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Published PDF deposited in Coventry University’s Repository

Original citation:
https://dx.doi.org/10.5539/ibr.v10n9p188

DOI 10.5539/ibr.v10n9p188
ISSN 1913-9004
ESSN 1913-9012

Publisher: Canadian Center of Science and Education

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Who is Who? Identifying the Different Sub-groups of Secondary Stakeholders within a Community: A Case Study of the Niger Delta Region of Nigeria Communities

Oluyomi A. Osobajo¹, David Moore²

¹The Scott Sutherland School of Architecture and Built Environment, Robert Gordon University, Scotland, United Kingdom

²The Scott Sutherland School of Architecture and Built Environment, Robert Gordon University, Scotland, United Kingdom

Correspondence: Oluyomi A. Osobajo, The Scott Sutherland School of Architecture and Built Environment, Robert Gordon University, The Sir Ian Wood Building, Riverside East, Garthdee Road, Aberdeen, AB10 7GJ, United Kingdom.

Received: May 16, 2017 Accepted: August 14, 2017 Online Published: August 21, 2017
doi:10.5539/ibr.v10n9p188 URL: https://doi.org/10.5539/ibr.v10n9p188

Abstract

The Nigerian oil and gas industry (NOGI) has over time been dominated by the Nigerian government and oil producing companies (OPCs). The influences of the community stakeholder on OPCs in the last three decades have been expressed in diverse ways by different community sub-groups through their concerns and interests, some of which have severely impacted on the NOGI. Community within this context is categorised as a primary stakeholder, while the sub-groups are secondary stakeholders that emerge from within the community. Hence, the success of the NOGI largely depends on the Nigerian government and the oil producing companies, and other players such as Non-Governmental Organisations recognising the community as a key player and having appropriate knowledge of the different sub-groups of secondary stakeholders within the community in order to understand their intentions, behaviour, interests, influences and interrelations. Such knowledge is relevant to the NOGI’s formulation of future oil and gas strategy.

This study commences with an overview of the primary stakeholders (i.e. the Nigerian government, OPC and the community), their respective activities, participation and the link between these stakeholders with a specific focus on the NOGI context. Subsequently, various sub-groups of secondary stakeholders within the community and their respective interest(s) are identified in detail.

Keywords: stakeholder, community, oil and gas industry, Niger Delta region, Nigeria

1. Introduction

Since the commercial exploration of oil and gas began in Nigeria in 1957 it has grown to become the mainstay of the Nigerian economy (Gray and Karl, 2003). The Nigerian oil and gas industry (NOGI) is the most developed sector within the Nigerian economy; contributing an estimated 80% of government revenue, about 95% of total foreign exchange earnings, more than 40% of the nation’s GDP, employing about 10% of the working population, and being the principal source of foreign direct investment (FDI). The majority of the operations and activities within the NOGI take place within the Niger Delta Region of Nigeria (NDRN). The region has experienced underdevelopment, local unrest and conflicts due to misalignment of priorities among the following main stakeholders; oil producing companies (both local and International), communities within the NDRN, and the government (i.e. various government agencies, the local government, state government and federal government) (Akpomuvie, 2011; Obi, 2010; Omofonmwan and Odia, 2009; Emoyan, 2008; Opukri and Iaba, 2008; Omeje, 2006; Eweje, 2006; Frynas, 2005; Frynas, 2000). The impact and influence of the various communities within the NDRN on the NOGI has increasingly become of concern over the last three decades (Frynas, 2009; Eweje, 2007; Omeje, 2006). This concern suggests the identification among researchers and practitioners of the community as an emerging key stakeholder (Idemudia, 2007; Eweje, 2007; Idemudia and Ite, 2006). The impact of the community as a stakeholder on the NOGI cannot be over emphasised due to the latter’s unique activities and operations within the NDRN.
The concept of stakeholder has received commendable attention from researchers and scholars within the management field of study (Clarkson 1995). Freeman's (1984) seminal work on the stakeholder concept has contributed to the widespread use of the theme in management literature (Reed et al., 2009; Atkin and Skitmore, 2008; Laplume et al., 2008; Welch and Jackson, 2007; Buchholz et al., 2005; Margolis and Walsh 2003; Gibson, 2000; Rowley, 1997; Donaldson and Preston 1995). This reflects the acceptance and acknowledgement among researchers and scholars of the significant position of stakeholders as “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman 1984, pg. 64). Understanding the community group as a key stakeholder within the NOGI is paramount to the success of the industry. This is because the community has a significant effect on the operations and activities of the OPCs. Likewise, researchers and scholars alike have argued that acknowledging and accommodating stakeholder interest in managerial decisions is a prerequisite to achieving success (Cleland, 1986; Freeman and Evan, 1990; Donaldson and Preston, 1995; Diallo and Thuillier, 2005; Olander and Landin, 2005). This suggests that the operations and activities of the OPCs should take into consideration various stakeholders’ such as the community needs. Hence, the need to explore and understand the combination of the interest of the various community sub-groups in the NDRN.

This research study therefore aim is to identify and understand the various sub-groups of secondary stakeholders and their respective interest(s) within the community in the NOGI context.

2. Literature Review

2.1 An Overview of the Nigeria Oil and Gas Industry (NOGI)

Oil was first discovered in Nigeria in 1956, in the region of a community called Oloibiri, in Bayelsa State within the NDRN whilst oil exportation commenced in 1958. The industry currently produced an average of 2.5 million bbl per day. Nigeria National Petroleum Company (NNPC) statistics evidence the country has a proven crude oil reserve of 28.2 billion barrels, the majority of which are located in the NDRN. Nine out of the thirty-six independent states comprising Nigeria are located within the NDRN. Nigeria became a member of the Organisation of Petroleum Exporting Countries (OPEC) in July 1971. The main purpose being to safeguard her interests in the international oil market while OPEC exists to regulate member countries’ annual production in order to influence oil prices in the international market (Ogwo, 2016; Edomah et al., 2016; Colgan, 2014; Takon et al., 2014; Khan, 1994).

Prior to 2015, crude oil exploration and production activities occurred mainly in nine states (i.e. Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers) as shown in figure 1a. However, Lagos and Anambra have recently joined the league of oil producing states (Oil and Gas, 2016; Okpamen, 2015) as shown in figure 1b. Figure 2 shows the three major sectors with their respective associated activities within the NOGI. However, not all of these activities occur within the NDRN. The operations and activities of the OPC within this industry are comprised of these three sectors. In addition, the performance of these activities are within the capacity and power of the OPC and Nigeria’s government respectively, therefore making the OPC and the Nigerian government the two key stakeholders within the NOGI (Idemudia, 2009). However, Osobajo and Moore (2017), and Orubu et al (2004) asserted that it is imperative to recognise community involvement within the NOGI. This is because all onshore operations and activities are performed within the communities situated in the Niger Delta region (Omofoomwan and Odia, 2009; Eweje, 2006; Frynas, 2001; Ikelegbe, 2001). Nannen (2004) concluded that the non-inclusion of the community as a key stakeholder is a major cause of the growing level of restiveness in the NDRN since 1956.
2.1.1 Upstream Sector

The Nigerian upstream sector comprises: licence acquisition by oil producing companies from the Nigerian government, pre-drilling exploration, exploration and development drilling, production, and abandonment and restoration (NNPC, 2014). This sector searches for and recovers crude oil and natural gas underwater and/or underground and brings it to the surface for production. Arguably, it could be viewed that the Nigerian
government and the OPC are the key or main stakeholders operating in this sector. However, community involvement cannot be denied because it would be a major challenge for OPC to carry out its operations without the cooperation from the community of operation (Oluduro and Oluduro, 2012). This is consistent with Musa et al (2013: 112) assertion that “the upstream sector of the oil and gas industry of Nigeria presently lies wholly in the Niger Delta region”. At present (i.e. 2016), the recent discoveries in Lagos and Anambra states are not sufficiently developed to change this assertion.

2.1.2 Midstream Sector

This sector focuses on how refined petroleum products and/or crude oil is transported or transferred (by rail, trucks, pipeline or oil tankers), stored and marketed. This sector ensures safe and appropriate movement of crude oil from the point of production to refineries and subsequently to the marketers. As in the upstream sector, community consent is also required in order to allow the laying, and ensuring safety, of the oil pipelines passing through the community. Hence, the Nigerian government, OPC, and the community should be collectively viewed as the key or main players in this sector.

2.1.3 Downstream Sector

The downstream sector focuses on the refining of extracted crude oil and/or natural gas. Products like liquefied petroleum gas, diesel oil, fertilizers, petroleum coke, jet fuel, gasoline, antifreeze, pesticides, rubbers, plastics and synthetic rubber, to mention a few, are derived during the refining process of crude oil and/or natural gas. Nigeria has four refineries; three of which are located in NDRN (i.e. Rivers - 2, and Delta -1) and the fourth refinery is located in Kaduna, which is situated in the Northern part of the country. Arguably, the community experiencing contamination of industrial effluents with oil-related residues is inevitable (Sojinu et al., 2010). Hence, the community could also be termed as a key or major player in this sector along with the Nigerian government and the OPC.

2.2 An Overview of Niger Delta Region of Nigeria (NDRN)

The NDRN is referred to as the largest wetland in the world (Eweje, 2007). It covers 112,111km and is located in the south on the coastal region of Nigeria (NDDC, 2004). There are 606 oil fields in the region out of which 355 are on-shore while the remaining 251 are offshore (NNPC, 2016). The region has an estimated population of 35 million inhabitants with roughly 75% of the people living in rural areas (NDDC, 2010). The region’s critical importance to the Nigerian economy is not reflected in the prosperity of the population; there is a high level of poverty evidenced in the region. Wurthmann (2006) asserted that over $600 billion worth of oil revenue has been generated from the region since the 1960s, yet the NDRN suffers from “administrative neglect, crumbling social infrastructure and services, high unemployment, social deprivation, abject poverty, filth and squalor, and endemic conflict” (UNDP, 2006). This has further degenerated into frequent conflicts and violence between communities within the NDRN and the OPCs operating in the region (Oyefusi, 2013). Eweje (2007) argued that the pressure experienced by OPCs in the region was because of the Nigerian government’s inefficiency in performing its responsibilities towards the development of the region. Idemudia (2010) concluded that under-development contributed to the emergence of violence and conflicts in the region. All these factors have put the OPC under pressure to meet the needs of the community.

2.3 Who Is a Stakeholder?

The stakeholder concept has several definitions (Mitchell et al 1997). Therefore, giving a generally acceptable description or definition of who is a stakeholder has remained a major issue for scholars (Phillips and Reichart, 2000). Various scholars (Starik, 1995; Freeman and Reed, 1983) have referred to a stakeholder as an interest group, claimant, influencer and constituent. Freeman (1984: 46) referred to a stakeholder as “any group, organisation or individual who can affect or is affected by the achievement of the organisation’s objectives”. This definition suggests an interdependent relationship between the organisation and its stakeholders (Hillman and Keim, 2001) and that the achievement of these objectives are subject to cooperation and support from the stakeholders (Minoja, 2012). However, there is disagreement as to whether stakeholders should either (or both) be considered as an entity affected by an organisation’s objective(s), or restricted to those that are crucial for the achievement of organisation an objective(s) (Friedman and Miles, 2006). In addition, Schiller et al. (2013) argued that this definition widens further an organisation’s stakeholder composition to include other entities that may be affected by the organisation’s actions, while Cummings and Patel (2009) listed the employees, customers, shareholders, community and suppliers as the most essential stakeholders who can influence the achievement of an organisation’s objectives.

Donaldson and Preston (1995) define a stakeholder as any individual or group whose interest has at least some
fundamental value based on its legitimate interest in the organisation. Likewise, Henrique and Sadorsky (1999), Berman et al (1999) and Agel et al (1999) argued that taking into account the interest of different stakeholders is important. They however concluded that organisations tend to consider only those stakeholders whose interest(s) the organisation think are important. In the same manner, Diallo and Thuillier (2005) and Olander and Landin (2005) argued in favour of the inclusion of stakeholders’ demands and interests in managerial decision making as being a prerequisite to achieving success. Of significant concern in respect to this standpoint is determining what constitutes a legitimate interest of a stakeholder. Table 1 reveals suggested definitions of who a stakeholder is.

Table 1. Summary of Definition of a Stakeholder (summarised from the literature)

<table>
<thead>
<tr>
<th>DEFINITIONS</th>
<th>REFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those groups without whose support the organisation would cease to exist.</td>
<td>Stanford, 1963; Bowie, 1988.</td>
</tr>
<tr>
<td>Are depending on the firm in order to achieve their personal goals and on whom the firm is depending for its existence.</td>
<td>Rhenman, 1964; Ahstedt and Jahnukainen, 1971.</td>
</tr>
<tr>
<td>Can affect or be affected by the achievement of the organization’s objectives.</td>
<td>Freeman and Reed, 1983; Freeman, 1984; Freeman and Gilbert, 1987; Freeman, 1988; Brenner, 1995; Freeman, 2002; Andersen, 2005; Sutterfield et al., 2006; Edum-Fotwe and Price, 2009.</td>
</tr>
<tr>
<td>Who have an interest and/or a stake in the outcome of the project.</td>
<td>Cleland, 1986; Savage et al., 1991; Wright, 1997; McElroy and Mills, 2000; Boddy and Paton, 2004; Bourne and Walker, 2006; El-Gohary et al., 2006; Javed et al., 2006; Olander, 2007; Walker et al., 2008; Couillard et al., 2009.</td>
</tr>
<tr>
<td>Claimants who have a claim on the firm.</td>
<td>Cornell and Shapiro, 1987; Cleland, 1989; Freeman and Evan, 1991; Hill and Jones, 1992; Clarkson, 1995; Langtry, 2009.</td>
</tr>
<tr>
<td>Groups to whom the corporation is responsible.</td>
<td>Alkhaafai, 1989.</td>
</tr>
<tr>
<td>Are those that gain or lose because of perceived success in project implementation.</td>
<td>Dinsmore, 1990.</td>
</tr>
<tr>
<td>Constituents who have a legitimate claim on the firm.</td>
<td>Hill and Jones, 1992; Brenner and Cochran, 1993; Donaldson and Preston, 1995.</td>
</tr>
<tr>
<td>Have one or more of the kinds of stakes in business.</td>
<td>Carroll, 1993; Starik, 1995; Carroll and Buchholz, 2011.</td>
</tr>
<tr>
<td>Interact with and give meaning and definition to the corporation.</td>
<td>Wicks et al., 1994; Nasi, 1995.</td>
</tr>
<tr>
<td>Are placed at risk because of a firm’s activities.</td>
<td>Clarkson, 1994.</td>
</tr>
</tbody>
</table>

Furthermore, Phillips and Reichart (2000) argued that only humans (i.e. people) who are capable of interacting with one another should be referred to as a potential stakeholder. Mitchell et al (1997) opposed this standpoint because they asserted that a non-human stakeholder, such as the natural environment, exerts its influence using other stakeholders. However, Phillips and Reichart (2000) perspective is deemed important in the context of this study because of their emphasis on interaction among stakeholders, although the natural environment could be viewed as a potential stakeholder represented by those people within it. Hence, the emergence of stakeholder by proxy, which Soukhano (1984: 948) referred to as “the state, quality or fact of being near or next in space, time or order” to an organisation. This further suggests that a lack of interaction among stakeholder will result in misunderstandings and the inability of an organisation to carry out its activities and operations effectively (Nasi, 1995). It could also be argued that this perspective on the definition of who a stakeholder is emphasises the importance of the role of humans, and their interactions, in the fulfilment (or otherwise) of an organisation’s objectives.

Some scholars define a stakeholder as an individual or group whose support is crucial to the existence of an organisation (Bowie, 1988). Freeman and Reed (1983) stated that any organisation that falls within this category should be viewed as dependent on identified individuals or groups for its survival. Contrary to this standpoint, Rhenman (1964) argued that individuals or groups depend on the organisation for their survival. However, the importance of these views to this study is the consistent emphasis on a dependency “relationship” among stakeholders. This further suggests the requirement for a definition to encompass a need for an organisation and its stakeholders to rely on one another for continual of both survival. In addition, this standpoint raises the issue of reciprocity among stakeholders, which involves stakeholders actively coming together in knowledge sharing and value creation activities (Harrison et al., 2010; Bosse et al., 2009).

Similarly, a stakeholder is viewed as an individual or group who is placed at risk or accepts risk because of its involvement in an organisation’s operations or activities (Clarkson, 1994). This suggests that an individual or group should be exposed to some risk before they can be referred to as a stakeholder. This is because a stakeholder must have a stake in an organisation, which is of value; financial or human capital (Clarkson, 1994).
Freeman (1984) often referred to a stake as “interest” while Carroll and Buchholtz (1996) considered a stake as either a share or an interest in an endeavour. It is worth noting that all these scholars agreed that a stake must involve an element of risk and be of value to its holder. However, Wolfe and Putler (2002) and Rowley (1997) concluded that the definition of a ‘stake’ remains a point of argument for scholars.

Among the definitions of stakeholders summarised in table 1, it can be concluded that a stakeholder is an individual, group of individuals or an organisation that has either influence, or interest.

2.3.1 Stakeholder Classification

Freeman (1984) was among the first scholars to classify stakeholders based on a managerial view. He classified stakeholders as internal and external stakeholders based on a changing business environment. Internal stakeholders are responsible for internal business changes, while external stakeholders are responsible for external business changes. This classification suggests that both the internal and external stakeholders are subjected to boundaries. Furthermore, Savage et al (1991) classified stakeholders based on their ability to cooperate or threaten an organisation within a changing business environment. They classified stakeholders as supportive, non-supportive, marginal, or mixed blessing. Kumar et al (2016: 38) asserted that “supporting stakeholders have a high potential to cooperate and low potential to threaten the organization; marginal stakeholders have low potential to cooperate and threaten; non-supportive stakeholders have a high potential to threaten but a low potential to cooperate; and mixed-blessing stakeholders have a high potential to both cooperate and threaten”. In addition, Goodpaster (1991) suggested a stakeholder classification based on ethics and morals. He concluded that stakeholders should be classified as fiduciary and non-fiduciary stakeholders. Fiduciary stakeholders are the stakeholders that the management of an organisation owes an obligation of care and accountability such as keeping a profit maximizing promise, while non-fiduciary stakeholders are people or group of people whose interest(s) must be taken seriously in order to seek creative solutions to disagreement as opposed to exerting influence and/or manipulation. Clarkson (1995) extended Freeman’s (1984) assertion of stakeholder classification and concluded that stakeholders should be classified into two categories: primary and secondary. This classification was based on the perceived influence a stakeholder has on an organisation’s operations. Likewise, Mitchell et al (1997) stakeholder classification was based on the perceived stakeholder salience, which focuses on the priority given to competing stakeholder claims. Hence, any individual or group “that do not possess any of the above attributes are in fact non-stakeholders, as they do not receive any priority from managers” (Kumar et al., 2016: 39).

2.3.2 Stakeholder Salience and Attributes

Mitchell et al (1997: 854) defined stakeholder salience as “the degree to which managers give priority to competing stakeholder claims”. Likewise, Bundy et al (2013: 353) defined stakeholder salience “as the degree to which a stakeholder’s issue resonates with and is prioritized by management”. Boesso and Kumar (2016) concluded that stakeholder salience focuses on the extent to which management give priority to the various stakeholder’s claim(s). These definitions suggest that stakeholder salience focuses on a manager’s ability to interpret how a potential issue will affect an organisation as it attempts to achieve its objectives (Dutton and Jackson, 1987; Bundy et al., 2013). Mitchell et al., (1997: 873) suggested that “Stakeholder salience will be positively related to the cumulative number of stakeholder attributes—power, legitimacy, and urgency—perceived by managers to be present”, while Harrison and Freeman (1999) concluded that the number of stakeholder attributes significantly increase stakeholder salience. This suggests that stakeholder attributes help to define the salience of a stakeholder. Hence, an understanding of stakeholder salience has significant effect in using stakeholder attributes such as influence and power, urgency, and legitimacy, which help in the process of identifying key or relevant stakeholders (Mitchell et al., 1997; Magness, 2008). Table 2 reveals the various attributes or elements that scholars have refer to since the pronouncement of stakeholder theory within management discipline (Clarkson 1995; Achterkamp & Vos, 2008).
Table 2. Stakeholder attributes (Summarised from the literature)

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Stakeholder Attributes</th>
<th>Attributes Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garcia-Sanchez et al., 2013; Cormier and Magnan, 2003; Choi, 1999; Mitchell et al., 1997; Roberts, 1992; Freeman, 1984; Pfeffer, 1981; Dahl, 1957; Weber, 1947</td>
<td>Stakeholder Power and influence</td>
<td>The degree to which a stakeholder can get its will done by others.</td>
</tr>
<tr>
<td>Mitchell et al., 1997; Grimble and Wellard 1997; Brugha and Varvasovszky 2000; Chevalier and Buckles 2008; Jepsen and Eskerod 2009; Neville et al 2011</td>
<td>Stakeholder Legitimacy</td>
<td>The degree to which the actions and inactions of a stakeholder are accepted by society.</td>
</tr>
<tr>
<td>Mitchell et al., 1997; Neville et al., 2011; Jonker and Foster, 2002; Mitchell et al., 1997</td>
<td>Stakeholder Urgency</td>
<td>The degree to which stakeholder claims call for urgent action.</td>
</tr>
<tr>
<td>Neville et al., 2011; Driscoll and Starik, 2004; Soukhanov, 1984;</td>
<td>Stakeholder Proximity</td>
<td>The degree of closeness between stakeholders: physical, psychological and otherwise.</td>
</tr>
</tbody>
</table>

2.3.3 Potential Key Stakeholders in the NOGI

Scholars (e.g. Chika et al, 2014; Manowong and Ogunlana, 2010) have argued that managing stakeholders effectively begins with the stakeholder identification process. Therefore, stakeholder identification is a fundamental task for an organisation’s success (Ballejos and Montagna, 2008; Friedman and Miles, 2006; Freeman, 1984). Hence, stakeholder identification underpins successful stakeholder management (Chapleo and Simms, 2010). Frooman (1999) proposed that stakeholder identification should answer the question of “who are they?”. Yang (2014: 839) defines stakeholder identification as the “development of a list of stakeholders”, while Wolfe and Putler (2002) view stakeholder identification as the process of identifying relevant stakeholders. Reed et al (2009) concluded that that stakeholder identification is an iterative process. Achterkamp and Vos (2006) asserted that stakeholder identification problems have given rise to the emergence of the development of different theoretical classifications. Figure 3 reveals the potential key stakeholders in the NOGI. The inclusion of these stakeholder groups is because of their evident to interest and the attributes they possess (Stenseke, 2009). However, the community will be assessed in more detail in this paper in order to identify and analyse the various sub-groups of secondary stakeholders.

![Figure 3. Proposed Key Stakeholders in the NOGI (Author generated)](image)

2.4 Definition of a Community

The term community has been defined by different fields of study to connote different meaning. It explains issues of belonging and identity, inclusion and exclusion, difference and similarity, time and place, and processes such
as modernisation (Delanty, 2003; Silk, 1999; Crow and Allen, 1994; Cater and Jones, 1989; Bell and Newby, 1971). Likewise, Silk (1999: 6) stated that community encapsulates “common needs and goals, a sense of the common good, shared lives, culture and views of the world, and collective action”. This standpoint emphasises the communality of the term. In addition, Crow and Allen (1994: 1) focused on the relational aspect of community and concluded that it offers “a convenient shorthand term for the broad realm of local social arrangements beyond the private sphere of home and family but more familiar to us than the impersonal institutions of the wider society”. Arguably, it can be perceived that there are various ways in which community as a concept can be approached. Some of which are based upon; the geographical approach (e.g. Mackenzie and Dalby, 2003), the social system approach, which explains social binding between groups or institutions (e.g. Gandy, 2002; Allen and Hamnett, 1995), and the communion approach, which focuses on common practices, beliefs or identity (e.g. Radcliffe, 1999; Lave, 2003). Furthermore, Mulrennan et al (2012) and Koster et al (2012) added that it is important to pay attention to community members who are not involved in a project in order to be aware of their feedback and evaluation. Gusfield (1975), and French and Saward (1975) differentiate between two main approaches to community. First, community is considered as a geographical or territorial location of a community neighbourhood, city or town. Second, community is referred to as a relational paradigm involved with the quality of or character of a human relationship. Kruckenberg and Starck (1988: 23) in support of the former assertion, define community as “the city or area where the organisation is physically located”. Durheim (1964) and Anderson (1983) however argued that contemporary society builds community around cohesion, skills and interest as opposed to locality. Wiesenfeld (1996), Robinson (2014), and Farrance et al (2016) in line with their argument termed community as homogenous groups characterised by an emotional bond. This suggests that communities emerge through the passage of time through a dynamic process.

3. Method and Approach

This study is part of a larger research programme on how to enhance relationship quality between the OPCs and their HCs within the NDRN. The communities under consideration for this research study are restricted to those within the NDRN. These communities are considered a key stakeholder because of their influence and impact (e.g. economic impacts) within the NDRN. This is in line with Clarkson’s (1995) assertion that this type of stakeholder is classified as a primary stakeholder because of its contribution towards the existence of an organisation. This is also consistent with Kumar et al’s (2016: 38) assertion that primary stakeholders “are involved in various transactions, and their continuous involvement is necessary for organizations’ survival”. Considering the research nature and aim, which is to identify and understand the various sub-groups of secondary stakeholders and their respective interest(s) within the community in the NOGI context, face-to-face interviews were used for data collection. This method of data collection involves an interviewer engaging an interviewee (i.e. the research participants) in a discussion on a specific research area in order to gain insight or explore certain issues (Hennink et al, 2010). Although there are nine independent states (i.e. Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers) within the NDRN, only three of these states (i.e. Bayelsa, Delta and Rivers) were selected for the purpose of data collection. This is because these states are worse affected due to the intensity and nature of oil production and operations, which are mostly onshore (see figure 4). In addition, these states experience the highest level of violence and conflicts compared to the remaining six other states in the NDRN. Table 3 presents the number of interviews conducted in each state. A total of sixteen semi-structured interviews were conducted. The number of interviews conducted in each state and for the whole research was not predetermined, instead it was decided to continue until the researcher reached the point of saturation. This was evidenced during the data gathering process as no new insights were obtained. Bowen (2008, p. 140) defined saturation point to entails “bringing new participants continually into the study until the data set is complete, as indicated by data replication or redundancy”. Research participants were selected using selective sampling which is also referred to as purposeful sampling (Coyne, 1997). This is because they have privileged and important information as a result of either or both of their position and/or their direct involvement in the relations and/or negotiation process of their communities with the OPC. Further, the context for the current study also imposed some limitations on the sample selection. The researcher could not gain free access to the various communities within the region due to security reasons (violence and conflicts). Data was analysed using content analysis. Hsieh and Shannon (2005, p. 1278) define content analysis as a “research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns”.

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Table 3. Details of interviews held (Author generated)

<table>
<thead>
<tr>
<th>STATES</th>
<th>NUMBER OF FACE-TO-FACE INTERVIEWS CONDUCTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayelsa</td>
<td>5</td>
</tr>
<tr>
<td>Delta</td>
<td>5</td>
</tr>
<tr>
<td>Rivers</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

Figure 4. Inshore and offshore activities by State (Author generated)

4. Results and Discussion

4.1 The Niger Delta Community

Figure 4 reveals four different categories of community stakeholder in the Nigerian oil and gas context as identified by the research participants. These are;

1) **The Host** communities. Also referred to as the producing communities. The host or producing communities are communities in which OPCs implement onshore activities such as exploration and production.

2) **The Transit** communities. Communities where OPC pipelines pass through or communities through which crude oil produced is transported.

3) **The Terminal** communities. Communities where offshore terminal facilities are located due to OPC exploration taking place offshore.

4) **The Impacted** communities. Communities affected by OPC operations due to their close proximity to OPC facilities.

In line with Mitchell et al’s (1997) standpoint on who is a stakeholder, all the aforementioned different categories of community identified by research participants can be regarded as legitimate stakeholders. Furthermore, research participants identified different sub-groups of secondary stakeholders as shown in figure 5. They added that these sub-groups of secondary stakeholders exist in all communities irrespective of the community type. Even though these sub-groups of secondary stakeholders are not directly involved with other key stakeholders within the NOGI, their respective interest(s) affect the community, OPCs, the Nigerian government, and NOGI at large. This is consistent with Kumar et al’s (2016: 38) assertion that “the involvement of secondary stakeholders is limited, and they can affect, or be affected by, various activities of the organizations”. Hence, the uniqueness of the NOGI lies in the existence of the various sub-groups of secondary stakeholders within the primary stakeholder i.e. the community.

Data gathered suggested that resulting from decades of perceived neglect by the OPCs and the Nigerian government, communities in the NDRN have repeatedly staged protests to express their concerns. This, as in most cases, has resulted in conflicts and violence between the community and the other stakeholders within the NOGI. Such dramatic action has further brought division within the community itself. The division within the community is as a result of the diverse interest of the various sub-groups of secondary stakeholders who believed that their appointed community representatives (i.e. the community rulers and/or the council of chiefs) do not...
represent their interest appropriately with other stakeholders within the NOGI. This is also consistent with Okeke-Ogbuafor et al’s (2016) finding that the community people do not see their community representatives to be representing their interest appropriately. Research participants further asserted that these sub-groups of secondary stakeholders now use this medium to attract the attention of other stakeholders within the NOGI in order to make their interest(s) known. The after-effect of this is the emergence of different sub-groups of secondary stakeholders within the community.

Figure 4. Types of Community in the Niger Delta Region (author generated)

Therefore, deciding which of these sub-groups of secondary stakeholders that attention should be given to during decision-making becomes an issue for other stakeholders. In order to capture the concerns of all these sub-groups of secondary stakeholders and effectively manage their interest while avoiding conflicts among them (Robinson 2005), it becomes imperative to understand how communities within the NDRN operate.

4.2 Complexity within the Community Group

The research participants asserted that the desire of the various sub-groups of secondary stakeholders within the community to express their concerns and make their interest known brought about complexity within the community. Complexity within this context is referred to a situation in which the various sub-groups of secondary stakeholders within the community become relevant and are deemed fit for direct relations with the other key stakeholders within the NOGI, as opposed to going through their community (Vandekerckhove and Dentchev, 2005; Rowley 1997; Freeman and Evan 1990). Research participants stated that the community has always been known to be of one voice through the “community ruler” (i.e. the King and his council of chiefs) until a few decades ago when various sub-groups of stakeholders within the community felt there was an ongoing act of misrepresentation and neglect on the part of the community ruler. They explained the transition in power and influence of the community ruler under the following headings; pre-colonial era, colonial era and post-colonial era.
4.2.1 Community during the Pre-Colonial Era

Research participants asserted that during the pre-colonial era prior to the presence of the colonial masters i.e. the British rule, community operated as a single entity where community members were subject to the command and direction of the community ruler. They stated that the community ruler acquired his title through inheritance or through appointment by a council of elders from the community. The community ruler was by default and/or nature always a man. This could be attributed to the belief (i.e. culture) of the people that women are meant to be submissive to men. Each community shares the same belief and ideologies. However, research participants concluded that even though the community ruler influences and commands respect from the community people, he lacks any formal political power. Figure 6 suggests the potential community structure during the pre-colonial era as explained by the research participants.

![Figure 6. Potential Community Structure during the Pre-Colonial Era (author generated)](image)

4.2.2 Community during the Colonial Era

Research participants stated that upon the arrival of the “colonial masters”, the community rulers were seen as important in achieving effective administration. They acted as the intermediary between the colonial masters and their respective communities. However, the research participants asserted that the introduction of a legislative council with some elected members by the colonial masters reduced the importance placed on community rulers. This is consistent with Diebah et al’s (2003) assertion that community rulers are perceived to hold a symbolic role during the colonial era. However, research participants argued that community members remained subject to the command and direction of the community ruler. Figure 7 suggests the potential community structure during the colonial era as explained by the research participants.

![Figure 7. Potential Community Structure during the Colonial Era (author generated)](image)
4.2.3 Community during the Post-Colonial Era

Research participants asserted that with independence in 1960 and the introduction of a formal government (i.e. democratic government) in place, the status of the community leader regained its importance as the government evidenced interest in the succession of community rulers. They stated that community rulers in the post-colonial era are highly respected in many communities, and have considerable economic and political influence as shown in figure 8. Research participants argued that community rulers exercise authority over their communities because they have been appointed and trusted to do so in the interest of the people as opposed to exercising power over their communities. This stand-point illustrates the difference between power and authority of the community rulers. “Power has been defined as the ability to induce others to perform tasks or carry out directives that they would not ordinarily do” (McKinney and Howard, 1998: 34). Likewise, power is referred to as the capacity to get people do something the way one wants it done (Pfeffer and Salancik, 2003). These definitions suggest that power is informal and it makes use of force in order to get things done (Grimes, 1978). However, authority has been defined by Barnard (1968: 161) as “the character of a communication in a formal organisation by virtue of which it is accepted by a contributor to, or member of, the organisation as governing the action he contributes”. This perspective suggests that an individual only exercises authority within agreed boundaries that are well established in either or both of the people’s beliefs, religious practice, or law. Hence, authority is considered legitimate (Grimes, 1978).

Arguably, community rulers play significant roles in acting as intermediaries between the community members and the outside world (e.g. the government and investors). They also act for and represent the community identity, provide safety and resolve conflicts among community members. A major reason for a community ruler’s influence may have been attributed to the inability of most community members to communicate in the official English language, so the community ruler served as the spokesperson and interpreter (Miles 1993). However, present day community members are more exposed to outside influences and are also more educated than their predecessors.

The community rulers seem to have lost the trust previously put in them by their community members, thus resulting in the emergence of various sub-groups of secondary stakeholders within the community expressing their concerns to other stakeholders within the NOGI in various ways. These sub-groups of secondary stakeholders believe that their interest is no longer served by the community spokesperson (i.e. community ruler). As a result, these sub-groups of secondary stakeholders may employ any available strategy (e.g. conflicts and violence) in order to get the attention of other stakeholders within the NOGI so as to ensure the fulfilment of their respective individual interest, thus causing and making it difficult for other key stakeholders such as the OPCs and the Nigerian government to effectively manage the community as a single entity. This has prompted the need for the identification of the various sub-groups of secondary stakeholders in the community within the NOGI context.

4.3 Defining Who the Sub-groups of Secondary Stakeholder Are

The decision in respect of which stakeholder should be recognised or not depends on the stakeholder’s importance (Salam and Noguchi, 2006). Grimble et al (1995) argued that individuals or groups of individuals who are likely to affect the functioning of an organisation or a project given their resources, interests, and influence need to be included. This is consistent with Mitchell et al’s (1997) assertion that stakeholder importance is a function of their legitimacy, power and urgency. Even though the community rulers & their chiefs are perceived as the community spokesperson and representative, the research participants identified seven sub-groups of secondary stakeholders that existed within the community stakeholder group. Bryson et al. (2002) asserted that an inclusive view of stakeholders is important, while Clarkson and Deck (1994) concluded
that ignoring an important stakeholder may result in poor strategy formulation and thus, an organisation’s failure. Therefore, the effort regarding identification and definition given to the various sub-groups of secondary stakeholders within the community has been based on their legitimacy, power and urgency as explained by the research participants. These sub-groups came into play when the research participants were asked to identify the various secondary players within the community outside the community rulers and their chiefs.

1) Community development council (CDC): A government initiative to organise grassroot community programs that bridge the gap between the community and the government.

2) Youth leader or youth members: This consists of peer group (i.e. 35 years and below) within a community and specifically consist of the community youths with a leader who represents and inspires their interest.

3) Family representatives or landlords: A representative from each family within a community forming an association in order to have a common say when it comes to issues such as sale of land.

4) Women’s group: This is an association of community women who come together to discuss issues (i.e. non-domestic) that impact on their existence as a result of an OPC presence in the community.

5) Community contractors: These are community members (i.e. indigenes) who contract are awarded by an OPC by way of community development.

6) Community members/indigenes: These are the general members (i.e. indigenes) of the community who do not belong to any of the aforementioned groups. It includes both men and women, young and old.

7) Militia group: Armed groups that came into existence under the umbrella that the OPC neglect the communities.

4.4 Interest(s) of Sub-groups of Secondary Stakeholder

Research participants further identify the various interest(s) and impact(s) of the various sub-groups of secondary stakeholders within the NDRN. They argued that these interests are often dictated by their needs or wants. The importance of these needs or wants varies across the sub-groups of secondary stakeholders within the community. Hence, necessitating the need to identify and assess the interest(s) of these sub-groups of secondary stakeholders and their respective impact on the NOGI as shown in table 4.

Table 4. Interest(s) and Impact(s) of Sub-groups (Research participants’ responses)

<table>
<thead>
<tr>
<th>Sub-groups of Stakeholders</th>
<th>Secondary Interest</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Council</td>
<td>Development</td>
<td>Can influence the negotiation process and terms between the OPC and HC either positively or negatively.</td>
</tr>
<tr>
<td>Youth leaders and or members</td>
<td>Employment and empowerment</td>
<td>Halt oil and gas operations and activities through their violence and conflict agitations.</td>
</tr>
<tr>
<td>Family representatives</td>
<td>Demand for compensation for the ecological damage and loss of property e.g. land</td>
<td>Can cause limited disruption to oil and gas activities. However, it can degenerate into violence if supported by any other sub-group of stakeholder.</td>
</tr>
<tr>
<td>Women group</td>
<td>General community welfare e.g. social amenities and rights protection</td>
<td>Staging of protest within the community to express their grievances. However, this often degenerate into violence if not attended to promptly.</td>
</tr>
<tr>
<td>Community contractors</td>
<td>Seek contracts from OPCs</td>
<td>Staging of protest within the community to express their grievances. However, it can degenerate into violence if supported by any other sub-group of stakeholder.</td>
</tr>
<tr>
<td>Community members/indigenes</td>
<td>General community welfare e.g. environmental concerns and provision of amenities and facilities</td>
<td>Can cause a major disruption to oil and gas activities.</td>
</tr>
<tr>
<td>Militia groups</td>
<td>Seek access to &amp; control of resources.</td>
<td>Destruction of oil and gas facilities. Abduction/ kidnapping of indigenous and expatriate staff for ransom taking and economic crimes such as pipeline vandalism, sea piracy and oil pilferage</td>
</tr>
</tbody>
</table>

5. Conclusion

Steps need to be taken by the OPCs and the Nigerian government to ensure that they can engage with the wider sub-groups of secondary stakeholders and not just the usual community group spokespeople who mainly represent their own interests.
5.1 Implication for Policy Makers

Policy makers have to be aware of the importance of the different sub-groups of secondary stakeholders within the community. Their respective interest and level of influence must be taken into consideration in the policy making process because they can either promote or hinder policy implementation. Walt (1994) argued that policy makers should seek support and involve different interest groups in policy formulation and implementation. Likewise, Kumar et al (2016: 38) asserted that the involvement of these groups of stakeholders is limited, yet “they can affect, or be affected by, various activities of the organizations”. Stakeholder identification from the policy makers’ point of view provides a framework which assists policy makers in the analysis of community group influence and interest on policy. It considers the impact of the various sub-groups of secondary stakeholders within the community has on decision making, policy process and their interrelations. Hence, the interest(s) of the various sub-groups of secondary stakeholders should be taken into consideration during policy formulation.

5.2 Implication for Management

Stakeholder approaches to management suggest that when the interests and influence of various individuals or groups within and outside an organisation are taken into consideration, the organisation goals and objectives will be achieved. Preston and Sapienza (1991) argued that when the needs of the primary stakeholders, for example the general public of which the community is one are met, the company stands to benefit as well. A stakeholder approach to management that supports the influence and interest of individuals and/or groups should be taken on board while planning and making of strategic decisions in order to manage change, and evaluate opportunities and threats (Mason and Mitroff, 1981). Likewise, Freeman's (1984) stand-point of a stakeholder is that stakeholders can influence the achievement of an organisation's objectives. This therefore suggests that OPC management are to put in place strategies that will neutralise or encourage stakeholders, depending on their desire to oppose or support the objectives of the organisation. Hence, the identification of various sub-groups of secondary stakeholders within the Community stakeholder group will give the OPC management opportunity to acquire appropriate and adequate knowledge about the relevant actors within the community so as to take into consideration their intentions, behaviour, interests, agenda, and the resources they can bring or their influence (Brugha and Varvasovsky, 2000). In addition, the OPC should make effort in engaging and communicating with all the various sub-groups of secondary stakeholders in their community of operations in addition to the traditional rulers and their chiefs. Furthermore, it suggests the different level of importance that should be accorded to each sub-group of secondary stakeholders within the community itself. More so, it will help identify and aid understanding of the likely conflicting interests among the various sub-groups of secondary stakeholders (Friedman and Miles, 2006; Prell et al., 2007).

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