CRISES MANAGEMENT AND STRATEGIC AGILITY OF SHELL PETROLEUM DEVELOPMENT COMPANY LIMITED

Georgewill, I. A.

The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 8, Iss. 3, pp 157 – 170. August 3, 2021. www.strategicjournals.com, ©Strategic Journals

CRISES MANAGEMENT AND STRATEGIC AGILITY OF SHELL PETROLEUM DEVELOPMENT COMPANY LIMITED

Georgewill, I. A.

Department of Management, Faculty of Management Sciences, Rivers State University [RSU], Nkpolu-Oroworukwo, PMB 5080, Port Harcourt, Nigeria

Accepted: July 26

ABSTRACT

The people in the Niger Delta are faced with attendant problems on their habitat, which includes acid rain, noise pollution, and intense heat due to gas flaring. Oil spillage emanating from careless handing of oil in the process of loading also results in mass destruction of farmland and pollution of sea water, which are the main sources of livelihood for the people of the Niger Delta. It was observed that oil-bearing communities are exploited and neglected by oil prospecting companies. Furthermore, it was noted that oil exploration had caused social problems where communities in frustration transfer their anger to the oil companies. This paper examined the role of crises management and organizational sustainability of Shell Petroleum Development Company. The major conclusions were that Shell Petroleum Development Company had encountered various forms of community crises in their work environment. These crises had negative impact on their performance. The paper recommended that adequate community relation would significantly reduce the level of Industry/community crises in the Niger Delta region; also that oil and gas companies in the Niger Delta should adopt community relation strategy through community development projects as this would minimize the level of community crises and hence enhance the performance of oil and gas companies.

Keywords: *Crises Management, Strategic Agility, Change Disposition, Business*

CITATION: Georgewill, I. A. (2021). Crises management and strategic agility of Shell Petroleum Development Company Limited. *The Strategic Journal of Business & Change Management,* 8 (2), 157 – 170.

INTRODUCTION

While international business expansion undoubtedly presents many opportunities, there are also a multitude of challenges that companies face when deciding to operate on a global scale. This is because today's international business environment is largely uncontrollable, highly uncertain and complex and constantly evolving, which exposes companies to multiple areas of risk. As a consequence, no organization, regardless of its size or strength is immune from a crisis that can strike unexpectedly, and that can have profound negative effects on its operations, impede future growth, profitability, and even the company's survival. Managers must recognize the necessity to develop the skills to handle any threat and challenge that will inevitably arise, and make it a priority to be ready to handle such a crisis, through careful and meticulous preparation.

A crisis is any situation or series of events that launch a group, team or an organization into a downward spiral, by threatening to harm people or property and negatively impact and damage an organization, its stakeholders, or even an entire industry if not handled effectively and efficiently, characterized by "high consequence, low probability, ambiguity, and decision making time pressure," (Hale, Dulek & Hale, 2005), and always creates three inter related threats: public safety, financial loss due to disruption of operations and loss of market share, and inevitably reputation damage, because it reflects poorly on an organization (Coombs, 2011).

Taneja, Pryor, Sewell & Recuero (2014) explain that according to Mitroff, crises can be divided in seven major families: **economic** which includes events or situations such as strikes, market crashes, and shortage of labor opportunities; **informational**, where there is a loss of important information or organizational records, public or confidential, theft through phishing attacks or social engineering or leaking of sensitive data; **physical**, which includes compromised major equipment, loss of suppliers or a major disruption at a key operating plant; **human resources**, could be the loss of a key executive or member of the team, vandalism, or workplace violence; **reputational** such as rumors and gossip which can hurt the reputation of the organization. The sixth family includes; **psychopathic acts**, i.e., unthinkable acts such as terrorist attacks, kidnapping or even tampering with products, and finally **natural disasters**, includes tornadoes, earthquakes, fire and flash floods, or outbreak of a disease.

Companies must consider and prepare for each one, because by omitting any they potentially make their organizations vulnerable, through effective crisis management which can be divided into three phases: the **pre-crisis phase**, in which the company will aim to prevent and prepare for a crisis, the **crisis response phase**, when the management will actually deal with the crisis, try to contain it and limit its damages, and the **post-crisis phase**, concerned with the long term goal of recovery from damage and image restoration (Coombs, 2011).

In the recent past, crisis communication management plans as well as strategies have been adopted by both private and public sector organization. For the last two decades, crisis communication has grown as a field of study (Ulmer, Seeger & Sellnow, 2000), and has been addressed from different scientific domains, making it difficult to oversee the bulk of research that has been conducted. Moreover, research on the effectiveness of communication strategies to restore reputations during crises, is still in its infancy (Hobbs, 1995). This study seeks to evaluate public perception on best practices for oil pollution crisis preparedness. It will further interrogate in-depth what the laid down strategies put in place are; and how they are employed during crisis management episodes with an aim to mitigate crisis situations. It will at the same time determine how the institution through its communication policy has sought to present its external stakeholders with well-timed, precise, objectives and absolute information during times of crises

(UoNCP, 2014) in order to manage their perception and reactions.

Coombs (1999) posits that there is no organization that can boost immunity to a crisis and that crisis can spring from within its confines or outside the organization. Reynolds (2006) posits that once this happens, people's lives may be endangered and the standing of a company or institution exposed. According to Heath (2006), in order to explain crisis, you must first describe danger. Heath goes on to state that danger is an occurrence that can have both positive as well as harmful consequences of varying magnitudes, the prevalence and impact of which can be on various occasions anticipated and contained.

Of essence to managing a crisis is tact as well as efficiency in communication. In the absence of these, the wellbeing and protection of an organization's public image are at risk. "The mode of information dissemination in an organization affects public perception both in crisis response as well as mainstream coordination and mitigation" (Stephens & Malone, 2009). For example, when a crisis situation intensifies and becomes complex thus transforming into a multiple communication type, what kind of public relations approach is employed within an organization and or institution? Lesenciuc, *et.al*. (2008), documents that this approach has to take into account the area of meaning for the public relations procedures and the vital set of laws used in the event of a crisis. Its approach generally does not limit, neither does it resolve, at organizational level, a certain type of conduct in its workforce, but it in turn provides rules of application so that each member of staff knows his/her role, and, thus the final course of action so that preparation of crisis communication will not deteriorate into a confused, uncoordinated action. The purpose of this study is to examine the impact of crises management on strategic agility of Shell Petroleum Development Company.

Statement of the Problem

Community/oil company crises take the form of blockages, sabotage, and destruction of oil company installations and equipment, harassment of oil company staff, and, in some cases, the disruption of operation of oil activities or the outright closure of oil operations in the affected area. Okoko (1996) stated that between 1988 and 1992, SPDC, lost a total of 1,263 operational days due to disturbances. Another daily (Dialogue, June 13, 1998) reported hostage taking and shutting down of flow stations at Koloama by youths. Nigerian Tide (May 3, 1993) reported on the Umuechem crisis, the Eqwe I and Eqwe 2 plant shut down by youth of Ogulaha, the Ijaw and llaye crises, and the NLNG and Bonny community crises. These crises have led to huge losses in revenue to oil companies and the government. In this regard, News Watch (November 9, 1998) reported SPDC/NNPC lost more than $1.5 billion to conflicts in oil bearing communities. Conflicts and crisis of oil-bearing communities also affected the performance of the Nigerian Petroleum Development Company (NPDC), a subsidiary of the NNPC, which reported losses in drilling locations were 40 percent more than in 1996 (NNPC monthly report, Oct 6th 2000).

The SPDC and Ojobo crises led to the shutdown of the SPDC flow station for 30 days. The company lost about $105 million within this period. Also the SPDC and Alakiri crisis led to the loss of about $80 million within this period (Environment Watch, September 16, 1998). At the same time many of the low stations and oil locations in Nembe communities were shut down die to clashes between oil-bearing communities and oil companies. In 2019, the Belema flow station in Akuku toru LGA, was shut down for most part of the year

A gap in communication usually leads to conflict or crisis. Failure to communicate and respond in ways that appeal to or meet community, local, national international standards and expectations or assuage restiveness usually breeds series of negative reactions. Maybe, because there has been a communication gap between Shell Petroleum

Development Company (SPDC) on one hand, and the oil communities in the Niger Delta on the other, crises and hostilities have to manifest in the region. The relationship between the oil company and its host communities has been anything but cordial. Ntia (2008) states that there have been serious disruptions to Shell's exploration activities in the Niger Delta region, occasioned by community members who engage in hostage-taking, blocking of flow stations, seizure of oil equipment and other violent incidents. This has precipitated high magnitude of crises between the oil company and its host communities. Despite these disruptions of Shell's oil exploration activities in the Niger Delta region, Shell claims that it has "aggressive and proactive" crisis communication management programs and other socio-economic programs that are geared towards reducing the tensions and making the environment conducive for its business in the region. It seems that many put the blame on Shell for the crises; that Shell's crisis management simply does not exist. Complaints that the oil company by-passes host communities in major dialogues and negotiates with government officials and self-appointed elites in the communities, are common contents in media reportage. It is assumed that the problem facing Shell in the Niger Delta region is her inability to manage crisis effectively, using known crisis communication management approaches. Thus, what constitutes the crisis communication management of Shell Petroleum Development Company and to what extent has its crisis communication management helped in creating an enabling environment for its operations in the Niger Delta Region?

International Oil Companies (IOCs) operating in Nigeria are counting heavy losses as surge in illegal bunkering and supply disruption have impacted on their earnings (Asu, 2013). Attacks on oil production facilities have led to several shutdowns and declaration of force majeure by the International Oil Companies (IOCs), ultimately resulting in loss of revenue to the oil companies as well as the government (Alohan, 2013).

An average of 240,000 barrels of crude oil are spilled in the Niger Delta every year, in large part due to unknown causes (31.85%), third party activity (20.74), and mechanical failure (17.04%) and the spills has contaminated water, air, vegetation and farmlands in the Niger Delta region (Nwagbo, 2017). According to Ordinioha and Brisibe (2013) oil spills in the Niger Delta can lead to as much as 60% reduction in household food security, can reduce ascorbic acid content by as much as 36% and can decrease the crude protein content of cassava by up to 40% and can potentially result in 24% increase in the prevalence of childhood malnutrition. Also, considering the fact that most of the local dwellers in Niger Delta are predominantly farmers and fishermen, with these contaminations they have been displaced from their primary means of livelihood.

The gravitation of damage caused by vandalism and illegal bunkering often force oil companies to shut pipelines down. As a result of this, Nigeria's daily crude oil production in 2018 was at minimal volume about 1.7 million barrels per day in March 2019 as against an all-time high of about 2.5 million barrels per day in November, 2005 (www.ceidata.com).This posed a serious threat to national security particularly as Nigeria depends heavily on oil exports for survival. Apart from its economic loss, negation of investment onshore exploration and production, security risks and damage to equipment, illegal oil bunkering fuels conflict and militancy through increased armed proliferations and drug abuse which have destabilized the Niger Delta region (Garuba, 2010). Katsouris and Sayne (2013) noted that oil theft has been the major cause of violent conflict in the Niger Delta.

Conceptual Framework

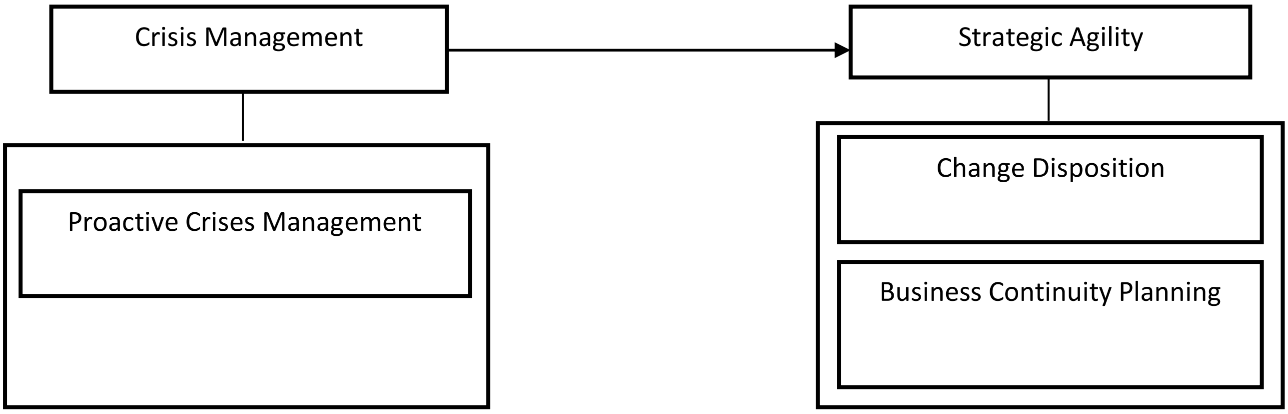

Figure 1: Conceptual framework of the relationship between crises management and strategic agility

Source: Author's Desk Research (2020)

Objectives of the Study

The purpose of the study was to examine the impact of crises management on strategic agility of Shell Petroleum Development Company. In line with the conceptual framework specifically, this study had the following objectives:

- Examine the impact of proactive crises management on strategic agility of Shell Petroleum Development Company.
- Examine the impact of reactive crises management on strategic agility of Shell Petroleum Development Company.

LITERATURE REVIEW

Theoretical Framework

Stakeholder Theory of the Firm

The multiplicity in approach to explaining the nature and purpose of the stakeholders of an organization has resulted in three distinct perspectives of stakeholder theory: descriptive, instrumental, and normative (Donaldson & Preston, 1995). The descriptive approach describes stakeholders in terms of competing and co-operative group of interests integral to the organization. The instrumental approach presents a framework for examining the linkages, if any, between stakeholder management and attainment of corporate performance goals. The normative approach describes stakeholders as groups of persons who have a legitimate interest in the functioning of the organization, irrespective of the organization's corresponding interest in them (Donaldson & Preston, 1995).

In an attempt to integrate the three distinct lines of research to stakeholder theory, Donaldson and Preston (1995) argued that the three aspects of the stakeholder theory are nested within each other. The external shell of the theory is its descriptive aspect; the theory presents and explains relationships present or observed in the external world. The theory's descriptive attribute is supported at the second level by its instrumental and predictive value; that is, if certain practices are carried out, then certain results will be obtained. The central core of the theory, however, is normative. The descriptive attribute assumes that all managers and agents behave as if all stakeholders have an intrinsic value.

In turn, recognition of these ultimate moral values and obligation gives stakeholder theory its normative core (Donaldson & Preston, 1995). Descriptive approaches to stakeholder theory describe and explain specific corporate characteristics and behavior of the stakeholders. Instrumental approaches to stakeholder theory describe stakeholder relationships and establish a connection between stakeholder management and the achievement of corporate objectives (Barton, Hill, & Sundaram, 1989; Caroll & Hatfield, 1985). Researchers taking a normative approach to stakeholder theory propose moral or philosophical guidelines for the operation and management of the organization.

All three descriptions are found in the work of Freeman (1984), whom many regard as the biggest contributor to the stakeholder theory. Initially, Freeman (1984) argued that the effective management of the numerous stakeholder groups was important for the success of the corporation in the current and future business environment. In his later works, Evan and Freeman (1988), however, emphasized a normative approach to stakeholder theory, arguing that the theory of the firm should be re-conceptualized along Kantian lines to recognize the importance of each stakeholder group as an end in itself and not as a means to an end.

But no matter the approach used in explaining the concept of stakeholder, the host and pipeline communities unarguably are stakeholders in the oil exploration business in the Niger Delta given the fact that they inadvertently fall into any of the categorizations.

Overview of Organizational Crisis

Scholars have defined organizational crisis in a number of different ways. Pearson and Clair (1998) described an organizational crisis as a "low probability, high impact event that threatens the viability of an organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly. Snyder et al. (2006) defined an organizational crisis as an extraordinary condition, disruptive and damaging to the existing operating state of an organization. Fearn-Banks (2007) defined crisis as a "major occurrence with a potentially negative outcome that affects an organization and its publics, products, services, or its good name and interrupts the organization's normal flow of business" (p. 6). Fink (1986) defined an organizational crisis more broadly as a situation that can potentially escalate in intensity, fall under close government or media scrutiny, jeopardize the current positive public image of an organization or interfere with normal business operations, including hurting the bottom line.

Regardless of the specific attributes of a crisis, the most significant and unifying characteristic of

all crises is its potential for causing incalculable damage to an organization and its reputation. In addition, organizational crises, if ignored or mismanaged, threaten the competitiveness and sustainability of an organization and deserve greater attention. Although crises have been characterized in different ways, most organizational crises share a number of common elements: a) are highly ambiguous in nature, causes, and effects (Dutton, 1986; Quarantelli, 1988); b) have a low probability of occurring but pose a major threat to the survival of an organization (Jackson & Dutton, 1987; Srivastava et al., 1988); c) provide little time to respond (Quarantelli, 1988); and d) present a quandary in strategic decision-making or judgments that may affect the survival of an organization.

On the other hand, even though crises have common characteristics and may appear similar in type, they vary in magnitude and duration (Synder et al. 2006). Crises can be overwhelmingly intense and relatively brief or gradual and persistent. They can also be widespread, affecting an organization and beyond it, or they can be self-contained. Crises may also differ with respect to frequency and probability of reoccurrence. As crisis management increases in importance as a management function, it is only reasonable that crisis management research rise to a higher level of rigor (Coombs,2007). Although crisis research is growing as a field of inquiry, it remains in its initial stages of development. It is largely prescriptive and lacks sound theoretical constructs. Most of the extant research on crisis communication is based on accepted wisdom from direct experience with crises and/or case analyses. Therefore, it becomes imperative to examine how organizations manage crises through effective development and selection of strategies.

Crises Management

Crisis is described as an event that is unpredictable in nature having a high level of unreliability and capable of threatening goals achievement. (Lucero, Kwang & Pang 2009). Brent (2003) describes crisis in an organization as a condition in which phenomenon roots can be issues and concerns that includes; improper managerial structures and actions or failure in accordance with adapting to a change. A true crisis occurs when the institutional structure of a social system experiences a relatively strong decline in legitimacy as its central service functions are impaired or suffer from overload (Dayton, 2004 as cited in Sonia, Mildred, Scott & Aura (2014). When anticipating such a crisis, there is need for a good predictive capability and scenario planning as well as an executable action plan, they added. An organizational crisis is not only a catastrophe, like an economic recession, plane crash, terrorist attacks but can take various forms, such as product tampering or defaming, product, boycott, strike, rackety, core rumors, assault, hostage situations, kidnap and ransom threats, cyber extortion, bribery and corruption, hostile conflict, natural catastrophe, products‘ devastation, damage of organizational system or information system of mother companies (Behnamiri, 2012). This threats/crisis can cause serious operational disruption, financial loss or adverse publicity that can impact an organization and its profits. Nevertheless, a crisis could also be small but still have significant adverse effects on the organization and its stakeholders. Example could be loss of market share, failure of equipment, plant and or machinery, death of an organizational staff or even union strike. Hence, the need to understand crises and the steps needed to manage them.

Crisis management deals on the various processes which an organization adopts to be able to deal with unexpected and disruptive happenings that threaten the organization or its stakeholders. Crisis management has to do with the entire efforts an organization puts in place to manage and reduce the effect of crisis when it occurs. This includes plans and action put in place before the crisis, when the crisis occurs and after the crisis must have taken place. The essence is to reduce the impact and havoc created on the organization to enable her quick recovery. Thus, the predominant factor to a successful crisis management is to start planning for the crisis as early as possible as if the crisis has taken place including limpid communication, comprehensive records of decisions taken and an effective leadership. Organizational crisis are identified with three unique elements, firstly, due to the severity of the crisis, it must pose an imminent threat to the organization. Secondly, an element of shock or surprise must accompany the situation and lastly, pressure will be placed on such organization to make prompt and effective decision as a result of the severity of the problem.

Dimensions of Crises Management

Proactive Management Strategies

Miles, Snow, Meyer, and Coleman (1978) in their study on organizational strategy, structure and process created a typology that categorized organizations as prospectors, defenders, analyzers or reactors. They opine that the defender, prospector, and the analyzer can all be proactive with regards to their environments. Nevertheless, each of them is proactive in a different way. This strategy deals on anticipating that crisis will happen, this enables them to do a likely vulnerability analysis in order to deal with the expected crisis. Therefore, having a proactive strategy could avert the crisis completely (Spillan & Crandall, 2001). According to (ClaverCortes, Molina-Azorin and Pereira-Moliner 2007), this strategy is aimed at achieving operational efficiency, market leadership or a combination of both. This strategy deals with crisis by a way of preparing and preventing it through strategic planning such as studying past or likely crisis history and their impact, designing crisis management manual and having a responsive crisis management team, carrying out exercises regularly to test the team and plan and lastly pre-draft some crisis messages by creating a crisis scenario. This is just one of many ways of planning a crisis.

Reactive Crisis Management Strategies

The reactive crisis management strategies are concerned with salvaging what's left of a crisis situation. This strategy aims at providing relief to an organization after the crisis. This relief could be asset reduction or cost cutting (Pearce and Michael, 2006). Miles et al. (1978) categorized these strategies as ad hoc, unstable and inconsistent. Pun (2005) describes these strategies to include importing technologies, horizontal integration and divestment. Cost reductions through layoffs, service reductions, expenses reduction, salary freezing, or inventory realization are some of the outcome of this strategy (Laitinen, 2000; Kamoche, 2003). In many studies, reactive strategies are the most preferred because they are geared towards ensuring the survival or going concern of an organization (Taylor and Enz, 2002). A crisis management reactive strategy displays an organization's tendency to adjust to its environment. This pattern can both be highly inconsistent and unstable because spontaneous reactions are demonstrated to environmental changes. In the study undertaken by Zatzick, Marks and Iverson (2009), the framework of reactive strategy was applied to personnel development by instructing organizations on how to downsize during a crisis while at the same time retaining talent and reducing costs. For an organization, this crisis management strategy is about the most difficult because it is highly complex and involves unknown number of unpredictable risk. It is therefore important for an organization to implement a communication strategy that is clear, brief, straight to the point and action oriented. Since decisions and actions must occur quickly.

Strategic Agility

Strategic agility is learning to make fast turns and being able to transform and renew the organization without losing momentum (Weill, Broadbent & Subramani, 2002). Strategic agility can bring about organizations that can produce the right products and services at the right place at the right time at the right price and for the right customers. Manufacturing firms and indeed all organizations that are strategically agile can contribute immensely to the achievement of the millennium development goals by contributing to economic growth (Lee, 2002). Strategic agility is the ability to continuously and adequately adjust and adapt in appropriate time the strategic direction in core business in relation to changing circumstances. This may include creating new products and services or creating new business models and innovative ways to create value for the company (Swafford, Ghosh & Murthy, 2006). The performance of a company depends on its activities and activities of its competitors, customers, suppliers, partners and governments. These activities could wholly be referred to as the business environment. The current business environment characterized by intense technological innovation, powerful customers with diverse requirements and short product life cycle in a global economy have significantly shortened market visibility and increased uncertainty (Swafford *et al.,* 2006).

Building strategic agility in firms is a way to manage unforeseen changes and risks faced by firms. Agility has been defined as the capability of surviving and prospering in the competitive environment of continuous and unpredictable change by reacting quickly and effectively to changing markets, driven by custom designed products and services (Brannen & Doz, 2010). Strategically agile firms utilize strategies aimed at being responsive and flexible to customer needs, while the risks of supply shortages or disruptions are hedged by pooling inventory or other capacity resources. Firms that have the capability to be responsive to the changing, diverse and unpredictable demands of customers on the front end, while minimizing the back end risks to supply disruptions (Lee, 2002) can be seen as strategically agile. If a company disregards the importance of agility, the consequences can be disastrous.

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Strategic agility is the ability to leverage value-chain-wide resources to turn on a dime, providing the right product at the right price anywhere (Roth, 2012). This kind of agility requires a company to 'transcend manufacturing boundaries' to develop 'fluid operations' (Roth, 2012). Thus, strategic agility requires a firm to metamorphose from a mechanistic working machine to knowledge factory into an organic, accelerated learning organization that produces knowledge as key by product. Hence, we can see the emergence of knowledge as the most important organizational asset to achieve strategic agility. This is in concurrence with knowledge-based view of the firm, which contends that, the most important and strategic resource of a firm is its knowledge base (Grant, 2012).

Strategically directed agility has also been defined as change management proficiency (Dove, 2001). Change proficiency is a competency that allows an organization to apply knowledge effectively (Doz & Kosonen, 2008). A change proficient organization can accommodate eight dimensions of change efficiently. Change proficiency serves two purposes, on one hand, it ensures viability (reactive change proficiency) and on the other hand, it helps to achieve market leadership (proactive change proficiency) as it allows a firm to manage and apply knowledge effectively. Thus, strategic agility is a dynamic capability derived from knowledge generating strategies that help firms to cope better with managing change (Sambamurthy, Bharadwaj & Grover, 2003)

A three dimensional definition of agility, that is similar to the knowledge based strategic agility concept provided by Roth (2012), was proposed by Sambamurthy *et al.* (2003). This definition of strategic agility comprises three interrelated capabilities: customer agility, partnering agility, and operational agility. Customer agility is the co-opting of customers in the exploration and exploitation of opportunities for innovation and competitive action moves. Partnering agility is ability to leverage the assets, knowledge, and competencies of suppliers, distributors, contract manufacturers, and logistics providers through alliances, partnerships, and joint ventures (Venkatraman& Henderson, 2011). Operational agility reflects the ability of firms' business processes to accomplish speed, accuracy, and cost economy in the exploitation of opportunities for innovation and competitive action.

Measures of Strategic Agility

Change Disposition

Change disposition is the general readiness to change which reflects an organizations members' perception of the need for the change and their self-efficacy in managing the change (Rosenzweig & Roth, 2007). Thus, when an organization is ready for change it has already bought into the need for change and is confident in its ability to manage the change. Change readiness can only occur when the top managers recognize the need for change and have committed to provide their full support in dealing with the change. Furthermore, in a change ready organization the employees have to be aware of their 'personal valance' in the change effort (Rosenzweig & Roth, 2007). Personal valence relates to one's personal benefit from the change effort. Thus, top management support, personal valance, self-efficacy and, the knowledge of appropriateness of change effort combine to motivate employees to put their full effort in managing change. Consequently, the employees in a change ready organization are willing to alter their way of working to accommodate the environmental changes.

Armenakis, Harris and Mossholder (1993) explain how resistance to change can develop if one is not ready to change. This would be on the account of perception of reduced self-efficacy on the part of the employees to deal with change, as they are mentally not ready for change to happen. Thus, the effort and motivation of a change ready organization will be higher than an organization that is not ready for change. Therefore, the change ready organization will be more able to adjust and adapt to change. In addition, change readiness will enable an organization to form new partnerships, as the change ready employees of a change ready firm will be more receptive to new relationships.

Business Continuity Planning

Business continuity planning involves continuous assessment of one's weaknesses and threats faced. This enables a firm to be aware of its knowledge and competence gaps. The cognizance of these gaps enables the firm to assess its capability to compete in the market, its ability to deal with risks it faces in critical areas and, its training and development needs to overcome its shortcomings (Sambamurthy *et al.,* 2003). By identifying the areas needed for training and development, the process of appropriating the right training interventions becomes considerably easier. Thus, business continuity planning provides a continually refined measurement-mechanism to manage the business as what gets measured is managed.

Launching a robust, clearly defined training and development initiative along with an ongoing assessment program goes a long way toward the successful execution of the overall business strategy as the competence of the organization increases with improvement in competence of its most valuable assets; its employees (Sambamurthy *et al.,* 2003). Moreover, training can be aligned within each functional area and job level as the business continuity planning process informs the executives how the new risks and challenges will affect the various jobs and functional areas (Long, 2000). Launching such training initiatives necessitates tracking, completion and assessment of a particular training intervention and ensures behavioural changes as well.

Business strategy and learning go hand-in-hand, and their alignment should be an ongoing, repeatable process and this is achieved by the business continuity planning process. As the strategy changes to meet the needs of the business, executives need to guide the commensurate high-level changes to the organization's training initiatives to meet the needs of the new strategy (Long, 2000). With this guidance, training can become a strategic tool if its strategic use is understood against the backdrop of the organization's ever-changing business environment and that understanding is translated into planning and execution (Hoek, Harrison & Christopher, 2001).

Business Continuity Planning (BCP) involves using risk management approaches and scenario planning to avoid business disruptions. The greater the market acuity of a firm, the more aware the firm will be of the dangers it faces due to competitors action, changes in the preferences of customers and other environmental forces (Roth, 2012). This awareness will inform the decision making process of the firm in coming up with effective risk hedges to counter these dangers. As a result, a firm using scenario planning and other risk management approaches will reduce the number of scenarios that can cause the failure of its system. Further, if an unforeseen disaster occurs it will have less drastic impact on the firm performance as firms can recover from the disaster sooner and, at a lower cost as the firm will be having the requisite recovery plans in place.

Crises Management and Strategic Agility

Agility becomes more and more significant. Strategies are designed and implemented to improve how business operate, new ways of adapting to changes in the face of crisis and turbulent times are embraced and more especially, organizations are adapting to their environment in order to continue to survive. The proactive strategy employed by an organization in preparing for crisis has to be flexible. These strategies must have the ability to change from time to time; this is because one strategy may not be appropriate for every kind of crisis at any given period in time. According to Faizi (2007), organizations must find new ways to adapt to changes and global developments so that they can remain in the domestic and international scene. Crisis has been described as an event that is unpredictable in nature having a high level of unreliability and capable of threatening goals achievement. (Lucero, Kwang & Pang 2009). Brent (2003) also describes crisis in an organization as a condition in which phenomenon roots can be issues and concerns that includes; improper managerial structures and actions or failure in accordance with adapting to a change. The effective management of crisis in an organization has to be done with all the speed it requires as well as being timely. This means that decision must be taken as quickly as possible in order to forestall or minimize effects to stakeholders.

Nowadays, organizations operate in highly turbulent environment having to cope with a frenetic pace of change. Change in business environment and uncertainty have entered management studies and research for a long time (Sherehiy, Karwowski & Layer, 2007). How to cope with increasing dynamism and turbulence of work environment caused by diverse crises has been the most important determinant of firm's success or failure from few decades. These competitive conditions and pressures force organizations to be more strategically agile, in other to integrate new business value, increase operational efficiency, detect and respond to organizational real time threats. Maintain process organization in practice remains challenging, as it demands high capacity of rapid adaptations.

DISCUSSION OF FINDINGS

Many oil firms seem to have realized in the present dispensation, that dialogue and genuine engagement of aggrieved communities is better than the use of force (Ntia, 2008). For example, the Shell Petroleum Development Company (SPDC), the largest oil prospecting and producing company in Nigeria, admitted in its 2006 Fact File, that the worsening relationship between the host communities and Shell had resulted in three hundred and twenty five (325) incidents (crises) between 2003 and 2006 which seriously disrupted its operations in various parts of the Niger Delta. In realization of the damage these crises and disruptions have caused the oil company, it decided to adopt a new crisis communication management or public relations policy thus:

Our policy in responding to crisis of disruptions or vandalisation of our facilities is clear. We will neither use force, nor request its use to suppress peaceful demonstrations by the host communities, even in the face of provocation. Dialogue to resolve any problems, not force, should be the answer to such situations. We are however, concerned that genuine community protests are increasingly overtaken by force, robbery, vandalisation and hostage taking (SPDC Fact File, 2006:29). The above policy of Shell underlines the importance of dialogue in managing crisis. Adopting the policy of dialogue to resolve crisis is sine qua non to use of public relations process or public relations approach in solving conflict or crisis. This method of resolving crisis is affirmed by Fearn-Banks (2002) that crisis communication management is a dialogue between the organization and its public prior to, during and after the negative occurrence or disruptive incidents. The strategies and tactics are designed to minimize damage to the image of the organization. Udoakah (2004) in supporting this view, states that public relations information management should be seen as integral to crisis management. The author maintains that it entails availability of organizational structures, equipped with effective communication system to facilitate exchange of ideas, knowledge and pieces of useful information in order to reach a decision within a reasonable time on what to tell the public. Okafor (2006:132) remarks that organizations should try as much as possible to have a preplanned guide to crisis situations. Crisis planning involves a few essential steps, not in anticipation of crisis but to be prepared mentally for such a situation and be able to minimize damage to the organization and to the community.

Okafor (2006) further points out that communication plan, formulated by the public professionals and communication experts should be put into operation at the onset of the crisis. Based on the preceding discussion, the genesis of the crisis in the Niger Delta can be appreciated. The tripartite involvement of the oil companies, the Federal of

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Nigeria and the plight of the oil producing communities (the Niger Delta) seems very obvious. The short term and long term impact of the crisis on each party looks enormous. This has called for effective crisis communication management to bring about some resolution. It therefore, becomes expedient to study the crisis communication management of SPDC as a major oil company in the Niger Delta.

CONCLUSION AND RECOMMENDATIONS

As the turmoil in oil bearing communities becomes discernible, Shell Petroleum Development Company like other oil companies has tried to increase community assistance efforts. This involved mainly the infrastructural facilities. Examples include roads, boreholes, school blocks and laboratories, scholarships and employment to some indigenes. However, Shell Petroleum Development Company saw only the manifest symptoms of a much deeper problem and responded by increasing patronage or assistance to some of the communities. Thus Shell Petroleum Development Company approach to crises management was more of a reactive approach. It soon become obvious that the devastation created by oil production had gone too far to be ameliorated by such a relationship as the more the companies dished out compensation, particularly in direct cash, the more the communities boiled. Compensation simply tended to increase dependence of the communities on the oil companies and the peoples of the Niger Delta resented this.

The study recommended that;

- Adequate community relations will significantly reduce the level of community crises and enhance workers' performance. Government policies can be significant in industry-community crises.
- Efforts should be made by Shell Petroleum Development Company to establish a good relationship with oil bearing communities by embarking on community development programs. Community youth should exercise restraint in vandalizing oil installations and facilities as this will only lead to lower revenue for oil companies and the government.
- Shell Petroleum Development Company should also open up channels of communication between them and their host communities. As Grunig and Hunt (1994) said, communication is the biggest tool mankind has as a potential way of overcoming difficulties.

REFERENCES

Alohan, J. (2013). Crude Oil Theft: Act of Terrorism or Lack of Political will? Leadership. http://www.leadership.ng/news/10/1/13 [Retrieved October 30, 2016]

Coombs, W. Timothy. "Crisis Management and Communications." Institute for Public Relations. N.p., Jan.-Feb. 2011. Web.

Barton, L. (2001). Crisis in Organizations II. Cincinnati, OH: College Divisions South-Western.

Barton, S. L., Hill, N. C., & Sundaram, S. 1989. An empirical test of stakeholder theory

Brinson, S.L. & Benoit, W. L. (1996). Dow Corning's image repair strategies in the breast implant crisis. *Communication Quarterly*, 44, 29-41.

Benoit, W. L. (1995a). Accounts, excuses and apologies: A theory of image repair strategies. Albany: State University of New York Press.

Coombs, W.T. (2007). *Ongoing crisis communication: Planning, managing and responding (2nd ed.).* Thousand Oaks, C.A: sage

Coombs, W.T. (1999). *Ongoing crisis communication: Planning, managing and responding*. Thousand Oaks, CA: Sage Publications.

Dowling, J. and *Pfeffer*, J. (*1975*) Organizational Legitimacy Social Values and Organizational Behavior. *Pacific Sociological Review*, 18, 122-136.

Dutton, J.E. (1986) 'The processing of crisis and non-crisis strategic issues'. *Journal of Management Studies.* 23(5),501– 517.

Fearn-Banks, Kathleen. (1996). Crisis Communications : A Casebook Approach.

Fitzpatrick, K. R., & Rubin, M. S. (1995). Public relations vs. legal strategies in organizational crisis decisions. *Public Relations Review,* 21(1), 21–33.

Freeman, R. E. (1984). *Strategic management: A stakeholder approach.* Boston: Pit

Fink, S. (1986). *Crisis management: Planning for the inevitable*. New York, NY: AMACOM.

Hale, J.E.: Crisis Response Communication Challenges: Building Theory from Qualitative Data. *Journal of Business Communication* 42, 112-134.

Garuba, S. D, (2012). Global Roots of Local Theft: Niger Delta Oil and the International Dimension of Illegal Bunkering Operations in Nigeria. (Unpublished) PhD Seminal Paper at the Department of Political Science and Public Admin, University of Benin, Benin City.

Hearit, K. M. (1996, Fall). The use of counter-attack in apologetic public relations crises: The case of General Motors vs. Dateline NBC,*Public Relations Review*,22(3),233-248

Heath R.L. (2006). Best practices in crisis communication: evolution of practice through research. *Journal of Applied Communication Research*,34:245-248.

Hearit, K. M. (1994, Summer). Apologies and public relations crises at Chrysler

Myria, W.A. & Caillouet, R.H. (1994) Legitimation Endeavors: Impression Management Strategies Used by an Organization in Crisis. *Communication Monographs*, 61, 44-62.

Mohamed, A. Amin, (1999,). A taxonomy of organizational impression management tactics. *Advances in Competitiveness Research*, 7(1), 108.

Mohammed, A.A., Gardner, W.L., & Paolillo, J.G.P (1999). A taxonomy of organizational impression management tactics. *Advances in Competitiveness Research, 7*(1), 108 – 130.

Toshiba, and Volvo. Public Relations Review,20, pp. 113-125.

Hobbs, J.D. (1995). Treachery by any other name: A case study of the Toshiba public relations crisis. *Management Communication Quarterly*, 8(3), 323-346

Katsouris, C. & Sayne, A. (2013). Nigeria‟s Criminal Crude: International Options to Combat the Export of Stolen Oil. London: Chatham House. [Retrieved November 15, 2016]

Kaufmann, J.B., Kesner, I.F. & Hazen, T.L. (1994). The Myth Of Full Disclosure: A Look At Organizational Communications During Crises. https://EconPapers.repec.org/RePEc:eee:bushor:v:37:y:*1994*:i:4:p:29-39.

Lesenciuc, Cpt. Asst. Adrian, Nagy, Asst. Daniela (2008). Role of communication in crisis management. "Henri Coanda" Air Force Academy, Brasov, 160, Mihai Viteazul

Ordinioha, B., & Brisibe, S. (2013). Oil spills in the Niger Delta can lead to as much. *Medical Journal*, 54, 10 (*2013*).

Martinelli, K. A., & Briggs, W. (1998). Integrating public relations and legal responses during a crisis: The case of Odwalla, Inc. *Public Relations Review*, 24(4), 443–460.

Pearson, C.M., & Clair, J. A (1998). Reframing crisis management. *Academy of Management Review,* 23 (1), 59-76.

Quarantelli, E.L. (1988) ' Disaster crisis management: A summary of research findings. *Journal of Management Studies,* 25(4), 373 – 385.

Schultz, P.D., & Seeger, M.W. (1991). Corporate centered apologia: Iacocca in defense of Chrysler. Speaker and Gavel, 28, 50-60.

Sellnow, T. L. , Ulmer, R. R., & Snider, M. (*1998*). The compatibility of corrective action in organizational crisis communication. *Communication Quarterly*, 46(1), 123-134.

Stephens, K. K., & Malone, P. C. (2009). If the organization won't give us information: The use of multiple new media for crisis technical translation and dialogue. *Journal of Public Relations Research*, 21(2), 229-239

B. Sherehiy, W. Karwowski, and J. K. Layer, "A review of enterprise agility: Concepts, frameworks, and attributes," *Int. J. Ind. Ergon*., vol. 37, pp. 445–460, 2007.

Taneja, S, Pryor M, Sewell S, Recuero A. Strategic Crisis Management: A Basis for Renewal and Crisis Prevention. *Journal of Management Policy & Practice* [serial online]. February 2014;15(1):78-85. Available from: Business Source Complete, Ipswich, MA.

Ulmer, Robert R., and Timothy L. Sellnow. 2000. "Consistent Questions of Ambiguity in Organizational Crisis Communication: Jack in the Box as a Case Study. *Journal of Business Ethics,* 25: 143-155.

University of Nairobi, Communication Policy (2014)