td>
<td>Give timeline to all items on the program.</td>
</tr>
<tr>
<td>Get speakers to stick to time allotted to them</td>
<td>Get speakers to stick to time allotted to them</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D-DAY</th>
<th>D-DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least one hour before commencement of event, ensure all is set.</td>
<td>At least one hour before commencement of event, ensure all is set.</td>
</tr>
<tr>
<td>Test-run all facilities and equipment before event starts.</td>
<td>Test-run all facilities and equipment before event starts.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EVALUATION</th>
<th>EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do post-mortem to see whether event was successful or otherwise.</td>
<td>Do post-mortem to see whether event was successful or otherwise.</td>
</tr>
<tr>
<td>Learn the lessons for future improvement</td>
<td>Learn the lessons for future improvement</td>
</tr>
</tbody>
</table>

**Figure 2: Key Components of any Events Planning**

2.4. CRM in the Practice of Public Relations

Corporate Reputation Management (CRM), although it is now seen as being multidisciplinary in nature by some authors (Smaiziene and Jucevicius, 2009; Mahon, 2002; Moorthy, 1985), it has its foundations in Public Relations practice (Fombrun, 1997).

Indeed, the (British) Institute of Public Relations (IPR) founded in 1948 adopted a definition which was amended in November 1987 to read: “Public relations practice is the planned effort to establish and improve the degree of mutual understanding between an organization or individual, and any groups of persons or organisations, with the primary objective of assisting that organization or individual to deserve, acquire, and retain a good reputation (Black, 1989; Bowman & Ellis, 1977).” That means that public relations has always been aimed at efforts to deserve, acquire and retain a good reputation.

On October 27, 1807, Thomas Jefferson, the 3rd President of the United States used the term “public relations” in his seventh address to Congress. So, Public relations has been a strong professional practice in the United States, United Kingdom (Black, 1989, Jefkins, 1985), South Africa (Skinner, Essen and Mersham, 2001) and Nigeria (Nwosu, 1996).
In Nigeria, Public Relations is a chattered profession, recognised by Law – Decree 16 of 1990 (now an Act of the National Assembly). It has its distinct body of knowledge, code of professional conduct for all practitioners, and legal authority. The profession is regulated by the Nigerian Institute of Public Relations (NIPR). Information about Public relations practice in Nigeria is well documented by various Nigerian authors (Nwosu, 1996, Nkwocha, 2009; Adamolekun&Ekundayo, 2002; etc). Based on the above reviews, it is certain that CRM is therefore rooted in Public relations practice.

2.5. Multi-disciplinary Nature of Corporate Reputation

Many researchers in marketing and the behavioural sciences believe that corporate reputation transcends the fields of Public Relations and communications. For instance, Smaiziene and Jucevicius (2009) argued that corporate reputation is a concept with exceptional multi-disciplinary richness. According to them, fragmentary research on reputation (individuals and organizations) can be found in sociology, psychology, economics, marketing and other disciplines.

(a) In Sociology: In the field of sociology, corporate reputation is viewed as social phenomenon, mechanism of social control, group dynamics, and organisational interaction with a group of stakeholders. Fombrun and van-Riel (1998) stated that “organizational sociologists point out that reputation rankings are social constructions that come into being through the relationship that a firm has with its stakeholders in a shared institutional environment”. According to the authors, in sociological view, corporate reputation is an "indication of
legitimacy...aggregate assessments of a firm’s performance relative to
expectations and norms in an institutional field”.

(b) **In Psychology:** In the field of Psychology, corporate reputation is treated as a
mechanism for evaluating risk of interaction between an organization and its
publics or stakeholders. Positive corporate reputation signals high level of
company’s trustworthiness and low level of risk, and therefore can play a role of
catalyst in making a decision to buy, decision to invest, to make a contract or to
be employed (Smaiziene and Jucevicius, 2009)

(c) **In Economics:** In the field of economics, corporate reputation is considered as
a company’s traits that signal of its possible behaviour and actions towards
stakeholders, signal about a company’s presumable actions in the market (Davies
2003), its intrinsic value in the organization (Fombrum, 1996) and as an
intangible asset in the organization (Mahon, 2002). Furthermore, corporate
reputation in economics is seen as medium in seeking competitive advantage in
the market of goods and services (Mahon, 2002) as well as one of the intangible
resources that influence a company’s abilities, strategies and competitiveness
(Grant, 1998).

(d) **In Marketing:** Marketing scholars have always treated corporate reputation as
a force that has potentials to attract customers and encourages their loyalty, as
well as a factor that may influence selling-buying processes (Smaiziene and
Jucevicius, 2009). Branding which is a marketing term is also usually associated
with reputation. Indeed, Moorthy (1985) argued that brand represents corporate reputation. That may not be exactly true today. In a summarized submission, Bontis et al. (2007) argue that corporate reputation serves as a partial mediator of two links: customer satisfaction and loyalty, as well as satisfaction and recommendation. The authors insist that customer loyalty and the likelihood of customer recommendation can be enhanced by increasing reputation.

(e) **In Human Resources Management (HRM):** Employees are strongly regarded as the most critical resource of an organization that influence corporate reputation. In the field of HR management therefore, employees are considered as ambassadors of corporate reputation (Gotsi and Wilson, 2001) and ignoring them hurts the company. Employees are the vehicles for developing corporate culture and corporate identity which are basic elements of corporate reputation. Most members of the public pick their information about an organization from their employees. Employees can talk positively or negatively about their organization based on information at their disposal (corporate communication), affinity and motivation.

2.6. **Differences between Corporate Reputation and Corporate Image**

As indicated in the last section, many scholars have forcefully argued that corporate reputation should not be used interchangeably with corporate image or corporate identity. Some of the arguments, as summarized in the following table is that corporate image can be created while corporate reputation can only be earned. This might be just
a matter of semantics. There is also the argument that image takes a very short time to build while reputation takes a longer time. These arguments might be seen as a matter of mere semantics or mere movement from one old term to a new one.

<table>
<thead>
<tr>
<th>Corporate Image</th>
<th>Corporate Reputation</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Corporate image is the perception that external observers (stakeholders) have of the firm.</td>
<td>Corporate reputation is the net result of the aggregation of these perceptions of the firm.</td>
<td>Fombrun &amp; Riel (1997)</td>
</tr>
<tr>
<td>2. Corporate image can be created in a pretty shorter period of time.</td>
<td>Corporate reputation is generated over a long period of time.</td>
<td>Bennet &amp; Kottasz (2000)</td>
</tr>
<tr>
<td>3. Corporate image targets consumers exclusively, and is brand-based.</td>
<td>Corporate reputation targets all key stakeholders – consumers, employees, investors, business partners, community, etc</td>
<td>Jackson (2004)</td>
</tr>
<tr>
<td>4. Corporate image is related to an individual’s sudden impression of a company</td>
<td>Corporate reputation represents evaluations aggregated over a period of time about a company.</td>
<td>Cornelissen (2004)</td>
</tr>
<tr>
<td>5. Corporate image is easy to attain and determine.</td>
<td>Corporate reputation has relative consistency and inertness, and may not be shaped fast and easy. It is established over time as a result of organisational actions, behaviour and communications.</td>
<td>Joep (2004)</td>
</tr>
<tr>
<td></td>
<td>A company’s image can be created.</td>
<td>A company’s reputation should be earned.</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>7.</td>
<td>Strong corporate image created by powerful public relations, advertisement and communication programmes can present a company in a positive light but they cannot make it better than it really is, and keep the obligation to the company’s stakeholders.</td>
<td>Corporate reputation is truthful presentation that earns the confidence and goodwill of stakeholders through good operational performance, ethical behaviour and truthful communications</td>
</tr>
<tr>
<td>8.</td>
<td>Corporate image deals with such issues as recognising the company, recalling it, knowing what the company does, etc. Corporate image therefore can create one’s intention to buy and give a try for a company’s goods and services.</td>
<td>Appreciation and recognising a company to be the best producer of goods and services to a customer, best place to work for an employee, best business partner, etc is represented by corporate reputation.</td>
</tr>
<tr>
<td>9.</td>
<td>Corporate image is peripheral.</td>
<td>Corporate reputation deals with stakeholders’ values and expectations. It deals with holistic stakeholders’ evaluation of a company and its processes and results based on their expectations.</td>
</tr>
<tr>
<td>10.</td>
<td>Corporate image is observers’ general impressions of a company’s distinct collection of</td>
<td>Corporate reputation is the judgements made by observers about a firm; and</td>
</tr>
</tbody>
</table>
symbols, whether that observer is internal or external to the firm.

such judgment is rooted in perceptions of the firm’s identity and impressions of its image.

| Figure 3: Distinction between Corporate Image and Corporate Reputation |
| Source: Adapted from various identified sources above |

2.7. Corporate Reputation and Brand Reputation: What Distinction?

Trying to distinguish corporate reputation and brand reputation has over the years engaged the attention of academics and researchers. For instance, Ettenson and Knowles (2008) argue that they are two distinct constructs, and “failing to make that distinction can lead to costly mistakes”. According to them, “brand is “customer-centric and is about relevancy and differentiation; while corporate reputation is “company-centric” and is about legitimacy. Corporate reputation deals with the entire organization – its corporate character, culture, policies, practices, products, etc and the assessment of stakeholders; while the former deals mostly with the product/entity --- differentiated with distinct features, values and bundle of benefits, elevated to a class of its own (Kapferer, 2004).

This means that there are organizational brands (corporate brand) and product brands. And “product” used here in a generic sense includes tangible manufactured product, intangible service provided by a company, or an entity packaged as a brand.
The brand reputation is vulnerable. In a matter of seconds, any unethical competitor, or disgruntled employee or customer can go online and post negative information about the brand. The company may have done nothing wrong; the negative information may not be true, but the impact can be devastating to the brand’s reputation, and the fortunes of the company. So, the brand’s reputation must be protected from disgruntled persons or competitors. If the reputation of the brand is clean, the company should still take action to protect the brand online by building a strong reputation firewall. If you have negative publicity online, you need to act immediately to move the defamation out of sight of your customers and prospective customers. The longer you wait, the worse it will be for your brand’s reputation.

2.8. Key Drivers of Corporate Reputation

It is a fact that organizations should earn their reputation. Different public relations scholars and practitioners have identified various things that determine a good or bad corporate reputation. For instance, research (Fortune Corporate Reputation Index) shows the following seven key drivers of corporate reputation:

1. Financial performance, profitability and long-term investment value.
2. The quality, character and integrity of the chief executive and senior management team.
3. Quality of the organisation’s products and services.
4. Treatment of staff (welfare, motivation, discipline, etc).
5. Social responsibility, community relations and environmental protection.
6. Customer service; and
7. Ability to communicate effectively with all stakeholders.

George (2008) also identified ten factors that affect an organization’s reputation positively or negatively. They are:

1. Relationship with employees
2. Work environment and management practices/policies.
3. Relationship with various critical stakeholders including customers, contractors, suppliers, bankers, journalists, government, community, competitors, etc.
4. Compliance with laws and regulations in the industry and country at large.
5. Product quality and service delivery including after sales service.
6. Response to innovations, new technology, new techniques, etc.
7. Corporate social responsibility and community relations.
8. Issues and crisis management.
9. Media reports
10. Internet

In recent times, one other thing that drives corporate reputation is corporate governance practices. This involves openness, transparency, accountability and honesty of directors and management in financial reporting to regulatory authorities and shareholders. Adherence to corporate governance makes an organization to be
perceived as an entity of honour and integrity! The case of Cadbury Nigeria Plc is a good example of how poor corporate governance can ruin an organization’s reputation. In late 2006, the board of the company discovered a massive falsification of the company’s financial records through a significant overstatement (of turnover and profit) over a few years, leading to grave financial loses of between N1.23 billion to N2.46 billion (Businessday, 2006).

The motive of the overstatement was to make the company to look good in the eyes of the public and therefore fool the investing public. The Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE) later suspended the shares of the company while the board sacked the Managing Director/CEO Mr. Bunmi Oni and the Financial Director, Mr. Ayo Akadiri.

Kapferer (2004: 29) argues that companies have become very sensitive about their reputation. According to him, formerly they used to be sensitive about their image until that term lost its glamour due to much publicity about “image makers”, which gave the impression that image was an artificial construction. He says that reputation has more depth, is more involving, and is a judgment from the market place (stakeholders) which needs to be preserved. According to him, because changes in reputation affect all stakeholders, companies monitor and manage their corporate reputation closely.
2.9. Stakeholders’ Perception in Corporate Reputation

Fombrun (2010) in a study for the Reputation Institute (RI) examined what he called the stakeholders’ perception of corporate reputation. According to him, there are six major benefits of positive, powerful reputation management on a company from stakeholders’ perspectives. These are:

1) Increased sales of the company’s products and services.
2) Company attract the services of talented employees
3) Company earns investors’ confidence.
4) Great business growth for the company
5) Company gains market leadership
6) Company builds stakeholders’ loyalty.
Figure 4: The Six Dimensions of Corporate Reputation


2.10. Benefits of Solid Corporate Reputation

Almost every corporate organization (company, government or non-commercial entities) seems to have realized the need for a solid corporate reputation. This can be seen from the fact that most big organizations now have in-house public relations departments or Public relations consultants who manage their image and reputation on sustainable basis. Although it is difficult to clearly pinpoint the exact financial value of a good
reputation to an organization, Sherman (1999) says it can achieve the following nine values:

1. Attract net-worth investors and business partners to the organization.
2. Help to push the organisation’s products and services in the market place (competitive edge).
3. Protect the business in times of crisis.
4. Easy access to credit and capital
5. Industrial harmony
6. Attract the best recruits and future leaders of the organisation
7. Attract public goodwill on the organisation’s workforce.
8. Brand edge and value over competitors (banner of distinction and excellence in public eye).
9. Enhance an organisation’s profitability, growth and survival

From all the points marshaled above, it is right to conclude that corporate reputation management is a very important activity in any organization that desires to grow and survive in the emerging world of globalization, competition and commercialisation. No organization should toy with it!
2.11. Specialised Areas of Corporate Reputation Management.

The fundamental objectives of corporate reputation management are achieved through well-planned and executed strategies in major functional areas. The following are the major ones as identified by various authors and experts:

(1) Employee Relations/communications

Lesly (1997), Black (1985), etc see employees are indispensable assets of any organisation. As one of the company’s stakeholders, all efforts are made to pay them well (salary & allowances), and communicate with them effectively on major management policies, issues and decisions. Employee Relations & Communications management engages in the following:

- Regular monitoring of the moods, opinions, perception of staff through observations, interviews, discursions, surveys, questionnaires, etc.
- Regular information dissemination on company policies, programmes, procedures and activities to employees through the notice boards, in-house magazines, daily news service, etc.
- Administration of complaints/suggestion boxes in various strategic locations in the complex or intranet portal to enable employees to air their suggestions, views or vent their anger on various issues.
- Organising of end-of-year parties, integration programmes, and other events to help staff to unwind.
(2) **Community Relations & Development**

Ogedenge (2007), Azaiki (2008), Orukari (2010) point out that organisations must take their relationship with host communities very seriously. This ensures peaceful operations of the company and development for the communities. Most corporate organisations such as Shell, etc sign MoUs (Memorandum of Understanding) with the communities. It specifies areas of assistance to the communities and their responsibilities, such as:

- Employment opportunities for indigenes
- Contract for indigene-entrepreneurs
- Youth empowerment including training and sports
- Infrastructural development as in rehabilitation of roads, schools, rural electrification; construction of boreholes, provision of healthcare facilities, etc
- Recognition and invitation of community leaders to company social events
- Involvement in communities’ socio-cultural activities.

On the other hand, host communities pledge to ensure peaceful and harmonious environment for the company to operate; and support the company in various ways.

(3) **Corporate Publications**

Many companies publish in-house newsletters, magazines, journals, bulletins, etc, which are devoted to news stories and features about the company’s activities, products and corporate events/visits, as well as articles by staff on various subjects. It also devotes some pages to sports, humour, and socials, especially weddings, naming ceremonies,
and obituaries involving employees. Such publications are distributed widely among employees, customers, top government officials, other corporate organisations in the country, community leaders, etc. The main objective of such publications is to inform and educate the publics about the company activities and programmes, and project the image of the company among its diversified stakeholders and the general public.

(4) Media Relations

Nkwocha (2009) states that for an organisation to achieve positive corporate reputation, it is indeed very important to maintain cordial relations with the news media. Corporate reputation management tools in Media Relations include:

- Regular issuance of press releases/press statements
- Getting the media to cover events of the company
- Regular media monitoring
- Appreciation for journalists
- Media kit
- Press conference
- Documentary films
- Syndicated articles
- Corporate events photographs

These strategies have always resulted in positive media reports on the company.
(5) Events Management and Protocol Services

All corporate events in most companies should be organized in mature and professional manner to satisfy all concerned and project positive reputation of the organization. Examples of corporate events include corporate visits by top government officials and agencies, captains of commerce/industry and other very important personalities (VIPs), facility tours, plant excursions, end-of-year parties, seminars, exhibitions, annual general meetings (AGMs), etc.

At any of such events, the programme is properly planned, responsibilities are assigned, and everyone is made to carry out his or her duties in a diligent manner. Responsibilities include:

- Date and venue selection
- Selection of events manager and planning committee
- Travel arrangements and hotel accommodation
- Security clearance
- Plant tour arrangements
- Presentation arrangements
- Refreshments
- Presentation of souvenirs
- Publicity
(6) **Issues & Crisis Management**

Regester and Larkin (2002), and Skinner & Mersham (2002) stressed the need for companies to recognize the imperative of proactively managing all issues to avert any crisis situation. According to them, issues at stake in most corporate organisations are:

- Environmental pollution
- Labour unrests
- Community agitation
- Health and safety issues
- Product failure/fakery
- Industrial accidents
- Scandals/fraud

All the above issues usually attract negative media publicity and must be avoided. The authors mentioned above insist that companies must have crisis management plan in case a disaster or crisis occurs.

(7) **Government Relations**

Adamolekun and Ekundayo (2002) affirm that one of the critical stakeholders of any organization is government officials and regulatory bodies; and are very important that companies must recognize the need to relate very well with them. These include officials at the federal, state and local government levels --- executive, legislative and judicial arms of government.
As part of protocol and respect for government, the portraits of the President and the State Governor should adorn the reception of the corporate offices of companies with the Coat of Arms of the Federal Republic of Nigeria. Nigeria’s flag also adorns the premises of most companies as part of their government relations. The company must also pay taxes, levies and duties, etc promptly; and obey all government laws, regulations and directives.

(8) Corporate Social Responsibility (CSR)

Oso and Ajayi (2008), Orukari (20010) and indeed many authors have affirmed that CSR is a veritable platform through which companies give something back to society to reciprocate public goodwill and support. Such companies try to support good causes, sponsorships, donates to charity, and be a good corporate citizens in host communities through scholarships, building of schools, women empowerment through micro-credits, etc.

Examples of the company’s CSR initiatives include the following:

- Community development projects
- Scholarships to indigent students
- Donations to charity.
- Sponsorship of good causes and events.
- Institution of chair in universities to facilitate learning and research.
2.12. PR/Corporate Reputation Management Models

There are various models, which have been propounded by various authorities for solving public relations problems or carrying out public relations activities or campaigns in the corporate reputation management (CRM).

Some of the tested CRM models have been reviewed hereunder:

(a) The RACE Model

The RACE model of CRM has not been attributed to any known originator but Black (1989) acknowledged that it is one of the foremost models in Public relations practice. Nwosu and Uffoh (2005) stated the RACE model is “perhaps, the earliest and most widely cited model in modern Public relations practices”. R-A-C-E is an acronym for four different words namely Research, Action, Communication and Evaluation. It explains the Public relations process, which adopts a systematic approach in carrying out any public relations activity. Such a process begins with research into the issue; then takes appropriate action, which is effectively communicated; and finally evaluation to assess success or failure of the project.

In explaining the R-A-C-E model, Black (1989) states that a typical public relations activity is supposed to take four separate but related parts as follows:

1. Analysis, research and defining of the problem (or issue at stake).
2. Drawing up a programme of action and budget.
3. Communicating and implementing the programme.
4. Monitoring the result, evaluation and possible modification.

In modern corporate reputation management practices, the RACE model has remained an operational guideline, which is applied to meeting the day-to-day needs of organisations. A similar model named R-I-C-E-E was propounded by Ikechukwu Nwosu (1996). It stands for Research, Information, Communication, Education and Evaluation. The model looks like a mere adaptation of the RACE model, which can be applied in any corporate reputation management problem in the oil and gas industry in Nigeria.

(b) The Six Point PR Planning Model

The Six-Point Planning model in Public Relations was propounded by Frank Jefkins (1985) as a unique guideline to help PR practitioners to do their work in a systematic and effective manner. It is also called the A-D-D-C-B-E model, which stands for the following:

1. Appreciation of the situation
2. Defining of objectives
3. Defining of publics
4. Choice of media and techniques
5. Budget
6. Evaluation of results

In this model, Jefkins believes that any PR activity should begin with an appreciation of the situation at stake, a kind of research or overview to understand the issue properly.
This is followed with a definition of the goals or objectives which the organisation wants to achieve by which results can be measured. This is then followed with identification of the publics, audience, stakeholders or target groups to communicate with. The next is the choice of the media to use such as newspapers, TV, radio, house journals, billboards, handbills, etc, and the specific techniques or strategies or tools to adopt. Budgeting of the programme comes next to show how much money is needed and for what specific purposes. According to Jefkins, the last thing to do is the evaluation of results based on the objectives identified earlier.

Jefkins’ Six-Point model has been criticised on the ground that it failed to include two major aspects of PR activity --- design of messages and execution of programme. The criticism is based on the fact that if there is no “design of message”, then there will be no need for choice of media and technique; and if there is no “execution of the activity”, then there will be no need for evaluation.

Based on this valid observation, a more appropriate “Eight-Point PR Activity Model” --- R-D-I-C-D-B-E-E --- will read as follows:

1. Research/Appreciation of the situation
2. Definition of goals and objectives
3. Identification of publics/stakeholders
4. Choice of media, methods and techniques
5. Design of appropriate message
6. Budgeting

7. Execution of activity/programme

8. Evaluation of results

This is a veritable guide in carrying out any corporate reputation activity in the oil and gas industry in Nigeria.

(c) The James Gruning and Todd Hunt Models

Gruning and Hunt (1984) propounded four PR models namely:

- Press Agentry/publicity model,
- Public information model
- Two-Way Asymmetric Model
- Two-Way Symmetric Model

The Press Agentry/publicity model is for PR practitioners who only act as mere publicists, not involved communications. They are only a conduit of passing information from the organisation to its publics. It is almost similar to the Public information model, which involves mere dissemination of information without truly building goodwill for the organisation. The Two-Way Asymmetric model involves two-way communication, but it advocates change of behaviour, attitude and opinion of the publics, without the feedback impacting on the organisation.

The Two-Way Symmetric Model is the one that is recommended in modern corporate reputation management. It involves dialogue rather than monologue; under this
condition, both the management and the public change somewhat after communication and feedback (Ajala, 2005, Nwosu and Uffoh, 2005). For effective stakeholder engagement in the oil and gas industry, the two-say symmetric model is advocated and recommended.

(d) The Four-Step Process Model

Cutlip, Centre and Broom (1985) have propounded the Four-Step Process Model, which makes corporate reputation management practice quite easy. The steps are:

• Defining the Public relations problems (Situation analysis)
• Planning and programming (Strategy)
• Taking action and communicating (Implementation)
• Evaluating the programme (Assessment)

Using this model, Ajala (2005) has adapted from Danny Rose (1990) a Public Relations planning cycle which involves: (1) Situation analysis (2) The Strategy (3) Implementation (4) Assessment. This is a veritable model that can be appropriately used in addressing reputation issues and campaigns in the oil and gas industry.

This model is illustrated in Figure 5 on the next page:
Figure 5: The Public Relations Planning Cycle


(e) The Triple A (“AAA”) Model

The Triple A (“AAA”) Model was propounded by IkechukwuNwosu (2003), as a specific intervention in handling environmental public relations which is most applicable in the oil and gas industry in Nigeria, especially for community relations, stakeholder management, and environmental protection, preservation and sanitation management. The Three “As” are explained thus:

A = Awareness: This stipulates that the Public relations team must use various media and techniques to create adequate awareness about environmental hazards/issues such
as pipeline vandalisation and its consequences (eg. oil spillage and pollution); improper waste (human and industrial) disposal and its consequences such as epidemics, blockade of water channels, flooding, etc.; ozone layer depletion and its consequences such as heat waves, acid rain, and so on; biodiversity, deforestation, etc. The triple “A” model believes that too many people in the communities are ignorant as a result of illiteracy and poverty; and such awareness about the issues and their negative impact on the environment and humans enables them (the publics/stakeholders) to change their poor attitudes and harmful practices.

**A = Acceptance:** This second “A” postulates that after creating effective awareness about environmental issues, the Public relations team should now work in collaboration with the target population to design and systematically implement series of appropriate information, education and communication (IEC) programmes to achieve desired result. This is expected to lead to positive change of attitudes and opinions in the host communities and good reputation for the oil company.

**A = Adjustment:** According to the author, this third “A” believes that after the target audience has begun to make the right positive change of attitudes and opinion, the Public relations team must move ahead “to catalyse, facilitate and quicken the behavioural adjustment process, making sure it remains in the right direction and does not suffer any backsliding”. The PR team must embark on extensive communication and
practical activities or events that are aimed at consolidating and evaluating the positive behavioural changes made by the target population.

(f) **Haris-Fombrun Six-Point Model**

This model, which is identified as the business reputation model of corporate reputation management (CRM) was propounded by Haris and Fombrun (www.reputationinstitute.com, 2010). It postulates that there are six major issues that drive the reputation of any organisation, namely: products and services, vision and leadership, workplace environment, financial performance, social responsibility and emotional appeal. The six drivers also have 20 attributes, which all combine to give any organisation its desired reputation. This means that CRM executives must cultivate and watch these six reputation drivers and ensure they are given due attention at all times.

<table>
<thead>
<tr>
<th><strong>Reputation drivers and attributes</strong></th>
<th><strong>Reputation drivers and attributes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Emotional Appeal</strong></td>
<td><strong>2. Products and Services</strong></td>
</tr>
<tr>
<td>--- Good feeling about the company</td>
<td>--- Stands behind products and services</td>
</tr>
<tr>
<td>--- Company is admired and respected</td>
<td>--- Offers high quality products and services</td>
</tr>
<tr>
<td>--- Company is trusted</td>
<td>--- Develops innovative products and services</td>
</tr>
<tr>
<td></td>
<td>--- Offers products and services that give value for money</td>
</tr>
<tr>
<td></td>
<td>Has excellent leadership</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------</td>
</tr>
<tr>
<td>---</td>
<td>Has a clear vision for the future</td>
</tr>
<tr>
<td>---</td>
<td>Recognises and takes advantage of market opportunities</td>
</tr>
</tbody>
</table>

5. **Financial performance**
--- Has a record of profitability
--- Has low risk investment
--- Strong prospect for future growth
--- Outperforms its competitors

6. **Social Responsibility**
--- Supports good causes
--- Environmentally responsible
--- Treats people well

--- **Figure 6: Haris-Fombrun Model of Corporate Reputation Management**

**Source:** adapted from [www.valueaddedmanagement.net](http://www.valueaddedmanagement.net) retrieved on 14/2/2012

--- **Frank Jefkins’ PR Transfer Process Model:**

This is a CRM model that has been part and parcel of Public relations practice over the years (Jefkins, 1985), and can be applied in solving CRM challenges in the oil and gas industry in Nigeria. It identifies a process whereby the Public relations team, through strategic communication, CSR and other CRM strategies, helps to change various negative situations to positive situations. According to this model, hostility, which is a negative situation, changes to sympathy; prejudice to acceptance, apathy to interest and ignorance to knowledge. The model can be effectively applied in dealing with host communities and other stakeholders in the oil and gas industry. It is presented below:
(h) Partnership and Participation in Community Relations and Development Model

This is a new model adapted from other models propounded by various other authorities or applied by various organisations. For instance, according to Azaiki (2008), between 1997 and 2001, one popular oil company adopted two different model called Participatory Learning Appraisal (PLA) and Participatory Rural Appraisal Network (PRAN) in dealing with its host communities. According to him, these approaches didn’t achieve desired results for the organisation. Azaiki therefore propounded a new model called Citizen-oriented Community Development Initiative (COCDI).
Obeta (2008) who has done extensive work on corporate environmental responsibility (CER), also advocated a model that compels “oil companies to see the host community people as key partners in business by carrying them along in the whole process of projects initiation, conceptualisation and execution”.

Based on earlier reviews, Nkwocha (2009) came up with the “Partnership and Participation in Community Relations and Development” model, which has been applied at Eleme Petrochemicals Company Limited, Port Harcourt with very positive results. The PPCRD model indeed has engendered harmonious relationship with the company and its six host communities. The model stipulates that the companies regards the community people as partners in progress, and involves them in initiating and executing all community-based projects using the instrumentality of a Memorandum of Understanding (MoU) signed every three years between the company and the host communities.

(i) The S-M-C-R-E Communications Process Model

Ajala (2001) writes that the five-element S-M-C-R-E communications process model was developed by Rogers and Shoemaker (1971) from an earlier three-element model postulated by other authors (Schramm, 1954; Richardson, 1969, etc). The five elements are: Source, Message, Channel, Receiver, and Effect. This model stipulates that communication begins with a “source” or communicator who could be an organisation or an individual. The Source articulates a “message”, which could be an idea, an
innovation or whatever. The “message” is thereafter sent through a “channel” to a “receiver.” The channel could be the mass media or internet or face-to-face. Thereafter, there is an “effect” on the receiver. This effect could be in the form of knowledge, attitude change, etc.

A review of the above postulation shows that there is need for a new element --- “feedback.” Feedback completes the communication process. Without feedback, communication would appear as incomplete.

![Figure 8: S-M-C-R-E Communication Process Model](image)

**Figure 8: S-M-C-R-E Communication Process Model**

2.13. Theoretical Framework of Corporate Reputation

The study of corporate reputation management has been undertaken from various theoretical paradigm or frameworks. A theoretical framework guides research, determining what variables to measure, and what statistical relationships to look for. Theory is a set of assumptions used to explain how a process works and to make predictions as to what will result from that process. Theories are not laws or inflexible rules; they are merely guides. Theory guides every aspect of research, from formulation of the research question through operationalization and discussion. Herek states that theoretical framework strengthens research in the following ways:

1. Explicit statement of the theoretical assumptions permits them to be evaluated critically.

2. The theoretical framework connects the researcher to existing knowledge. Guided by a relevant theory, researchers have a basis for their hypotheses and choice of research methods.

3. Articulating the theoretical assumptions of a research study forces the researcher to address questions of why and how. It permits researchers to move from simply describing a phenomenon observed to generalizing about various aspects of that phenomenon.

4. Having a theory helps to identify the limits to those generalizations. A theoretical framework specifies which key variables influence a phenomenon of interest. It alerts the researcher to examine how those key variables might differ in varied populations.
Based on the above postulations of Herek, CRM is anchored on seven major theories, which have their origins in mass communications, psychology, sociology, business studies, etc, as follows:

(a) **“The Six Theoretical Dimensions of Corporate Reputation”:** This theory was developed by Prof Charles J. Fombrun, of the Stern School, New York University, USA. This theory postulates that corporate reputation is multi-faceted and can be grouped into six measurable variables namely: (1) Emotional appeal (2) Products and services (3) Vision and leadership (4) Workplace environment (5) Financial performance, and (6) Social responsibility.

(b) **Two-Way Symmetric Theory:** This theory developed by James E. Grunig and Todd Hunt (1984) was prescribed as a model for the practice of public relations. It recommends the use of two-way communication to persuade stakeholders to change their points of view in conflict situations that are hostile or volatile, as in most community issues in Niger Delta area of Nigeria. The theory uses the strategy of two-way communication to achieve mutual understanding, and resolve conflicts through negotiation and compromise in a win-win way.

(c) **Cumulative Effects Theory:** This theory was developed by German social scientist Elisabeth Noelle-Neumann. It suggests that persuasive campaigns can
be most effective when they come from a variety of sources and/or is repeated from the same source but over an extended period of time. For example, a company’s message on health, safety and environment would make a more lasting impact if it is repeated in various channels such as the local newspaper, television, company newsletter and local church bulletin.

(d) **Two-Step Flow of Communication Theory:** This theory developed by Paul Lazarsfield (1955) postulates that individuals are influenced to adopt or change their beliefs and behaviours, or accept messages, not sorely by their own decisions but by the influence of other people in their lives such as friends, parents, colleagues, physicians, public officials, church leaders, community leaders, the media, etc who are regarded generally as opinion leaders. Opinion leaders have five major characteristics namely: they possess higher education, they are more informed about current events and social trends, they are more active in politics and community affairs, they are early adopters of new ideas, and they have the ability to influence people around them. This theory is very useful in influencing behaviour of critical stakeholders.

(e) **Agenda-Setting Theory:** Developed by Professors Max McCombs and Donald Shaw (1973), the theory suggests that the mass media --- either purposely or not --- set the agenda for public debate and discussion. Managers of corporate reputation must therefore take the media seriously and consider the media as a
major opinion leader and stakeholder. The agenda-setting theory also shows that the CRM manager of executive is also an agenda-setter in his or her organization.

(f) **Gate-Keeping Theory:** This theory was first developed by Kurt Lewin in the 1940s and later refined by David Manning White in the 1960s and 1970s. This theory describes the power of the media or editor to determine what news or articles or features gets published and what is thrown away. Corporate reputation management professionals must realize that their news releases would pass through a series of “gates” including reporters who receive them, line editors who approve them and senior editors who make the final decision concerning when and how those stories/news would be published.

(g) **Cognitive Dissonance Theory:** This theory emerged from the study of psychology. It was first developed by Leon Festinger in the 1950s. It states that audience members tend to ignore messages that are inconsistent with previously held beliefs. Reputation management representatives working on campaigns that require influencing public opinion on controversial, political or emotional issues will often find cognitive dissonance a serious barrier to overcome. One of the strongest characteristics of human behaviour is resistance to change. Media campaigns should therefore not be seen as magic wand for all reputation issues.

Corporate reputation has a lot to do with the process of persuasion and opinion change. In dealing with various stakeholders, professionals employ the tool of persuasion to achieve opinion change or behaviour change. In their 1953 book, Communication and Persuasion, psychologists Carl Hovland, Irving Janis, and Harold Kelley explained a number of facts about persuasion and opinion change that are just as valid today as they were almost 60 years ago. Among them were:

1. **An individual’s opinions are likely to change in the desired direction if conclusions are explicitly stated than if those individuals are left to draw their own conclusions.** (Some people believe that if all the facts are laid before stakeholders, they will make the right decisions. The weakness of that theory is that even highly intelligent persons frequently fail to see the implications of the facts unless those implications are laid out).

2. **Effects of persuasive messages tend to wear off over time.** (Even when persuasion is effective, the results are seldom permanent. Repetition is often necessary to drive home certain points).

3. **Stakeholders most in need of hearing a message are least likely to hear it.** (Most of the time, those in need of a particular message would not be there when they are spoken. Corporate reputation professionals must therefore use a variety of communication tactics or channels rather than use a limited number.)
4. **Stakeholders are more likely to make a desired choice if both sides of an argument are presented instead of only one side.** (Stakeholders tend to be skeptical of an individual or organization that tells them only one side of the story and expect them to accept it without questions. A more effective strategy is to explain both sides of the issue, but then explain why one side should be preferred over the other.

5. It can be added that cash and material gifts are also known to influence opinion change.

2.15. The 18 Immutable Laws of Corporate Reputation

In his book *The 18 Immutable laws of Corporate Reputation: Creating, Protecting and Repairing Your Most Valuable Asset*, Ronald J. Alsop, draws an up-to-date roadmap for (1) establishing a good corporate reputation, (2) maintaining that reputation and (3) repairing a damaged corporate reputation. He argues that a good reputation is a corporation's most priceless asset. Below is a list of the laws:

**Part 1: Establishing a Good Reputation**

1: **Maximize Your Most Powerful Asset** (your reputation)!

Your reputation attracts more loyal customers, investors and talented employees, leading to higher profits and rising stock price. Good reputation can also lead to higher credit ratings, faster and more favorable government approvals and stronger community support. By building trust and an
emotional bond with your stakeholders, you also inoculate yourself against the harmful effects of future adverse events and publicity.

2: **Know Thyself — Measure your Reputation.** On-going, systematic research to monitor and measure corporate reputation is mandatory. You can't manage what you don't measure. While syndicated reputation measurement (such as the Harris Interactive study and the Fortune magazine study of most admired companies) provide bragging rights, only research customized to the needs of a given company can provide real insight. The power of ongoing measurement is the ability to follow trends and issues over time. Both media measurement and opinion research are fundamental measurement tools of reputation management to determine how strongly positive and how strongly negative feelings are about an organization.

3: **Learn to Play to Many Audiences.** Different categories of stakeholders have different interests and concerns. Sometimes those interests are diametrically opposed. Managing reputation, then, is a task of first identifying and prioritizing the cast of stakeholders. Then, the company must balance its interests by playing to each constituency in
different ways at different times (without falling into the politician's pit of sending opposing signals to different constituencies). In establishing which stakeholders matter most, customers are usually king, as the old aphorism goes. Companies with solid reputations invariably put customers first in their priorities.

4: **Live Your Values and Ethics** in all business activities each and every day. It's the single most important way a company can build trust. Building a good reputation is not a matter of a good corporate advertising or PR campaign. Rather, it's a matter of creating a culture of morality — of inculcating the highest ethical standards into every employee and never looking the other way at an ethical breach. It's always doing the right thing in day-to-day business transactions with stakeholders. Doing the right thing, no matter how painful, is especially important in responding to a crisis.

5: **Be a Model Citizen**, sponsoring corporate programs to better the community and encouraging its employees to do community service and rewarding them for it. Through its corporate programs and its employee's volunteer activities, the company should make social responsibility part of its
corporate DNA. Social responsibility includes appropriate hiring and working conditions, protection of the environment, fairness in relationships with suppliers and all constituencies, and betterment of community. It's worthwhile to note in passing that only 1% of respondents to a Harris Interactive public opinion poll believed that a company's responsibility is simply to generate profits for its shareholders.

6: **Convey a Compelling Corporate Vision.** A compelling and authentic vision lifts the company's reputation with all stakeholders. A vision statement can help. The statement must guide employees and touch them on an emotional level. Ideally, employees feel passion for the vision, refer to it often and strive to implement it on a daily basis.

7: **Create Emotional Appeal:** This is a primary driver in shaping corporate reputation. Emotional appeal creates a special halo around a company radiating a glow of good feeling, admiration, respect and trust. While advertising can aid in creating an emotional bond with customers, genuine bonding usually takes place when the company "delights"
the customer by connecting their product with the customer's inner needs or through a personal touch.

**Part II: Keeping That Good Reputation**

8: **Recognize Your Shortcomings.** Any company with an ailing reputation must take an honest look at the reasons why. Self-awareness is the first step toward self-improvement. Poor customer service is one of the chief shortcomings that undermine corporate reputation. Listening to customers is key in identifying service problems. While written surveys can help, personal contact is crucial. Fixing the service problem is the direct route to solve the reputation problem.

Media measurement and opinion polling often provide enlightening clues to problems with the corporate reputation and their causes. Problems can range from employment and environmental practices to perceived ethical lapses and heavy-handed lobbying. Many corporate reputation problems arise because companies meet minimum legal requirements but don't fulfill the higher expectations of the public.

9: **Stay Vigilant to Ever-Present Perils.** The potential for damage is greater today and damage comes more quickly as
information travels at optical speed along the Internet — expedited by activists, disaffected customers and disgruntled employees. Local issues can quickly become international problems if allowed to propagate. Using on-going monitoring programs, companies must be watchful enough to identify emerging issues and problems. Using thoughtfully-prepared crisis management plans, companies must react quickly and gracefully without being defensive.

10: **Make Your Employees Your Champions.** Employees' commitment to the corporate vision, daily adherence to ethical standards, enthusiasm for company products, and passion for superior customer service are the touchstones of corporate reputation. Their "personal touch" will forge the emotional bond with customers. Enabling employee pride in the company enhances corporate reputation.

11: **Control the Internet Before It Controls You.** The World Wide Web (www) presents a unique danger to corporate reputation, enabling virtually any individual to launch an anonymous attack that can wreck a company reputation. Activists often trigger Internet-based attacks on companies. The attacks are then republished in numerous web sites and message boards — and often find their way into mainstream
media. In fact, most corporate issues emerge first on the Internet before migrating to mainstream media. Most major corporations now use Internet monitoring services such as Netpinions™ to help detect consumer "chatter" in more than 80,000 discussion groups, message boards, forums, and news groups on the World Wide Web and Usenet.

Companies must protect the corporate reputation by refuting any harmful rumor that is picking up momentum on the Internet. Ignoring a spreading detrimental rumor is dangerous in the extreme. The correct strategic response is to neutralize the attack with a factual response.

12: **Speak with a Single Voice.** Like consistency in the look and feel of a company's retail outlets throughout the country, consistency of message is an important element in maintaining corporate reputation. Politicians have learned to "stay on message"; corporations need to absorb the same lesson. All public relations, marketing and advertising messages must work together to reinforce a clear and distinctive corporate brand. Speaking with a single voice is especially difficult for companies with multiple divisions in different product categories. The key is to focus on the corporation's core values and distinguishing characteristics.
13: **Beware the Dangers of Reputation Rub-Off.** Partners can be toxic. In a sort of guilt by association, partnering with a disreputable organization can soil even a well-starched reputation. Lend your good name sparingly and choose partners with care, including celebrity endorsers. Before entering into any joint business or endorsement venture, check carefully for possible conflicts or potential embarrassing activities by your prospective partner. Consider even the smallest whiff of disrepute as a major cautionary signal. If a crisis erupts in an established business relationship, take fast action (usually meaning severing the relationship). Make sure your partnering agreement has an appropriate exit clause for due cause.

**Part III: Repairing a Damaged Reputation**

14: **Manage Crises with Finesse.** The basic approach is gather the facts, respond quickly, be honest and forthright, clearly delineate the specific plan to remedy the problem, show concern and act contrite. However, while it is desirable to respond quickly to a crisis (within the same news cycle if possible), the first crucial step in managing a corporate reputation crisis is to gather all the facts before making
public statements. Making a mistake at the outset can destroy credibility and undermine your case.

15: **Fix It Right the First Time.** The public and customers will give most companies one chance to fix a problem. Setting customer expectations is crucial to success — and it's important to promise only the fix that you are absolutely, positively sure that you can deliver and that meets the public's expectations.

16: **Never Underestimate the Public's Cynicism.** Trust, once lost, is extremely difficult to regain. The level of public mistrust is far higher than most business people assume — and greatly increased by the recent deluge of unethical business behavior. Just think about the legitimate businesses that have high opinions of themselves — but are despised by the public.

17: **Being Defensive Is Offensive.** The best way to manage a corporate reputation crisis is to resolve the crisis quickly and to the public's complete satisfaction. Too often companies put their corporate pride and legal defenses first. Sometimes companies are tempted to blame the media in times of trouble — but attacking the messenger only looks as if you're trying to shirk your responsibility. Successful resolution
should put the customer first. The golden rule is to tell it straight. Rather than trying to minimize a problem or duck responsibility, it's much more sensible to say, "We screwed up, we're sorry, and here's how we're going to fix things and make amends". You may even end up creating goodwill and fortifying your reputation. Bottom line: apologies are good for the corporate soul and reputation.

18: If All Else Fails, Change Your Name is the last of The 18 Immutable Laws of Corporate Reputation. If the weight of the controversy overwhelms any legacy of goodwill in the corporate name, then it may be time to consider changing the company name to help escape the negative consequences of the crisis. A new name signals a fresh start and a chance to distance the company from the tainted reputation. But it's nearly impossible to escape the past entirely. The change of name from Philip Morris to Altria certainly hasn't absolved the company of the past.

2.16. CRM and the Concept of Global Reputation Economy

As the world has become a global village, organizations are extending their marketing exploits into foreign lands. Under the aegis of international public relations, organizations are moving into foreign markets. As we stated earlier in this study,
corporate reputation has a lot to do with economics, marketing and branding. Davies (2003) argues that corporate reputation enables organizations to attract customers repeatedly. Walsh and Beatty (2007) opined that customer-based reputation reduces perceived risk of customers and encourages greater loyalty. Positive corporate reputation makes this move possible and fruitful. Winning market share in foreign markets, aligning a global workforce, competing with strong local players, etc are some of the key objectives for companies as they fight for growth and success.

The question to ask is: what does it take to go global in the reputation economy? How can a company create a strong emotional connection with consumers, regulators, opinion leaders, the media and competitors on the other side of the world --- miles away from its operational base where neighbours and critical local publics know it and support it even if it is faced with a crisis? Local stakeholders know what they want from the company and they want it their way—not the company’s way. What works in your home market will probably not work even in a neighboring country, but almost definitely not a continent away.

According to the Reputation Institute website (www.reputationinstitute.com, 2012), “even the top 10 companies with the strongest corporate reputations across 15 countries are closer to the beginning of their global reputation journeys than the end. Stakeholders of all shapes and sizes are more empowered than ever before, and consumers are making better-informed decisions and deciding to deal with your
company—or not—based on new rules and criteria that surely didn't originate from your internal definitions of what success used to look like around the corner.”

One of the first rules of the emerging reputation economy is that while exporting a good reputation is hard and takes a good deal of purpose and sweat equity over time, exporting a bad reputation has a life of its own and will spread like wildfire whether you like it or not. One of the challenges of corporate reputation is how organizations can better leverage multi-stakeholder relationships around the globe to drive better business outcomes.

For instance, Leung et al (2011) argued that in the course of building global brands, Chinese companies must learn how to create and manage a positive reputation both for its products and corporate brands. Chinese organizations must adopt internationally-recognized benchmarks for corporate performance. Doing so, they state, would improve their reputation for quality and design, encourage global acceptance, increase market share and boost sales and profit.

Reputation Institute website (2012) has identified 14 key questions to be addressed as researchers and practitioners discuss the issue of the global reputation economy:

- How does a company translate a global brand into local reputation capital?
- Where is the company’s reputation platform investment strategy headed?
- Should an organization play up its strengths or address its weaknesses?
• Why are family-owned enterprises having issues in the reputation economy?
• How can reputation free-fall be averted when a crisis happens outside the company’s home market?
• What impact will succession planning or CEO transitions have on corporate reputation?
• How do you develop a stakeholder strategy across different markets?
• What are Reputation Risks in emerging markets?
• How do you win on reputation in the BRIC (Brazil, Russia, India, China) market?
• How does the company’s home country reputation impact corporate reputation?
• How do you create internal buy-in into reputation management?
• How do you roll out a reputation system into regions?
• How do you link reputation KPIs to existing: 1) customer satisfaction 2) Employee satisfaction 3) Brand?
• What is the business case for reputation?

2.17. An Overview of the Oil and Gas industry in Nigeria

The oil and gas industry in Nigeria is the largest sector and main generator of GDP in the West African nation (National Economic Empowerment and Development Strategy: NEEDS Nigeria, 2004). The oil and gas industry is a highly specialised and internationalised sector of the economy with a network of companies, government agencies, laws, systems and linkages involved in the discovery, exploration, production,
transportation and marketing of crude oil, condensate, petroleum products and natural gas as well as all other derivables of oil.

The industry is the mainstay of Nigeria’s economy, accounting for about 95% of the nation’s foreign exchange earnings (National Economic Empowerment and Development Strategy: NEEDS Nigeria, 2004). Nigeria is the world’s 7th largest exporter of crude oil. As of 2003, oil and gas exports accounted for more than 95% of export earning and about 86% of federal government revenue, as well as generating more than 40% of its GDP (Babalola, 2007). Another document also states that the oil and gas industry provides 95% of foreign exchange earnings, and about 86% of government budgetary revenues (Nigeria Oil, 2011). Nigeria has a total of 159 oil fields and 1481 wells in operation according to the Ministry of Petroleum Resources (Nigeria Oil, 2011).

2.18. Major Divisions of the Oil and Gas Industry in Nigeria

The oil and gas Industry is divided into four parts or sectors as follows:

1. **The Upstream Sector:** This deals with exploration (onshore and offshore), extraction of oil and gas, production, and transportation through pipelines, delivery to export terminals and refineries. The IOCs in this sector include Shell, Chevron-Texaco, ExxonMobil, TotalFinaElf, Agip, Addax, etc. The indigenous companies include MuniPolo, AMNI, oil servicing companies, etc. Most of the operations take place in the Niger Delta area (Nigeria Oil, 2011).
2. **The Downstream Sector:** this entails refining of crude oil, conversion of petrochemical products, transportation, distribution and marketing of the finished products including Premium Motor Spirit (PMS) popularly called Petrol; Automotive Gas Oil (AGO) also called Aviation fuel; Dual Purpose Kerosene (DPK); Low and High Pour Fuel Oil (LPFO/HPFO); Liquefied Petrol Gas (LPG), Engine oil (Lubricants), Bitumen, Base oil, Paraffin Wax and Sulphur. Organisations in this sector include the Refineries, Petrochemicals, and oil marketing companies such as AP, Oando, etc. (*Nigeria Oil, 2011*)

3. **The Gas Sector.** This sector executes the Federal Government of Nigeria Gas Master Plan. Nigeria produces about 2,000 billion standard cubic feet (scf) of natural gas annually, about 40% is said to be flared. Nigeria is the 7th largest holder of natural gas reserves in the world. Currently, there are 187 trillion standard cubic feet of Natural gas reserves in Nigeria. So many multi-billion dollar projects are in this sector including Nigeria LNG, Brass LNG, Olokola (OKLNG), West African Gas Pipeline project, Trans Sahara Gas Pipeline project, Gas to Liquid & Natural Gas Liquids project; IPPs, etc. (*Nigerian Oil, 2011*)

4. **The Regulatory Authority:** This is the gamut of statuses, laws, regulations and guidelines which the Federal government set up to regulate the oil and gas industry in Nigeria. This sector handles the award of oil blocks, oil field licenses, oil lifting licenses, and signature bonuses. The agencies include Ministry of Petroleum Resources, Nigerian National Petroleum Corporation (NNPC), the Department of Petroleum Resources (DPR), the Petroleum Products Prices
Regulatory Agency (PPPRA), National Oil Spill Detection and Response Agency (NOSDRA), Parliamentary oversight, etc. The laws include the Nigeria Local Content Act of 2010, the Petroleum Industry Bill, etc (Nigerian Oil, 2011).

2.19. Historical Background of Oil and Gas Industry in Nigeria

The history of the oil and gas industry in Nigeria began in 1908 when oil was first discovered in Nigeria (NNPC website, 2011). Exploration of the oil proceeded during the 1930s by Shell under the control of Shell and British Petroleum (BP). However, commercial exploitation of the country’s reserves did not begin until the late 1950s. Indeed, the first commercial oil export was in 1958 from the Oloibiri oil well now in Bayelsa State. The Nigerian government introduced its first regulations governing the taxation of oil industry profits in 1959 whereby profits would be split 50-50 between the government and the oil company. The industry expanded during the 1960s as export markets were developed, predominantly in the United Kingdom and Europe.

After independence in 1960, Nigeria began to consider ways in which the oil resources being exploited would be better harnessed to the country’s socio-economic development. It therefore formulated its first agreement for taking an equity stake in one of the companies --- Nigerian Agip Oil Company, jointly owned by Agip of Italy and Phillips of United States. This move, however, could not materialise until 1971, when the Federal Government, under Decree No. 18 of 1971, created the Nigerian National Oil Corporation (NNOC), which is indeed, the precursor of the present NNPC.
The pressure to acquire equity shareholding in the oil companies and the need to join the Organisation of Petroleum Exporting Countries (OPEC) led the Federal Government to establish NNOC on April 1, 1971. The mandate of the new corporation was to “participate in all aspects of petroleum including exploration, production, refining, marketing, transportation, and distribution.”

Furthermore, the corporation was given the task of “training indigenous workers, managing oil leases over large areas of the country, encouraging indigenous participation in the development of infrastructures for the industry, managing refineries, only one of which was operational at that time, participating in marketing and ensuring price uniformity across the domestic market, developing a national tanker fleet, constructing pipelines, and investing in allied industries such as fertilizers.

In actualising its mandate, The NNOC acquired a 33.33 % stake in Agip and 35% in Safrap, the Nigerian arm of the French oil company, Elf. After joining OPEC, Nigeria acquired 35% stakes in Shell-BP, Gulf, and Mobil on April 1, 1973. Also in 1973, the Federal Government entered into a production-sharing agreement with Ashland Oil. On April 1, 1974, the Federal Government stakes in Elf, Agip/Phillips, Shell-PB, Gulf, and Mobil were increased to 55% and on May 1, 1975, the NNOC acquired 55% of Texaco’s operations in Nigeria. The NNOC was reconstituted as NNPC on 1st April, 1977.
The NNPC took over the Port Harcourt Refinery (PHRC 1) built in 1965 by Shell-BP. The NNPC built three more refineries which are listed below. All the four refineries have a total refining capacity of 445,000 barrels per day (bpd).

Table 2: List of Refineries in Nigeria and their installed capacities

<table>
<thead>
<tr>
<th>SN</th>
<th>Refinery</th>
<th>Built in:</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Port Harcourt Refinery (1)</td>
<td>1965</td>
<td>60,000 bpd</td>
</tr>
<tr>
<td>2.</td>
<td>Warri Refining &amp; Petrochemicals</td>
<td>1978</td>
<td>125,000 bpd</td>
</tr>
<tr>
<td>3.</td>
<td>Kaduna Refining &amp; Petrochemicals</td>
<td>1980</td>
<td>110,000 bpd</td>
</tr>
<tr>
<td></td>
<td>Port Harcourt Refinery (2)</td>
<td>1989</td>
<td>150,000 bpd</td>
</tr>
<tr>
<td></td>
<td><strong>Total capacity</strong></td>
<td></td>
<td><strong>445,000 bpd</strong></td>
</tr>
</tbody>
</table>


NNPC embarked on ambitious projects in the 2000s. In December 2004, NNPC launched the West African Gas Pipeline, which supplies gas from Nigeria to West African countries including Ghana, Benin Republic and Togo. Working with Chevron and British Gas, NNPC developed a Liquefied Natural Gas (LNG) project in the border town of Olokola. In February 2005, NNPC signed a $1 billion contract with Chevron-Texaco to construct the Floating, production, Storage, and Offloading Vessel (FPSC) for the Agbami deep offshore oil field. It has capacity to process 250,000 barrels per day of crude oil and 450 million standard cubic feet (scf) of gas per day.
Today, principal subsidiaries of the NNPC are Nigerian Petroleum Development Company (NPDC); National Engineering and Technical Company (NETCO); Pipelines and Products Marketing Company (PPMC); Port Harcourt Refining Company Limited (PHRC); Kaduna Refining and Petrochemicals (KRPC); Warri Refining and Petrochemicals Company Limited (WRPC); Nigerian Gas Company (NGC); Integrated Data Services Limited (IDSL); and Duke Oil Limited. One of its subsidiaries – Eleme Petrochemicals Company Limited (EPCL) was privatised in 2006 and acquired by Indorama Group of Indonesia (NNPC website, 2011)

2.20. Overview of Selected oil Companies

Below is a presentation of the historical, administrative and operational overview of the four major international oil and gas companies namely Shell, Chevron, ExxonMobil and Agip:

1. **Shell Development Corporation**

The Shell Petroleum Development Company (SPDC) is the largest oil and gas exploration and production company in Nigeria. It is the operator of the joint venture (JV) in which NNPC holds 55%, Shell 30%, TEPNL 10% and Agip 5%. SPDC produces over 40% of the country’s oil from more than 90 oil fields in the Niger Delta area. It also supplies about 70% of the country’s commercial gas.
The forerunner of SPDC, Shell D’Arcy pioneered oil exploration in the country after it was granted an exploration licence in 1938. In 1956, the country discovered the first commercial oil field at Oloibiri in the Niger Delta, leading to the first oil export in 1958. The Federal Government of Nigeria acquired 35% of the company in 1973, forming the basis of the joint venture partnership that exists today. The company assumed its current name in 1979. The present joint operating agreement and memorandum of understanding (MoU) were last revised in 2000.

SPDC’s operations are spread over 30,000 kilometres in the land, swamp and shallow water areas of the Niger Delta. They include a network of more than 6,000 kilometres of flow-lines and pipelines, 86 oil fields, 1,000 producing wells, 68 flow stations, 10 gas plants, and two major oil export terminals at Bonny and Forcados. Although the company’s operations are spread throughout the region, its footprint impacts directly in only a tiny fraction of the Niger Delta.

According to the company, it employs more than 4,000 staff, 95% of whom are Nigerians. In addition, more than 20,000 people are employed by contractors working for SPDC, and the projects help create tens of thousands more jobs with contractors in supporting industries. SPDC says it is committed to sustainable development and supports development and progress within our communities. The overall goals of its social investments programmes are to leverage the resources and empower local communities to take the lead in their own development. Over the years, its social
investment programmes have undergone transformation geared at achieving sustainable development.

In 2006, SPDC began testing a new approach to improve the way it engages with host communities and the effectiveness of projects, as well as to empower communities to make their own development decisions. The company introduced new agreements called Global Memorandum of Understanding (GMoUs) with communities grouped into clusters. Through GMoUs, the SPDC-operated joint venture provides secure multi-year funding for development projects and access to expertise.

The communities decide how to spend the money. By the end of 2009, the joint venture had funded a total of 250 projects (including pre-GMoUs legacy projects) using the GMoU model. Above all, SPDC says it believes in the future of Nigeria and is committed to its development. This has been the company’s position through out its mutually beneficial relationship with Nigeria (SPDC Handbook, 2012).

There are four Shell companies in Nigeria contributing to the sustainable development of Nigeria’s vast energy resources. In addition, Shell has a 25.6 per cent shareholding in Nigeria Liquefied Natural Gas (NLNG) and is also its technical adviser. Its partners in NLNG are NNPC – 49%; Total – 5% and Agip - 10.4%.
2. **Chevron Nigeria Limited**

In 1961, the predecessor company of Chevron Nigeria Limited (CNL) registered to do business in the country. Two years later, the nation’s first successful offshore oil field was discovered near Warri in Delta State. Today, NCL is Nigeria’s 3rd largest oil producer and spends more than 30 billion USD annually in capital investments. In 2010, more than 6,600 employees and contractor-staff, a majority of them Nigerians, worked in Chevron operation and projects.

CNL’s daily products averaged

- 524,000 barrels of crude oil (237,000 net)
- 206 million cubic ft of natural gas (86 million net).
- 5,000 barrels of liquefied petroleum gas or LPG (2,000 net)

The company operates and holds a 40% stake in three concessions, predominantly in the onshore and near-offshore regions of the Niger Delta. The concessions cover approximately 2.2 million acres (89,000 Sq km). CNL operates the concessions under a joint venture with NNPC. Chevron also has extensive interest in Nigeria’s deepwater Agbami and Osan fields as well as major natural gas commercialisation projects.

CNL’s commitment to the nation and its citizens involves investment in crude oil and natural gas exploration and production, which is used locally and exported abroad. CNL also plays an active role in Nigeria as a community partner, supporting numerous
projects ranging from health to education to community development. CNL operates under a joint-venture (JV) arrangement with the NNPC, predominantly in the onshore and near-offshore regions of the Niger Delta.

In 2007, total daily production averaged more than 350,000 barrels of crude oil, 14 million cubic feet of natural gas and 4,000 barrels of liquefied petroleum gas. The company's net oil-equivalent production in 2007 was 129,000 barrels per day. The company is investing in many new projects to grow production of oil and natural gas and help create more jobs. The Agbami project, one of the largest deepwater discoveries in Nigeria's history, came on stream in 2009 after more than 10 years in development. The project meant more jobs for Nigerians working on the infrastructure that will produce the oil. It also will mean additional oil royalties and tax revenues for the Federal government of Nigeria.

Fawthrop, Chairman and Managing Director of Chevron Nigeria has this to say about Chevron:

Since the dawn of the republic (1963), Chevron has operated in the oil and natural gas fields of Nigeria, consistently contributing to the growth and prosperity of this remarkable country. We take great pride in the successes achieved during the half century of our mutually-beneficial relationship, and we are pleased to be a partner in the enormous potentials of Nigeria’s future. This year we demonstrated consistent operational excellence and
exponential progress in the execution of major capital projects that will help ensure the country’s economic strength in the years ahead. Our superior execution and technological contributions to the nation’s oil and gas industry have helped lift Nigeria to new level of achievement and recognition.” (Chevron Nigeria 2010 Corporate Responsibility Report).

3. **ExxonMobil Nigeria Plc**

ExxonMobil has three major subsidiary companies in Nigeria, namely: Mobil Producing Nigeria Unlimited (MPN); Esso Exploration and Production Nigeria Limited (EEPNL); and Mobil Oil Nigeria plc (MON).

We present their profiles hereunder:

**Mobil Producing Nigeria (MPN):** This company is the second largest oil producer in Nigeria. It is a publicly traded company listed on the Nigerian Stock Exchange. The company’s two upstream subsidiaries have a long history of operations in Nigeria and have significant oil and natural gas production and a leadership exploration position in the deepwater offshore Nigeria. The companies’ operations are one of the largest sources of revenue for the Nigerian government and the economy. According to the company, there are approximately 1900 ExxonMobil employees with Nigerians representing 96% of the work force. The Company headquarters is located in Lagos.

MPN began operations in Nigeria in 1955 under the name Mobil Exploration Nigeria
Incorporated and was incorporated as Mobil Producing Nigeria on June 16, 1969. Production of crude oil began in February 1970 from the Idoho field, located off the coast of AkwaIbom State. MPN is the operator of the joint venture (JV) with the NNPC and holds a 40% participating interest. MPN is the only major oil company operating completely offshore; with no onshore production.

The company holds over 800,000 acres in shallow water offshore southeastern Nigeria. Production comes from 90 offshore platforms, with 283 flowing completions in 353 wells with a production capacity of about 720,000 barrels of crude, condensate and natural gas liquid (NGL) a day. Of the current total liquid production, 94 kbd is condensate from the OSO field, which is exempt from OPEC quota restrictions. MPN also produces 45 kbd of NGL at the OSO NGL platform under a separate agreement, where it holds a 51% interest in partnership with NNPC.

**Esso Exploration and Production Nigeria Limited (EEPNL):** This subsidiary of ExxonMobil was established in 1993 as an affiliate of the Exxon Corporation. It is into upstream operations, exploration, development, production and gas commercialization. With other subsidiaries, EEPNL holds interests in six deepwater blocks covering 3.2 million acres, which gives them the second largest deepwater offshore acreage position in Nigeria. The Company is the operator of the Erha project, a deepwater license (3400 feet) and the location of a major oil and gas discovery. Erha's target production rate is
150 kbd and it produces about 500 million barrels of the oil (gross). EEPNL has a 56% interest in the Erha project.

**Mobil Oil Nigeria plc (MON):** This company is into downstream operations including fuels marketing and the manufacture and marketing of lubricants. It began operations selling Sunflower kerosene in 1907 as Socony Vacuum Oil Company. The company changed its name to Mobil Oil Nigeria Limited and became a limited liability company in December 1951. In 1991 it became a publicly traded company known as Mobil Oil Nigeria plc.

MON currently operates more than 200 retail outlets located in all 36 states of Nigeria. These include many modern state-of-the-art outlets.

4. **Agip Oil Nigeria Limited**

Nigeria Agip Oil Company (NAOC) is owned by the ENI Group of Italy. It is involved in exploration and production of crude oil and gas. It was granted license to operate in Nigeria in 1962. In the late 1980s, the Federal Government offered the company a 20% equity stake in the NNPC/NOAC/Phillips joint venture (JV), which is the country’s largest exploration and production operation. The JV equity is as follows: NNPC - 60%, Agip - 20%, and ConocoPhillips - 20%.
NAOC produces over 150,000 barrels of crude oil per day ((24,000 m$^3$/d)); and about 30 million cubic metres of gas daily. Most of the gas is processed and piped to the Nigerian Liquefied Natural Gas (Nigeria LNG Limited) plant at Bonny Island, where it is liquefied and exported to Europe and the US.

The company has about 26 producing oilfields onshore/swamps in the Niger Delta, over 157 oil wells, 8 flow-stations, two gas processing plants – Obiafu/Obrikom plant built in 1985 and Kwale plant built in 1987, one export terminal with 3.6 million barrels storage capacity and 745 km pipelines. The four major subsidiaries of NAOC are:

**Agip Nigeria Exploration (ANE):** This is the production sharing contract (PSC) company of the Agip Group. It has scored a significant success in Nigeria’s deep offshore where it was the first to produce crude from its Abo field in 2003.

**Agip Energy and Natural Resources (AENR)** is the main exploration and production subsidiary of the Agip group. Since the 1970s, it has been a contractor/partner to NNPC. In 2003, it helped the NNPC arm (Nigerian Petroleum Development Company (NPDC) to develop its Okono/Kpolo field from which it produces about 30,000 barrels of crude oil per day. It was incorporated as a limited liability company on May 17, 1989, to harness Nigeria's vast natural gas resources and produce oil and gas for export.
**Agip Nigeria Plc:** This is the downstream subsidiary of Agip. It is involved in the manufacturing and marketing of lubricants; the marketing and trading of MTBE and methanol; and the trading of refined petroleum products. The Company produces also insecticides and deodorants. It has over 230 petrol stations as well as lubricant blending facilities and large fuel storage depots across the country. The Company was listed on the Nigerian Stock Exchange on 10th January, 1979.

### 2.21. Regulatory Bodies in the Nigerian Oil and Gas Industry

There are seven major regulatory bodies in the Nigerian oil and gas industry and their activities impact on CRM in the oil and gas companies. They have been set up by law to regulate the operations of companies in the industry to ensure good environment and wealth for the Nigerian government. They include: the Federal Ministry of Petroleum Resources (FMPR), Directorate of Petroleum Resources (DPR), National Oil Spill Detection and Response Agency (NOSDRA), National Environmental Standards Regulation and Enforcement Agency (NESREA); Petroleum Products Pricing Regulatory Agency (PPPRA), the Nigerian Extractive Industries Transparency Initiative (NEITI) and the Nigerian Content Development and Monitoring Board (NCDMB).

1. **Federal Ministry of Petroleum Resources (FMPR)**

The Federal Ministry of Petroleum Resources (MPR) is the apex regulatory agency in the Nigerian oil and gas industry. It is supervised by a Minister of the Federal Republic of
Nigeria. According to its website (2012), the mission of the Ministry is “to formulate and monitor policies, regulations, standards and codes for the orderly, safe, and lawful development of the nation's petroleum resources so as to secure maximum value for the resources and render best services to the nation, while maintaining international relations that promote Nigeria's sovereign interest in the oil industry”

The core functions of the Ministry include:

i. Initiation and formulation of broad policies and programmes on the development of the oil and gas industry;

ii. Initiation of all policies on the marketing of crude oil, natural gas, petroleum products and their derivatives;

iii. Initiation of all concession policies in the oil and gas sector of the economy;

iv. Formulation of policies to stimulate private sector investments and participation in the oil and gas sector;

v. Administration of government Joint Venture (JV) interests in the petroleum industry in order to maximize full economic benefits derivable from Nigeria’s oil and gas resources and ensure optimisation of government interests in all oil and gas arrangements;

vi. Licensing of all petroleum and gas operations and activities;

2. **Department of Petroleum Resources (DPR)**

The Department of Petroleum Resources (DPR) is a subsidiary of the Nigerian National Petroleum Corporation (NNPC). It is a major regulator of the oil and gas industry in Nigeria. According to its website (2012), its major functions and responsibilities as it relates to all activities in petroleum operations, upstream and downstream, as well as petrochemicals, include:

- Supervising all petroleum industry operations being carried out under licenses and leases in the country in order to ensure compliance with the applicable laws and regulations in line with good oil producing practices.
- Enforcing safety and environmental regulations and ensuring that those operations conform to national and international best practices and standards.
- Keeping and updating records on petroleum industry operations, particularly on matters relating to petroleum reserves, production and exports of crude oil, gas and condensate, licenses and leases as well as rendering regular reports on them to Government.
- Advising Government and relevant agencies on technical matters and policies which may have impact on the administration and control of petroleum.
- Processing all applications for licenses so as to ensure compliance with laid-down guidelines before making recommendations to the Honourable Minister of Petroleum Resources.
• Ensuring timely and adequate payments of all rents and royalties as at when due.

• Monitors government indigenization policy to ensure that local content philosophy is achievable (www.dpr.org.ng, 2012).

The Petroleum Industry Bill (PIB) now pending at the National Assembly provides for an autonomous status for DPR to make it more functional and efficient.

3. The National Oil Spill Detection and Response Agency (NOSDRA)

According to the agency website (2012), the National Oil Spill Detection and Response Agency (NOSDRA) is a parastatal under the Federal Ministry of Environment but its operations mainly in the oil and gas industry. It was established in 2006 by an Act of the National Assembly. It is vested with the responsibility of co-ordinating the implementation of the National Oil Spill Contingency Plan (NOSCP) for Nigeria in accordance with the international convention on oil pollution preparedness, response and co-operation (OPRC) 1990, to which Nigeria is a signatory.

NOSDRA is also mandated to play the lead role in ensuring timely, effective and appropriate response to oil spills, as well as ensuring clean up and remediation of all impacted sites by all best practical extent. It is also required to identify high risk/priority areas in the oil-producing environment for protection as well as ensure compliance of oil industry operators with all existing environmental legislations in the petroleum
The Agency has zonal offices in Port Harcourt, Warri, Uyo, all in the Niger-Delta region where the majority of oil exploration and production in Nigeria is carried out. The Lagos office started operation in April 2008, while Kaduna and Akure offices became operational in September 2009 and 2010 respectively (www.nosdra.org.ng, 2012).

4. The National Environmental Standards and Regulations Enforcement Agency (NESREA)

The National Environmental Standards and Regulations Enforcement Agency (NESREA) is one of the regulatory agencies operating in the oil and gas industry. According to its website (2012), it was established as a parastatal of the Federal Ministry of Environment, but it has much to do with regulating the operations of the oil and gas industry. NESREA has a responsibility for the protection and development of the environment, biodiversity conservation and sustainable development of Nigeria's ecosystem.

Prior to the dumping of toxic waste in Koko village, in Delta State, in 1987, Nigeria was ill-equipped to manage serious environmental crisis, as there were no institutional arrangements or mechanisms for environmental protection and enforcement of environmental laws and regulations in the country (NESREA, 2012).
Following the Koko toxic waste episode, the Federal Government promulgated the Harmful Waste Decree 42 of 1988, which facilitated the establishment of the then Federal Environmental Protection Agency (FEPA) through Decree 58 of 1988. In the wisdom of Government, FEPA and other relevant departments in other Ministries were merged to form the Federal Ministry of Environment in 1999, but without an appropriate enabling law on enforcement issues. This situation however created a vacuum in the effective enforcement of environmental laws, standards and regulations in the country.

To address this situation, NESREA was established as a parastatal of the Federal Ministry of Environment. The NESREA Act was accented to by Mr. President on 30th July, 2007. By the NESREA Act, the FEPA Act Cap F 10 LFN 2004 was repealed.

NESREA is charged with the responsibility of enforcing all environmental laws, guidelines, policies, standards and regulations in Nigeria. It also has the responsibility to enforce compliance with provisions of international agreements, protocols, conventions and treaties on the environment. The vision of the Agency is to ensure a cleaner and healthier environment for all Nigerians and other people resident in Nigeria (www.nesrea.org.ng, 2012).
5. **Petroleum Products Pricing Regulatory Agency (PPPRA)**

The Petroleum Pricing Regulatory Agency (PPPRA) was established by an Act of the national Assembly, 2003 to carry out the following functions (Oluleye, 2003):

- To determine the pricing policy of petroleum products;
- To regulate the supply and distribution of petroleum products;
- To create an information databank through liaison with all relevant agencies to facilitates the making of informed and realistic decisions on pricing policies;
- To oversee the implementation of the relevant recommendations and programmes of the Federal Government as contained in the White Paper on the Report of the Special Committee on the Review of the Petroleum Products Supply and Distribution, taking cognizance of the phasing of specific proposals;
- To moderate volatility in petroleum products prices, while ensuring reasonable returns to operators.
- To establish parameters and codes of conduct for all operators in the downstream petroleum sector;
- To maintain constant surveillance over all key indices relevant to pricing policy and periodically approve benchmark prices for all petroleum products;
- To identify macro-economic factors with relationship to prices of petroleum products and advice the Federal Government on appropriate strategies for dealing with them;
- To prevent collusion and restrictive trade practices harmful in the sector;
To create firm linkages with key segment of the Nigerian society, and ensure that its decision enjoy the widest possible understanding and support;

To exercise mediatory role as necessary for all stakeholders in the sector;

To carry out such other activities as appear to it necessary or expedient for the full and efficient discharge of its functions.

6. **Nigerian Extractive Industries Transparency Initiative (NEITI)**

The Nigeria Extractive Industries Transparency Initiative (NEITI) is one of the regulatory agencies in the oil and gas industry in Nigeria; and has a lot to do with the CRM of oil companies. According to its website (http://www.neiti.org.ng, 2012), NEITI is mandated by law to promote transparency and accountability in the management of Nigeria’s oil, gas and mining revenues. It is a major component of the on-going anti-corruption reform in Nigeria, and is the national version of the Extractive Industries Transparency Initiative (EITI), which is a global movement, aimed at ensuring that extractive resources aid sustainable development.

NEITI was inaugurated in February 2004 by former President Olusegun Obasanjo when he set up the National Stakeholders Working Group (NSWG) under the leadership of Mrs Obiageli Ezekwesili. The NSWG oversees the activities of NEITI and is made up of representatives of government, extractive companies and civil society. Among others, NEITI commissioned the first comprehensive audit of Nigeria’s petroleum industry for
the period 1999 to 2004 and is working with various stakeholders to build national consensus on the need for extractive revenue transparency in Nigeria.

To give legal backing to the work of NEITI, a law was passed by the National Assembly and signed by former President Obasanjo on May 28, 2007. With this, Nigeria became the first EITI-implementing country with a statutory backing for its operations. The NEITI Act 2007 mandates the agency to promote due process and transparency in extractive revenues paid to and received by government as well ensure transparency and accountability in the application of extractive revenues.

Since 2004, NEITI has engaged in various activities in pursuit of its mandate. The major activities, according to its website, include the following:

- Commissioning of the Financial, Physical and Process Audits of Nigeria’s Petroleum Industry for the period 1999 to 2004. This was the first comprehensive audit of this strategic industry since Nigeria struck oil in 1956;
- Communicating the findings of the audit in a comprehensive and comprehensible manner to various stakeholders;
- Working with government agencies and other stakeholders to remedy the lapses identified by the audit;
- Building the capacity of civil society organizations, government officials, parliamentarians and the media to understand and monitor extractive revenue transparency in Nigeria;
Forging a national consensus on need for extractive revenue transparency in Nigeria through outreach and advocacy activities such as road-shows, consultative forums and town-hall meetings (http://www.neiti.org.ng/pages/about-neiti)

7. **The Nigerian Content Development and Monitoring Board (NCDMB)**

This is one of the regulatory agencies in the Nigerian oil and gas industry, and impacts significantly on corporate reputation management in the industry. According to the agency website (www.ncdmb.org.ng, 2012), the Nigerian Content Development and Monitoring Board (NCDMB) came into effect on 22nd of April, 2010 following the signing of the Bill into law by President Goodluck Jonathan. The agency is currently located at the Revenue House, Chief Lambert Eradiri Road, YenegoaBayelsa State, where it would have its headquarters.

The key functions of the agency include:

1. Increase participation by indigenes and Indigenous companies in oil and gas related projects in Nigeria.
2. Create opportunity for integrating oil producing communities into mainstream industry activity.
3. Carry out enlightenment and awareness programs on provisions of the Act.
4. Promote education, employment, training, research and development of Nigerians in the oil and gas industry.

5. Get multinational oil companies to domicile proportion of assets in Nigeria, and promotes indigenous ownership of equipment.

6. Ensure local capacity development --- gap analysis, design and implementation of interventions.

7. Provide dedicated Nigerian Content Development Fund for capacity building.

8. Create access for other sector services particularly insurance, banking, financial services, legal services and general.

9. Ensure performance monitoring, measurement and tracking compliance

10. Ensure penalty for non-compliance.

2.22. Major Issues in the Oil & Gas Industry in Nigeria

The Nigerian oil and gas industry is beleaguered with many important issues, which impacts on its corporate reputation. They include the Local Content Act, 2010; Petroleum Industry Bill (PIB); deregulation of the downstream sector of the industry; oil spillages and pollution of environment; gas flaring; Ogoni and other communities’ issues, as well as labour and welfare issues.

1. Gas Flaring: Still a Burning Issue

Gas flaring is a major issue in the oil and gas industry in Nigeria. It is a controversial issue because of its impact on people and the environment, and the huge loss in
revenue to the federal government. Despite longstanding regulations against gas flaring – the burning of natural gas during oil extraction, and shifting deadlines to end the practice, the activity continues, with serious health consequences for people living nearby. According to the NNPC, as at 2010, total gas production in the country amounted to 2,000 billion standard cubic feet (bscf), out of which about 40 percent is flared – released into the atmosphere. NNPC, however states that there is a drastic drop from the 70 percent proportion flared before 1999.

In the Niger Delta, where most of the flaring takes places, residents living near gas flares complain of respiratory problems, skin rashes and eye irritations, as well as damage to agriculture due to acid rain. They are also forced to live with constant noise, heat and light that can lead to sleep deprivation which can degenerate into systemic insomnia.

According to a 2011 report by Environmental Rights Action (ERA) and the Nigerian chapter of Friends of the Earth International, gas flaring releases nitrogen oxides and other chemical substances which are known to cause cancers. The report says these pollutants can affect communities within 30 kilometers of the flares. The reports stated further that since gas flaring involves carbon dioxide and sulfur outputs, in the longer term the heart and lungs can be affected leading to bronchitis, silicosis, sulfur poisoning of the blood, and cardiac complications“.
In 2008, however, the government launched the first gas master plan to strengthen domestic utilization of gas and for exports. Today, the hitherto flared gas is being channeled into gas-powered projects for rapid industrialization and revenue for the government. These include:

- Domestic gas market expansion
- Independent power plants
- The liquefied natural gas projects
- The West African gas pipeline
- The trans-Sahara gas pipeline
- Gas to liquid & natural gas liquids
- Petrochemicals and fertilizer projects

Publicly, oil firms say they are working to reduce flaring. For instance, a Shell report says that from 2002 to 2010 “flaring from SPDC facilities has fallen by over 50 percent,” Nigeria’s government passed a law banning gas flaring in 1979, but allowed the Ministry of Petroleum to grant exceptions. Today, most operators are still relying on those exceptions. New deadlines were fixed for 2003 and 2004. An agreement between oil companies and the government was later reached to end all gas flaring by 2008. The deadline was later pushed to 2010.
2. Oil Spillages and Pollution Associated with Oil and Gas Industry in Nigeria

In the past 35 years (1975 – 2010), oil spillage and pollution have been major challenges facing the government, oil companies and host communities; and have impacted quite negatively on their CRM. They are perhaps, the two most devastating environmental problems that have plagued many communities in the Niger Delta such as Ogoniland in Rivers State, Ughelli in Delta State, Akassa in Bayelsa State, among others (DonPedro, 2005). On the other hand, news of oil spills and pollution have always been internationalized through internet and non-governmental organizations (NGOs), and quickly become serious reputation and ethical issues for many oil companies (Ekekwe, 2003). These are problems that have necessitated this study.

Despite the new National Policy on the Environment (1999), and the fact that the Federal Government of Nigeria has set up two new specialized agencies known as the National Oil Spill Detection and Response Agency (NOSDRA) and the National Environmental Standards and Regulation Enforcement Agency (NESREA) to complement the earlier efforts of the Federal Environmental Protection Agency (FEPA), and the Environmental Impact Assessment (EIA) Decree No. 86 of 1992, the problem of oil spillage and pollution has continued to ravage many communities in the Niger Delta.

Much of the strategies or techniques employed by the Government and oil companies in the management of oil spillage and pollution in Nigeria are legal and regulatory in
nature. Indeed, Badejo and Nwilo (2004) identified at least 13 major laws and four international conventions that address the issue. Yet, this option has not helped in eliminating, or drastically reducing the incidents of oil spillage and pollution in concerned communities in the Niger Delta.

Another major area of intervention is mechanical clean-up operation, which is adopted immediately an oil spillage occurs. The use of oil dispersants in the clean-up operation usually leads to serious toxic effects and poisoning of aquatic life. In most cases, the clean-up process is slow, and takes many weeks to accomplish. Yet, even at that, it does not restore the water or the environment to purity and safety.

Bioremediation is another option. It is a sophisticated technique of removing spilled oil under certain geographic and climatic conditions. It can be used to treat certain aerobic oil-contaminated environments. It also requires weeks or months to effect clean-up. However, it has the advantage of destroying toxic hydrocarbon in the environment. Oil companies have also been made to pay fines for oil spillages. Eg. Shell was made to pay a fine US$6,800,000 for failing to clean up an oil spill in a timely manner in an incident that occurred in Peremabiri community in September, 2008.

A new dimension to management of oil spillage and pollution in many parts of the world is the effective use of communications and environmental public relations principles, practices, strategies, techniques, models and tactics in solving the problem (Nwosu and
Uffoh, 2005). However, these have largely been ignored in the management of this phenomenon here in Nigeria.

3. The Petroleum Industry Bill (PIB)

The Petroleum Industry Bill (PIB) is a major issue in the oil and gas industry, which would have impact on CRM. PIB, which is before the National Assembly that seeks to carry out holistic reform of industry, to make it more transparent and ensure that the country derives maximum benefits from its oil and gas resources (*Businessday*, 2012). The bill, however, was so controversial that the 6th National Assembly (2007 – 2011) could not pass it into law. It was alleged that it has three versions.

But most importantly, certain vested interests, especially the international oil companies (IOCs) were said to be uncomfortable with some of its provisions. This has prompted the Minister of Petroleum, Mrs. Diezani Allison-Madueke to set up a team of technocrats and law-makers to make consultations with all relevant stakeholders and produce a new bill that is acceptable and passable by the National Assembly.

According to “Frequently Asked Questions on the PIB” published on the website of the Nigerian National petroleum Corporation (NNPC) in 2009, the following are salient reforms contained in the PIB:
1. The existing laws governing the administration of the oil and gas industry in Nigeria would be repealed or reviewed. The present Petroleum laws, especially the fiscal regimes will be made to reflect current realities and international best practices.

2. The bill seeks to create a more transparent administrative system where all interested parties could access information and indicate interests on a given venture/projects in the industry. It attempts to amend aspects of Petroleum Profit Tax Administration, PPTA, which treat information relating to chargeable profits of companies as confidential and secret. The bill also clearly states procedures for bidding processes and retention of licences and leases which were hitherto not the case in the old laws. It also simplifies collection of petroleum revenues by emphasising on rents and royalties and less on taxes.

3. The PIB encourages the development of small fields with significant low tax incentives having a bottom level of 5 percent royalty scale, based on daily oil production. This provision is a deliberate effort to encourage Nigerian entrepreneurs to partake in the oil and gas sector business. In addition, the local content provision has been incorporated into the new law which would require all projects and procurements to have Nigerian content elements in them. By this, all purchase of local goods and services in the oil industry will receive a significant boost, given that the new PIB makes only 80 percent of foreign costs deductible for Nigerian Hydrocarbon Tax purposes.
4. The PIB provides adequate incentives to promote domestic gas utilisation in Nigeria; in line with the National Gas Master Plan. Article 282, 335, 404 - 410 of the Gas Master Plan highlighted the significance of encouraging the use of gas in domestic markets as well as ending gas flaring.

5. The PIB separates the oil and gas value-chain into Upstream, Midstream and Downstream, with clear demarcation of boundaries among the segments.

6. The regulatory roles of the NNPC is excised and transferred into three regulatory entities for effectiveness and efficiency. Therefore, government will still have strong oversight and control of the oil and gas industry.

7. NNPC will be fully commercialized and will transit from being a statutory Corporation into a Limited Liability Company under the Companies and Allied Matter Act. It will function as a purely commercial business entity but wholly owned by Government. It would have freedom to enter into commercial ventures and pay taxes on its profit to Government.

8. The PIB provides for the current Directorate of Petroleum Resources to be transformed into the National Petroleum Inspectorate, NPI, which is an autonomous regulatory body empowered with financial and operational independence to regulate the activities in the upstream petroleum sector.

9. The PIB requests each oil and gas producing company in Nigeria to supply a certain proportion of gas for use in the domestic market under the domestic gas supply obligation to be issued by the Minister of Petroleum Resources.
10. All the provisions in the previous downstream gas bill have been incorporated in the PIB. The Gas sector will be regulated by the three regulators: Agency, Inspectorate, and Authority.

11. Under the Corporate Social Responsibility section of the bill, an elaborate presentation on the roles and responsibilities of companies and what constitutes their corporate social responsibilities to their host communities recommends stiff penalties for any act of environmental pollution by companies. In addition, it also spelt out provision for effective engagement and participation of host communities in the economic spin-offs arising from oil and gas activities in their vicinity. Companies are required to present a well articulated sustainable community development plan consistent with the PIB guidelines for effective sustainable engagement programme.

12. The Bill mandates oil and gas companies operating in Nigeria to be guided strictly by the PIB Local Infrastructural Development and Maintenance Guidelines.

4. **Nigerian Local Content Development Act of 2010**

The Nigerian Oil and Gas Industry Content Development Act, 2010 (more popularly called the “Local Content Act”), is one of the major issues or laws that have significant impact on corporate reputation management in the industry. The international oil companies (IOCs) are mandated to comply with the provisions of the Act, and would be sanctioned for non-compliance.
The Act makes conscious effort to make Nigerians and indigenous companies to participate actively in the oil and gas industry by emphasising on Nigerian content in all oil and gas related projects, ensuring that Nigerian companies are given first consideration in the award of oil contracts, etc. The Act also codifies the existing Nigerian content directives of the Nigerian National Petroleum Corporation (NNPC) and addresses some of the basic concerns of the stakeholders. It was signed into law by President Goodluck Jonathan in March, 2010.

According to the “Nigerian Oil and Gas Industry Content Development Act, 2010” booklet (2010), the Act shall apply to:

- All matters pertaining to Nigerian content in respect of all operations or transactions carried out in or connected with the Nigerian oil and gas industry;
- All regulatory authorities, operators, contractors, subcontractors, alliance partners and other entities involved in any project, operation, activity or transaction in the industry shall consider Nigerian content as an important element of their overall project development;
- Nigerian independent operators shall be given first consideration in the award of oil blocks, oil field licences, oil lifting licenses and in all projects for which contract is to be awarded;
• There shall be exclusive consideration to Nigerian indigenous service companies which demonstrate ownership of equipment, Nigerian personnel ad capacity to execute such work or bid on land and swamp operations;
• Compliance with the provisions of the Act and promotion of Nigerian content development shall be a major criterion for award of licences, permits and other interests in bidding for oil exploration, production, transportation, etc;
• The Nigerian Content Development and Monitoring Board shall make procedure that will guide, monitor, coordinate and implement the provisions of the Act.

Coker (2010) argues that Nigerians and companies must wake up to the challenge of developing their capacity, visible corporate structures, equipment acquisition, investment in manpower envelopment, technical alliances, technology acquisition, and cultivate culture of excellence in service delivery if they must benefit from the Local Content Act.

5. Deregulation of the Downstream Petroleum Sector

Deregulations of the Downstream Sector/Removal of Petroleum Subsidy

Deregulation of the downstream sector of the Nigerian oil and gas industry, also called “appropriate pricing of petroleum products” by government, or “removal of petroleum subsidy” has had a significant impact on corporate reputation management in the industry due to the incessant public revolt against the policy. The last was in January 2012 when the Federal Government increased the price of Prime Motor Spirit (PMS)
popularly called petrol from N65.00 per litre to N140.00. The Nigerian Labour Congress (NLC) led a national strike that forced the Government to reduce it to N97.00 per litre.

According to the Federal Ministry of Finance website (www.fmf.org.ng, 2011), the Federal Government was on average paying a subsidy of N1.37 trillion annually, and if the Government stops the subsidy regime, it would invest the money in new social infrastructure, education, medical services, etc in a new programme of government called Subsidy Reinvestment Programme (SURE-P). Brown (2012) argues that Government did not employ CRM strategies such as strategic communication and stakeholder engagement in handling the issue.

According to “Deregulation of the Downstream Sector of the Nigerian Petroleum Industry” (2004), a publication of the Petroleum Products Pricing Regulatory Agency (PPPRA), Deregulation is the opening up of the downstream sector of the petroleum industry to competition among all players in the industry; which means allowing every player the opportunity to refine or import petroleum products for use in the country in so far as the products so refined or imported meet quality specifications. It involves removal of entry barriers into the supply and distribution of petroleum products.

Activities in the downstream sector of the petroleum industry consist of refining, supply and distribution (marketing) of petroleum products. Currently Nigeria has four refineries: two in Port Harcourt (old and new refineries), one in Warri and another in
Kaduna. It also has 22 storage depots and over 5,000 kilometres of pipelines for transportation and distribution of crude oil and refined products (PPPRA, 2004). In 2003, the Federal Government established PPRA to regulate the deregulation process.

According to the publication, Government believes that deregulation will bring the following advantages:

- Ensure that petroleum products are consistently made available to the consumers in an uninterrupted manner;
- Eradicate waste and corruption which are consequences of a tightly regulated economy;
- Ensure that the supply and distribution of petroleum products are orderly and consumer friendly;
- Channel money realized from the exercise to development projects that will be beneficial to the majority of the people.

Gbadamosi, Kupolokun and Oluleye (2007) posit that deregulation is the best government policy to drive the downstream petroleum sector, arguing that over the years, the monopoly enjoyed by the Nigerian National Petroleum Corporation (NNPC) in the refining and distribution of petroleum products, has led to bureaucratic bottlenecks, deterioration of national infrastructure in the sector, loss of huge national revenue, wastages and corruption. According to them, opening the sector to competition will bring efficiency and private sector investments in the sector.
Esele (2011) has however argued that government’s policy of deregulation has only impoverished the Nigerian people in a process that only makes few persons billionaires. He posits that government’s aim in deregulation is to make more money through regular increases in the cost of fuel -- huge revenue that eventually ends up in the pockets of government officials through corruption. He argues that removal of fuel subsidy is an anti-people policy because the Nigerian people ought to enjoy a product (crude oil) which God Almighty endowed them with.

Esele’s position has been confirmed by current probe of the implementation of the subsidy payments by the National Assembly, which revealed that the deregulation policy was not being well managed, and many marketers (importers of petroleum products) were being paid the subsidy fund without supplying any petroleum products. Below is a table showing price of PMS (fuel) between 1973 and 2012.

**Table 3: Price of PMS (fuel) between 1973 and 2012.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per litre</td>
<td>9.5k</td>
<td>51k</td>
<td>60k</td>
<td>N3.25</td>
<td>N11</td>
<td>N20</td>
<td>N22</td>
<td>N38</td>
<td>N48</td>
<td>N65</td>
<td>N65</td>
<td>N97</td>
</tr>
</tbody>
</table>


Between 1976 and 2009, there have been serious cases of oil spills in the Niger Delta. According to the Department of Petroleum Resources (DPR), between 1976 and 1996, a total of 4647 incidents resulted in the spill of approximately 2,369,470 barrels of oil into the environment. Out of this quantity, only 549,060 barrels or 23% were recovered. A total of 1,820,410 or 77% were lost to the environment mostly land, swamp and rivers.

When the oils spills involve refined petrol, they usually result in conflagrations that consume thousands of lives such as the “Jessie Armageddon” of 1998 in Delta State and the Ijegun oil fire in Lagos State in 2006; and destruction of the ecosystem.

Table 4 Major oils spills during this period under review:

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil spill Incidents</th>
<th>Barrels spilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>GOCON’s Escravos Spill</td>
<td>300,000 barrels</td>
</tr>
<tr>
<td>1978</td>
<td>Shell’s Forcados Terminal tank failure</td>
<td>580,000 ”</td>
</tr>
<tr>
<td>1980</td>
<td>Blow out at Texaco Funiwa-5 offshore station</td>
<td>400,000 ”</td>
</tr>
<tr>
<td>1982</td>
<td>Abudu Pipeline incident</td>
<td>18,818 ”</td>
</tr>
<tr>
<td>1998</td>
<td>Idoho incident</td>
<td>40,000 ”</td>
</tr>
<tr>
<td>1998</td>
<td>Jessie incident that claimed thousands of lives</td>
<td>NA</td>
</tr>
</tbody>
</table>


The table above shows that the heaviest oil spill was the 1980 blow out at Texaco’s Funiwa-5 offshore station, which spilled about 400,000 barrels of oil into the environment.
### Table 5: Oil Spill Data: 1976 – 1998

<table>
<thead>
<tr>
<th>S/No</th>
<th>Year</th>
<th>Number of spill incidents</th>
<th>Quantity spilled (barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1976</td>
<td>128</td>
<td>26,157.00</td>
</tr>
<tr>
<td>2.</td>
<td>1977</td>
<td>104</td>
<td>32,879.25</td>
</tr>
<tr>
<td>3.</td>
<td>1978</td>
<td>154</td>
<td>489,294.75</td>
</tr>
<tr>
<td>4.</td>
<td>1979</td>
<td>157</td>
<td>694,117.13</td>
</tr>
<tr>
<td>5.</td>
<td>1980</td>
<td>241</td>
<td>600,511.02</td>
</tr>
<tr>
<td>6.</td>
<td>1981</td>
<td>238</td>
<td>42,722.50</td>
</tr>
<tr>
<td>7.</td>
<td>1982</td>
<td>257</td>
<td>42,841.00</td>
</tr>
<tr>
<td>8.</td>
<td>1983</td>
<td>173</td>
<td>48,351.30</td>
</tr>
<tr>
<td>9.</td>
<td>1984</td>
<td>151</td>
<td>40,209.00</td>
</tr>
<tr>
<td>10.</td>
<td>1985</td>
<td>187</td>
<td>11,876.60</td>
</tr>
<tr>
<td>11.</td>
<td>1986</td>
<td>155</td>
<td>12,905.00</td>
</tr>
<tr>
<td>12.</td>
<td>1987</td>
<td>129</td>
<td>31,866.00</td>
</tr>
<tr>
<td>13.</td>
<td>1988</td>
<td>208</td>
<td>9,172.00</td>
</tr>
<tr>
<td>14.</td>
<td>1989</td>
<td>195</td>
<td>7,628.161</td>
</tr>
<tr>
<td>15.</td>
<td>1990</td>
<td>160</td>
<td>14,940.816</td>
</tr>
<tr>
<td>16.</td>
<td>1991</td>
<td>201</td>
<td>106,827.98</td>
</tr>
<tr>
<td>17.</td>
<td>1992</td>
<td>367</td>
<td>51,131.91</td>
</tr>
<tr>
<td>18.</td>
<td>1993</td>
<td>428</td>
<td>9,752.22</td>
</tr>
<tr>
<td>19.</td>
<td>1994</td>
<td>515</td>
<td>30,282.67</td>
</tr>
<tr>
<td>20.</td>
<td>1995</td>
<td>417</td>
<td>63,677.17</td>
</tr>
<tr>
<td>22.</td>
<td>1997</td>
<td>339</td>
<td>59,272.30</td>
</tr>
<tr>
<td>23.</td>
<td>1998</td>
<td>390</td>
<td>98,345.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>5,724</strong></td>
<td><strong>2,571,113.90</strong></td>
</tr>
</tbody>
</table>

**Source:** The Department of Petroleum Resources (DPR), reproduced from Lawal & Igbikiowubo (2006), *Nigeria Sweet Crud*
Table 6: Reported oils spills 1997 – 2001

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of reported spills</th>
<th>Quantity in barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>339</td>
<td>59,272</td>
</tr>
<tr>
<td>1998</td>
<td>390</td>
<td>-</td>
</tr>
<tr>
<td>1999</td>
<td>319</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>637</td>
<td>84,072</td>
</tr>
<tr>
<td>2001</td>
<td>412</td>
<td>120,976</td>
</tr>
</tbody>
</table>


Apart from the danger of oil spillage to the host communities, the Nigerian nation also loses much revenue from spilled crude or refined oil. According to the National Oil Spill Detection and Response Agency (NOSDRA), Nigeria lost about 66,697.2975 barrels of oil to spillage between 2006 and 2009.

Table 7: Oils spills: 2006 – 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity in barrels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>28,036.0721</td>
</tr>
<tr>
<td>2007</td>
<td>11,878.1713</td>
</tr>
<tr>
<td>2008</td>
<td>21,689.9805</td>
</tr>
<tr>
<td>2009 (Jan– June)</td>
<td>5,093.0783</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>66,697.2975</strong></td>
</tr>
</tbody>
</table>


The table above shows that 2006 recorded a very heavy oil spillage of 28,036.0721 barrels into the environment. It was followed with 2008 with 21,878.1713 barrels. The
quantity of oil in barrels shows that measures adopted in the past to deal with incidents of oils spillage have not produced the desired result. There is need for new methods, new strategies, new models to adopt by all concerned in this matter.

Table 8: Oil Companies involved in Oil Spills 2006 – 2009

<table>
<thead>
<tr>
<th>Company</th>
<th>Quantity spilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agip Oil</td>
<td>33,557.13 barrels</td>
</tr>
<tr>
<td>SPDC</td>
<td>20,804.1825 &quot;</td>
</tr>
<tr>
<td>Mobil</td>
<td>5,606.4 &quot;</td>
</tr>
<tr>
<td>Elf</td>
<td>3,628.985 &quot;</td>
</tr>
<tr>
<td>Chevron</td>
<td>2,087.835 &quot;</td>
</tr>
<tr>
<td>APDNL</td>
<td>507.58 &quot;</td>
</tr>
<tr>
<td>NNPC/PPMC</td>
<td>364.4870 &quot;</td>
</tr>
<tr>
<td>Warri R&amp;P</td>
<td>79.0020 &quot;</td>
</tr>
<tr>
<td>AENR</td>
<td>20,000 &quot;</td>
</tr>
<tr>
<td>POOCN</td>
<td>33 &quot;</td>
</tr>
<tr>
<td>EEPNL</td>
<td>7.696 &quot;</td>
</tr>
</tbody>
</table>

The table above shows that oil spills from Agip Oil have the biggest quantity of barrels of oils spilled into the environment. SPDC is second in ranking.

### 2.24. Oil & Gas Legislations & Regulations in Nigeria

There are various laws and regulations that guide operations in the Nigerian oil and gas industry. They are meant to ensure that operators are guided by relevant rules and regulations; and that infractions or non-compliance are sanctioned. According to the website of the Federal Ministry of Petroleum Resources (2012), the following are some of the laws and regulations (1952 – 2010).

1. Land Use Act / Motor Spirit (Returns) Act - 27th March 1952
2. Oil Pipelines Act - 4th October 1956
3. Oil Terminal Dues Act - 1st January 1965
4. Hydrocarbon Oil Refineries Act - 11th June 1965
5. Petroleum Control Act - 13th July 1967
6. Oil in Navigable Waters Act - 22nd April 1968
8. The Nigerian National Oil Company Act No. 18 of 1971 (empowers the Federal Government to acquire the assets and liabilities of existing oil companies).
17. Exclusive Economic Zone Act - 2nd October 1978
20. Acquisition of Assets (British Petroleum Company Limited) Act - 7th July 1988
22. Oso Condensate project Decree 1990
23. Nigeria LNG (Fiscal Incentives, Guarantees and Assurances) Decree 1990
24. Oil and Gas Export Free Zone Decree 1990
27. Pre-shipment Inspection of Export Decree, 1996
28. The Petroleum (Amendment) Decree No. 23 of 1996 (amended the First schedule to the Petroleum Act of 1969 as it concerns the assignment of interests in the oil mining leases. The new paragraph 16A permits holders of oil mining leases to farm-out any marginal oil fields lying within a leased area).
31. The Nigerian Extractive Industries Transparency Initiative Act of 2004
2.25. Regulations Against Pollution or Environmental Degradation

Oshineye (2000) has identified some Acts and Regulations that guide against pollution and environmental degradation in host communities, in the oil and gas industry in Nigeria, which ultimately affect the reputation of the oil companies. They include:

i. **The Mineral Oil (Safety) Regulation of 1963:** deals with safe discharge of inflammable gases and provide penalties for contraventions and non-compliance.

ii. **Petroleum Regulations of 1967:** prohibits discharge or escape of petroleum into waters within harbour area and make provisions for precautions in the conveyance of petroleum and rules for safe operation of pipelines.

iii. **Petroleum Drilling and Production Regulations of 1969:** requires license holders to take all practical precautions, including the provision of up-to-date equipment approved by the appropriate authority to prevent pollution of inland waters, river water sources, the territorial waters of Nigeria or the high seas by oil or other fluids or substances.

iv. **Oil in Navigable Waters Act of 1968:** prohibits discharge of oil or any mixture containing oil into the territorial or navigable inland waters.

v. **Oil Terminal Dues Act of 1969:** prohibits oil discharge to area of the continental shelf within which any oil terminal is situated.
vi. **Petroleum Refining Regulations of 1974**: deals among other things, with the construction requirements for oil storage tanks to minimise damage from leakages.

vii. **Associated Gas Re-Injection Act of 1979**: provides for the utilization of gas produced in association with oil and for the re-injection of such associated gas not utilized in an industrial project. This is to discourage gas flaring.

viii. **Oil Pipelines Act of 1956** (as amended by the Oil Pipelines Act 1965): prevents the pollution of land and any waters.

ix. **The Environmental Impact Assessment (EIA) Decree No. 86 of 1992**: makes EIA compulsory for any major project that may have adverse effect on the environment. It sought to assess the likely or potential environmental impact on proposed activities, including their direct or indirect, cumulative, short-term and long term effects and to identify measures available to mitigate such adverse environmental impact (Badejo and Nwilo, 2004).

### 2.26. Labour Movement in the Oil & Gas Sector

The labour movement constitutes a major stakeholder-group in the oil and gas industry in Nigeria, and impact significantly on its CRM. The movement holds the ace in industrial relations of any oil company. They are empowered to negotiate workers’ welfare with management; and engage in collective bargaining agreement (CBA). A company’s ability to achieve industrial harmony depends largely on its relations with the
labour movement. However, the unions have been criticized for calling out workers on industrial action (strikes) on flimsy reasons (Johnson, 2011).

In Nigeria, there are two recognised trade unions that hold sway in the industry. They are the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) affiliated to the Trade Union Congress (TUC); and the National Union of Petroleum and Natural Gas Workers of Nigeria (NUPENG) affiliated to the Nigeria Labour Congress (NLC).

1. Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN)

According to its website (2012), the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) was formally registered as a trade union on 15th August, 1978. Its mission is “to be the most organized and influential trade union in Nigeria by upholding the core values of our existence as a union to ensure that our members and indeed, all stakeholders in the oil and gas industry, continue to promote a salubrious partnership in the industry”.

The core objectives of PENGASSAN are listed as:

- To safeguard and protect the jobs of members;
- To ensure a safe and healthy working environment;
- To improve the terms and conditions of employment of members;
• To support and promote legislation in the interest of members in particular and Nigeria in general;
• To render assistance to other trade union organizations in the spirit of co-operation and solidarity.

Membership of PENGASSAN is drawn from the senior and middle management employees in various oil and gas companies in Nigeria. Each company is registered by the national secretariat and constitutes a branch of the union. According to its website, PENGASSAN currently has about 21,000 members in 101 branches across the country. It has its National headquarters presently at 288 Ikorodu Road, Anthony Village Lagos, and zonal offices in Lagos, Warri, Port Harcourt and Kaduna.

The leadership structure of PENGASSAN is made up of four bodies namely:
• National Delegates Conference (NDC), which is the highest organ of the union. It is made up of members of the National Executive Council (NEC), the principal national officers and staff; and delegates from all the branches.
• National Executive Council (NEC), which is made up of branch chairmen of all the branches plus the principal national officers and staff;
• Central Working Committee (CWC), which is made up of the 14 elected national officers, general secretary and deputy secretary.

PENGASSAN (2012) believes that the fundamental reason for the existence of trade unions is to help workers achieve a better life. According to it, individuals and un-
unionized workers always remain at the mercy of their employers and therefore suffer great deprivations. PENGASSAN says it remains committed to improving the quality of its members through the instrumentality of collective bargaining. Organising the unorganized in the industry remains a major task. Together with its sister union, NUPENG, they remain the voice of organized workers in the petroleum industry in Nigeria (see www.pengassan.com, 2012)

2. The National Union of Petroleum and Natural Workers of Nigeria (NUPENG)

The National Union of Petroleum and Natural Gas Workers of Nigeria (NUPENG) is one of the 29 industrial unions currently affiliated to the Nigeria Labour Congress (www.nupeng.com, 2012). It was formally registered as a trade union on 15th August, 1978. It has four zones namely Lagos, Warri, Port Harcourt and Kaduna.

Its objectives are listed below:

- To ensure the complete unionization of all workers employed in the petroleum and natural gas industries;
- To regulate the relations and settle disputes between members and employees and between one member and another;
- To obtain and maintain just and equitable general condition of service;
- To advance the education and training of members;
- To provide benefits and other assistance to members as provided in its constitution;
To encourage the participation of members in decision making at both industrial and national levels;

To protect and advance the socio-economic and cultural interest of the community, and such other objectives as are lawful and not inconsistent with the spirit and practice of trade unionism;

To promote and encourage international fraternal relations with bodies having the interest of petroleum and natural gas workers.

Administratively, NUPENG has the following structure: National Delegates Conference (NDC), National Executive Council (NEC), Central Working Committee (CWC), National Administrative Council (NAC) and Zonal Councils.

2.27. CRM in the Oil and Gas Industry in Nigeria

Review of various literatures show that since the early 1990s, companies in the oil and gas industry in Nigeria have applied various forms of corporate reputation management (CRM) in building and sustaining good image or reputation; maintaining good relations with their host communities or fighting off negative publicity and poor public opinion. Haastrup (1997) who worked in Chevron, stated that in the early 1990s, communities/youths in the vicinity of oil production began to have negative perception of oil companies as people who were making money from their land and devastating their environment but without giving them anything in return.
According to Haastrup:

“As the youth in the communities travel to other parts of the country and see mainly the good side of urban life -- the tarred roads and bridges, hospitals and hotels, potable water and electricity, all the things that are absent in their communities, -- their needs automatically increased, their resentment at their limited opportunities for realizing their dreams heightened. Their erstwhile relationship with oil companies marked by dignified silence and indifference changed. Communities in the vicinity of oil production have since become increasingly demanding on the oil companies; their perception of the oil companies has become negative.”

Haastrup (1997) further stated that this scenario called for the services of perception and reputation managers who immediately diagnosed the problem, and found out that the reputation issues were rooted in “higher and unrealistic expectation borne out of need, some misdirected frustration, a lack of adequate communication/understanding and sufficient trust on the part of both parties, and an inadequacy of a positive attitude based on the misperception of roles and responsibilities.” According to him, Chevron as a good corporate citizen, has always believed that community development is part of its social responsibility to the people.

Ekekwe (2003), who worked in Shell, argues that in the past, stakeholder relationship management was not given the attention it deserved in the oil and gas industry. According to him:
“Until the last five or six years, this relationship was more or less taken for granted. Not until the desperate actions (kidnapping, sabotage of facilities seizure of equipment) of some of the stakeholder groups began to threaten the companies’ licence to operate did it seem worthwhile to accord some priority to the departments in the companies which manage stakeholder relationships... More concerned with making profit than with any but the most pressing issues in the business environment, the companies failed for a long time to see positive, sustained and consistent stakeholder relationship as the social capital that it is.”

Another issue that made CRM imperative in the oil and gas industry was alleged devastation of Ogoni environment by Shell, a campaign that was internationalized by the late Ken SaroWiwa. As Orukari (2010), who worked with Elf Petroleum noted:

“When Shell’s international reputation was called to question by the civil/environmental rights activities in Ogoniland in Nigeria in the early 1990s, the company saw it as a crisis in confidence resulting from a breakdown in communication. Shell went to town and recruited some public relations practitioners to put their house in order.”

Orukari (2010) further stated: “Whenever there is an oil spillage or blow-out in any community, the primary activity in a chain of activities to save lives and property, is to create an enabling environment for rescue workers to operate unhindered. Even when the situation degenerates to the point of kidnapping staff of multinational corporations, the public relations practitioner is called in to build bridges of social contact.” Orukari
maintains that strategic communications, stakeholder engagement and corporate social responsibility are key CRM practices in the industry.

Orukari told the story of an incident in which CRM solved a big problem:

“This scene was in the main office complex of ELP Petroleum in the Trans Amadi Industrial Area, Port Harcourt, where the MD/CEO was hosting officials of the Federal and Rivers State Governments, representatives of the host communities as well as the management of a contracting company for signing/award of contract for a multi-million naira water scheme christened the “Obagi Water Scheme”. While I was busy putting finishing touches to the arrangement for that eventful day, my attention was called for by a worried managing director.

The problem was that one of the communities that would benefit from the water project had stopped our operations in one of our drilling locations. Well, the contract could not be signed unless there was an assurance of peace and harmony in the operational area. The community representatives looked equally bewildered why one of their member-communities chose to betray them on such a day. As usual, Public Relations was required to go and bell the cat, so I was again deployed. By lunch break, I returned with good news that everything was alright, and the signing ceremony went on successfully. Again, public relations had come to the rescue.”
Orukari (2010) has indeed documented various other instances where CRM has helped to solve problems in the oil and gas industry in Nigeria:

“This is particularly true of the oil and gas sector. Until recently, management in this sector, particularly in Nigeria, thought that only the technical crew was directly relevant in the business of producing oil and gas. Public relations belonged to this other group of departments that were thought to be only complimentary. The truth however, is that no department is less relevant in the core business of any organisation, be it industrial, governmental or non-governmental.

“Instances abound, particularly in the oil and gas industry, where public relations had come in to save the industry from collapse. For instance, when Shell’s international reputation was called to question by the civil/environmental rights activities in Ogoniland in Nigeria, in the early 1990s, the company saw it as a crisis in confidence resulting from a breakdown in communication. Shell went to town and recruited some public relations practitioners to put their house in order.

“Whenever there is an oil spillage or blow-out in any community the primary activity, in a chain of activities to save lives and property, is to create an enabling environment for rescue workers to operate unhindered. Even when the situation degenerates to the point of kidnapping staff of multinational corporations, the public relations practitioner is called in to build bridges of social contract”.
2.28. Issues that have Shaped Corporate Reputation in the Oil and Gas Industry in Nigeria

Don Pedro (2006) and Nkwocha (2010) have identified 11 other issues that have shaped Corporate Reputation Management in the oil and gas industry since the 1990s.

1. New consciousness about public communication, corporate branding and public relations advisory by the major oil companies and the NNPC.

2. Nigeria’s membership of the Organisation of Petroleum Exporting Countries (OPEC) and the need to toe the line of global best practices in public relations.

3. The international campaign against environmental degradation in Ogoniland, spearheaded by the activist Ken Saro-Wiwa who was executed by the regime of late General Sani Abacha.

4. Oil spillages and pollution of rivers, creeks and farmlands; and gas flaring that became major international issues.

5. Intensive community agitations, youth restiveness, pipeline vandalisation, fire explosions, etc in the Niger Delta area.

6. Collapse of Nigeria’s four refineries (two in Port Harcourt, one in Warri and one in Kaduna) and shortage of petroleum products across the country; and the need to manage such challenges through public communication.

7. Deregulation of the downstream sector of the oil industry and campaigns for “appropriate pricing” of petroleum products.
8. Agitation for resource control by oil and gas producing states; and counter propaganda efforts by government.

9. Militancy, kidnapping and hostage-taking of oil and gas workers for ransom payment.

10. Industrial relations issues and strikes spear-headed by PENGASSAN and NUPENG, the two main house unions in the oil and gas industry in Nigeria.

11. Awesome power of print and electronic media and the internet on policy formulation and public opinion employed by various interest groups to advance their respective positions and influence public opinion on various issues in the oil and gas industry.

2.29. Stakeholders’ Analysis in Corporate Reputation of the Oil and Gas Industry

Stakeholders or publics of an organization or an industry are the influential groups of persons whose actions, utterances, interests or behaviour affect the fortunes of that organization or industry (Black, 1985). The word ‘stakeholders’ seems to be replacing the word ‘publics’ which is normally used in public relations to describe everyone interested in, or affected by an organisation, or whose opinions can affect the organization (Nolte, 1974; Jefkins, 1987; Ajala, 2001).

In every public relations activity or campaign, it is important to identify and analyse the publics (stakeholders) to be able to communicate with them appropriately and
effectively (Jefkins, 1987, Miller, 1997). In the oil and gas industry, the following influential stakeholder-groups are identified (Ademu-Ette, 2011):

1. **Community stakeholders**
   - Traditional rulers of host communities
   - Chiefs
   - Community liaison officers (CLOs)
   - Youth leaders
   - Opinion leaders (political office holders, top civil servants, top academics, top clergy, etc)
   - Women organisations / widows /market women

2. **Government stakeholders**
   - President/Vice President of the Federal Republic of Nigeria
   - Ministers of Petroleum/Environment/Finance/etc
   - National assembly committees on oversight
   - Governor of the state/Members of House/Commissioners
   - Top officials of regulatory bodies (Eg: DPR, NOSDRA, etc)
   - Top NNPC officials
   - Top security agencies (Police, SSS, Army, Navy, etc)

3. **International Stakeholders**
   - Technical partners
   - Joint Venture (JV) partners
   - Organisation of Petroleum Exporting Countries (OPEC)
• Embassies, ambassadors and High Commissioners
• International organisations

4. **Internal stakeholders**
• Employees
• Non-executive directors
• Contractors, Contract workers

5. **Financial stakeholders**
• Bankers
• Financial advisors
• Shareholders
• Creditors
• Investment analysts
• Suppliers

6. **Media stakeholders**
• Media owners (newspapers, TV, radio, etc)
• Editors of major national and international media
• Energy editors/correspondents
• Environment editors/correspondents
• Other specialized journalists
• Bloggers

7. **Labour stakeholders**
• PENGASSAN and NUPENG officials at branch, zonal and national levels
• Nigerian Labour Congress (NLC) / Trade Union Congress (TUC)
• Ministry of Labour officials

8. **Special stakeholders**
   • Professional bodies relevant to the industry
   • Research institutes/tertiary institutions
   • Civil society groups (eg. Environment)

### 2.30: Viruses that Destroy Corporate Reputation in the Oil and Gas Industry in Nigeria

Nkwocha (2010) has identified nine major problems that impact negatively on the corporate reputation fabric of companies in the oil and gas industry in Nigeria. These include:

• Community/youth hostility and violence
• Oil spillages and pollution
• Industrial crisis
• Health/Safety/Environment issues
• Hammer of Regulatory authorities
• Events mess-up
• Lack of integration of locals and expatriates
• Poor services and products
• Negative media
The points enumerated above have been presented in the illustration below, and should be addressed adequately to prevent them from snowballing into major crises in the organisation:

**Figure 9: Viruses that destroy reputation fabrics in the oil and gas industry**

**Source:** Nkwocha, J. (2010): “Reputation Management in the Oil & Gas Industry” a professional clinic presentation to the Nigerian Institute of Public Relations (NIPR), Rivers State Chapter on 5th October, 2010 in Port Harcourt.
2.31. Summary

This chapter has reviewed various literatures on the subject of corporate reputation management in the oil and gas industry in Nigeria. From the array of definitions of “corporate reputation” proffered by earlier authors and the paucity of definitions of “corporate reputation management” it is clear that there is need for a common and precise definition of the core concepts to help in the professionalisation of CRM and its academic authority.

Also, the differences between “corporate reputation” and “corporate image” do not seem clear enough and need further research. It does appear that the concepts are the same but the later is replacing the former. Alsop’s *The 18 Immutable Laws of Corporate Reputation* gives a very detailed road-map to the practice of corporate reputation management anywhere in the world.

Our review of literature on the subject of oil and gas industry in Nigeria has thrown up so many issues that have helped to clarify the conceptual framework of the subject. The various challenges and issues that have ganged up to create reputation crisis and deficits in the oil and gas industry have been clearly identified. This will help in resolving most of the issues using public relations strategies.

From the various topics discussed above, it is clear that corporate reputation management is very wide and germane for the success of any organisation in the oil and gas industry in Nigeria. It therefore requires thorough handling and detailed research.
References

Ademu-Ette, P., (2011) interview with researcher on November 10, 2012 at his office at Shell Petroleum Development Corporation, Port Harcourt


Agip website:


DonPedro, I., (2005), *Out of a Bleak Landscape*, Lagos. Foreword Communications,


Dilenschneider, R.I., (2000), *The Corporate Communications Bible: Everything You need to Know to become a Public Relations Expert*, New Millennium Press, California, USA.


ExxonMobil website, 2012:


Kumar, S., (1999), “Valuing Corporate Reputation” in Reputation Management: Strategies for Protecting Companies, Their Brand and Their Directors, AIGEurope.


Nigerian Oil Handbook and Directory, 2011, a publication of Media Resources & Associates


National Union of Petroleum and Natural Gas Workers of Nigeria (NUPENG) website


Nwilo, P.C & Badejo, O.T., (2005), *Oil Spillage Problems and Management in the Niger Delta*, International Oil Spill Conference


Petroleum and Natural gas Senior Staff Association of Nigeria (PENGASSAN) website www.pengassan.com, retrieved in April, 2012

Reputation Institute website (www.reputationinstitute.com)


SPDC Handbook, 2012, a publication of Shell Petroleum Development Company


CHAPTER THREE
RESEARCH METHODOLOGY

3.1. Introduction

This chapter provides adequate information on the ways and means through which this research was conducted. For instance, it contains the research design, as well as clear and concise information on the method, techniques or procedure for the collection of data, testing of research instrument, the population of interest, sample selection strategy, pilot survey, validity and reliability tests of survey instruments, and method of data analysis, etc.

3.2. Research Design

This study adopted a survey research method or technique. This method was chosen because the population of study is relatively large and was reached through telephone interviews and the use of questionnaires.

Every good research work begins with a good design. Experts in the field of research methodology (Osula, 1991; Akinade, 2009) have stated that a research design forms the framework, master-plan or detailed blueprint of the entire research process. According to them, a good, well-thought-out design will ensure that information obtained in the course of the project is relevant to the research problem. The information must also be timely, accurate and reliable. A good research design will also
ensure that the information is collected by objective, reliable and economical procedures.

### 3.3. Sources of Data

In this study, we utilized mainly primary data collection sources, namely questionnaires and interviews.

Source of data is an important element of a research project or study. According to Osula (1991), if the source is inappropriate, or the data is inaccurate, the result of the research will equally be inaccurate, and therefore unreliable and unacceptable. Bearing this in mind, the researcher has taken utmost care in sourcing data for this project. The primary source of data was the major source of data utilized in this research work. This involved the data collection technique of interviews and questionnaire administration.

(a) **Questionnaire:** This is a set of structured questions on a given subject administered on a group of people for the purpose of securing structured answers that will help in solving a problem. The questionnaire is a fact-finding research instrument or technique. Modum (1995:112) however stated that many persons do not respond to questionnaires due to lack of time or vagueness of the questions. The researcher made efforts to overcome this challenge by employing the services of two research assistants. He sent/received most of the
questionnaires/responses through e-mails and personal distribution by the assistants.

(b) **Oral interview.** Modum (1995:113) believes that oral interview is probably the most valuable method of gathering data for a project especially if the researcher interviews the right people, in the right order and with the right questions. The researcher applied this instrument where it was most suited. The interviews came in the form of telephone conversations or face-to-face discussions between the researcher and officers/managers from the selected oil and gas companies. The objectives of the interviews were:

(i) To gain information not available from desk research.
(ii) To clear an issue or collate documented evidence;
(iii) To reach people who could not be disposed to responding to questionnaires.

Note: Please see the interview guide questions in Appendix 3.

### 3.4. Pilot Survey and Validation / Reliability of Research Instruments

A Pilot survey was carried out by the researcher. This was meant to pre-test the major research instrument – the questionnaire. There was also need to test the validity and reliability of the research instruments.
(a) **Content Validation:** The research content, questionnaire and interview guide questions were all validated through a process of presenting them to my supervisor, some other senior lecturers and professors, some practitioners in the field of public relations and marketing and some other Ph.D and M.Sc candidates for review. This process presented various criticisms and suggestions, which eventually led to overall review of the work. The proposal presentation of 26th April 2012 to the faculty of the Department of Marketing added yet new insight and further enrichment of the instruments.

(b) **Statistical Validation:** To test the reliability of the research instruments, the researcher used the Statistical Package for the Social Sciences (SPSS) by applying the Cronbach Alpha formula, which provides a result of above 0.7 as acceptable. The questionnaire was pre-tested through a pilot survey to ensure it meets the afore-mentioned reliability and validity standards.

The 33 issue-based questions in part 'B' and 'C' of our questionnaire (Appendix 2) were served to 40 respondents in the selected four major oil companies, namely SPDC, Chevron, ExxonMobil and Agip. Thirty-two of them filled and returned the questionnaire while 8 couldn’t return theirs. The respondents answered most of the questions with relative ease while some of the questions were considered to be ambiguous or too wordy. In the process, some mistakes were identified and corrections made. Some of the questions were removed while some were added. Their observations, suggestions and criticisms enriched the questionnaire and the interview questions.
Upon testing the validity and reliability of responses to the 33 issue-based items in the test instrument, an Alpha of 0.86 and an inter-item (standardized) coefficient of 0.90 were obtained. Since these are greater than 0.7, it indicates that the reliability and validity of the test instrument are very strong. (See Appendix IV for the detailed result).

Akinade and Owolabi (2009) have stated that reliability refers to the extent to which a test measures consistently what it was designed to measure. Anastasi (1969: 71) also writes that reliability refers to the consistency of scores obtained by the same individuals when re-examined with the same test on different sets of equivalent items, or under other variable examining conditions. On the other hand, validity refers to the ability of research process to measure what it is supposed to measure. Poor design of questionnaire instrument, problems in interpretation by data collection personnel or respondents, or a combination of these are acknowledged sources of validity problems (Osuala, 2001).

Thus, validity lays emphasis on two areas: One is that the measuring instrument is actually measuring the concept in question, and not some other concept. The other is that the concept is being measured accurately. (See Appendix IV for the detailed result).

3.5. Population of Study
The population of this study comprises:

(a) Directors, deputy director and assistant of the selected oil companies (Shell, Chevron, Mobil and Agip) who, by nature of their top official responsibilities, are somewhat involved in building and managing reputation for the companies.

(b) Public relations/corporate affairs managers, officers and other front-line staff whose job responsibilities are related to building and managing reputation for the companies.

The population is a clustered population who are known to exist but scattered in various locations of the companies’ operations, and may not be reached easily. Because the population is scattered and indefinite, it is difficult to determine the population scientifically. Kotler (1998) affirms that where such a population cannot be scientifically ascertained, it can be simply estimated. In this case, the populated is estimated to be about 2,000 people nationwide.

3.6. Sample Size Determination

Akinade & Owolabi (2009) and Kotler (1998) argue that it is not necessary, and not even possible, to reach the entire population of interest in a research project. The practice is to select a sample size of the populations through a scientific sampling method/process. According to the authors, a sample is a manageable section of a population but elements of which have common characteristics.
To determine the sample size, the researcher employed Taro Yamane (1964) sample size determination technique for known population as follows:

\[ n = \frac{N}{1 + N \times (e)^2} \]

Where \( n \) = Sample Size

\( N \) = The Population Size

\( e \) = Margin of Error (7% or 0.07)

\( 1 \) = Constant

Substituting then, we have:

\[ n = \frac{2,000}{1 + 2,000 \times (0.07)^2} \]

\[ n = \frac{2,000}{1 + 2,000 \times (0.0049)} \]

\[ n = \frac{2,000}{10.8} \]

\[ n = 185.185 \]

\[ n = 185 \]

Based on the above computation, and for purpose of working convenience, the researcher decided to make the sample size approximately 185 persons.

### 3.7. Administration of Questionnaire

The questionnaires were administered on 185 persons constituting the sample size as per the table below:
Table 8: Distribution of Questionnaires

<table>
<thead>
<tr>
<th></th>
<th>Shell</th>
<th>Chevron</th>
<th>Mobil</th>
<th>Agip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Executives</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Reputation managers and executives</td>
<td>40</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>45</strong></td>
<td><strong>45</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

3.8. Method of Data Analysis

Data Analysis is defined as the ordering and breaking down of data into constituent parts and statistical calculations performed with the raw data to provide answers to the questions that necessitated the research. The techniques of data analysis employed for this research study are:

- Tabulations
- Pie and bar charts
- Percentages, and
- Chi-square
- Pearson Correlation analysis

This method is used in testing a hypothesis concerning the differences between a set of observed frequencies of a sample and a corresponding set of expected or theoretical frequencies.

**Percentage (%)**:  
This is calculated using the formula below:

\[
\text{Percentage} = \left( \frac{\text{Number of Response Received}}{\text{Total Number of Expected Responses}} \right) \times 100
\]

Number of Response Received \times 100  
Total Number of Expected Responses 1
Chi-square

This is represented by the formula below:

\[ X^2 = \frac{(f_o - f_e)^2}{f_e} \]

Where: \[ X^2 = \text{Chi-square} \]
\[ f_o = \text{observed frequency} \]
\[ f_e = \text{expected frequency} \]

Ninety-three percent (93%) confidence interval will be applied. If computed value is greater than the critical value at 0.07 margin of error, we will reject the null hypothesis and accept the alternative and vice-versa. The use of this method is justified because it deals on rationality, causes and effects, based on expectations and observations.

3.9. Reliability and Validity of the Instrument

There are two main ways in which the researcher has carried out reliability and validity test of instrument as follows:

(c) Content Validation and Peer Review: The research content, questionnaire and interview questions were all validated through a process of presenting them to my supervisor, some other lecturers and professors, some practitioners in the field of public relations and marketing and some other Ph.D and M.Sc candidates for review. This process presented various criticisms and suggestions, which
eventually led to overall review of the work. The proposal presentation of 26\textsuperscript{th} April 2012 to the faculty of the Department of Marketing added yet a lot of insight and further enrichment of the work.

**Statistical Validation:** In this study, Statistical Package for the Social Sciences (SPSS) was used to jointly determine the reliability and validity of the instrument, by applying the Cronbach’s Alpha statistical tool, which provides a result of above 0.7 as acceptable. The major instrument of this study (the questionnaire) was pre-tested through a pilot survey to ensure it meets the afore-mentioned reliability and validity standards.

Then, feeding the data procured from our pilot survey into a Statistical Package for the Social Sciences for a further test of the reliability and validity by using the Cronbach Alpha statistical tool, the 33 issue-based questions in part ‘B’ and ‘C’ of Appendix 3 were served to 40 respondents in four major oil companies, host community people, media and regulatory authorities. Thirty-two of them filled and returned the questionnaire while 8 couldn’t return theirs.

Upon testing the validity and reliability of responses to the 33 issue-based items in the test instrument, an Alpha of 0.86 and an inter-item (standardized) coefficient of 0.90 were obtained. Since these are greater than 0.7, it indicates that the reliability and validity of the test instrument are very strong. (See Appendix IV for the detailed result).
Akinade and Owolabi (2009) have stated that reliability refers to the extent to which a test measures consistently what it was designed to measure. Anastasi (1969: 71) also writes that reliability refers to the consistency of scores obtained by the same individuals when re-examined with the same test on different sets of equivalent items, or under other variable examining conditions. On the other hand, validity refers to the ability of research process to measure what it is supposed to measure. Poor design of questionnaire instrument, problems in interpretation by data collection personnel or respondents, or a combination of these are acknowledged sources of validity problems (Osuala, 2001). Thus, validity lays emphasis on two areas: One is that the measuring instrument is actually measuring the concept in question, and not some other concept. The other is that the concept is being measured accurately. (See Appendix IV for the detailed result).

3.10. Summary

This Chapter on Methodology shows that this study adopted a survey research design. The instruments were structured questionnaire and interview schedule. The data for analysis were all primary. The population of the study comprised (a) Directors of the selected oil companies (Shell, Chevron, Mobil and Agip) who, by nature of their official responsibilities are involved in building and managing reputation for the companies and (b) Public relations managers and executives whose job responsibilities are building and managing reputation for the companies. In this case, the populated is estimated to be 2,000 people nationwide.
To determine the sample size, the researcher employed Taro Yamane (1964) sample size determination technique for known population, and computed at 7% margin of error and 93% level of significance, a sample size of 185 was obtained. The research instruments were first content-validated through authority and peer reviews and also statistically confirmed with the Cronbach Alpha, which gave an Alpha of 0.86 and an inter-item (standardized) coefficient of 0.90. Since these are greater than 0.7, it indicates that the reliability and validity of the test instrument were very strong.

The five hypotheses formulated in the study were tested with the following statistical tools: (1) Friedman Chi-Square for Hypothesis 1 - 4 and (2) Pearson Correlation Analyses for Hypothesis 5. And the statistical results are shown clearly in Chapter Four.
References


Kotler, P., (1988), Marketing Management: Analysis, Planning, Implementation and Control, USA


Trochim (2006), The Research Method Knowledge Base
CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1: Introduction: The data procured from the field in the course of this study are presented here in this Chapter in frequency tables, percentages and higher statistical analysis as follows:

Table 4.1: Questionnaire Distribution and Response

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Shell</th>
<th>Chevron</th>
<th>Mobil</th>
<th>Agip</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top executives</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>(32) 17.29%</td>
</tr>
<tr>
<td>Reputation managers and executives</td>
<td>30</td>
<td>25</td>
<td>28</td>
<td>27</td>
<td>110 59.465</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>32</td>
<td>37</td>
<td>35</td>
<td>76.75%</td>
</tr>
</tbody>
</table>

From table 4.1 above, out of 40 chief executives targeted for interviews and questionnaire from the oil companies, only 32 of them representing 17.29% of the sample size (185) were reached. While out of 145 reputation executives/managers served with questionnaire, only 110 of them, representing 59.46% of the sample size, filled and returned theirs. These gave us a total of 142 respondents out of 185, representing a success rate of 76.75%. This 142 were then used for all further analysis in this study. This is illustrated in Figure 4.1 above.

Table 4.2: Respondents’ Frequency Distribution by Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>97</td>
<td>68.31%</td>
</tr>
<tr>
<td>Female</td>
<td>45</td>
<td>31.69%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


The data on table 4.2 shows that out of the total number of 142 successful respondents, 97 of them representing 68.31%, were male while the remaining 45
respondents representing 31.69% were female. This reflected a fairly gender-balance in accord with the male-female employee ratio in the four oil companies. This is illustrated in Fig. 4.2 above.

Table 4.3: Respondents’ Frequency Distribution by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-27 years</td>
<td>25</td>
<td>17.61%</td>
</tr>
<tr>
<td>28-35 years</td>
<td>40</td>
<td>28.17%</td>
</tr>
<tr>
<td>36-49 years</td>
<td>42</td>
<td>29.58%</td>
</tr>
<tr>
<td>50 years or above</td>
<td>35</td>
<td>24.65%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Data displayed on table 4.3 above reflects that 25 (17.61%) of the respondents were in the age range of 18 to 27 years; 40 respondents or 28.17% were aged between 28 to
35 years; 42 respondents or 29.58% were in the age bracket of 36 to 49 years; while the remaining 35 (24-65%) were 50 years or above. This shows that workers of all age groups were given fair hearing in this study. This is illustrated in Fig. 4.3 above.

Table 4.4: The Respondents’ Frequency by Educational Qualifications

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>OND/Equivalent</td>
<td>12</td>
<td>8.45%</td>
</tr>
<tr>
<td>First degree/Equivalent</td>
<td>72</td>
<td>50.70%</td>
</tr>
<tr>
<td>Masters/Ph.D</td>
<td>58</td>
<td>40.85%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


Table 4.4 above gives us the information that 12 (8.45%) of the respondents had only OND or its equivalent. 72 respondents or 50.70% had only first degree or its equivalent. While the remaining 58 respondents or 40.85% had either masters or Ph.D, thus
showing that people of all educational levels in the four oil companies were accommodated in this study.

**Table 4.5: Respondents’ Positions In Their Organizations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officer</td>
<td>50</td>
<td>35.21%</td>
</tr>
<tr>
<td>Manager</td>
<td>60</td>
<td>42.25%</td>
</tr>
<tr>
<td>Top Management</td>
<td>32</td>
<td>22.54%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012.**

From table 4.5 and Fig. 4.5 above, the organizational positions of the respondents show that 50(35.21%) were officers; 60(42.25%) were in the managerial cadres, while the
removing 32 or 22.54% were in the top management levels. This shows that the study captured all the relevant positions in the four oil companies.

### Table 4.6: Respondents’ Ratings Of Company’s Corporate Reputation

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>100</td>
<td>70.42%</td>
</tr>
<tr>
<td>Negative</td>
<td>22</td>
<td>15.49%</td>
</tr>
<tr>
<td>Unclear</td>
<td>20</td>
<td>14.08%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

The data on Table 4.6 and Fig. 4.6 above reflects that 100 of the respondents representing 70.52% rated their company’s corporate reputation in the eyes of their stakeholders as positive. Only 22 respondents representing 15.49% rated it negative. The remaining 20 (14.08%) rated it as being unclear.

**Table 4.7 Respondents’ Assessment of their Company’s Relations with Government Agencies**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>112</td>
<td>78.87%</td>
</tr>
<tr>
<td>Negative</td>
<td>8</td>
<td>5.63%</td>
</tr>
<tr>
<td>Unclear</td>
<td>22</td>
<td>15.49%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*

![Pie chart showing percentages of positive, negative, and unclear responses.]

**Fig. 4.7**
Data displayed on table 4.7 above shows that 112 of the respondents representing 78.87% rated their organizations relations with relevant government agencies as positive. 8 respondents or 5.63% rated theirs as negative. While the remaining 22 (15.49%) of the respondents said it is not quite clear. This is illustrated in Fig.4.7 above.

Table 4.8: On Whether Oil Companies Take CRM Seriously

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>118</td>
<td>83.10%</td>
</tr>
<tr>
<td>False</td>
<td>3</td>
<td>2.11%</td>
</tr>
<tr>
<td>Unclear</td>
<td>21</td>
<td>14.79%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

From table 4.8 and Fig. 4.8 above, 118 (83.10%) of the respondents were vehement that their organizations take corporate reputation management seriously. However, 3 (2.11%) of the respondents didn’t believe that at all. While 21 (14.79%) were not quite sure.

**Table 4.9: On Whether the Oil Companies Are Actually Applying CRM Strategies In Their Operations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>121</td>
<td>85.21%</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>6.34%</td>
</tr>
<tr>
<td>Not Unclear</td>
<td>12</td>
<td>8.45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
Data displayed on table 4.9 above shows that 121 (85.21%) of the respondents agreed that the oil companies apply corporate reputation management strategies in their operations. On the contrary, however, 9 (6.34%) of the respondents said they don’t. while 12 (8.45%) were not quite sure. This is illustrated in Fig. 4.9 above.
**Table 4.10: Respondents’ Assessment of the CRM Strategies Being Employed**

**By the Oil Companies**

<table>
<thead>
<tr>
<th>CRM Strategy</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic communications</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>Stakeholder engagements</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>Corporate social responsibility</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>Events management</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>Issues/Crisis Management</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>142</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2012.

![Fig. 4.10](image)

From table 4.10 above, all the respondents, totaling 142 in number, representing a maximum 100% affirmed that their organizations employ the five major corporate reputation management strategies listed above. This is illustrated in Fig. 4.10 above.
**Table 4.11: Respondents’ Ratings of the Level of Strategic Communication Applied By Their Organizations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>9</td>
<td>6.33%</td>
</tr>
<tr>
<td>Good</td>
<td>13</td>
<td>9.15%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>120</td>
<td>84.50%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012.**

The data on table 4.11 above shows that only 9(6.33%) rated the level of application of Strategic Communications used by the organizations in building reputations as excellent. 13(9.15%) of the respondents rated it as good; 120 (84.50%) rated it satisfactory; while no respondent viewed it as being poor.

**Table 4.12: Respondents’ Rating of the Extent of Stakeholder Engagement Employed By Their Companies**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>4</td>
<td>2.82%</td>
</tr>
<tr>
<td>Good</td>
<td>41</td>
<td>28.87%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>97</td>
<td>68.31%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012.**
From table 4.13 above, 4 (2.82%) of the respondents rated their companies level of application of Stakeholder Engagements as excellent. 41(28.87%) of the respondents’ rated theirs as good; 97(68.31%) of the respondents rated theirs as being satisfactory. While no respondents theirs as being poor.

Table 4.13: Respondents’ Ratings of the Level of Corporate Social Responsibility Done By Their Organizations

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>32</td>
<td>22.53%</td>
</tr>
<tr>
<td>Good</td>
<td>64</td>
<td>45.07%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>46</td>
<td>32.39%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Data on table 4.13 gives the information that 32(22.53%) rated their organizations level of application of Corporate social responsibility (CSR) activities as excellent. 64(45.07%) of the respondents rated theirs as good; 46(32.39%) of the respondents rated theirs as satisfactory, while none saw theirs as being poor.
Table 4.14: Respondents’ Ratings of the Levels of Events/Protocol Management for CRM in their Organizations

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>14</td>
<td>9.86%</td>
</tr>
<tr>
<td>Good</td>
<td>68</td>
<td>47.89%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>60</td>
<td>42.25%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Data displayed on table 4.14 above show that 14 respondents representing 9.86% believed that their organisation’s level of application of Events & Protocols management for building CRM are excellent. Meanwhile, 68 respondents or 47.89% saw theirs as good; 60 respondents or 42.25% rated theirs as satisfactory; while none viewed theirs as poor.

Table 4.15: Respondents’ Ratings of the Level of Issues/Crisis Management For CRM In Their Organisations

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>25</td>
<td>17.61%</td>
</tr>
<tr>
<td>Good</td>
<td>33</td>
<td>23.24%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>84</td>
<td>59.15%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 4.15 gives the information that 25(17.61%) of the respondents rated their organizations level of application of Issues & Crisis Management for building CRM as excellent. 33(23.24%) rated theirs to be good; 84 (59.15%) rated theirs to be mere satisfactory; while none rated theirs as poor.

**Table 4.16: Respondents’ Assessment of Their Company Stakeholders’ Engagement Models**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participatory Engagement</td>
<td>133</td>
<td>93.66%</td>
</tr>
<tr>
<td>Non-Participatory Engagement</td>
<td>9</td>
<td>6.34%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*

From table 4.16 above, 133 respondents representing 93.66% believed that their organizations employed participatory stakeholder engagement model, while the remaining 9 respondents, representing 6.34% said theirs employ non-participatory stakeholders’ engagement model.

**Table 4.17: Respondents’ Assessment of Whether the Five CRM Strategies Are Significant In Building Reputations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>137</td>
<td>96.48%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>3.52%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
Table 4.17 gives the information that 137 respondents representing 96.48% were of the strong opinion that the five CRM strategies are significantly effective in building, sustaining and repairing the reputation of their organizations. On the contrary, 5 respondents, representing 3.52% did not share the same opinion. This is illustrated in Fig. 4.11 above.

**Table 4.18: Assessment of the Level of Effectiveness of The CRM Strategies in Creating And Sustaining The Organisations’ Reputations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly effective</td>
<td>16</td>
<td>11.27%</td>
</tr>
<tr>
<td>Effective</td>
<td>119</td>
<td>83.80%</td>
</tr>
<tr>
<td>Not effective</td>
<td>7</td>
<td>4.93%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
From table 4.18 and Fig. 4.12 above, 16 respondents or 11.27% believed the level of effectiveness of the five CRM strategies in creating and sustaining their organizations reputations is highly effective. On the other hand, 119 respondents or 83.80% said it is just effective, no more no less. While 7 respondents or 4.93% rated them not quite effective.

Table 4.19: On Whether Evaluative Research of the CRM Activities of the Oil Firms Is Usually Carried Out By Their Pr Departments

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>106</td>
<td>74.65%</td>
</tr>
<tr>
<td>No</td>
<td>36</td>
<td>25.35%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

Data displayed on table 4.19 above shows that 106 respondents representing 74.65% affirmed that evaluative research is usually done by the Public Relations/Public Affairs departments of the oil firms, to determine the effectiveness of their CRM activities. While the remaining 36 respondents representing 25.35% said they don’t.

Table 4.20: Assessment of Whether the Degree of Knowledge of CRM Is Low In The Oil Firms

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>No</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Fig. 4.13
From table 4.20 above, all the respondents totaling 142 in number, representing 100% were unanimous that the degree of knowledge of CRM tenets, principles, models and strategies in the oil firms is not low. This is illustrated in Fig. 4.13 above.

Table 4.21: On Whether Integrated CRM Strategies Could Significantly Increase The Effectiveness Of Reputation Management In The Oil Firms

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>142</td>
<td>100%</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Again, table 4.21 reveals that the whole respondents, totaling 142 or 100% were unanimous that integrated corporate reputation management strategies will significantly increase the effectiveness and success of reputation management in the oil firms.

Table 4.22: On Whether the Executives of the Selected Oil Firms Perceive CRM as Ineffective

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>4.93%</td>
</tr>
<tr>
<td>No</td>
<td>135</td>
<td>95.07%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

Data on table 4.22 above shows that 135 respondents or 95.07% believe strongly that top Executives of the selected oil companies do not perceive corporate reputation management strategies as ineffective. However, 7 respondents representing 4.93% think otherwise. This is illustrated in Fig. 4.14 above.

**Table 4.23: On Whether There Is Correlation between CRM and Successful Business Operations In The Selected Oil Firms**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>137</td>
<td>96.48%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>3.52%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
Data on table 4.23 above gives us the information that 137 respondents or 96.48% believe strongly that there is a significant correlation between corporate reputation management and successful business operations in the oil and gas industry of Nigeria. On the contrary, 5 respondents representing 3.52% didn’t quite agree with that.

**Table 4.24: Assessment of the Impact of the Five CRM Strategies on the Oil Companies’ Operations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very positive</td>
<td>125</td>
<td>88.03%</td>
</tr>
<tr>
<td>Positive</td>
<td>12</td>
<td>8.45%</td>
</tr>
<tr>
<td>Unclear</td>
<td>5</td>
<td>3.52%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*

Data on table 4.24 above reveals that 125 (88.03%) of the respondents believed that the impact of the five CRM strategies on the oil companies operations is very positive. On the contrary, 12 respondents representing 8.45% said it is just positive, while the remaining 5 respondents or 3.52% said the impact is not quite clear.

**Table 4.25: On the Placement of CRM in the Oil Companies’ Organogram**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Middle Management</td>
<td>12</td>
<td>8.45%</td>
</tr>
<tr>
<td>Sub Management</td>
<td>130</td>
<td>91.55%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
The data displayed on table 4.25 and Fig. 4.15 above reveals that no respondent or 0% know of any CRM officer or manager in the four oil firms being a member of top management. Only 12 respondents or 8.45% said that some have risen to middle managerial cadres; while 130 (91.55%) said they are all in sub-management positions.

**Table 4.26: On Whether CRM Is Involved In Policy Formulation in the Oil Companies**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
<td>4.23%</td>
</tr>
<tr>
<td>No</td>
<td>136</td>
<td>95.77%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2012.
From table 4.26 above, we could gather that only 6(4.23%) of the respondents agreed that some CRM managers are involved in policy formulation in the oil firms. On the contrary, 136 (95.77%) of the respondents said they are not involved at all.

**Table 4.27: On Whether There is no Correlation between Effective CRM and Community Agitations, Public Complaints and Bad Press in the Oil Industry**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>3</td>
<td>2.11%</td>
</tr>
<tr>
<td>False</td>
<td>137</td>
<td>96.47%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>3.52%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*

The data on table 4.27 gives us the information that only 3 respondents making 2.11% believed there is no correlation between corporate reputation management and community agitation, public complaints and bad press in the Nigerian oil industry. On the other hand, 137 respondents representing 96.47% believe that there is a strong correlation between effective corporate reputation management and community agitations, public complaints and bad press in the oil industry. While 5 respondents or 3.52% were not quite sure.
Table 4.28: On How the Oil Companies Measure the Effectiveness of Their
CRM Strategies

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive/Negative media reports</td>
<td>132</td>
<td>92.96%</td>
</tr>
<tr>
<td>Annual Public relations Audit</td>
<td>40</td>
<td>28.17%</td>
</tr>
<tr>
<td>Opinion surveys</td>
<td>40</td>
<td>28.17%</td>
</tr>
<tr>
<td>Public complaints’ measure</td>
<td>130</td>
<td>91.55%</td>
</tr>
<tr>
<td>Awards for the company</td>
<td>120</td>
<td>84.51%</td>
</tr>
</tbody>
</table>


The data on table 4.28 reveals that 132 (92.96%) said the oil companies measure the
effectiveness of their CRM strategies through the rate of positive and negative reports
generated in the mass media. 40 respondents or 28.17% say they do that through
annual public relations audit; another 40(28.17%) said they use the volume of public
complaints as the yardstick, while 120 (84.51%) said they use the number of awards
received in a given year.

Table 4.29: Assessment of Relationship between the Oil Firms and Their Host
Communities

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>40</td>
<td>28.17%</td>
</tr>
<tr>
<td>Negative</td>
<td>10</td>
<td>7.04%</td>
</tr>
<tr>
<td>Unclear</td>
<td>92</td>
<td>64.76%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

From table 4.29, 40 (28.17%) of the respondents, rated the relationship between the oil firms and their host communities as positive, 10 respondents or 7.04% rated it negative; while the remaining 92 respondents or 64.76% said it is not quite clear.

**Table 4.30: On Whether the Incidents of Oil Spillages and Pollution Are Still High In the Host Communities**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>78</td>
<td>54.93%</td>
</tr>
<tr>
<td>No</td>
<td>64</td>
<td>45.07%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*

Table 4.30 shows that 78 respondents or 54.93% said the rate of oil pollutions and spillages are still high, while the remaining 64(45.07%) said the rate has reduced.

**Table 4.31: On Whether the Oil Companies Still Suffer Negative Publicity in the Local and Foreign Press**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82</td>
<td>57.75%</td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>26.06%</td>
</tr>
<tr>
<td>unclear</td>
<td>23</td>
<td>16.20%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
Data presented on table 4.31 above gives the information that 82 respondents or 57.75% believed strongly that the oil companies still suffer negative publicity in the local and foreign newspapers, magazines, radio, television and internet. On the contrary, 37 respondents representing 26.06% didn’t quite agree with that. 23 respondents or 16.20% say the situation is unclear.

**Table 4.32: On Whether Various Issues with Government and Unions Still Dent the Reputation of Oil Companies**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>96</td>
<td>67.61%</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>21.83%</td>
</tr>
<tr>
<td>unclear</td>
<td>15</td>
<td>10.56%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>


Data presented on table 4.32 above shows that 96 respondents or 67.61% believed strongly that various issues with house unions, government, community and regulators still dent the reputation of the selected oil companies. However, 31 respondents representing 21.83% didn’t quite agree with that assertion. 15 respondents or 10.56% say the situation is unclear.
Table 4.33: Respondent’s Assessment of the Oil Companies’ Relationship With Relevant Federal, States And Local Govt.’ Agencies

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>35</td>
<td>24.65%</td>
</tr>
<tr>
<td>Negative</td>
<td>10</td>
<td>7.04%</td>
</tr>
<tr>
<td>Unclear</td>
<td>97</td>
<td>68.31%</td>
</tr>
<tr>
<td>Total</td>
<td>142</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012.**

From table 4.33 above, it could be seen that 35(24.65%) of the respondents rated the oil companies relationship with relevant governments agencies as positive. 10(7.04%) of the respondents rated it negative while 97(68.31%) said it is unclear.
Table 4.34: Evaluation of the Applications of the Five CRM Strategies by the Oil Firms For Building Their Reputations on a Five-Point Likert’s Scale.

<table>
<thead>
<tr>
<th>S/N</th>
<th>CRM STRATEGIES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Strategic Communications:</strong></td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>83</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td>8.53</td>
</tr>
<tr>
<td></td>
<td>Two-way communications with all stakeholders including employees, community leader’s customers, media, govt. agencies...</td>
<td>2</td>
<td>4</td>
<td>42</td>
<td>664</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Corporate social responsibility</strong></td>
<td>5</td>
<td>5</td>
<td>15</td>
<td>54</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
<td>8.32</td>
</tr>
<tr>
<td></td>
<td>community development projects, youth empowerment programmes, sponsorships and endorsements, scholarship</td>
<td>10</td>
<td>20</td>
<td>90</td>
<td>432</td>
<td>630</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Effective stakeholder engagements:</strong></td>
<td>10</td>
<td>19</td>
<td>10</td>
<td>73</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td>7.32</td>
</tr>
<tr>
<td></td>
<td>participatory interface, facility tours, employee awards, customers forum, sales promotion</td>
<td>20</td>
<td>76</td>
<td>60</td>
<td>584</td>
<td>300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Events Management / Protocol:</strong></td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>90</td>
<td>33</td>
<td></td>
<td></td>
<td></td>
<td>7.98</td>
</tr>
<tr>
<td></td>
<td>special events, AGMs, courtesy visits, Anniversaries, Facility tours,---</td>
<td>10</td>
<td>20</td>
<td>54</td>
<td>720</td>
<td>330</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td><strong>Issues &amp; crisis management:</strong></td>
<td>5</td>
<td>5</td>
<td>17</td>
<td>72</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
<td>8.01</td>
</tr>
<tr>
<td></td>
<td>Issues tracking, trend analysis, crisis planning, conflict resolution, win – win model</td>
<td>10</td>
<td>20</td>
<td>102</td>
<td>576</td>
<td>430</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2012.*
Scored on a 5-point Likert’s scales of 10, 8, 6, 4 and 2 points weight respectively, table 4.33 shows that 50 respondents making 500 points strongly agreed that the oil firms apply Strategic Communications in their operations. 83 respondents making 664 points agreed; 7 respondents making 42 points were undecided, 1 respondent, making 2 points strongly disagreed.

On the degree of applications of corporate social responsibility projects by the oil companies, 63 respondents scoring 630 points strongly agreed; 54 respondents scoring 432 points agreed; 15 respondents scoring 90 points were undecided; 5 respondents or 20 points disagreed, while the remaining 5 respondents or 10 points strongly disagreed.

On the use of effective Stakeholder Engagement strategy by the oil companies, 30 respondents or 300 points strongly agreed; 73 respondents or 584 points agreed; 10 respondents or 76 points disagreed, while the remaining 10 respondents or 20 points strongly disagreed.

On the oil companies’ use of Events/protocol Management, 33 respondents giving 330 points strongly agreed; 90 respondents scoring 720 points agreed; 9 respondents scoring 54 points were undecided; 5 respondents or 20 points disagreed while the remaining 5 respondents or 10 points strongly, disagreed.
On the application of Issues and Crisis Management strategies by the oil companies, 43 respondents or 430 points strongly agreed; 72 respondents or 576 points agreed; 17 respondents or 102 points were undecided; 5 respondents or 20 points disagreed, while the remaining 5 respondents or 10 points strongly disagreed.
4.2: TESTS OF HYPOTHESES

Hypothesis One:

**Ho:** International oil companies operating in Nigeria have not significantly adopted CRM strategies in their practices

**HI:** International oil companies operating in Nigeria have significantly adopted CRM strategies in their practices.

Test Statistics: Chi-Square \( (X^2) \)

Data from tables 4.8 and 4.9 are used in testing this hypothesis.

Crosstabs

Case Processing Summary

<table>
<thead>
<tr>
<th>FACTORS * CROSS</th>
<th>Valid</th>
<th>N</th>
<th>Percent</th>
<th>Missing</th>
<th>N</th>
<th>Percent</th>
<th>Total</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>413</td>
<td>413</td>
<td>100.0%</td>
<td>0</td>
<td>0</td>
<td>.0%</td>
<td>413</td>
<td>413</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
### FACTORS * CROSS Cross-tabulation

**Count**

<table>
<thead>
<tr>
<th></th>
<th>CROSS</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00 (A)</td>
<td>2.00 (B)</td>
<td>3.00 (C)</td>
<td></td>
</tr>
<tr>
<td>A. Take CRM Seriously</td>
<td>118</td>
<td>3</td>
<td>21</td>
<td>142</td>
</tr>
<tr>
<td>B. Don’t Take CRM Seriously</td>
<td>121</td>
<td>9</td>
<td>12</td>
<td>142</td>
</tr>
<tr>
<td>C. Not Sure</td>
<td>9</td>
<td>120</td>
<td>0</td>
<td>129</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>132</td>
<td>33</td>
<td>413</td>
</tr>
</tbody>
</table>

### NPAR TESTS

**Chi-Square Test: Frequencies**

**RESPONSES**

<table>
<thead>
<tr>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>3</td>
<td>59.0</td>
</tr>
<tr>
<td>9.00</td>
<td>18</td>
<td>59.0</td>
</tr>
<tr>
<td>12.00</td>
<td>12</td>
<td>59.0</td>
</tr>
<tr>
<td>21.00</td>
<td>21</td>
<td>59.0</td>
</tr>
<tr>
<td>118.00</td>
<td>118</td>
<td>59.0</td>
</tr>
<tr>
<td>120.00</td>
<td>120</td>
<td>59.0</td>
</tr>
<tr>
<td>121.00</td>
<td>121</td>
<td>59.0</td>
</tr>
<tr>
<td>Total</td>
<td>413</td>
<td></td>
</tr>
</tbody>
</table>
Test Statistics

<table>
<thead>
<tr>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
</tr>
<tr>
<td>Df</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
</tr>
</tbody>
</table>

In achieving this hypothesis, responses presented in tables 4.8 and 4.9 were tested using the Friedman Chi-Square test. The results obtained are summarized below:

RESULTS

\[ X^2_{\text{friedman (cal)}} = 330.780 \]
\[ X^2_{\text{critical}} = 1.635 \]
Asymp. Sig. = 0.000

INTERPRETATION

With a \( X^2_{\text{friedman (cal)}} \) of 330.780, which is greater than the \( X^2_{\text{critical}} \) of 1.635 (at 95% level of significance), it is observed that the International oil companies operating in Nigeria have significantly adopted CRM strategies and practices. This result is significant as \( p = 0.000 < 0.05 \).

DECISION

From the foregoing, the null hypothesis is rejected and the alternative hypothesis accordingly accepted. Hence, the International oil companies operating in Nigeria have significantly adopted CRM strategies and practices in their operations.
**HYPOTHESIS TWO:**

**Ho:** The CRM strategies identified are not highly effective in building and sustaining the reputation of the selected oil companies in Nigeria.

**HI:** The CRM strategies identified are highly effective in building and sustaining the reputation of the selected oil companies in Nigeria.

**Test Statistics: Chi-Square ($X^2$)**

Data from tables 4.10, 4.11 and 4.12 are used in testing this hypothesis.

**Crosstabs**

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>FACTORS * CROSS</td>
</tr>
</tbody>
</table>


### FACTORS * CROSS Crosstabulation

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>CROSS</th>
<th>1.00 (A)</th>
<th>2.00 (B)</th>
<th>3.00 (C)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Effective</td>
<td></td>
<td>137</td>
<td>5</td>
<td>0</td>
<td>142</td>
</tr>
<tr>
<td>B. Not Effective</td>
<td></td>
<td>16</td>
<td>119</td>
<td>7</td>
<td>142</td>
</tr>
<tr>
<td>C. Not Clear</td>
<td></td>
<td>142</td>
<td>0</td>
<td>0</td>
<td>142</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>295</td>
<td>124</td>
<td>7</td>
<td>426</td>
</tr>
</tbody>
</table>

### NPAR TESTS

#### Chi-Square Test

**Frequencies**

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.00</td>
<td>5</td>
<td>71.0</td>
<td>-66.0</td>
</tr>
<tr>
<td>7.00</td>
<td>7</td>
<td>71.0</td>
<td>-64.0</td>
</tr>
<tr>
<td>16.00</td>
<td>16</td>
<td>71.0</td>
<td>-55.0</td>
</tr>
<tr>
<td>119.00</td>
<td>119</td>
<td>71.0</td>
<td>48.0</td>
</tr>
<tr>
<td>137.00</td>
<td>137</td>
<td>71.0</td>
<td>66.0</td>
</tr>
<tr>
<td>142.00</td>
<td>142</td>
<td>71.0</td>
<td>71.0</td>
</tr>
</tbody>
</table>
In achieving this hypothesis, responses presented in tables 4.10, 4.11 and 4.12 were tested using the Friedman Chi-Square test. The results obtained are summarized below:

**RESULTS**

\[ X^{2}_{\text{friedman (cal)}} = 326.451 \]
\[ X^{2}_{\text{critical}} = 1.145 \]

Asymp. Sig. = 0.000
INTERPRETATION

With a $X^2_{\text{friedman (cal)}}$ of 326.451, which is greater than the $X^2_{\text{critical}}$ of 1.145 (at 95% level of significance), it is observed that the CRM strategies identified are highly effective in building and sustaining the reputation of the selected oil companies in Nigeria. This result is significant as $p = 0.000 < 0.05$.

DECISION

From the foregoing, the null hypothesis is rejected and the alternative hypothesis accordingly accepted. Hence, the CRM strategies identified are highly effective in building and sustaining the reputation of the selected oil companies in Nigeria.

HYPOTHESIS THREE:

**Ho:** Evaluative research about the effectiveness of CRM strategies was not significantly carried out in the Public Relations operations of the selected oil companies in Nigeria.

**HI:** Evaluative research about the effectiveness of CRM strategies was significantly carried out in the Public Relations operations of the selected oil companies in Nigeria.
**TEST STATISTICS: CHI-SQUARE ($X^2$)**

Data from tables 4.19 are used in testing this hypothesis.

**Crosstabs**

### Case Processing Summary

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>FACTORS * CROSS</td>
<td>426</td>
<td>100.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>426</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

### FACTORS * CROSS Crosstabulation

<table>
<thead>
<tr>
<th>CROSS</th>
<th>1.00</th>
<th>2.00</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>106</td>
<td>36</td>
<td>142</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Do Research</td>
<td>106</td>
<td>36</td>
<td>142</td>
</tr>
<tr>
<td>B. No Research</td>
<td>106</td>
<td>36</td>
<td>142</td>
</tr>
<tr>
<td>Total</td>
<td>318</td>
<td>108</td>
<td>426</td>
</tr>
</tbody>
</table>
NPAR TESTS
Chi-Square Test
Frequencies

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>6</td>
<td>142.0</td>
<td>-136.0</td>
</tr>
<tr>
<td>136.00</td>
<td>136</td>
<td>142.0</td>
<td>-6.0</td>
</tr>
<tr>
<td>142.00</td>
<td>284</td>
<td>142.0</td>
<td>142.0</td>
</tr>
<tr>
<td>Total</td>
<td>426</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>Chi-Square</th>
<th>Df</th>
<th>Asymp. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>272.507(^a)</td>
<td>2</td>
<td>.000</td>
</tr>
</tbody>
</table>

In achieving this hypothesis, responses presented in table 4.19 were tested using the Friedman Chi-Square test. The results obtained are summarized below:

RESULTS

\[ X^2_{\text{friedman (cal)}} = 272.507 \]

\[ X^2_{\text{critical}} = 0.013 \]

Asymp. Sig. = 0.000
**INTERPRETATION**

With a $X^2_{\text{friedman (cal)}}$ of 272.507, which is greater than the $X^2_{\text{critical}}$ of 0.013 (at 95% level of significance), it is observed that evaluative research about the effectiveness of CRM strategies was usually carried out in the Public Relations operations of the selected oil companies in Nigeria. This result is significant as $p = 0.000 < 0.05$.

**DECISION**

From the foregoing, the null hypothesis is rejected and the alternative hypothesis accordingly accepted. Hence, evaluative research about the effectiveness of CRM strategies was usually carried out in the Public Relations operations of the selected oil companies in Nigeria.

**Hypothesis Four:**

**Ho:** The level of knowledge of the tenets of CRM in the selected oil companies is not quite high.

**Hi:** The level of knowledge of the tenets of CRM in the selected oil companies is quite high.
**TEST STATISTICS: CHI-SQUARE ($X^2$)**

Data from tables 4.20 and 4.22 are used in testing this hypothesis.

**Crosstabs**

**Case Processing Summary**

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>FACTORS * CROSS</td>
<td>284</td>
<td>0</td>
<td>284</td>
</tr>
<tr>
<td>100.0%</td>
<td>.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

**FACTORS * CROSS Crosstabulation**

<table>
<thead>
<tr>
<th>CROSS</th>
<th>1.00</th>
<th>2.00</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Quite High</td>
<td>106</td>
<td>36</td>
<td>142</td>
</tr>
<tr>
<td>B. Not High</td>
<td>0</td>
<td>142</td>
<td>142</td>
</tr>
<tr>
<td>Total</td>
<td>106</td>
<td>178</td>
<td>284</td>
</tr>
</tbody>
</table>
NPAR TESTS

Chi-Square Test

Frequencies

RESPONSES

<table>
<thead>
<tr>
<th></th>
<th>Observed N</th>
<th>Expected N</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.00</td>
<td>36</td>
<td>94.7</td>
<td>-58.7</td>
</tr>
<tr>
<td>106.00</td>
<td>106</td>
<td>94.7</td>
<td>11.3</td>
</tr>
<tr>
<td>142.00</td>
<td>142</td>
<td>94.7</td>
<td>47.3</td>
</tr>
<tr>
<td>Total</td>
<td>284</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Test Statistics

<table>
<thead>
<tr>
<th></th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>61.380*</td>
</tr>
<tr>
<td>Df</td>
<td>2</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

In achieving this hypothesis, responses presented in table 4.20 and 4.22 were tested using the Friedman Chi-Square test. The results obtained are summarized below:

RESULTS

\[ X^2_{\text{friedman (cal)}} = 63.380 \]

\[ X^2_{\text{critical}} = 0.103 \]

Asymp. Sig. = 0.000
**INTERPRETATION**

With a $X^2_{\text{friedman (cal)}}$ of 63.380, which is greater than the $X^2_{\text{critical}}$ of 0.103 (at 95% level of significance), it is observed that the level of knowledge of the tenets of CRM in the selected oil companies is quite high. This result is significant as $p = 0.000 < 0.05$.

**DECISION**

From the foregoing, the null hypothesis is rejected and the alternative hypothesis accordingly accepted. Hence, the level of knowledge of the tenets of CRM in the selected oil companies is quite high.

**HYPOTHESIS FIVE:**

**Ho:** There is significant correlation between CRM and successful business operations in the oil and gas industry in Nigeria

**Hi:** There is significant correlation between CRM and successful business operations in the oil and gas industry in Nigeria
TEST STATISTICS: PEARSON CORRELATION ANALYSIS

CORRELATIONS/VARIABLES=A B /PRINT=TWOTAIL NOSIG /MISSING=PAIRWISE.

Correlations

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>Pearson Correlation</td>
<td>-.955*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.045</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>4</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

RESULT

There is a significant correlation between CRM and successful business operations in the oil and gas industry in Nigeria, since the correlation analysis gave \( \ell_{ab} = 0.955 \) at 0.045 level of significance \( (p = 0.05, \ell_{ab} = 0.955) \).

4.4: INTERVIEW RESULT

In the course of carrying out this research, some Corporate Affairs Managers of the four selected oil companies were interviewed on telephone or face-to-face with the guide questions earlier tested. The officers were Mr. Peter Ademu-Ette, Public Relations Adviser of Shell Petroleum Development Corporation (SPDC); Mr. Emenike Okorie, Public
Affairs and Communications Manager of Chevron Nigeria Limited; Mr. Yemi Fakayejo, Public Affairs and Communications Manager of ExxonMobil Nigeria Plc. The interview guide questions as well as the responses from the aforementioned managers of the IOCs are presented below.

**Question 1:** What major CRM strategies does your company deploy in addressing restiveness in the host communities and negative media publicity?

**Responses:**

- “We use all the major CRM strategies including communication, CSR, media, stakeholder engagement, issues management, etc.” ----- SPDC
- “We do a lot of CSR, community relations, communications, issues management, media relations, etc” ---- Chevron
- “We use all the major reputation management strategies including community relations, government relations, CSR, communications, media relations, issues management, etc” ----- ExxonMobil.

COMMENT: The IOCs employ major CRM strategies to address reputation issues, problems and challenges.

**Question 2:** What is the authenticity of various CSR projects listed in your company’s Annual Reports?
Responses:

- “Whatever we have listed in our annual report is correct and authentic. We cannot claim what we have not done” ---- SPDC

- “We cherish our integrity very dearly. All the projects we have done for communities and listed in our CSR Report are verifiable” ---- Chevron

- “Every project we have done for our host communities is verifiable. Therefore, whatever amounted you see in our CSR Annual Report is authentic.” – ExxonMobil

COMMENT: The IOCs firmly insist that their CSR expenditure quoted in their CSR Annual Reports are correct and authentic.

Question 3: Are all those involved in building, sustaining or managing your company’s reputation and brand registered members of the Nigerian Institute of Public Relations (NIPR)?

Responses:

- “No, not all are members of NIPR. Majority of us are members” ---- SPDC

- “A few of the younger ones are not members of NIPR” ---- Chevron

- “Majority of our PR staffs are members of NIPR” …… ExxonMobil

COMMENT: Not all staff in the Corporate Affairs department of IOCs are members of the Nigerian Institute of Public Relations (NIPR), a professional body that regulates the practice of Public relations in the country.
**Question 4:** How does your company feel about the continued restiveness in the host communities and sabotage of company facilities despite the deployment of CSR and other CRM strategies to address those issues?

**Responses:**

- “The company feels truly concerned but determined to address the situation through continued public relations and communications” --- SPDC

- “It gives us a lot of concern but we are prepared to do our very best to bring the situation under control” .... Chevron

- “We are really concerned about the situation and ready to deploy new ways to address the issues” ...... ExxonMobil

**COMMENT:** All the IOCs are worried about their poor image despite huge expenditure on CSR and other CRM activities.