Innovations in Stakeholder Engagement and Reputation Management in the Oil and Gas Industry in Nigeria

Idorenyin P. Ekanem[1], Umoh J. Umoh[2] and Ita Oyokunyi[3]

[1, 2] Faculty of Communication and Media Studies, University of Uyo, Nigeria.

Abstract

The management of stakeholders' expectations and interest through effective communication is a recipe for attainment of organisational goals and enhancing reputation of brands in the marketplace. Stakeholder engagement contributes to the alignment of organisational goals with the interest of a vast spectrum of stakeholders connected to oil companies. The study assessed the approaches that could be followed in ensuring effective stakeholder communication, innovations for effectively engagement with stakeholders in the information age were reviewed. The desktop research method, relying on secondary data was utilised in obtaining data for study. The Stakeholder theory and Social Exchange Theory formed the theoretical framework underpinning the study. Such innovations such as the identified as appropriate techniques for effective communication and engagement with stakeholders in the oil industry. The findings reveal that proactive engagement not only mitigates conflict and operational risks but also strengthens trust and long-term stakeholder relationships. The study concludes by offering recommendations for enhancing stakeholders' engagement in the oil and gas industry, including making attempt to balance power relations between parties in any engagement.

Keywords: Stakeholders, oil industry, public relations, communication, engagement, expectations, innovation.

Introduction

Stakeholder engagement has been recognised as driving force for sustained growth of institutions and building of positive image for organisations. Effective communication with stakeholders is a key requirement for achievement of organisational goals and it is increasingly being acknowledged as the core responsibilities of industry leaders and public relations experts globally. Stakeholders are the reasons for which an organisation and Public Relations practitioners by extension exist. Stakeholders are groups or individuals with vested interest in an organisation. Panda & Barik (2014) considers Stakeholders as a group of people with a recognizable relationship with the company including: shareholders, customers, suppliers and distributors, employees, local communities, competition, media, public, lenders, unions, NGOs, government, other business partners and others. They are the reason for which a company exist and the means through which, it achieves its objectives.

Stakeholder engagement have been at the center of public relations activities across industries and its growing significance in our today's burgeoning society is unmistakable. The reputation of firms is tied to the quality of relationships they share with stakeholders.

No organisation or industry can be established and sustained without the involvement of stakeholders as keys drivers of the business process. The oil industry is no exception, particularly in Nigeria, where a greater chunk of the nation's revenue is realised from the industry. Some of the critical stakeholders in this industry that are crucial to its survival and functioning are governments, host communities, organised labor, investors, financial institutions, regulatory authorities, and the general public. Stakeholders of an oil companies are multifarious and can vary, depending on the location, size, nature of operations and complexity of the organisation. Each of the stakeholder in this industry has an impact on organisation, however, to a varying degree. The extent of influence each exerts on an organisation is dependent on the level of its involvement with the organisation and the interest it has at stake in the establishment or industry.

In the context of an oil and gas operation, the internal stakeholders include the oil and gas companies, both International Oil Companies(IOCs) and national oil companies responsible for exploration, production, refining and distribution, employees organised labour repressenting workers, and investors and shareholders while in the other hand, the external shareholders include suppliers and contractors, host communities, government (both local and national), financial institution, investors and regulatory authorities, environmental and social NGOs, academia, media and general public. Nigeria's dependence on the oil industry for a large chunk of country's revenue indicates the central place of the industry in the scheme of things and informs the need to effectively engage with its stakeholders for continued profitability.

Yuen, Ong, Zhou, and Wang (2023) explain that the negative impact of the Oil and Gas sector on the environment and society has provoked increasing scrutiny of its activities and probe by stakeholders. Gichuru & Onjure (2019) affirms the oil and gas industry are one of the riskiest, challenging, and dynamic business sectors. The risk potential of this industry informs the need for the increasing citizen awareness of the impact of oil company's operation on the environment, the stakeholders have high expectations from the oil companies which then necessitates sustained engagement.

Roy (2014, p. 10) sees Stakeholder Engagement as a process of involving and aligning the stakeholders to the project objectives and reducing the risks to achieving the project goal..In the view of Akpan *et al. (*2023) cited in Yadua *et al* (2024), stakeholder engagement is the process through which a company incorporates individuals and groups interested in its operations, such as partners, employees, local communities, etc. An effective and proper engagement of stakeholders cannot be possible without a deliberate attempt at first managing them. The management of stakeholders is a precursor to effective engagement. The Association for Project Managers (2019) defined Stakeholder Management as 'the systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders.

The way and manner this all-important function is performed by organisations has evolved and changed over the years. With the expansion of industries, the scope of stakeholders' categories has also widened, necessitating more innovative and unique approaches to

engaging with each segment of the public connected to the organisation. Engagement and communication with stakeholders are often facilitated through diverse processes and tools such as public relations, marketing, investor relations, community relations, media relations and advertising etc.

Stakeholder Management could also be regarded as a set of techniques that aim at harnessing the positive influences (which may include sustained interest, involvement, goodwill and support) of stakeholders while minimising the effect of their negative influences (which may include disinterest, disruption, sabotage and delays) towards actualising the benefits of a given venture (Hinrich 2014; Lehtinen, Aaltonen and Rajala 2019). The multiplicity of communication channels and approaches available for obtaining and disseminating information about an organisation has conspicuously empowered the stakeholders in its engagement with an organisation. As stakeholders become more empowered and connected, there is a heightened call for deeper interaction and sustained conversation with stakeholders. Additionally, stakeholders may have different interests, values, and priorities, making it difficult to find common ground. This reality then necessitates the need for proper stakeholders' identification, which precedes effective stakeholder engagement.

Oil companies, in a bid to better understand and respond to opportunities, challenges and risks posed by stakeholders- employees, suppliers, customers, regulators have engaged in stakeholder engagement and management. They have relied heavily on improved communication tools to achieve their objectives and deploy new research techniques towards this end. Innovations in stakeholder engagement and communication in the oil industry are evolving as companies face increasing pressure to be transparent, responsible, and responsive to the demands of diverse stakeholders, including local communities, regulators, investors, and environmental organisations.

Objectives of the study
The study aims to:
  (i)   Identify the processes and approaches to stakeholder engagement in the oil industry.
  (ii) Analyse the nexus between stakeholders' engagement and reputation management in oil industry
  (iii) Determine the contemporary innovations that have contributed to growth in stakeholder engagement and communication in the oil industry.
  (iv) Ascertain the challenges limiting effective communication and engagement with stakeholders in the oil industry.

Methodology
Desktop research method also referred to as library research was adopted for the study. Through this method, secondary data from academic journal articles, textbooks, Desktop research is a secondary research method used to gather data from existing sources, such as academic journals, industry reports, and online databases. This method is chosen to analyze existing literature and data without the need for primary data collection because it allows for access to variety of pre-existing resources which helps in identifying gaps in knowledge

and identifying trends. Biases in published data was carefully considered, particularly in industry reports funded by individual oil companies.

Theoretical framework

The theoretical framework for this study is anchored on the Stakeholder and Institutional theory. The stakeholder theory was popularized by Darden Professor, R. Edward Freeman in his seminal 1984 book "Strategic Management: A Stakeholder Approach". The Stakeholder Theory posits that a business has a responsibility to not only its shareholders (investors) but also to other groups or "stakeholders" who have an interest in its operations, decisions, and outcomes. The theory asserts that organisations should consider the interests and well-being of all stakeholders in decision-making processes, in order to have long-term success. This includes understanding their concerns, expectations, and the potential impacts of corporate actions on them (Freeman et al., 2021). Stakeholder theory represents a shift in corporate thinking, advocating for a broader view of responsibility that includes the well-being of all groups affected by an organisation's activities

Social Exchange theory also formed a fitting theoretical foundation for this study. The theory Social Exchange Theory emerged through George Homans' scholarly work on behavioral approach to social interactions in 1950s. After then, several scholars, including John Thibaut and Harold Kelley (1959), Peter Blau (1960s), Elaine Hatfield, Richard Emerson, Gerald R. Miller (1970s) have made contributions to the theory, refining and integrating several components to it. The theory provides a sociological and psychological perspective to social engagement, and explains social interactions in terms of cost-benefit analyses. It suggests that human relationships are formed and maintained based on a subjective evaluation of the rewards (positive outcomes) and costs (negative outcomes) involved. Individuals and organisations weigh these factors to decide whether to engage in or continue a relationship and the decision to they make to maintain or terminate those relationships are based on perceived benefit.

Relevance of Stakeholders communication and Engagement in Oil and Gas Industry

New management theories and principles encourage organisations and businesses to go beyond the primordial concern for profit maximisation and drive towards attaining satisfaction for all stakeholders. This philosophy and line of thinking became the basis for renewed interest in the subject matter. The relevance of stakeholders' engagement is well-documented.

The new wave of interest in stakeholder holder's engageement came about as a result of heightened level of awareness among stakeholders of the oil industry on the damaging effects of oil exploration on their environment and the deserved benefits that should acrue to them by reason of extraction of oil from their soil. Also, the reoccurring incidence of agitations by host communities and concerned stakeholders in the Niger Delta region have compelled oil companies to place emphasis on corporate sustainability through adopting environment- friendly approaches in their operations and deliberately reducing their carbon footprints in the environment.

Accordingly, addressing company social or environmental impacts effectively often cannot be achieved without the collaboration, knowledge and expertise of stakeholders. On some issues, stakeholder participation will be essential to the implementation of solutions, on others they can provide "out of the box" thinking that can lead to innovative win-win solutions for all parties. They also often bring a wider perspective on issues and solutions that companies might not have access to on their own, including knowledge of the local context as well as better understanding of anger expressed against the company because of its social or environmental impact.

There is a wide acceptance and consensus among scholars that robust engagement with stakeholders is a sin qua non to discovering their felt needs and identifying pressing concerns, with a goal of ensuring that the needs of stakeholders are satisfyingly addressed. When the stakeholders are well served by the organisation, they would in turn be more willing to contribute to the growth of the organisation and actualisation of its objectives. Yadua, Olofin, Gambo, and Nwoye (2024) mentions that organisations can obtain important insights, secure support, foster a shared feeling of accountability, instill ownership mentality and forge consensus around strategic objectives by being inclusive and communicating effectively, which helps to match a range of interests with strategic objectives.

The engagement of stakeholders is necessary from the strategic management perspective so as to know what the stakeholder actually needs. Effective communication and engagement with stakeholders help the management to not just identify stakeholders needs but grow an understanding of how best to satisfy such needs. This is due to the understanding that different stakeholders have different values and view the project in different ways (Roy, 2014).

The ensuing communication would further foster mutually beneficial relationships, with the resultant effect being the elimination of suspicion, doubt, misunderstanding, reinforcement of trust and confidence between an organisation and its stakeholders. Effective stakeholder engagement is crucial for success, particularly in understanding and addressing potential conflicts and ensuring projects are aligned with community interests and regulatory requirements.

Another benefit of sustained dialogue with stakeholders in the oil industry is that it provides them the platform to contribute unique idea to organisation's plans and policies and thus yielding outcomes and decisions that reflect the aspirations of both management and stakeholders. Needless to mention that the Petroleum Industry Act was mid-wifed following the robust engagement with stakeholders on the new direction that should be charted for the industry. Roy (2014, p.11) observes that the other reason to engage the stakeholders in the project decision making is to enhance their sense of ownership to the project.

The relationship between stakeholders and oil servicing companies have been characterized by lack in trust, long history of failed promises on the part of the company, neglect, nonchalant attitude towards their needs. These ugly incidences could be curtailed when

organisations take steps mend frosty relationships with its public by maintaining sincere and open communication. Madumere, N. (2021, p.10) confirms that the main goal of stakeholder management is to establish cordial relationships among stakeholders of a given venture through effective and careful management of their expectations and objectives while attempting to achieve one's owThere is a growing realization that prioritisation of stakeholders' welfare would yield long-term gain for the organisation. Leonidou, Christofi, Vrontis and Thrassou (2018:245) cited in Madumere (2021) collaborates that stakeholder management is a task of growing significance and a requisite for a win-win outcome for the parties involved.

Chanya, Prachaak and Ngang (2013) agree that the type and interest of stakeholders are of immense importance to organisations, as these can be utilised to enhance performance from corporate, business and operational perspectives. (Madumere, 2021). In the case of oil industry where operations have been frequently stalled by aggrieved stakeholders who feel sidelined by oil companies, effective stakeholder engagement would curb the incidence of agitations and restore enduring peace to the region.

Stakeholders Engagement and Reputation Management in Oil Industry
Reputation of organisations are shaped by the entirety of the brand's policies, actions and communication. Ahiakwo, Okon & Amadi (2025) notes that it is important for organisation to have stakeholders' engagement strategy in place which will certainly help mitigate potential risks and conflicts with stakeholders' groups, including uncertainty, dissatisfaction, misalignment, disengagement and resistance to change. The proper deployment of this strategy would impact in no little way on the reputation of the oil companies.

Van Riel and Fombrun (2007) cited Stefania (2010, p.307) holds the view that corporate identity is the backbone of reputation, because it reflects managers' and employees' perceptions about the organisational core. Corporate identity influences the way in which stakeholders form their judgements about the organisation. Stefania (2010) corroborates that corporate reputation is more stable and durable when the role of the corporate communication function within organisations moves beyond influencing stakeholders' perceptions, towards the shaping of organisational reality by engaging stakeholders who are the main reputation drivers. In the oil industry, as it obtains elsewhere, the key to enhancing reputation is to ensure all the communication contents by and about an organisation should be consistent with its corporate identity over a given period of time.

 Crisis within this industry and negative incidents such as oil spills, boundary disputes as recently witnessed between Sterling Petrochemical and Fertilizer Limited, and Eastern Obolo communities have potentials to hamper development for the communities, erode public trust and damage the reputation of the organisation involved. Reputation management is about more than just perception, it's about building credibility and ensuring long-term viability and ultimately improving shareholder value.

Approaches to Stakeholder Management and Engagement

Stakeholder engagement as described by Gichuru *et al* (2019) is a process by which an organisation informs, consults, involves, collaborates with, and empowers groups and individuals affected by a decision, operation, or policy. Stakeholder engagement involves a series of steps, procedures and activities geared towards aligning the interest of stakeholders and management. It is an intensive process that entails critical analysis of the situation and planning at the preliminary stage in order to establish mutual understanding, trust and cordiality between the parties involved. The dynamics, tools and processes of stakeholders' engagement has significantly changed with the growth of society, technology and expansion of organisations. Madumere (2021, p.10) notes with other management perspective that, stakeholder management will involve planning and formulation of effective strategy by utilising data gathered in the analysis of a given situation, then the careful implementation of the strategy developed.

The conventional procedure for managing stakeholders involves a series of interdependent activities, each of which must be effectively carried out in order to achieve favourable results. These activities include identification of stakeholders; analysis of stakeholders; prioritisation of stakeholders; formulation of stakeholder engagement strategy and implementation of the stakeholder engagement strategy (Shah & Bhaska 2008; Shropshire & Hillman 2007) cited in Madumere (2021).

However, effective stakeholder engagement could be achieved by first identifying its key stakeholders, define their characteristics and fully understand the interest and needs of each. Scholars regard stakeholder identification and categorisation as the most significant step in stakeholder engagement and support the classification of stakeholders into two distinct categories, which include Direct (Primary) Stakeholders and Indirect (Secondary) Stakeholders. Direct stakeholders are entities that play a visible role in a particular venture and are impacted by it, while indirect stakeholders are those not involved in the venture but interested in it and inclined to monitor its progress. Notwithstanding, these categories could be further expanded based on the unique operations and preferences of each organisation.

Panda, et al. (2014, p.9) pinpoints that the key criteria for identifying and prioritizing stakeholders include: attributes of power, legitimacy and urgency; and the stakeholders' ability to affect or be affected by the organisation's actions. The categorization comes next, and this entails grouping and separating the stakeholders into broad or small categories according to either their interests, their involvement with the organisation, their measure of contributions to the issue or project at hand, the duration of their involvement, which could either be short-term or long-term, the power and influence they wield in relation to the organisation etc.Alqaisi (2018, p.1) suggest that stakeholders could be categorized according to four main parameters; their power, interest, influence and impact.

The categorization stage would then be closely followed by prioritisation of the stakeholders, ie determining the level of attention, time and resources the organisation intend to dedicate to each depending on the aforementioned considerations. Alqaisi (2018) believes that prioritisation is important because it is useless to devote equal amount of time

and effort to all stakeholders. The stage of formulation of stakeholder engagement strategy is the most tasking aspect of the process and will vary depending of the philosophy of management, the issue at hand and resources available for engaging the stakeholders and of course, the time frame for the implementation of the project.

High Power	KEEP SATISFIED	MANAGE CLOSELY (MAXIMUM EFFORT)
Low Interest	MONITOR (MINIMUM EFFORT)	KEEP INFORMED

Fig. 1: Power and Interest Matrix (Alqaisi, 2018) where, Interest indicates the level of concern of stakeholder about project outcomes and Power is the stakeholder level of authority.

The Power Interest Matrix, often used in stakeholder management, is a strategic tool that helps categorise stakeholders based on their level of interest in the project and their power to influence its outcome. This matrix is crucial for prioritising stakeholder engagement and tailoring communication strategies effectively. This matrix suggests that stakeholders in the High Interest- high power matrix are considered very important to the organisation and they possess significant influence in an issue. They should be closely managed and engaged regularly.

Stakeholder engagement can take many forms, including consultation, collaboration, and partnership. Consultation involves seeking the views and opinions of stakeholders, often through surveys or focus groups, while collaboration involves working with stakeholders to develop and implement solutions. Partnership involves a more long-term and collaborative approach, where stakeholders are involved in decision-making processes and have a say in the organisation's overall direction (Freeman, 2010).

Rempel, Holmes and Zana (1985, p.97), in their report, quoted in Madumere (2021), emphasised the importance of 'trust' in establishing a sustainable, cordial relationship with stakeholders. Trust is recognised by other researchers (De Oliveira and Rabechini 2019; Mayer Davis and Schoorman 1995) as an intrinsic motivation for partnership between two or more parties.

Amnesty International, (2015) suggested that a stakeholder will support you only if:
  (i)   They feel they have been respected.
  (ii)   They feel their concerns were taken into consideration before decision-making.
  (iii)   They feel they will benefit from the decision in a fair way. If all these conditions are not met, then there will be issues with the stakeholder concerned.

Organisational leaders could enhance effective communication with stakeholders by ensuring that each category of stakeholder understand their role in driving company's growth and how their contribution would impact the organisation's success.

Innovations in Stakeholder Engagement in the Oil Industry

Innovations in stakeholder engagement have evolved significantly to foster more inclusive, transparent, and effective communication. The engagement and management of stakeholders in the oil industry is peculiar and distinctive owing to the myriads of factors and vast changes occurring within that sphere.

Increased Enlightenment of the Stakeholders

There is no denying the fact that the information age has given rise to myriads of tools and channels of communication, which in turn has brought about increased access to information and by extension, an enlightened citizenry. Information that was before now within the exclusive reserve of a few elites and Institutional leaders can now be freely accessed by all and sundry who possess a mobile phone and internet connection. Increased access to social media and the internet has brought information regarding industry issues to the doorstep of the citizens.

Legislative processes/Petroleum Industry Act (PIA)

One of such legislative processes that have revolutionized the approach to stakeholder engagement in the oil industry is government policies, and by extension the PIA. The oil industry players approach to stakeholder engagement, particularly community relations include identifying their needs and concerns, and then organising planned activities and interventions to addressing those concerns through implementation of corporate social responsibility organisation, which include providing scholarship to indigenous students; supporting sports programmes organised by indigenous communities; providing health facilities, pipe borne water and employment, sponsoring of skill acquisition programmes etc. With the passage of the PIA into law, a new model for execution of CSR has been brought to bear, with the stakeholders - host communities enjoying a level of control over the CSR process through the allocation of a share of the returns, up to three (3%) of the operating expenditure of oil servicing firms. The PIA guarantees that any company granted an oil prospecting licence or mining lease or an operating company on behalf of joint venture partners (settlor) is required to contribute 3% - 5% (upstream Companies), and 2% (other companies) of its actual operating expenditure in the preceding calendar year to the host communities' development trust fund. This is in addition to the existing contribution of 3% to the NDDC.

The fund is tax-exempt, and any contributions by a settlor are tax deductible. The provisions of the Act stipulate that available funds are to be distributed; 75% for capital projects, 20% as a reserve and 5% for administrative expenses. However, the Act incorporates a clause that recommends that a community will forfeit the cost of repairs in the event of vandalism, sabotage and other civil unrest causing damage to petroleum facilities or disruption of production activities. The PIB Act makes it possible for power relationships between the oil companies and host communities to be somewhat balanced, by detailing statutory relationships and framework for host communities to access their benefits and other concerns with the company. This policy framework has prevented the host communities' from perpetually being at the mercies of the oil companies with regards to the execution of their corporate social responsibilities.

The Emergence of Digital Platforms and Social Media
The rise of social media and digital engagement platforms has transformed how organisations interact with stakeholders. In the present information age, leveraging technology has become a necessary requirement for fostering cordial, mutually beneficial relationships with stakeholders. The burgeoning internet, proliferation of social media networking sites, and advent of artificial intelligence tools provides new vista of opportunities for organisations that are desirous of actively engaging with all those connected to the organisation. Utilizing digital platforms for engagement have not only improves efficiency in communication, but also nurtures collaborative relationships through real-time updates, participatory discussion and timely feedback that could positively shape policies and programmes of an organisation. Interactive social media platforms such as Facebook, X formerly referred to as Twitter, YouTube, WhatsApp, Emails, Linkedin etc have enabled continuous interactions with stakeholders, enhanced transparency and reinforced the foundation of trust among critical stakeholders, allowing industry leaders to gather through two-way communication, birthing diverse perspectives that may not have emerged through traditional communication channels. Yuen *et al.* (2023) aggressive that Social Media's interactive characteristics have converted customers from passive observers of content to active participants that produce a large amount of digital content through their online dialogues and interactions.

Other innovative communication tools such as telegram, google meet, and zoom fosters an ongoing dialogue with critical partners and makes possible the hosting of interactive workshops or roundtable discussions with stakeholders. These tools allow for real-time feedback, community building, and direct communication. Increasingly, companies themselves are inviting consumers to play a more active role in shaping products and brand content.

Stakeholder Sentiment/Predictive Analysis
Artificial Intelligence (AI) and machine learning tools are some of the recent innovative tools deployed enhance and communication with different stakeholders in the oil and gas industry. AI tools can analyze past engagement data to predict future stakeholder behavior, allowing companies to personalize and refine their communication strategies. These tools are used to analyze social media, news outlets, and community feedback to predict potential issues or concerns with a project. This allows companies to proactively address issues before they escalate.

Personalized Communication and Targeted Messaging
The wake of the information age has made provided communication The tools for engaging with stakeholders have changed significantly from the traditional, limited, one-way communication tools, letters, town criers, community leaders, public meeting, fax, telephone conversations, columns in newspaper to advertisement on broadcast media and newspapers to what we have today, the digital, interactive, borderless , two-way personalised communication which are not limited to text messages, personalized and targeted emails, engagement on social media messaging platforms, comments on news

feeds, Google forms, which makes it possible to engage stakeholders at a personal level, identifying their concerns and connecting with them.

Corporate Social Responsibility Practice

One thing that has really come to the fore in recent times in the relationship dynamics between organisation and stakeholders is the realisation of the indispensability of the need by organisations to be socially responsible and go beyond the statutory role to contribute to the wellbeing of their stakeholders. A proper understanding of the effective use of this tool has significantly aided stakeholders' engagement in the oil industry. As opposed to the traditional perspective to corporate social responsibility practice which placed emphasis on giving out "handouts" and peanuts to their constituents as a way to show concern for their welfare, recent practices prioritise more sustainable measures that would contribute to their overall growth, like skill acquisitions, training and infrastructural developments. The PIA of 2021 further gives impetus to this thinking by empowering the host communities of oil companies to have more control over the utilisation of resources earmarked for host communities' development and also suggest areas of development to focus on per time. Ahiakwo (2025) suggest that there are three fundamental features of CSR as perceived by citizens. These features are environment, economic, and social and they all must be even addressed for sustainable development of host communities and reputation of the organisation.

Clamour for Environmental Responsibility and Sustainable Practices: The increasing realisation by host communities of their right to safe and clean environment has been one of the compelling reasons oil companies intensify efforts to reduce the carbon footprint in the area of operations and manage the impact of their activities on the environment. Embracing sustainable practices is essential for improving reputation. Oil companies in Nigeria would need to comply with regulatory policies in order to demonstrate a commitment to responsible operations, invest in renewable energy projects with a view to minimizing environmental impact. Gas flaring in our communities should be discontinued as it portends serious health implications for the generality of the citizenry and contributes to the growing consequences of climate in our society. Ahiakwo (2025, p.216) observes that level of environmental degradation in the Niger Delta area signifies to a larger extent the failure by government to enforce environmental policies on oil and gas formulated for the attainment of sustainable development.

Barriers to Effective Stakeholder Engagement and Communication in Oil Industry

Unequal power dynamics has been one of the restraining forces to achieving a rewarding stakeholder engagement in the oil sector. Bimpong *et al.* (2024) acknowledges that power imbalances can create challenges in engaging stakeholders effectively, particularly if the stakeholders are not in positions of power and so perceive that their voices are not heard or that their input is not valued. Alqaisi (2018) reiterates that a significant challenge in stakeholder relationship management in the oil and gas sector is the presence of power imbalances and socio-political tensions, particularly evident in regions where oil and gas operations intersect with marginalized communities or regions with historical socio-economic disparities.

Another key challenge to effective stakeholder engagement in the oil industry, particularly in region like Akwa Ibom State is the lingering boundary disputes among some local communities, which made it relevant parties to be unwilling to listen because they felt cheated, making engagement to be difficult in such situations. This situation has resulted in internal rancor and crisis, with the companies at the received end of such development. The consequence is the challenge of accommodating all identified stakeholders and their interest in the deliberation phase, policy-making process and implementation of corporate resolutions. The task of ensuring inclusivity and participatory engagement process when faced with such a precarious situation is often uphill and daunting.

The level of enlightenment and exposure of the community members and stakeholders could also pose a hindrance to a fruitful and sustained engagement with the organisations. The greater the understanding they have about the workings of the company and policies that guide the operations of the sector, they more they could demand accountability from the organisations operating in their environment.

Conclusion
Stakeholder engagement and participatory practice is extensively been considered as a key ingredient of modern-day business practice. Stakeholder engagement which encourages open and transparent communication between an organisation's stakeholders is a requirement for business growth and reputation management. Innovative stakeholder engagement is increasingly centered on real-time, personalized, and transparent communication, using cutting-edge technology to strengthen relationships and drive value. By prioritizing transparency, environmental responsibility, and stakeholder engagement, companies can strengthen their reputation and ensure sustainable operations. Embracing reputation management fosters trust, enhances credibility, and positions companies for long-term success in a rapidly evolving industry landscape. The tools and strategies for use by organisations in stakeholders' management have changed over the years. Consequently, organisations should attempt to review their strategies to align with changes in the society.

Recommendations
(i)   Oil industry leaders should as a matter of necessity work towards creating a level field of play that gives the stakeholders the guarantee that the engagement is for mutual growth and that their opinions would be integrated into the decision-making process, as well as their inputs implemented where it has the merits.

(ii)   Oil companies should allow or better still, invite stakeholders at to explore data and review statistics about oil company's environmental impact either periodically or at regular intervals. This would go a long way to erasing every doubt and allay any fears the host communities have regarding the operations of oil companies.

(iii)   The regulatory agency, Nigerian Upstream Petroleum Regulatory Commission (NUPRC) should put in place a mechanism to ensure effective implementation of the 2021 Petroleum Industry Act (PIA), particularly the remittance of 3% Opex Host Community fund in order to enhance host communities' development. Oil companies that are yet to constitute their Host Community Development Trust (HCDT) should be

compelled to do so and appropriate sanctions meted out in line with the dictates of the PIA.

(iv)   Oil Companies should necessarily review their practices and incorporate sustainable practices that would mitigate the impact of their operations on the environment and reduce the carbon footprint in the space

References

Ackah, D. & Bimpong, H., (2024). Analysing the role of stakeholder engagement in determining the effectiveness of communication and public relations strategies: Ghana highway authority in perspective. *Project Management Scientific Journal,* 7(9), 51-67.

Al-Haddad, M. A. (2021). Stakeholders' engagement and performance efficiency at oil and gas industry in Yemen, *Journal of Impact, 2*(1), 1-15.

Alqaisi, F. (2018). The effects of stakeholder's engagement and communication management on projects. MATEC Web of Conferences, 162.

Amnesty International (2015). Investor warning: Shell profits won't count true cost of Niger Delta oil spill. Amnesty International. Available from: <https://www.amnesty.org/en/latest/news/2015/04/shell-profits-wont-count-true-cost-of-niger-delta-oil-spills/

Freeman, R. E., Dmytriyev, S. D., & Phillips, R. A. (2021). Stakeholder theory and the resourcebased view of the firm. *Journal of Management,* 47(7), 1757-1770

Gichuru, C. K & Onjure, C.O. (2019). Influence of stakeholders' engagement practices on performance of system applications products for oil and gas upgrade project at Kenya Pipeline Company Nakuru Depot. *The International Journal of Business and Management*, 7(10), 34-45.

Madumere, N. (2021). The impact of stakeholder management on the oil and gs industry in Africa: A case study of oil companies and African host communities. *African Journal Online.*

Hitt, M., Freeman, R. & Harrison, J. (2001). *The blackwell handbook of strategic management.* Wiley-Blackwell Publishers Ltd.

Panda, S. S. & Barik, Anil (2014). How to make stakeholder engagement meaningful. Jou*rnal of Management Training Institute, Sail, Ranchi.* 42(1), 7-13.

Roy, S. (2014). Translating Effective Stakeholder Engagement in Projects to Organisational Growth, *Journal of Management Training Institute,* 42(1), 1-6.

Stefania, R. (2010). Reputation and stakeholder engagement: An Italian case study. *Journal of Communication Management, 14*(4), 306-318.

Yadua J. C., Olofin A. J., Gambo N., & Nwoye I. M. (2024). Influence of stakeholder engagement on strategy implementation in selected Nigerian government agencies. *European Journal of Business and Innovation Research, 12*(1), 72-89.

Yuen, K. F., Ong, K. W., Zhou, Y., Wang X. (2023). Social media engagement of stakeholders in the oil and gas sector: Social presence, triple bottom line and source credibility theory. *Journal of Cleaner Production, 382*.