INTERGROUP COMMUNICATION, CONFLICT HANDLING STYLE AND THE QUALITY RELATIONSHIP OF MULTINATIONAL FIRMS WITH OIL PRODUCING COMMUNITIES

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Abstract

The research sought to understand how cross-border oil companies dealt with violence in the Niger Delta utilizing intergroup community strategy. The main goal was to present the best practices used by international oil companies in resolving conflicts with local residents (Odularu, 2008). The survey research design was used to collect data from 115 respondents. It includes senior and junior public relations workers. Because the sample was small, the total population was utilised, although 102 questionnaires were obtained from the 13 foreign oil companies actively seeking oil in the host regions. The data were analysed using mean, standard deviation, ANOVA, and regression using SPSS version 22. The study indicated that foreign oil companies often use compromise to resolve disagreements with host communities in the Niger Delta. The essential connection that international oil companies have with oil-producing communities in the region is unfavourable, as is the use of compromise tactics to resolve disputes. The study showed no statistically significant differences between compromise methods and host locations in addressing conflict. This report also proposed that international oil companies should stop dominating and start integrating and cooperating with the region's oil-producing communities.

Keywords: Group Communication, Conflict, Firms, Relationship, Niger Delta, Nigeria


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1. INTRODUCTION

Odularu (2008) asserted that the use of incorrect styles in handling conflict with host oil communities in this country has resulted in increased tension/conflict in the oil host communities' field when multinational firms operating in different cultures have stuck to their way of handling conflict due to cultural differences. The regular destruction of pipelines, theft of oil company assets, and robbery of multinationals' unrefined oil led to uncertainties and ambiguities about oil investment returns. It has increased transactional costs in upstream businesses, such as production protection, oil production contracting, oil production monitoring, and contract enforcement. As a result, oil universal execution in the host community's region has been subjected to multiple capacities, safety, and economic constraints, causing foreign investors to reduce their investment in the host community's region as it was in the past, while many others already operating in the area are slowly selling, relocating, and divesting some of their assets (Osuoka, 2017). This is not the case, however, when the competition is handled effectively using the appropriate approaches, as a successful resolution of conflict improves the trust-ability of concerned parties to support, secure, and work together in the future, which is critical to the development of quality relationships (Tachia & Ren-huai, 2015).

Furthermore, the major challenge confronting global oil companies in oil communities in recent years has been the ongoing confrontation with host communities as a result of oil exploration (Nwagbara & Brown, 2014; Ako, Obokoh, & Okonmah, 2015). It has resorted to production halts, relocations, disruptions, and exploitation inside the region.

Even when multinational firms operating in different cultures have evolved their ways of managing conflict due to cultural differences, Odularu (2008) believes that the use of incorrect styles in managing conflict with host oil communities in Nigeria has created and escalated tension/conflict in the Niger Delta region. This is resulting from repeated vandalism of oil pipelines, vandalism of oil firm assets, and stealing of multinationals' crude oil, thus creating uncertainty. They have increased transactional costs in upstream sectors, such as the cost of safeguard, production, operations, contracting of oil operations, monitoring of oil operations, and contract enforcement. Thus subjecting oil multinationals operating in the Niger Delta region to multiple capacities, safety, and economic constraints, as well as causing foreign investors to reduce their investment in the Niger Delta region, as it was in the past, while many others already operating in the region have increased their investment. However, when a conflict is handled effectively using the right approaches, these negative manifestations of conflict are avoided, as a successful resolution of conflict increases the trust-ability of concerned parties to support, secure, and collaborate in the future, which is essential for the development of quality relationships (Tachia & Ren-huai, 2015).

Despite this awareness, there is a lack of attention on how the conflict resolution procedures used by international oil companies in the Niger Delta have pushed them to form good relationships with host oil communities. More importantly, several prominent studies have experimentally investigated conflict-handling tactics used by organisations functioning in various cultures. However, they discovered that individualism-collectivism and small-larger power distance cultures had a significant impact on conflict-handling styles or face work including conflict-handling types of self-facing concerns. Little research effort was performed in Nigeria to validate the conclusions of these existing studies (other-face worries and mutual-face concerns). Little research has been done on how the tactics used to handle conflict differ between international oil companies in host communities, which appear to originate from a variety of cultures. Similarly, there has been minimal study into evaluating the genuity of Thomas' (1976) dual concern model of conflict-handling styles in the context of international firms in Nigeria.

In light of these limitations, this study looks into the dispute resolution methods used by foreign oil companies in the region, how these styles differ among foreign oil companies, and how these styles affect the importance of conflict outside oil corporations create with host communities.

The study topic was created to determine the impact of compromised conflict-resolution strategies on the genuity of relationships (trust) between multinational oil companies and oil-producing communities in the region. As a result, what is the most typical way for multinational oil companies in the Niger Delta to handle (resolve) problems with oil communities?

The hypothesis was tested to determine the most common style of handling conflict with host communities by multinational oil firms in the Niger Delta, as well as the significant difference in conflict-handling techniques on the quality of connection (trust) between outside oil businesses and oil-producing communities in the host region. As a result, find out how international oil companies in the Niger Delta handle disputes with host communities.

The remainder of this paper is structured as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct empirical research on intergroup communication, conflict handling style, and the quality relationship of multinational firms with oil-producing communities. Section 4 presents the analysis of the study while Section 5 discusses the findings and concludes the study with recommendations.

2. LITERATURE REVIEW

The operations of foreign-owned oil and gas multinational companies in most oil host communities in the Niger Delta have provoked and witnessed unprecedented conflicts, unrelenting corporate-stakeholder criticisms, and protracted history of violence. The nature of conflict/disagreement between oil multinationals and oil host communities in the Niger Delta has been hinged on how the oil in the host communities within the Niger Delta should be explored, extracted, distributed, and managed. But, Yuan (2010) concurred that it is not these sources of conflict that
usually destabilize firms (oil multinationals) operating in the host cultures (communities), but the different approaches and assumptions emerging from the different cultures to conflict resolution (Yuan, 2010).

Conflict is inevitable in organisational life, especially when the organisation is operating in different cultural environments (Kim, Wang, Kondo, & Kim, 2007). However, strategies for handling and managing conflict whether within or outside the organisation have been suggested. They include integrating, dominating, obliging, avoiding, and compromising strategies and these styles of conflict management specifically encompass three-face concerns: self-face (concern for one’s image, interest, needs), other-face (concern for other’s image, needs, interest), and mutual-face (concern for both parties’ images, interests, and needs) (Thomas, 1976). These conflict management styles have been validated by many empirical studies in various contexts over the years (Abbas & Karage, 2015). It is revealed to be culturally determined or differ across cultures as multinational firms which originate from individualism and small power-distance cultures have different approaches to conflict management in host communities when compared with multinational firms that originate from collectivist and large power-distance cultures (Huff & Schub, 2021; Ohbuchi, Fukushima, & Tedeschi, 2009; Kim et al., 2007).

2.1. Conceptual framework

People pursuing ambitions, ideas, and interests that do not match (DeChurch, Hamilton, & Haas, 2007) generate the most prevalent conflict. When one or more members of a group’s goals, beliefs, values, wants, or behaviours are rejected or undesirable by another group, conflict arises (Boros, Meslec, Cursu, & Emons, 2010). Conflict arises when one side perceives that competing goals, objectives, and values impede or interfere with the importance of personal goals during the interaction of interdependent people. According to Boros et al. (2010) (aims or values) when one’s party’s activities have harmed the other party’s ability to achieve its goals or have the potential to interfere with the other party’s goals, a conflict develops. It appears to be the consequence of encounters between individuals or groups of people who have opposing interests, goals, desires, and values (Krainin, Thomas, & Wiseman, 2020). Conflict occurs when two or more groups compete over principles, claims, position, power, and resources, with the opponents’ purpose of harming or killing the rivals. A large body of literature (Ben-Yoav & Banai, 1992; Ruble & Thomas, 1976; Cai & Fink, 2012) also backs it. They both agreed that the primary basis of conflict is destroying the opposing side’s aims, ideals, and beliefs. According to Lee and Rogen (2015), conflict does not exist when the parties’ goals are small, trivial, or unimportant. Conflict, on the other hand, becomes more intense when such goals are critical. Due to the other party’s obstruction and interference in reaching goals or interests that are essential to them, conflict, bad behaviour, or open hatred might occur.

Those who have studied it (Nwagbara & Brown, 2014) have linked it to concerns about resource management, deprivation, and values in the region. Residents assessed and expressed their displeasure that foreign-owned oil companies in the oil region prioritise their image or self-interest above all else and make little attempt to cooperate with local stakeholders. Study after study has pointed out how conflicts between cross-border-owned movies’ ambitions and the host area’s interests have led to a long history of violent demonstrations; vandalism; and other types of destruction that have interrupted the activities of several multinational oil companies in these locations (Mba, 2015; Odularu, 2008; Osuoka, 2017; Min, 2020; Pechenikina & Thomas, 2020). They argued that confrontations are becoming more violent and destructive regularly (Powell, 2004). Thus, outside-owned films’ activities and operations focus only on their gains and ambitions, which has resulted in a variety of dangerous, toxic organic, and inorganic substances being released into the atmosphere through seismic work over many years (Danneman & Beardsley, 2020; Darmon, 2018).

These unwanted flares have altered the geochemical composition of the soil, river, and other components. However, the prevailing poverty within the region and government indifference to people’s plight, and ineffectiveness in implementing laws, order, rules, and regulations governing individual and organisational behaviour have made it impossible to address the issue. Several other researchers have identified and agreed upon the structural framework (hierarchies, operations, rights) of multinationals combined with the laxity and weakness of a broader institutional setting. As a result, the host communities’ interpretation and framing of their needs, development objectives, and ambitions may never be realised if they do not participate in disruptive behaviour (Aaron & Patrick, 2013; Obi, 2009; Okoh, 2015). Outside-owned oil businesses in host regions have been shown to use their organisational structures and cultures to deliberately incite conflict through unfavourable assessments, according to Ako, Okonmah, and Ogunleye (2009). Externally owned oil businesses’ aims and values have often caused more harm than benefit in the communities they serve, according to Agagu and Adu, as cited in Ibeke (2014). Over-farming and inadequate nutritional value of the soil are generally the results of agricultural fragmentation caused by oil sector activities, with minimal compensation for the affected communities or people. According to their findings, oil has helped just a tiny number of people and communities while leaving tens of thousands of others in a state of poverty. According to the authors, the host areas, which are the foundation of Nigeria’s oil exploration, do not appear to be benefiting from the oil industry’s expansion in the global market. As a result of the adverse effects of oil drilling in most oil host communities, which has a beneficial impact on the Nigerian state, conflicts have been sparked.

Most oil corporations ignored the court judgments, and those that did compensate the victims did not only wait, but the compensation provided was considerably below the harm caused by the production of oil products, according to Ikalama (2016) phase two was characterised by
a more action-oriented approach and lasted from the mid-1980s to the early 1990s. Lawsuits are sometimes filed, peaceful demonstrations disrupt flow stations, and people of the community prevent personnel from working, among other things. However, this strategy failed because the firms used law enforcement officers to target nonviolent protesters. During phase three, which lasted from the mid-1990s to 1998, the hope roared in the host region began to turn into violent demonstrations, forcing the Nigerian government to use military action to suppress the people. During the most recent phase, which started in 1998 and continues today, vandalism, extortion, and pipeline explosions took place, and the formation of several organisations called on foreign oil firms to leave the region. According to research, approximately $3.8 trillion in damages were incurred by oil businesses controlled by third parties due to 400 vandalisms every year on average on their facilities (Osuoka, 2017). The level of tension in the region has shifted from peaceful demonstrations to aggressive violence, which has caused a great deal of trouble for film crews working in the area. This study looks at how multinationals handle conflict in host communities and how much home culture influences the conflict management method used by oil firms owned by companies outside the region.

Behavioural patterns and interpersonal links separate one group from another when determining what makes a "group" (Bhasin, 2021). The exchanging of information amongst members of a group who are culturally, geographically, or linguistically similar is known as group communication. It is the method through which employees, supervisors, and other team members of a firm engage with one another (Bhasin, 2021). Groups protect one another by following a set of rules and conventions. Participants’ in-group communication must ensure that they have the infrastructure, resources, and materials needed to achieve the goals of the group or organisation (Kapur, 2020).

Intergroup communication, as opposed to group communication, focuses on communication between distinct groups within a social milieu. In other words, rather than individual characteristics, social ties determine intergroup communication. Intergroup communication has its roots in social psychology and socio-psychological research dating back to the 1950s (Jones & Watson, 2013; Gallois, Cretchley, & Watson, 2012). Communication is a dynamic process in which the motives and needs of the groups involved modify how their members interact. This is a key idea in intergroup communication. Intergroup communication (Jones & Watson, 2013) aims to reduce or eliminate misunderstandings and conflicts, especially between dominant and subordinate groups.

Gallois, Watson, and Giles (2018) say, “Indeed, most of our communication in daily life and organisations, institutions, and nations occurs between members of groups that are potentially opposed, where there is a clear sense of "us" and "them". Sometimes, such communication is calm or moderate manner. Opposing tactics for resolving conflict promote the shared interests (needs) of people involved in the conflict, but in a modest manner. Opposing parties often seek the reason for a conflict through a third party or an international advocate when they pursue this type of conflict handling (Thomas, 1992). They enlist the help of an expert to bring peace to the conflicting parties.

2.2. Theoretical review

This study examines how people handle conflict using the dual concern model and the face negotiating theory.

Thomas’ dual concern model of conflict-handling/conflict styles was founded and improved in 1976. They are more consistent and dependable in conflict management studies, hence they have gained widespread acceptance (Chen, Ryan & Chen, 2000). According to Chen et al. (2000), this conflict management paradigm is based on two core notions: pro-self or pro-social goals, and the interaction between these concepts leads to compromise. Conflict may be managed in a variety of ways, and it is commonly accepted that when the two qualities of self-interest and concern for others are combined,
they produce a style that resembles compromise, which they claimed was not a single strategy for handling conflict (intermediate concern for both involved). As a result, the study was critical to its success.

The face negotiation theory was established by Brown and Levinson (1978), the aim was to better understand how people from various cultural backgrounds build trust and resolve a disagreement. The concept of “face”, or one’s self-image, is said to be universal. When a person’s face is in danger, they feel compelled to save or restore it (Oetzel, Meares, Myer, & Lara, 2002). This set of interpersonal activities is referred to as “face work” in the theory (Ting-Toomey, 1988). The roots of the term face are supposed to be Lien and mien-Tzu, two Chinese periods, which mean being recognized for one’s moral value and standing as a consequence of one’s achievements in life. Face, it is stated, is a claim of social self-worth or desires; as a result, it is a social phenomenon rather than a psychological construct because it can only occur in the presence of others. According to this idea, the face is a sensitive identity-based resource that is threatened and lost if not preserved or enhanced, and saved if adequately protected during conflict (Darnton, 2018).

According to Ting-Toomey and Kurogi (1998), organisations may be worried about safeguarding their face needs, social self-worth, or other face requirements during a conflict management event. Companies and individuals, according to these experts, are regularly presented with three face concerns: self-face, which is concerned with one’s image; other-face, which is concerned with another’s image; and mutual-face, with the partnership’s “image”. According to Ting-Toomey and Takai (2006), people from individualistic and collectivistic cultures have various types of face demands, which leads to preferences for different face tasks. Conflict management styles and face work are connected, according to the idea, since face work shows self-face care for one’s image, interests, and needs. Other-face demonstrates respect for another’s image, interests, and wants, whereas mutual-face is concerned with both sides’ ideas, interests, and circumstances, and includes dominating, accommodating, and compromising conflict resolution techniques.

2.3. Empirical framework

Muhammad and Javed (2016) investigated the impact of conflict management techniques on emotional cognitive trust. It entails a high level of worry for oneself and a low level of concern for the other party participating in the disagreement (Rahim, 1983). A regression examination of data from ten multinational enterprises in Pakistan found that compromise styles influence emotional and cognitive trust, but dominant and avoiding styles had no effect. According to the findings of this study, compromise styles are the most popular ways of conflict resolution, and transformational leadership significantly alters the relationship between conflict resolution and trust.

Boomsarom (2016) investigated how Thais and Americans differ in their dispute resolution tactics and assessments of their effectiveness. The goal of the study was to examine if participants’ preferences and perceptions of conflict management tactics were impacted by the conflict counterpart’s (in-group/ out-group) individualistic-collectivistic culture. In a poll of 319 Thai and 73 American-owned/co-owned multinational enterprises in Thailand, Thais preferred indirect conflict techniques (e.g., avoiding and cooperating) more than Americans. Thai participants reported using direct confrontational approaches (e.g., compromise) to a similar extent as their American counterparts. Although the qualitative investigation discovered that Americans had more dominating styles than Thais did, the ANOVA test showed no evidence. Americans employed third-party assistance and emotional expression more frequently than Thais and the other five strategies. Thailand was the only country in the world that used neglect as well as a range of styles. The poll results on people’s perceptions of “competence” were mixed. Both American and Thai participants evaluated compromise, or the plain, open, and honest expression of opinions, higher than other styles, with the former mentioning the issue more frequently in qualitative evaluation than the latter.

Although ANOVA revealed that Thais do not place the same priority on avoiding and obeying as Americans, qualitative analysis revealed that Thais value interpersonal harmony and resolving one another’s problems considerably more than Americans do. Although both groups agreed that the dominant style was low in competency, Americans found anger and emotional outbursts to be more acceptable than Thais in the quantitative analysis. Researchers observed that national (individualist-collectivist) attitudes and organisational culture have a major impact on how Americans and Thais deal with conflict, which influences the conflict behaviour and beliefs of the opposing side. When analysing the behaviour of conflict targets, Americans and Thais utilise comparable criteria regardless of the other cultural background. That is not to argue that the reporting of various behaviours or judging criteria was not done to show cultural understanding. Statistical studies identified just a few significant connections between exposure to other cultures and preferences for distinct styles or perceptions of similar levels of ability. According to the qualitative study, exposure to diverse cultures had a major influence on American and Thai behaviour and opinions when it came to real combat. These two techniques show that exposure to various cultures may have a major influence on Americans and Thais in conflict situations in a variety of ways, not simply conflict styles and perceptions of conflict styles. Thai individuals scored higher on the uniqueness scale than American participants as a result of the ANOVA results (INDCOL). The notion that Thais are more collectivist than Americans was not disproved by this study, although the data was insufficient.

Kim et al. (2007) investigated conflict resolution mechanisms in three cultures: Chinese, Japanese, and Korean. The researchers were interested in learning how the three other civilisations coped with conflict and what role cultural differences could play. Regression analysis of data from 275 survey participants from the three cultures revealed that Koreans were more likely than
Chinese or Japanese to use a compromise style. The Chinese and Koreans tended to dominate and were less likely to submit to the Japanese. Researchers discovered that emphasis on self vs. communal aims and considerations for the self might explain country differences in obliging and dominating methods.

Oetzel, Ting-Toomey, Masumoto, Yokochi, Pan, Takai, and Wilcox (2017) analysed a cross-cultural comparison of China, Germany, Japan, and the United States in face and facework in conflict using a questionnaire to collect data from 768 individuals from four distinct national cultures. Independence and interdependence were most favourably connected with self-face and controlling, integrating, and avoiding face work, whereas interdependence was most positively associated with other-face. Individualistic/small-power-distance cultures were discovered to have less other-facial care, were more inclined to avoid facework, and had more dominating facework than larger-power-distance civilizations. Consequently, Germans were more concerned with self and mutual face concerns and individualism more than Americans, while the Chinese were more concerned with self-face and included a third party than the Japanese.

The covering area includes the management of all externally held oil enterprises operating in the host areas. There are 24 foreign oil firms in Nigeria (Department of Petroleum Resources, 2017). Individualism-collectivism cultural features influence members' self-directed facework behaviours and other-oriented facework activities, according to research (Oetzel, Meares, Myers, & Lara, 2002; Ting-Toomey & Takai, 2006). Individualists (such as German and American respondents) favour self-focused conflict styles, whereas collectivists (such as Chinese and Mexican respondents) choose conflict styles that are more concerned with the group's overall interests, such as dominating and competing (i.e., avoiding and seeking third-party help). More study has revealed that organisations from individualistic cultures are more concerned with individual rights and aims than with collective rights and objectives, and they are more concerned with their image than with public and communal images (Cai & Fink, 2012; Chen et al., 2000). Because of the emphasis on selfhood or image, organisations in and from individualistic cultures are more inclined to employ more direct and self-face protection methods. They prioritise their goals and objectives over the other person's face, image, and mutual face, placing their interests and ambitions ahead of the partnership's or other party's "image". To retain their image and overlook other-face problems and mutual-face difficulties in conflict resolution, an individualistic culture's dominating style involves the employment of defence and persuasion, as well as harsh and forceful competitive techniques.

However, whether the individuals participating in the debate are members of an in-group or an out-group with varying levels of social status may alter these strategies. Multinationals operating in a host culture (such as the Niger Delta) originating from an "unusual" culture (such as the United States or Germany) are more prone than any other sort of multinational to use dominating face work or tactics during conflict management, according to studies (Chua & Gudykunst, as cited in Holt & DeVore, 2005). Many of these multinational businesses enact their faces and protect, promote, or challenge the faces of others to use face labour that encompasses verbal and nonverbal communication tactics. It has been said that in settling conflicts, organisations from collectivist cultures care more about preserving and safeguarding other-face and mutual-face concerns than they do about protecting their interests. Rather than focusing on their interests, they concentrate on defending, preserving, and maintaining others, particularly the general public or the communities they serve. Individualists are more interested in avoiding confrontation, while collectivists are more concerned with maintaining a long-term, mutually beneficial relationship, according to the findings. According to this study, people in collectivist societies are more concerned with collective rights and organisational goals.

They are more worried than individualists with the “other-face” and “mutual-face” in conflict situations and act on these concerns rather than personal or core self-concerns associated with the essence of self. Situational and relationship concerns are more important to them. Because the group's survival depends on maintaining excellent ties with both the group and the outside world, conflict approaches that promote harmony are more frequent in multinationals from collectivist cultures than in low-context cultures. It indicates that multinationals operating in the region have a shared culture of settling disputes through compromise; however, this premise is yet to be confirmed in Nigeria. Multinational oil companies working in the Niger Delta from various cultures might be concerned with other-face, self-face, and mutual-face by utilising a compromising attitude in dealing with host people. However, little is known about how conflicts between organisations from various cultures working in the region have influenced their relationships with the local population.

Another point to address is whether the conflict management approaches used by global oil firms operating in Nigeria and the Niger Delta, all of which appear to originate from distinct cultural backgrounds, are appropriate. Consistent or inconsistent are Chinese collectives with high power distances, American individuals with low power distances, British people with downward power distances, and Brazilian individuals with high power distances. This study addresses a gap in our knowledge of how multinationals operate in Nigeria by examining how they differ in their approach to dispute resolution.

3. RESEARCH METHODOLOGY

A survey research technique was used in this study. A questionnaire was created to collect data from 102 top executives from 13 different global oil corporations. Thirteen worldwide oil corporations actively involved in discovering oil and gas in the communities were chosen by random sampling (lottery form). There are four Chinese oil companies (Addax-Sinopec, Sinopec, and Sinopec, five British oil companies (Hardy and Nexen), and a Canadian oil company in addition to the five American and European oil giants (Nexen). The Brazilian oil
business, Petróleo Brasileiro, is the sole one in the country (Petrobras). This random selection (in the form of a lottery) was justified to ensure that the foreign firms of the communities were relatively picked.

A total of 115 questionnaires were distributed to the senior public relations professionals and management of the 13 worldwide oil firms as detailed below in Table 1. Following the establishment of a connection with each oil company’s general manager, questionnaires were given to them to distribute to the managers and other workers of the customer’s departments who often go out to negotiate with host communities. The researchers called or texted these managers and employees using the information they had acquired. However, just 102 were discovered has been convenient.

According to management sciences, it is usual practice to choose a confidence level between 0% and 5% to allow for a type one error (i.e., rejecting the null hypothesis). The 95% confidence level will be used in this investigation. SPSS version 22 was used to analyse the data. To put it another way, the assumption was tested at a 0.05% significance level. The sample size could not be increased because the information was true to the nature of the organisation. Table 1 below shows the thirteen companies of the response rate.

### Table 1. Response rates

<table>
<thead>
<tr>
<th>Oil firms</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 Italian Agip oil firm</td>
<td>8</td>
</tr>
<tr>
<td>6.00 American Star Deep Water</td>
<td>8</td>
</tr>
<tr>
<td>2.00 Netherlands’ Royal Dutch Shell</td>
<td>8</td>
</tr>
<tr>
<td>5.00 American Chevron</td>
<td>7</td>
</tr>
<tr>
<td>3.00 French Total oil firm</td>
<td>8</td>
</tr>
<tr>
<td>11.00 British Hardy oil firm</td>
<td>8</td>
</tr>
<tr>
<td>7.00 American ExxonMobil</td>
<td>8</td>
</tr>
<tr>
<td>8.00 American Syntrouleum</td>
<td>7</td>
</tr>
<tr>
<td>13.00 Brazilian Petróleo Brasileiro (Petrobras)</td>
<td>8</td>
</tr>
<tr>
<td>12.00 Canadian Nexen oil company</td>
<td>8</td>
</tr>
<tr>
<td>10.00 Chinese Addax/Sinopec oil firm</td>
<td>8</td>
</tr>
<tr>
<td>4.00 Norwegian Statoil multinationals</td>
<td>8</td>
</tr>
<tr>
<td>9.00 American ConocoPhillips</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: SPSS output.

### Table 2. Styles of handling conflict in Niger Delta by foreign oil multinationals

<table>
<thead>
<tr>
<th>S/N</th>
<th>Statements</th>
<th>Mean (X)</th>
<th>Std. Dev. (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>These organisations often try to find a middle course to resolve an impasse with the host communities</td>
<td>3.9412</td>
<td>1.01539</td>
</tr>
<tr>
<td>2</td>
<td>This organisation usually proposes a middle ground for breaking deadlocks with host communities</td>
<td>3.8137</td>
<td>1.00228</td>
</tr>
<tr>
<td>3</td>
<td>This organisation often negotiates with host communities to reach a compromise.</td>
<td>3.8922</td>
<td>0.91095</td>
</tr>
<tr>
<td>4</td>
<td>This organisation often uses a &quot;give and take&quot; strategy so that a compromise can be reached with the host communities</td>
<td>3.7255</td>
<td>0.70580</td>
</tr>
</tbody>
</table>

Source: Researchers’ fieldwork.

Conflict management with oil-producing communities had a mean of 3.84 and an SD of 0.917605 when utilising a compromise method. As a result of this calculation, it appears that multinational oil companies often resort to compromise with oil-producing communities in the Niger Delta to avoid violence.

### Table 3. Comparing the styles of handling conflict in Niger Delta by foreign oil multinationals

<table>
<thead>
<tr>
<th>Styles of conflict management</th>
<th>Mean difference</th>
<th>Std. Dev. (SD)</th>
<th>Std. Error mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compromising style</td>
<td>3.84314</td>
<td>0.57798</td>
<td>0.05723</td>
</tr>
</tbody>
</table>

Source: Researchers’ fieldwork.

In dealing with communities in the Niger Delta, it appears that multinational oil companies mostly use obliging and avoiding techniques of conflict management.

The mean and standard deviation of each statement was computed by assigning 5, 4, 3, 2, and 1 to “strongly agree”, “agree”, “neutral”, “disagree”, and “strongly disagree”, respectively, and then divided by the total number of responses. If the mean is less than 3.00, the majority of respondents “disagree” that foreign oil companies have a cordial/quality relationship with oil-producing communities in the Niger Delta. Half of the respondents “agree” that foreign oil corporations have a cordial/quality relationship with people in the Niger Delta when the calculated mean hits 3.00. The findings are summarised in Table 4.

### Table 4. Quality of relationship foreign oil firms have with host communities

<table>
<thead>
<tr>
<th>S/N</th>
<th>Statements</th>
<th>Mean (X)</th>
<th>Std. Dev. (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Most communities in the Niger Delta where this organisation has operations/facilities have proven to be trustworthy and are often willing to let the organisation engage in activities that others find too threatening</td>
<td>2.2059</td>
<td>1.51780</td>
</tr>
<tr>
<td>31</td>
<td>Most communities in the Niger Delta where this organisation has operations willing and ready to offer strength and support to this organisation’s operations.</td>
<td>2.2353</td>
<td>0.81053</td>
</tr>
<tr>
<td>32</td>
<td>This organisation feels comfortable/secure in engaging in operations in most communities in the Niger Delta.</td>
<td>2.4902</td>
<td>1.39124</td>
</tr>
<tr>
<td>33</td>
<td>Most communities in the Niger Delta where this organisation has operations usually show concern about the operations/facility of this organisation</td>
<td>2.4706</td>
<td>1.39096</td>
</tr>
<tr>
<td>34</td>
<td>This organisation is certain that most communities in the Niger Delta will not destroy/vandalise/disrupt its facilities</td>
<td>2.4020</td>
<td>1.51073</td>
</tr>
</tbody>
</table>

Source: Researchers’ fieldwork.
If the estimated t-value (criticism) is less than 2 or the computed p-value (sig.) is more than 0.05 (5%) level of significance, we accept the null hypothesis ($H_0$) established in Section 1. If the t-value is more than the two requirements or the estimated p-value (sig.) in the model is less than the 0.05 (5%) significance threshold, we reject $H_0$.

4. RESULTS

The Durbin-Watson score of 1.881 indicates that there is no first-order serial correlation in the model, implying that there is no multicollinearity. It means that the model may be used without modification in establishing strategies to handle the most recent challenges faced by foreign oil companies operating in the Niger Delta region. The regressing model’s coefficient of determination ($R^2$) value of 0.545 indicates that the independent variables (CPM) jointly explain 54.5% of the variation in the dependent variable (quality of the foreign oil firms’ relationship with the oil-producing communities in the Niger Delta; quality of the relationship the foreign oil firms have with the oil-producing communities in Niger Delta). The error terms accounted for 46.5% of the remaining components or characteristics not included in this regression model. In the regression model, the $R^2$ value after correcting for the degree of freedom was 0.522. After the elements in the model have been adjusted to a degree of freedom, this value confirms that the compromising (CPM) styles of managing conflicts explain approximately 52% of systematic variations in the quality of relationship that foreign oil firms have with the oil-producing communities in Niger Delta. According to the coefficient of determination ($R^2$) leads to a 15.9% and 24.4% increase in the quality relationship multinational oil corporations have with the oil-producing communities in the Niger Delta, respectively. If foreign oil companies have with the oil-producing communities in the Niger Delta region, the research shows that integrating followed by obliging are the most successful techniques for managing conflict with them. The null hypothesis ($H_0$), which states that there is no significant relationship between compromising (CPM) styles of handling conflict at the individual level and the quality relationship oil-producing communities have with the oil-producing communities in the Niger Delta region, is widely rejected at the 5% level of significance, according to the findings of the regression model.

The regression coefficients also show the degree or quantity of effect that various dispute resolution strategies have on the cordial/quality relationship that foreign oil companies have with the oil-producing communities in the Niger Delta. According to the coefficients of 0.244 compromising (CPM), a 1% increase in the use of compromising (CPM) leads to a 15.9% and 24.4% increase in the quality relationship multinational oil corporations have with the oil-producing communities in the Niger Delta, respectively. If foreign oil corporations want to build a cordial/amicable relationship with the oil-producing communities in the Niger Delta region, the research shows that integrating followed by obliging are the most successful techniques for managing conflict with them. The null hypothesis ($H_0$), which states that there is no significant relationship between compromising (CPM) styles of handling conflict at the individual level and the quality relationship oil-producing communities have with the oil-producing communities in the Niger Delta region, is widely rejected at the 5% level of significance, according to the findings of the regression model.

Table 5. Durbin-Watson test of the hypothesis

<table>
<thead>
<tr>
<th>D.W.</th>
<th>$R^2$</th>
<th>Adj. $R^2$</th>
<th>Overall Std. Error</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.881</td>
<td>0.545</td>
<td>0.522</td>
<td>0.44519</td>
<td>23.024</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: SPSS output.

Furthermore, the regression results show a substantial relationship between individual independent variables (CPM) and the quality of engagement international oil companies have with oil-producing communities in the Niger Delta. The regression results revealed conflict resolution methods: compromise, CPM, ($t = -3.163$; $p = 0.002$) passed the significance test at the 5% level. It implies that there is a significant correlation between the relationships that international oil companies have/develop with the oil-producing communities in the Niger Delta region and compromised techniques for resolving problems with them. The model coefficients demonstrated that the usage of integrating, obliging, and avoiding methods in managing conflict with oil-producing communities in the Niger Delta region is positively connected to the quality of connection international oil businesses have with the oil-producing communities. However, using dominating and compromising tactics to resolve disagreements with oil-producing communities in the Niger Delta region harms their relationship with those communities. It demonstrates that foreign oil companies have a low-quality relationship with the oil-producing communities in the Niger Delta region because of compromise, which is common when dealing with difficulties with the oil communities. The study shows that the compromise method, while used less frequently in resolving problems with oil communities, promotes the formation of high-quality relationships between multinational oil companies and oil-producing communities in the Niger Delta region.

Table 6. Post-hoc test for compromising the style of conflict handling using Scheffe

<table>
<thead>
<tr>
<th>Oil firms</th>
<th>N</th>
<th>Subset for alpha = 0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>8</td>
<td>2.8571</td>
</tr>
<tr>
<td>8.00</td>
<td>8</td>
<td>3.3878</td>
</tr>
<tr>
<td>1.00</td>
<td>8</td>
<td>3.3972</td>
</tr>
<tr>
<td>13.00</td>
<td>8</td>
<td>3.4821</td>
</tr>
<tr>
<td>12.00</td>
<td>8</td>
<td>3.5536</td>
</tr>
<tr>
<td>10.00</td>
<td>8</td>
<td>3.6250</td>
</tr>
<tr>
<td>4.00</td>
<td>8</td>
<td>3.7679</td>
</tr>
<tr>
<td>9.00</td>
<td>8</td>
<td>3.7679</td>
</tr>
</tbody>
</table>

Source: SPSS output.
5. DISCUSSION OF THE FINDINGS

Cooperation, including satisfying their partner’s relational and situational expectations, is one of the most useful key concepts in reducing conflict and building a strong relationship with other partners in cultures like Nigeria, which are characterised by high power distance and collectivism (Oetzel, 2009). According to Oetzel (2009), the most useful strategies in coping with the conflict-related crisis in a collectivist society are integrating (problem-solving), obliging, and cooperative approaches. The findings of this study also support Friedman, Chi, and Liu (2006), who found that while different conflict styles should be used for different conflict situations, in high power distance cultures, collectivism, cooperating, integrating, and obliging conflict management styles appear to be more effective.

The findings of this study revealed that the use of compromise methods to resolve conflicts with Niger Delta residents does not constitute a statistically significant difference among foreign oil companies operating in the region. It contradicts the findings of the majority of existing research, which found that cultural dimensions of individualism-collectivism and small-power distance cultures have a significant impact on conflict management styles or face work (which is concerned with conflict handling styles of self-face concerns, other-face concerns, and mutual-face concerns) (Kim et al., 2007; Boros et al., 2010). The findings of this study revealed that foreign oil companies operating in the Niger Delta use a compromise strategy in dealing with conflict situations with oil-producing communities. These findings, however, confirm the findings of most earlier empirical investigations.

Our findings support the findings of Ma (2007), who found that during commercial discussions, Chinese individuals employ more or higher levels of integrating styles, whereas executives in the United States, according to Elsayed-Ekjiouly and Buda (1996), use more dominant and compromise styles. This conclusion is consistent with Ma’s (2007) empirical finding that persons from collectivist and high-power cultures, such as China, employ more integrating styles in business negotiations than people from individualistic and low-power cultures, who mostly utilise dominating styles.

6. CONCLUSION

The conclusions of this study are discussed under the research goal.

Our findings further support Ohbuchi and Takahashi’s (2014) conclusion that compromise is the most effective way to resolve conflict, particularly in high power distance and collectivistic societies. It was suggested that the endeavour protect and recognize the interests, goals, and requirements of stakeholders such as host communities, engage with them, and work together with stakeholders to develop trust and relationships between competing parties. Furthermore, this empirical findings of this study revealed that handling conflict has a significant positive relationship with the quality of international oil companies’ relationships with oil-producing communities in the Niger Delta, supporting the findings of Knutson, Hwang, and Deng (2000), Tachia and Ren-huai, (2015), and Min (2020). The most successful technique for dealing with and resolving difficulties is for organisations to change and adapt the approaches strongly linked with host cultures.

Failure to use compromising styles in resolving conflict with oil-producing communities in the Niger Delta will result in repeated vandalism of oil pipelines, destruction of oil company assets, and theft of multinationals’ crude oil, according to the study, creating uncertainty and ambiguity about oil investment returns.

We made the following recommendations based on the findings of our inquiry as shown in policy implications.

Instead, multinational oil companies should adopt compromise ways to resolve problems with Niger Delta oil-producing communities. It might be done by collaborating with oil-producing communities in the Niger Delta to investigate the region’s unique challenges and come up with a long-term solution that is acceptable to both parties. It may also be accomplished by collaborating closely with host oil communities to gain a thorough understanding of the region’s concerns and generate solutions that meet the host community’s expectations. Foreign oil companies should achieve this by communicating accurate information and openly discussing the concerns of the host community.

Foreign oil companies should work together to resolve issues with oil-producing communities in the Niger Delta. It can be accomplished by assisting oil-producing communities with their suggestions or by pursuing, addressing, accommodating, and satisfying the expectations, wishes, and needs of oil-producing communities in the Niger Delta region.

The key limitations of the study include the small sample size and the use of regression as the primary way of data analysis, whereas there are other approaches/methods to verify our data, such as structural equation modelling. Another flaw in the study is that only employees in multinational firms’ public relations departments were sampled, rather than a combination of multinational employees and members of oil host communities in the Niger Delta, which would have provided a more accurate picture of the styles that multinationals employ in resolving conflict in the Niger Delta. This is because the researcher does not have the authority to change the figures provided by the firms, which are direct data; otherwise, the goal of the study would be invalid. The corporations have no plans to increase the size of their management teams.

Future research should look at how host oil communities perceive the conflict management techniques used by foreign oil companies, according to this study. Future research should use qualitative or interview methods to evaluate the degree to which host oil communities are content with the techniques international businesses employ in handling the region’s oil crisis, according to the study.


