

Assessment of Public Relations Strategies Employed by Major International Oil Companies for Crisis Management in Nigeria

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Abstract

The study undertook a critical appraisal of the public relations strategies employed by major international oil companies for crisis management in Nigeria. It was occasioned by the incessant conflicts and crises between the oil companies and their host community publics. The specific objectives were to: appraise the effect of the public relations crisis management tools employed in maintaining mutual understanding between the IOCs and their host community publics; and evaluate the effect of the public relations crisis management tools of the IOCs on their corporate performance. Survey design was adopted in this study, where interview schedule was the main instrument for data collection. The population of the study embraced host community members of the international oil companies and select staff. Results indicate that: there is significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics; and the level of mutual understanding between them and their host communities. Also that the public relations crisis management tools of the IOCs have brought about significant positive press reports to them, all of which affected their corporate performance in the country in significant positive ways over the years. However, mindful of the room for improvement it was recommended among other things that: the IOCs in Nigeria must do everything possible to sustain and consolidate upon the significant positive perceptions of their target publics which they are currently enjoying through astute public relations strategies; should not allow the situation in the Niger Delta to relapse to the bad old days of kidnappings and hostage-taking of oil workers and ensure that the Niger Delta region remains a crisis-free environment, safe for oil productions, for consequent optimal revenue to the nation.

Keywords: Public Relations, Oil Companies, Crisis Management, Host Communities, Nigeria.

1. Introduction

Over the years, major oil firms in Nigeria have been facing one crisis or the other with their host communities, often leading to militancy, kidnapping of oil workers, vandalism of facilities, killings and shutdown of facilities (Nkwocha, 2010). This has sometimes raised some question marks on the public relations crisis management strategies of the oil firms. Meanwhile, the British Institute of Public Relations (BIPR) defines public relations as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics (Oti, Odigbo & Basse, 2016). It is a process that must be deliberately planned, carefully implemented and assiduously monitored to achieve a given goal or objective, targeted mainly at building and sustaining mutual understanding between an organization and its publics (Onwunali, Bel-Molokwu, Onwubere & Ofulue, 2006). Every organisation has both internal and external publics with whom mutual understanding must be nurtured and maintained for organisational growth. It is the duty of the corporate communications or public relations manager to professionally ensure that public relations serves as an intermediary between the organisation that he or she represents and all its publics (Meintjes, 2011). One of the critical areas of his/her duty is issues and crisis management, without which the organisation could be blown down one day.

Issues management in public relations practice is the proactive monitoring and resolving of simmering issues with negative potentials before they balloon into crisis (Odigbo, Anuforo & Odigbo, 2013). On the other hand, crisis management is the coordinated effort to handle effects of unfavorable publicity and ensuring fast and accurate communication in times of emergency. It involves the communications management function used to convey accurate facts and data to the general public and to specific publics during a crisis situation in order to minimize negative publicity that could adversely affect the success of the organization/company. It involves identifying crisis, planning a response to the crisis and confronting and resolving the crisis. Crisis Management can be applied in almost any field of endeavour, but it is most commonly used in international relations, political sciences, business and management (Coombs, 2007). International oil companies (IOCs) operating in Nigeria's oil and gas industry employ various strategies 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 (Nwosu & Uffor 2005).

Today's business World has become very competitive. To survive in this ever-changing and ever-challenging business environment requires the recognition, as well as, acceptance of public relations crisis communication tools as vital weapons in the hands of all organizations in all modern societies (Oti, Odigbo & Bassey, 2016). The Mexican Statement 1978, must have borne crisis management in mind when it defined public relations practice as “the art and social science of analyzing trends, predicting their consequences, counseling organization leaders and implementing planned programs of actions which will serve both the organization's and the public interest.” In this very definition, “analyzing trends, predicting their consequences and counseling organization leaders” entails proactive crisis management approach.

A crisis can be defined as an incident or event with consequences, which pose a significant threat to the strategic objectives of an organization (Hale, Dulek & Hale, 2005). These include downsizing, corporate lawsuits, negative media coverage, government probes, insurgency, political crisis, quality problems, product recalls, boycotts, and strikes. Crisis Management works to minimize all these and the consequent damage to a company's reputation. At the same time, it tries to take advantage of any benefits that can be obtained from crisis (Bernstein and Rakowitz, 2012). It includes communication that occurs with response phase of emergency management methods of a business or an organization (Hazarika, 2013).

2. Statement of the Problem

International oil companies (IOCs) operating in Nigeria's oil and gas industry employ various strategies 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 (Nwosu & Uffor 2005, Obeta 2008). The credibility and reputation of the oils companies is heavily influenced by the perception of their target publics during crisis situations. The public relations tools they employ in responding to crises in timely fashion, undoubtedly aids their corporate performance, while the reverse leads to attritions. There must be open and consistent application of public relations tool throughout the hierarchy, to contribute to a successful crisis management process. The public relations crisis management strategies of the IOCs in Nigeria are supposed to engender positive perception and response from their critical publics namely employees, customers, distributors, suppliers, contractors, bankers, regulatory agencies, the media, and most importantly their host communities. However, the intractable Niger Delta crisis points to the fact that something is still wrong somewhere, hence, the motivation for this study, to critically appraise the application of public relations tools in crisis management by select major oil firms in Nigeria.

3. Objectives of the Study

The main objective of this study is to examine the application of public relations crisis management tools by international oil companies (IOCs) in Nigeria. The specific objectives are as follows:

- i. To find out the types of public relations crisis management tools employed by the IOCs in Nigeria in managing their host community publics.
- ii. To appraise the effect of the public relations crisis management tools employed in maintaining mutual understanding between the IOCs and their host community publics.
- iii. To evaluate the effect of the public relations crisis management tools of the IOCs on their corporate performance.

4. Research Questions

The following research questions guided the study:

- i. What are the types of public relations crisis management tools employed by the IOCs in Nigeria in managing their host community publics?
- ii. Do the public relations crisis management tools employed by the IOCs have significant effect in maintaining mutual understanding between them and their host community publics?
- iii. Do the public relations crisis management tools of the IOCs contribute significantly to their corporate performance?

5. Significance of the Study

This study will enhance the practice of public relations crisis management by Nigerian corporate organisations, especially the oil firms. To the body of knowledge, it is expected to contribute immensely to literature that will help in managing crisis in the volatile Nigerian oil and gas industry.

It is also expected that this research will help provide data and information to other scholars and students that would embark on researches about different aspects of public relations practices and other issues bugging the Nigerian oil industry. This will ultimately help to build and sustain a climate of peace in the Niger Delta

region, for enhanced economic growth for the nation.

6. Review of Related Literature

6.1 Theoretical Framework

The theoretical construct for this study is founded on two principal public relations theories: the issues management theory and the two-way symmetrical communications theory.

7.1.1 Issues Management Theory

The public relations issues management theory holds that every issue or problem gives some early-warning signals, before snow-balling into crisis or conflict. Nipping such issues or problems in the bud will either prevent it from growing into crisis or drastically reduce the strength of the crisis (Black, 1989; González-Herrero and Pratt, 1996). Issues management is a proactive public relations strategy for crisis-prevention (Haastруп, 2007). González-Herrero and Pratt, 1996) posit that although the onset of a crisis can be sudden, there are situations when organizations are aware of and prepare for such an event. Smits and Ezzat (2003) posit that preparation is one of – if not the – most important steps in the prevention of a crisis, and that effective crisis management depends upon planning and people. According to Penrose (2000: 155), organizations that practice proactive crisis management will lessen the damage of a crisis.

González-Herrero and Pratt (1996) add that crises have early signals and sensing these potential problems is the first step toward avoiding or resolving them or minimizing their impact. Issues management helps an organization become aware of possible crises and plan accordingly. One facet of this awareness involves ascertaining the publics whose actions or inactions could lead or contribute to a crisis. Grunig and Repper (1992) explained that if an organization can identify these groups it can attempt to dispel or counteract their damaging behaviors. This way, issues management helps remove the unexpected and sudden factors of the crisis; the situation can be defused before it occurs.

González-Herrero and Pratt (1996) observe that issues management is a tool to identify and anticipate potential issues before they balloon into a threat. Thus, issues managers should be forward-thinking. The longer an organization is aware of the possible issue, the better it can prepare. Ewing (1987) posits that practicing issues management improves an organization's awareness of its community and ways to positively involve itself.

7.1.2 Two-Way Symmetrical Model

Developed by Grunig and Hunt (1984), the two-way symmetrical communication between an organization and its publics epitomizes the ideal practice of public relations. The model emphasizes that dialogue must be initiated in order to determine the stance of an organisation's publics. Neither side can really know the morality or reasonableness of the other side's interests without talking with each other (Grunig, 2001). The author further posits that accommodative techniques should only be used during this conversation.

As a form of crisis preparation tool, two-way symmetrical model suggests building communication relationships and alliances with an organisation's internal and external publics on an ongoing basis prior to a crisis. Organisations which have positive relationships with their stakeholders are more likely to survive a crisis or less damage (Pearson & Clair, 1998; Ulmer et al., 2007; Ulmer, 2001). Organisations in a crisis should not just listen to stakeholders they agree with, but rather identify all potential stakeholders and establish processes to include all, even those the organisation does not agree with (Jaques, 2010).

7.4 Application of the Theories to this Study

The implications of the public relations issues management theory for this study is that the multinational oil firms in Nigeria can totally avoid or minimize crisis by adopting proactive public relations strategy. This will help improve relationship with their host communities. Issues management practice will keep them abreast and aware of the feelings, moods and opinions of the host communities, so as to be in a better stead to package the right public relations strategies to address such. Issues management can also present the oil firms with opportunities to showcase their positive contributions in those communities.

The two-way symmetrical communications on the other hand, suggest that the oil firms must be open and transparent with their host communities. They must accommodate them and listen to their complaints, and jointly come up with the best solutions to their problems. Denial strategies when there is a crisis like oil spills will not yield any positive result in the long run. It tends to suggest the organisation's rejection of responsibility for the crisis. While the two-way symmetrical communications strategy try to improve the organisation's reputation. It shows concern for the victims and reflects on how much responsibility the organisation accepts for the crisis. Research even shows that organisational publics when won to your side, can be used as support groups for organisations in crisis periods (Ulmer, 2001; Ulmer et al., 2007).

7.2 Crisis Management Concept

According to Wikipedia.org (2010), crisis management can be defined as, "a holistic management process that identifies potential impacts that threaten an organization and provides a framework for building resilience, with

the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities- as well as effectively restoring operational capabilities." Essentially, it is the process by which an organization deals with a major event that threatens to harm the organization, its stakeholders, or the general public. James (2007), defines organizational crisis as "any emotionally charged situation that, once it becomes public, invites negative stakeholder reaction and thereby has the potential to threaten the financial well-being, reputation, or survival of the firm or some portion thereof.

When crisis hits, organizations must be able to carry on with their business in the midst of the crisis while simultaneously planning for how they will recover from the damage the crisis caused. Crisis handlers not only engage in continuity planning (determining the people, financial, and technological resources needed to keep the organization running), but will also actively pursue organizational resilience to the crisis (Shrivastava et. al., 1988). Crisis management consists of:

- Methods used to respond to both the reality and perception of crises.
- Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.
- Communication that occurs within the response phase of emergency management scenarios.

The crisis management methods of a business or an organization are called crisis management plan. A crisis mindset requires the ability to think of the worst-case scenario while simultaneously suggesting numerous solutions. It is necessary to maintain a list of contingency plans and to be always on alert. Organizations and individuals should always be prepared with a rapid response plan to emergencies which would require analysis, drills and exercises (Venette, 2003). During a crisis period that challenges a businesses or organisation, there must be open and consistent communication throughout the hierarchy to contribute to a successful crisis communication process (Coombs, 2007).

7.3 Types of Crises

7.3.1 Natural Disasters

Typically natural disasters considered as 'acts of God,' are such environmental phenomena as earthquakes, tornadoes and hurricanes, floods, landslides, tsunamis, storms, volcanic eruptions and droughts that threaten life, property, and the environment itself. Example: 2004 Indian Ocean earthquake (Tsunami) and the 2012 flood disaster that ravaged many states in Nigeria, destroying lives, buildings, food crops and other facilities (Wikipedia.org, 2011).

7.3.2 Technological Crises

Technological crises are caused by human application of science and technology. This is rampant in the oil industry in form of oil spills, explosions, fire outbreaks, etc. Technological accidents inevitably occur when technology becomes complex and or when something goes wrong in the system as a whole (Technological breakdowns). Some technological crises occur when human error causes disruptions (Human breakdowns). People tend to assign blame for a technological disaster because technology is subject to human manipulation whereas they do not hold anyone responsible for natural disaster. Examples include software failures, industrial accidents, and oil spills (Wikipedia.org, 2011).

7.3.3 Confrontation Crisis

Confrontation crisis occur when discontented individuals and/or groups fight organisations, government, and various interest groups to win acceptance of their demands and expectations as frequently happens in the Niger Delta area of Nigeria, disrupting oil explorations and drillings. Other common type of confrontation crisis is boycotts and picketing by workers or the labour union, sit-ins, ultimatums to those in authority, blockade or occupation of buildings, and resisting or disobeying police. Examples in Nigeria include ultimatums by militant groups in the Niger Delta to oil companies to down tools (James and James 2008).

7.3.4 Crisis of Malevolence

An organization faces a crisis of malevolence when opponents or miscreant individuals use criminal means or other extreme tactics for the purpose of expressing hostility or anger toward, or seeking gain from a company, country or economic system, perhaps with the aim of destabilizing or destroying it (Wikipedia.org, 2010). Examples of crisis malevolence include product tampering, kidnapping, malicious rumors, terrorism, and espionage.

7.3.5 Crises of Skewed Management Values

Crises of skewed management values are caused when managers favor short-term economic gain and neglect broader social values and stakeholders other than investors. This state of lopsided values is rooted in the classical business creed that focuses on the interests of stockholders and tends to disregard the interests of its other stakeholders such as customers, employees, and the community (Wikipedia.org, 2010).

7.3.6 Espionage/Rumor-Induced Crisis

False information about an organization or its products could create crises capable of hurting the organization's interests, business or reputation. A good example is linking the organization to radical groups or stories that their

products are contaminated (Boin et. al. 2005; Hellsloot, 2007).

7.4 Crisis Management Strategy: Public Relations Transfer Process Model

The theoretical framework for this study anchors on one of the public relations crisis management theories called the transfer process model by Frank Jefkins in 1987. According to Jefkins (1987), crises and negative conflicts occur due to misinformation and disinformation arising from poor public relations crisis management approaches by some organisations and could be reversed through effective public relations practices, directed at the difficult target publics of an organisation. When this is professionally done, it will go a long way in transferring their ignorance and misperceptions about your organisation to knowledge; their prejudices and biases to acceptance; apathy to interests and their hostility to sympathy. See figure one below for a pictorial view of this.

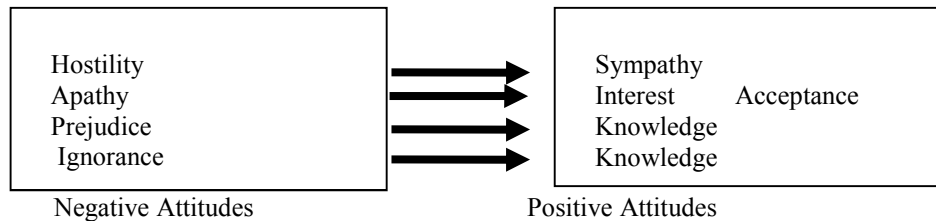


Figure 1: The PR Attitudinal Transfer Process Model. Source: Jefkins, Frank (1987), *Public relations and planned press*, London: Macmillan publishers, p.45.

7.5 Empirical Review

Ulmer (2001) stated that most research on crisis management illustrates that organisations often emphasize their own concerns over those of stakeholders and that “their communication is largely focused on legal concerns and typically results in denials of responsibility and lack of useful information to stakeholders” (p. 608). The organisation should, in Ulmer’s opinion, attempt to see how crisis events affect their stakeholders and not focus only on stockholders. An organisation’s first priority should be protecting its stakeholders from any types of negative effects, including physical, financial, and psychological harm; reputational and financial concerns should only have second priority (Coombs, 2007a; 2010a; Holladay, 2010).

Research reveals that organisations frequently make obvious mistakes in their crisis communication such as denying the crisis, evading responsibility, trying to shift blame, or lying about evidence (Nathan, 2000; Ulmer et al., 2010). Mitroff (2004) observed that one of the most significant barriers to effective crisis handling is denial. Kim, Avery and Lariscy (2009) analysed public relations research from 1991 to 2009, using the framework of Benoit’s (1997b) Image Restoration Theory and Coombs’ (2007a) Situational Crisis Communication Theory. Their study shows that the most frequently used crisis response strategies by organisations were bolstering (58.8%), denial (56.9%), mortification (45.1%), attack-the-accuser (36.7%), and shifting-the-blame (34.7%). They observed that the most effective crisis strategies were full apology (71.4%), mortification (52.4%), corrective action (52.2%), and bolstering (50%). The least effective strategy, in regard of the outcome of the crisis situation, was denial although it was the most often used strategy. The majority of crises were preventable crisis (53%), accident (31%), and victim (20%). Their research apparently demonstrates that practitioners do not seem to consider advice directives developed by academic research (Galloway, 2004; Sterne, 2008). The findings suggest that there may be a gap between crisis communication practice and academic research. For instance, the denial strategy, which ignores the victims of a crisis, is only useful if the organisation has really no responsibility for a crisis (Coombs, 1999).

1. Scope/Area of the Study

This study is restricted in scope to a survey of the opinion of some select target publics of the Nigeria’s international oil companies operating in Rivers, Bayelsa, Delta and Akwa-ibom States respectively. The criteria for the choice of these four States is because they are core-Niger Delta oil producing States and harbor a large pool of expatriate oil-workers and also recorded more militancy, youths’ restiveness, community agitations and crises related to petroleum explorations/exploitations than other states in the country. The perception of the target publics regarding the five major IOCs (Shell, Mobil, Agip and Chevron), operating in the country is examined.

2. Methodology

Survey design was adopted in this study. The main instrument for data collection was an interview schedule. The population of the study was 60,000 host community members from Bonny in Rivers State, Warri in Delta State and Eket in Akwa-Ibom State, being three major oil producing States in the country. While the population of the 3 select oil companies was 10,000 staff. The 3 selected IOCs were Shell in Rivers State, Mobil in Eket, Akwa-Ibom State and Agip oil in Warri, Delta State. A non-probability sampling method of purposive or judgmental sampling technique was used to arrive at a sample size of 12 for the host communities and 3 for the oil

companies, bringing it to 15. Hence, a total of 12 respondents were interviewed in the study. The distribution of the sample frame is as follows:

Table 1: Distribution of Respondents for the Interviews

| Respondents | Number of Respondents | Type of Respondents | Percentage |
|--------------|-----------------------|------------------------------------|-------------|
| Bonny | 4 | 2 opinion leaders, 2 youth leaders | 26.67% |
| Warri | 4 | 2 opinion leaders, 2 youth leaders | 26.67% |
| Eket | 4 | 2 opinion leaders, 2 youth leaders | 26.67% |
| Shell | 1 | A management staff | 6.67% |
| Mobil | 1 | A management staff | 6.67% |
| Agip | 1 | A management staff | 6.67% |
| Total | 15 | | 100% |

Source: Field Survey, 2017.

10. Data Presentation and Analysis

The data procured were analysed qualitatively. Each of the respondents was interviewed in exactly one hour, thirty minutes. Telephone interview was used on the oil companies' managers and some of community opinion leaders, while face to face interview was used for the youth leaders. The respondents were all literate enough to understand the questions posed and within the ages of 20 to 60 years. Due to the nature of the questions, research questions 1 and 3 were posed on the three oil companies' managers, while research question 2 was posed on the communities' opinion and youth leaders.

Table 2: Respondents' views on whether there is significant correlation between the public relations crisis management tools of the IOCs and the perceptions from their target publics

| Options | Frequency | Percent |
|--------------------------|------------|---------------|
| Strongly Agree | 131 | 34.03% |
| Agree | 185 | 48.05% |
| Undecided | 26 | 6.75% |
| Disagree | 22 | 5.71% |
| Strongly Disagree | 21 | 5.46% |
| Total | 385 | 100% |

Source: Field survey, 2015.

Data on table 2 show that 34.03% of the respondents strongly agreed that there is significant correlation between the public relations crisis management tools of the IOCs and the perceptions from their target publics. 48.05% of the respondents equally agreed with that; 6.75% were not quite sure; 5.71% somehow disagreed, while the remaining 5.46% totally disagreed with the point. See figure 4 below for a graphic picture of this result.

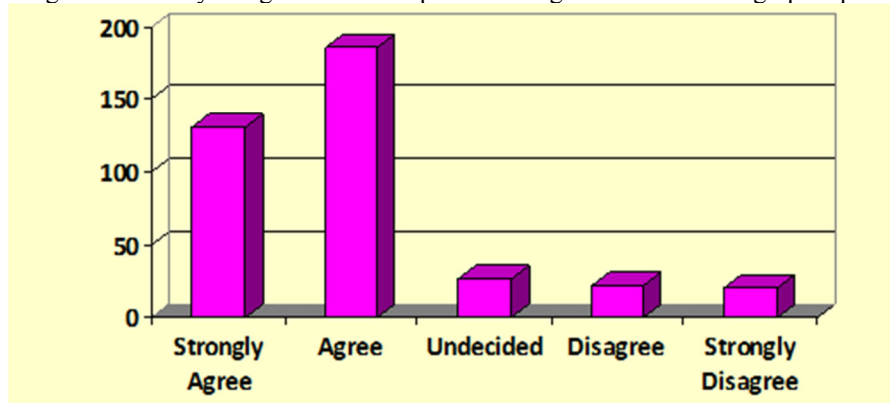


Fig. 2: A test of the correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics.

Table 3: Respondents' views on whether there is significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities

| Options | Frequency | Percent |
|-------------------|------------|-------------|
| Strongly Agree | 102 | 26.58% |
| Agree | 163 | 42.63% |
| Undecided | 28 | 7.10% |
| Disagree | 42 | 10.79% |
| Strongly Disagree | 50 | 12.89% |
| Total | 385 | 100% |

Source: Field survey, 2015.

Data displayed on table 3 show that 26.58% of the respondents strongly agreed that there is significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities. 42.63% of the respondents equally agreed with that; 7.10% were not quite sure; 10.79% somehow disagreed, while the remaining 12.89% totally disagreed with the point. See figure 5 below for a graphic picture of this result.

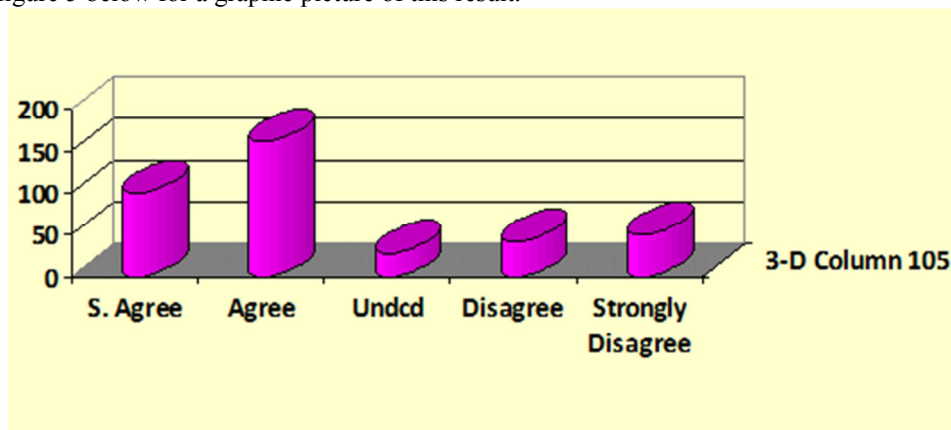


Fig. 3: A test of the correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities.

Table 4: Respondents' views on whether the public relations crisis management tools of the IOCs have brought about significant positive press reports to them

| Options | Frequency | Percent |
|-------------------|------------|-------------|
| Strongly Agree | 34 | 8.68% |
| Agree | 21 | 5.26% |
| Undecided | 38 | 9.74% |
| Disagree | 173 | 45.26% |
| Strongly Disagree | 119 | 31.05% |
| Total | 385 | 100% |

Source: Field survey, 2015.

Data displayed on table 4 show that 8.61% of the respondents strongly agreed that the public relations crisis management tools of the IOCs have brought about significant positive press reports to them over the Niger Delta crisis in Nigeria. 5.26% of the respondents equally agreed with that; 9.74% were not quite sure; 45.26% somehow disagreed, while the remaining 31.05% totally disagreed with the point. See figure 5 below for a pictorial view of this result.

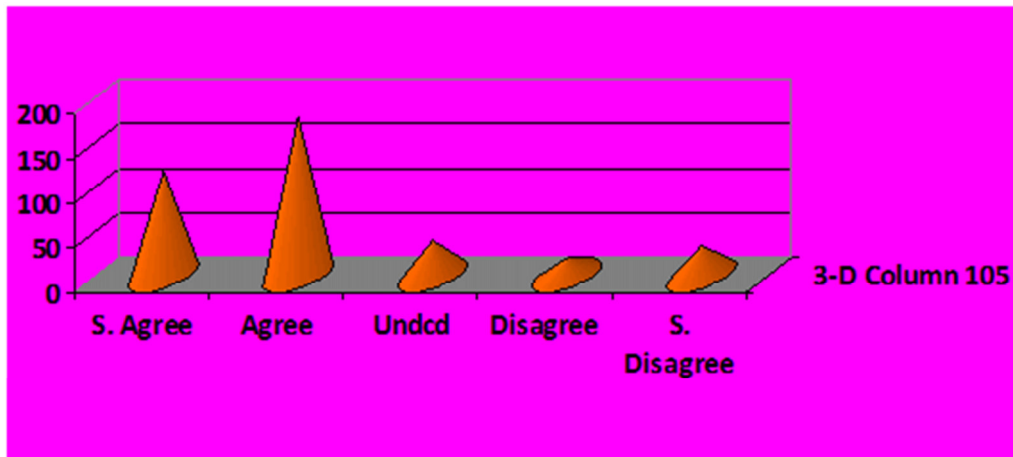


Fig. 5: A test of whether the public relations crisis management tools of the IOCs have brought about significant positive press reports to them.

10.2 Test of Hypotheses

Hypothesis One:

Ho: There is no significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics.

Hi: There is significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics.

Test Statistics = Spearman Correlation Coefficient (r_s)

Table 5: Statistical Test of Hypothesis 1

| Options | Data 1 | Data 2 | Rank 1 | Rank 2 | D | d ² |
|-------------------|--------|--------|--------|--------|----|----------------|
| Strongly Agree | 131 | 102 | 4 | 4 | 0 | 0 |
| Agree | 185 | 163 | 5 | 5 | 0 | 0 |
| Undecided | 26 | 28 | 3 | 1 | 2 | 4 |
| Disagree | 22 | 42 | 2 | 2 | 0 | 0 |
| Strongly Disagree | 21 | 50 | 1 | 3 | -2 | 4 |

Adapted from tables 2 and 3. Source: Field Survey, 2015.

$$\sum d^2 = 0 + 0 + 4 + 0 + 4 = 8$$

$$\text{So } r_s = 1 - \frac{2 \times \sum d^2}{n(n^2 - 1)}$$

$$r_s = 1 - \frac{(2 \times 8)}{n(n^2 - 1)}$$

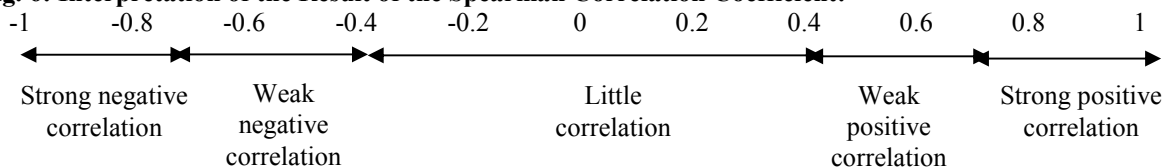
$$r_s = 1 - \frac{2 \times 8}{5(5^2 - 1)}$$

$$r_s = 1 - \frac{16}{120}$$

$$r_s = 1 - 0.133$$

$$r_s = 0.867$$

Fig. 6: Interpretation of the Result of the Spearman Correlation Coefficient:



Decision

Since the result of the Spearman Correlation Coefficient (r_s = 0.867) shows a strong positive correlation, we hereby reject the Ho and accept the Hi which says that “There is significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics.”

Hypothesis Two

Ho: There is no significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities.

Hi: There is significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities.

Test Statistics = Spearman Correlation Coefficient (r_s)

Table 6: Statistical Test of Hypothesis 2

| Options | Data 1 | Data 2 | Rank 1 | Rank 2 | D | d ² |
|-------------------|--------|--------|--------|--------|----|----------------|
| Strongly Agree | 102 | 34 | 4 | 2 | 2 | 4 |
| Agree | 163 | 21 | 5 | 1 | 4 | 16 |
| Undecided | 28 | 38 | 1 | 3 | -2 | 4 |
| Disagree | 42 | 173 | 2 | 5 | -3 | 9 |
| Strongly Disagree | 50 | 119 | 3 | 4 | -1 | 1 |

Adapted from tables 4 and 5. Source: Field Survey, 2013.

$$\sum d^2 = 4 + 16 + 4 + 9 + 1 = 34$$

$$\text{So } r_s = 1 - \frac{2 \times \sum d^2}{n(n^2 - 1)}$$

$$r_s = 1 - \frac{(2 \times 34)}{n(n^2 - 1)}$$

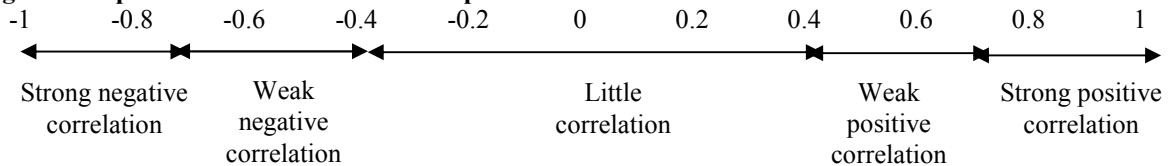
$$r_s = 1 - \frac{2 \times 34}{5(5^2 - 1)}$$

$$r_s = 1 - \frac{68}{120}$$

$$r_s = 1 - 0.56$$

$$r_s = 0.44$$

Fig. 6: Interpretation of the Result of the Spearman Correlation Coefficient:



Decision

Since the result of the Spearman Correlation Coefficient ($r_s = 0.44$) shows a weak positive correlation, we hereby accept the Ho which says that “There is no significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities.”

Hypothesis Three

Ho: The public relations crisis management tools of the IOCs have not brought about significant positive press reports to them.

Hi: The public relations crisis management tools of the IOCs have brought about significant positive press reports to them.

Test Statistics = Chi-Square (X^2)

$$X^2 = \sum \frac{O - E}{E}$$

$$\text{Expected Frequency} = \frac{\sum \text{Observed Frequency}}{\text{Number of Observations}}$$

$$= \frac{34 + 21 + 38 + 173 + 119}{5} = 77$$

Degree of Freedom = 4. Hence, Critical Chi-Square at 5% Margin of Error = 9.49

$$X^2 = \frac{(34-77)^2}{77} + \frac{(21-77)^2}{77} + \frac{(38-77)^2}{77} + \frac{(173-77)^2}{77} + \frac{(119-77)^2}{77}$$

$$= 24.01 + 40.72 + 17.75 + 119.68 + 22.90$$

$$= 225.07$$

Decision

Since the calculated chi-square ($X^2_{\text{calculated}} = 225.07$, $p < 0.05$) is greater than the critical chi-square (9.49), we hereby reject the H_0 and accept the H_1 which says that “The public relations crisis management tools of the IOCs have brought about significant positive press reports to them.”

11. Summary of Results

A summary of the results of this study show that:

- i. There is significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics.
- ii. There is no significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities.
- iii. The public relations crisis management tools of the IOCs have brought about significant positive press reports to them.

12. Discussion

The result number one of this study shows that there is significant correlation between the public relations crisis management tools of the IOCs and the perceptions of their target publics. This agrees with the fact that public relations efforts are never in vain, and the money invested into it is never in vain. This is buttressed by the observations of Onwunali et al (2006), that public relations always try to align the policies and programmes of an organization in such a way that it will favour both the organization and its internal and external publics, so that there will be a mutual outcome.

However, this is diluted by the number two result which that there is no significant correlation between the public relations crisis management tools of the IOCs and the level of mutual understanding between them and their host communities. Probably, this has to do with the crisis management strategy adopted by the IOCs. For crisis management to work, it must target the right publics with the right tools, through the right media, otherwise, even the best PR plan and strategy could be rubbish (Odigbo et al., 2013). The IOCs in Nigeria need to recognise this and make it part of their public relations master plan for long term organisational survival in the storm of crisis (Matai, 2010; Romano, 2012).

They should also try to reap maximal benefits from the positive press which they are enjoying now as revealed by the number three result of this study which says that the public relations crisis management tools of the IOCs have brought about significant positive press reports to them. The press is a very vital ally in times of crises. Having them on your side is an invaluable asset to any organization.

13. Conclusion

Youths' restiveness, community agitations and environmental activism have at one time or the other beclouded the public relations efforts of the international oil companies (IOCs) operating in the Niger Delta area of the country, where over 90 percent of the country's oil revenue come from. At the height of the Niger Delta crisis, oil flow stations were shut down, thus, reducing the nation's petroleum production capacity. This was followed by vandalization of oil pipelines and other facilities, hostage taking of oil workers especially the expatriates, sometimes leading to loss of lives. All these brought economic losses of quantum proportions to the nation. This study, however, reveals that the public relations efforts of the major oil corporations were not in vain, as there was a strong correlation between it and the target publics perceptions, existing cordial relationship with their host communities, even though, there's still a weak press reportage. So, there seems to be light at the end of the tunnel.

14. Recommendations

Mindful of the outcome of this study, we hereby recommend as follows:

- i. The IOCs in Nigeria must do everything possible to sustain and consolidate upon the significant positive perceptions of their target publics which they are currently enjoying through astute public relations strategies.
- ii. The IOCs in Nigeria should not allow the situation in the Niger Delta to relapse to the bad old days of kidnappings and hostage-taking of oil workers. They must try to improve upon the level of mutual understanding between them and their host communities, through effective public relations crisis management tools.
- iii. They should also sustain and consolidate upon the significant positive press reports they are enjoying now through sound and professional public relations practices.
- iv. The Nigerian owned oil corporations and the regulatory agencies should also aid the IOCs by contributing their own quota to ensure that the Niger Delta region remains a crisis-free environment,

safe for oil productions, for consequent optimal revenue to the nation.

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