

Communication and Corporate Social Responsibility in Shell Petroleum Development Company and Mobil Producing Nigeria Unlimited

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Abstract: *The study examines communication and corporate social responsibility in Shell Petroleum Development Company and Mobile Producing Nigeria Unlimited. It was aimed to find out the specific means or strategies adopted by Shell and Mobile in their communication with host communities. It was also to find out degree to which Shell and Mobile interact with various groups such as women group, Youths and community leaders in their host communities. It was to further determine the perception of host communities in the effectiveness or otherwise of Shell and mobile corporate social responsibility effectiveness. The survey method was used with the questionnaire as instruments for data collection. The sample size was drawn from eight communities in Bayelsa state of both companies. Altogether, eight hundred and eighty six people were sampled. The data collected were analyzed using mean for the research questions. The research found out that Shell and Mobil's major means of communication with host communities are the face to face newspaper interactions with youths as fair. It was also found out that Shell and Mobil frequently interact with chiefs and that the communication encounters are more during crisis period. To engender harmonious relationship, Shell and Mobile should continue to enlarge their capacity for interacting with human groups through interpersonal, small groups and public communication strategies. The companies should give attention to segments of the communities according to their strength members and importance to company operation. Finally, while it is dangerous to interact frequently, routinely and regularly, Shell and mobile should plan to be more proactive and not reactive to community issues.*

Keywords: *communication, corporate, social, responsibility.*

1. INTRODUCTION

Over the last decade, corporate social responsibility (CSR) has risen steadily highest on the International agenda, Extensive expectations of responsible corporate behavior are also embodied in a number of initiatives from government to global organization. Large Blue chip companies are now finding it necessary to develop corporate social responsibility programmes and initiatives to comply with social expectations, voiced by sophisticated interest groups, often backed up by the media.

In an increasing media – driven society, the concern with brand profiting and reputation effects are seen to demand corporate responsibility at a new level. This trend has been backed up by several analytical arguments, including Edward Freeman's (1999) argument for the benefits of

broad stakeholder engagement, Charles Fenbrum's (2000) argument for CSR as a part of reputation building and John Tarisa (1998) argument for CSR as a contribution to long term commercial, ecological and social sustainability.

Oil is the main source of energy in the industrial world today and by any standard, it is Nigeria's resource as it contributes nearly 90 percent of government revenue (Tanjan, (2003). The Niger Delta area, prior to the activities of oil and gas, had abundant and diverse natural resources, good agricultural land coupled with flourishing oil palm trees rubber trees and other economic crops. The forest was extensive with all kinds of animals and plant species (Osanjo, (1998). Herbal medicine practice and other traditional occupations (fishing, soap making, alcohol distillation, canoe carving and weaving, flourished. (Niger Delta Environtal Survey, 2003).

However, the Niger Delta area of Nigeria has been engulfed in a crisis of instability caused by protesting oil producing communities against environmental degradation, palpable poverty, lack of basic social amenities and employment opportunities. The communities have charged the oil companies of insensitivity centered on the problems occasioned by oil spillages such as, the clean up of spilled oil, delay in assessment of impacted areas and failure to pay compensation for damaged economic crops and fish ponds. In many instances, the greiviances have turned into outright antagonism, leading to abduction of company officials, sabotage of company properties and violence against companies. For example, in November 1990, Umuechem community in Rivers state staged a peaceful demonstration to protest environmental degradation by Shell Petroleum Development Company (SPDC). The army was invited to repress the demonstration. At the end of the invasion, 100 people were killed and over 495 houses were looted and burnt (NDND, 1991). Also, between January, 1993 and March 1997, the people of Ogoni in Rivers state embarked on series of massive protests to express their concern over their environment, which they said had been systematically destroyed by the companies in collusion with successive Nigerian governments. The event which followed these series of protests was the invitation of soldiers, foreign nationals were kidnapped, the sovereign existence of Nigria was threatened (the Ogoni's boycotted presidential elections), oil activities were disrupted, leading to drastic drop of the revenue from oil (international conference of Environment, ICE case study No, 64, 1997 Human Right Watch, 2001).

In the last 20 years, there has been a medical change in the private sector's relationship both with the state, civil societies and host communities. Globalization, conflict management, degradation, privatization and a redrawing of the lines between states and markets have changed the basis on which private enterprises are expected to contribute to the public good. Within the period, the relationship between companies and civil societies and host communities had moved from paternalistic philanthropy to a re – examination of the roles, rights and responsibility of business in society. These dynamics have led to the emergence of a new approach to corporate social responsibility (CSR) with companies recognizing that addressing wider social and environmental problems will be crucial in securing their long term success.

A good corporate image therefore, is a function of good public relations practice and carried out by the highest standard and practiced by professionally ethical, inventive and creative minds. Each combines with each other to cultivate a good reputation, a credible identity and a positive corporate strategy.

From the foregoing, it can be said that corporate social responsibility has to do with programmes and activities that increase the organization's public visibility or image and delineate the business uniqueness to outside world or observers. Good corporate image programmes and policies respect the corporate commitment of an organization and it leads to the cultivation of a good reputation and havourable image.

2. THE PROBLEM

Shell started producing oil in the Niger Delta in 1958. In 1970, the first seeds of the current conflict were sown when Ogoni chiefs handed a position to the military governor, commander Alfred Diette – Spiff, complaining about Shell, then operating joint venture with BP. According to the position, the company was "seriously threatening the well being and even the lives of the Ogoni" (ED, 2008 P.18). That year, there was a major blow out at the Bomu oil fields in Ogoni. It continued for three weeks, causing widespread pollution and outrage.

By the Eighties, other communities were beginning to potent. The Iko people wrote to Shell in 1980 demanding “compensation and restitution of our rights to clean air, water and viable environment where we can source for our means of livelihood” ED, 2008 P 20). Two years later when the Iko people organized a peaceful rally against shell, the company called in the police in 1987, when the people again held a peaceful demonstration against shell, the notorious Mobile Police Force (MPF) were called in, about 40 houses were destroyed and 350 people were made homeless by the MPF attack (ED, 2008).

In August 1990, the Ogoni elders signed the Ogoni Bill of Rights which called for “political control of Ogoni affairs by Ogoni people, control and use of Ogoni economic resource for Ogoni development, adequate and direct presentations as of right for Ogoni people in all Nigerian national Institutions and the right to protect the Ogoni environment and ecology from further degradation” P.22. That year, the movement for the survival for the Ogoni people (MOSOP), a non – violent action group, was formed.

Community protest against shell continued to spread across the Delta region, next, was the turn of the Etche at Umuechem. In response to a peaceful demonstration, shell specifically requested the presence of the MPF who subsequently massacred 100 people and destroyed nearly 500 houses. The community submission to the official inquiry into the disaster argued that Shell’s drilling operations have had serious adverse effects on the Umuechem people who are predominantly farmers..... (Emakpor, 2004). The farmlands are covered by oil spillages/ blow out and rendered unsuitable for farming” P.30 Anti – Shell protest spread to other communities.

However, it is evident that communication and engagement with host communities are key aspects of the multi – national companies activities which follow from its core values or guiding principles. Indeed, the companies such as Shell and Mobile see the community as “Stakeholders” to it,

Good communication is the basic ingredients of any successful relationship. The major factor responsible for the disruption of good relationship mis - information (community News Aug – Oct 1999).

This statement was made at a time when the relationship between the multinational companies and their host communities was frosty. While the companies thought, on one hand that it was living up to its corporate responsibility by developing roads, fixing schools and health centres, providing portable water, awarding scholarships, supporting sports and the arts, the communities felt the companies had not done enough.

The communities wanted more participation in the oil business, more employment for its members and a lot more infrastructural improvements. To drive home their point, series of protests were organized leading to road blocks, disruption of exploration activities and facilities.

To improve the relationship, the companies especially, mobile as stated in the NNPC/Mobil community relations Newsletter in vol. 1, Number 1 (Aug – Oct 1999) “that it was correcting “grey areas” and embarking on a re – engineering at the relationship” P.42. It resolved to chart a new course in the relationship with various communities. In spite of the correction of the grey areas and the re – engineering, the disagreements still persists. It does appear that the strategies are not yielding intended results. This study is therefore intended to find out the extent shell and Mobil’s communication strategies affects their relationship or engagements with communities.

3. RESEARCH QUESTIONS

Following research questions therefore becomes relevant to this study,

1. What are the specific means, or strategies adopted by Shell and Mobil in their communication with host communities?
2. To what degree Shell and Mobil interact with various groups such as Youths, Women, community leaders of its host communities?

3. What is the communities' perception of communication strategies of Shell and Mobil's community involvement in community assistance programmes?

4. OBJECTIVE OF THE STUDY

A study such as this sought to discover through an assessment of corporate social responsibility in the oil industry is promising for corporate citizens communities that host industrial concerns and scholars of human, industrial and community relations interface. It has the potential of discovering why one company and one community may enjoy the best of relations, while another company and its host community may be moving from one disruptive crisis to another. Lessons learned from such finding may become the benchmark or represent the industry's best practice. Those willing to adopt such good practice may then contribute to a ground swell of good relations which is bound to engender local regional and national peace for economic progress.

5. METHOD

This study focused on assessing the role of communication in the implementation of corporate social responsibility strategies in Shell Petroleum Development Company and Mobil producing Nigeria Unlimited. In meeting the demands of the study, it was necessary to employ the survey design technique. According to Ifante, Rancer and Wonack (1997: P;491) the basic design of the survey research "Is the selection of a sample from a population in order to show how frequently certain variables occur and how they are related in the population".

However, the ex-post facts design was employed. According to Asika (2002 P.24) this ex-post facts design is an aspect of survey which is a systematic empirical study in which the researcher does not in any way control or manipulate independent variables because the situation for study already exist or has already taken place.

The universe of this study was made up of eight communities, four for each company where they (SPPC and MPNU) operate. The communities were chosen to enable the researcher to determine the strategies employed by the companies, while the various groups such as community development committees, chiefs, youth groups and women groups are better placed to do a proper assessment of CSR strategies of these companies.

The sample size of the study was 886 respondents, making up 15 percent of the study population as suggested by Best and Kahn (2006 P. 168). The sample size was selected using stratified random sampling procedure. In the strata was the communities where these two companies operate. However, 15 percent of each of the stratum were selected to make up the sample.

The data for the study was collected through the use of questionnaire. The respondents were required to comment tick options applicable and research questions with open ended items, respondents were required to comment freely on the items. The questionnaire was constructed in such a manner that respondents provided answers so that at the end, the researcher could determine the following:

1. The specific means through which Shell Petroleum Development Company and Mobil producing Nigeria Unlimited engage in their communication relationship with host communities in the Niger Delta.
2. The depth of interaction between Shell, Mobil and members of the host communities.
3. The host communities' perception of the effectiveness or otherwise of SPDC and MPNU corporate social responsibility strategies.

The instrument was self – administered, and it took month. A total of 886 copies of the questionnaire were administered in the eight communities of Shell and Mobil operational areas. However, 729 copies of the questionnaire were returned and found suitable for analysis.

The data retrieved from the respondents in raw form were presented in tabular form using simple descriptive and analytical techniques. They were analyses, using mean. A mean rating of 2.5 was used to determine if it was agreed or disagreed and frequent or non frequent.

6. DATA PRESENTATION AND ANALYSIS

Table 1. Mean Rating of respondents on communication strategies adopted by Shell and Mobil.

	Item	Mean
1.	The oil company operating in the community engages in face to face interaction with the people	3.35
2.	The oil company operating in the community holds town hall meetings with the people	2.19
3	The oil company operating in my community communicates with the people through Radio and T.V	2.27
4	The method of communication by Shell and Mobil is also through bill boards, Banners and community newspapers.	2.65
5.	The oil company operating in the community uses selective engagement and divide and rule as means of communication.	1.81
6.	The oil company operating in the community adopts consultation/ interaction with key groups	2.41

Source, Survey data 2013

As Shown in Table 1, the mean rating of items 4 and 6 were considered agreed because the means were above 2.5 while items 2, 3 and 5 were considered ‘disagreed’ because the mean were below 2.5, which was the mean rate. This implies that the respondents in the communities agreed only to Shell and Mobil face to face interaction and through community newspapers as well as interaction with key group in the communities within which they operates.

Table II. Mean rating of respondents on Shell and Mobil’s interaction with various groups.

	Item	Mean
7	The oil company operating in the community interacts with the youth groups	2.33
8	The oil company operating in the community interacts with the women groups	1.71
9	The oil company operating in the community interacts with the community leaders such	2.01
10	The oil company operating in the community interacts with community development	2.22
11	The oil company operating in the community interacts with CDC’S and chiefs only.	3.48

Source, Survey data 2013

Table II shows that only item II were above the mean rating of 2.5, while all others were below the 2.5 and so were considered ‘disagreed’. This implies that Shell and Mobil frequently interact with only community development committees and the chiefs of the communities.

Table III. Mean rating of respondents on host communities perception of Shell and Mobil corporate strategies.

	Items	Mean
12	The oil company’s communication strategies and practice are effective	2.21
13	The oil company’s communication strategies are seen as very helpful	2.35
14	The oil company’s communication strategies need improvement in the area.	3.07
15	The oil company’s communication strategies are seen as disappointment in the area.	2.88

Source: survey data 2013.

Table III shows that items 14 and 15 mean rates were above the rating value of 2.5, while others were below the mean rating value. This reveals that host communities perceive Shell and Mobil’s communication strategies as a disappointment and therefore needs improvement.

7. DISCUSSION OF FINDINGS

The data were derived from 729 fully – completed copies of the questionnaire. The general belief of respondents is that Shell and Mobil’s specific means of a strategies adopted in their communication with neighbouring communities are in the area of face to face interaction, community newspaper and consultation and interactions with key groups attracted rating above

the mean rating value. These methods appear to be the key means which the company has adopted and they appear to be popular with respondents. The finding confirms Ntia (1998) finding of the use of a multimedia approach by Mobil, which comprised the use of the modern media along with interpersonal channels such as face to face interaction with key community group. It does appear that the perception of respondents regarding Shell and Mobil's method of communication has changed from the acknowledgement of divide and rule tactics by the company, which Foxcroft (2004) found in his own study a mere participation approach. However, the level of use of such approach is still uncertain particularly if it is realized that face – to – face interaction was a little below the mean rate which respondents perceived the level of interaction as generally poor which means that Shell and Mobil are not doing enough to sensitize host communities about its relations strategies.

The interest of the respondents is in human rights, employee rights environmental protection, community development and stake holders rights. These are the core values that define the responsibilities of corporate (govt). to the society which are some of the best practice in the world.

The poor perception of the specific means of communication strategies gave rise to the general feeling of disappointment, frustration and anger that appears to have caused the rising profile in crisis of instability that has engulfed the region, ranging from protecting oil producing communities against environmental degradation, palpable poverty, lack of basic social amenities and employment opportunities.

However, outlines in its briefing notes (2002, P.24) that key specific objectives as the bases of its community assistance programs. Mobil believes in sustaining good relations with the community because the community is an important stakeholder in the company's business, jointly with the NNPC, Mobil says it maintain an active community assistance programme. Also according to the briefly note (2002, P.24) Mobil maintain that most community assistance activities are concentrated in the company's operational areas and the programmes are in education, health, water supply, roads, electricity, sports, arts and culture, civil and business development and training. Mobil further insist that the community assistance projects are carried out to satisfy four key criteria: universality, sustainability, good neighbourliness and business development.

However, inspite of the above, it is imperative to note that Shell and Mobil's corporate responsibility strategies could not yield the desired results due to the poor means or strategies adopted by these companies in their communication with host communities in the Niger Delta. Therefore, the methods of communication are poor and need improvement for a peaceful partnership and community relations.

Another area of concern in this study was to find – out the degree of Shell and Mobil's interaction with various groups such as youth, women and community leaders in their communities where they operate.

The multinational oil companies of Shell and Mobil appear to be more comfortable dialoging with chiefs and community development committees whom they easily win over through gifts and regular donations as was also corroborated by Foxcroft (2004). Further to the above, Foxcroft (2004) confirmed the finding perceived as reactionary rather than proactive. It means that the company only interact frequently with community groups during crisis when assumption of their activities is threatened. One can deduce therefore, that Shell and Mobil appear not to have a community relations plan which regularly engages community groups when crisis have not occurred.

This neglect of youth groups and the women groups which are core groups in the life of a community further reveals that the multinational companies of Shell and Mobil are not interested in genuine and effective means of interaction that were aimed at maintaining a peaceful relationship with their host communities that are stakeholders in the industry and are imperative in the successful transaction of business in their areas of operation.

It is not out of place to note that the deliberate frequent interactions with chiefs and community development committees alone could be intended to cause discord among the various bodies or groups in the communities.

Equally of concern in this study is the host community's perception of Shell and Mobil's communication strategies. The study shows that host communities perceive Shell and Mobil's strategies as a disappointment and therefore needs improvement.

The study by Nglass (2008) and Foxeroft (2004) confirm this when they said that inspite of the very loud media propaganda by the multinational firm (Mobil) that is maintained a cordial relationship with 175 host communities, the host communities failed to clearly indicate their knowledge of Mobil's public relations strategies.

According to Osihogar (2005) "it is like paradise and hell. They have every thing. We have nothing. They throw our petitions in the dust bin. They are the cause of all our problems. If we protest, they send soldiers. They sign agreement with us and ignore us. We have graduades going hungry without jobs. And they bring people from Lagos to work here". These sum the general feeling of an average Niger Deltan. A feeling of betrayal, deprivation, degradation and neglect.

The perception of the host communities on Shell and Mobil's communication strategies is poor. This assertion could be deduced from the responses got from the questionnaire and an analysis of the various position by the communities as well as the ethnic groups and people of the Niger Delta region.

8. CONCLUSION

The study noted that friction and conflicts in the relationship between oil producing companies and their host and neighbouring communities have become common experience in Nigeria, particularly the oil rich Niger Delta. The sour relationship manifests in the form of violence disruptions, youth disturbance and hostage taking. However, communities, government and corporate organization have been working out strategies to improve relationships. The research study has brought to the for the need for Shell and Mobil to enlarge their capacity for interacting with human groups through interpersonal, small groups and public communication strategies. The poor performance of these companies in their inability to communicate effectively has been identified as the cause of the crisis in the region.

The research further showed the need for Shell and Mobil to communicate effectively with host communities and not only during crisis period. In other words, the communication pattern should be proactive as this will foster cordial relationship between the multinational companies and the host communities. However, harmonies relationship is germane to the economic development of the region and makes improvement for capturing greater business value.

9. RECOMMENDATION

The goal of every community, aside its different social groups, leaders and government is to engender a harmonious relationship with its corporate neighbours. Similarly, every corporate organization seeks to portray itself as a socially responsible firm. But in real life situation, this is not always the case. The study confirms this reality and therefore makes the following recommendations based on its finding.

1. Shell and Mobil should continue to enlarge their capacity for interacting with human groups through inter-personal small groups and public communication strategies. The company should strive hard to eliminate divide and rule tactics, selective engagements and fire brigade approach to community people and issues.
2. The companies should give attention to segments of the communities according to their strength, numbers and importance to company operations. Youth, women, leaders and government to marginalize any of these groups.
3. Shell and Mobil should integrate the various segments of the communities into their information and communication apparatuses so that they can easily and readily become qware and knowledgeable about the companies community related activities. This will improve the perception of the people or communities on their activities.

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