

# Royal dutch shell

Politics



Royal Dutch Shell is a global company. It has about 93, 000 employees and is located in more than 90 countries. It is an energy and petrochemicals business. In the US it was founded in 1912 by the American Gasoline Company to sell gasoline along the Pacific Coast, and Roxanna Petroleum to buy oil product properties in Oklahoma (according to Shell. US website). However, it was founded in 1907 in Europe when Royal Dutch Petroleum Company and the Shell Transport and Trading Company Ltd merged.

This was done to help the company compete globally. It has done several mergers and buyouts in its hundred plus years of business. Throughout the years Shell has made changes in their business to better compete in the market from becoming a global business to investing in research and development in the newest and latest energy technologies. Today it is in the top six of oil and gas companies. It produces around 3. 1 million barrels of oil equivalent per day. The Problem The Guardian News has run an article reporting on the inconsistencies of what the Royal Dutch Shell has committed to and the reality of the situation.

Two hospitals that we built in the Ogoni region of Nigeria are diametrically opposite of each other in health standards and overall aesthetics. The company has reported that it is committed to the social well-being of the area, but the reality is completely different. The Situation The situation is that we have as part of the 1996 “ Ogoni Reconciliation” plan committed to the social and economic well-being of the local communities. There has been millions of dollars sent to the country allocated to the areas of hospitals and medical care as well as to other needs.

Though resources have been sent to build hospitals for the region, the reality is that any of the improvements that was said to be done are seriously subpar to any health standard of any country. Improvements have been done with little regard to the needs of the people and were primarily done so that it can be said that the company was committed to the local region. Though millions has been sent to the country, much of this has been siphoned off to other areas of government and possible to fill the pockets of people that are in the place of authority. Also, some decisions have been made without direct input from the region itself.

What to build? Where to build? How to allocate resources? These are all questions that need a comprehensive answer that involves each of the concerned parties. It is concerning that these issues have been allowed to happen. A company of their size and magnitude should not have allowed these community projects be the mockery of the press. Royal Dutch Shell is a company that has many well rounded and sound business plans. The execution and maintenance of these business plans is one of Shell's main issues. They have the ability to create great business plans but lack the commitment to maintain them and sometime execute them in all areas.

Marketing Issues The company has had a lot of negative publicity due to the companies operation in the Ogani region of Nigeria. The company is seen to be working hand-in-hand with Nigerian security personnel with little regard to the local minority people of that region. This is causing violence and unrest of the region as well sabotage of the oil pipelines causing oil spills and environmental damage. Actions For the short term, we need to consider the following objectives:

- One of the first steps is to make sure the hospital consistently has the electricity and the fuel to run a backup generator.
- Provide backup generators with the fuel to run them when necessary. If a lavish hospital can be kept up for the employees of our company we can keep up adequate levels of care of Gokana. This will serve as big public relations improvement.
- The company should use its knowledge to help out the struggling hospital and install wind and solar power technology so they can lower the cost of electricity and help improve a bad situation.
- The company should consider helping and sharing their equipment, employees, ambulances, etc. with the hospital in Ogoniland.
- This will show the community that Shell is “being a good neighbor”, which in turn would boost the communities morale.
- Making improvements on the hospital will directly affect the people of the region.
- Setup a working committee with MOSOP (Movement for the Survival of the Ogoni People) and Nigerian national representatives, as well as an independent group to oversee any agreements.
- Work with the region to start making the improvements that will directly affect the people of the region.
- Take responsibility of the oil spills due to company failure and get these cleaned up. Take responsibility for all of the pollution
- Use the people of the company to reach out into the community and start community clean up days so the people can help clean up their community and also have a little ownership into the improvements.

- Review the companies committees and oversight boards and make sure that the people in place are committed to working with the region.
- Reach out to the community with surveys to the people to get their feelings about Shell and what they would like to see improve.
- Once improvements are made hold a press conference to help with the PR of the company.

It is obvious that the public relations area has suffered. Make it a point to show what is being done to help the area. The long termgoalswould be to:

- Work with the MOSOP to get a comprehensive plan in place that will work to end the protests and sabotage of company pipelines.
- Put a sustainable corporate plan in place with independent review that all policies are being adhered to by all officers pertinent to this region.
- By getting these agreements, and with the investments in the local infrastructure will cause less problems that will needmoneyallocated to them. Work to develop better company practices to promote a higher sense of ethics and their climates in the work place

Change their business approach from an egoistic approach to a principal-based approach (integrity approach based on laws) Conclusion Caution will be needed due to the politicalenvironmentand instability of Nigeria. The company will always need to be aware of what is going on politically on both the national and local levels. The corporate actions taken by Royal Dutch Shell has affected and destroyed a community.

The company has tried to recover and fixed what they have done but they have not succeeded in doing so. Royal Dutch Shell has to build a relationship

of trust with the Nigerian community. They have to let the community be heard when they are reaching out to let the company know what they need and allow them to be part of thereconstructionand rebuilding of their community. Shell is a very lucrative company that makes millions of dollars a day; they would be very hurt to lose this business operation base in Nigeria. Shell went from an egoistic operation in Nigeria to a principle based operation.

If Shell even took on a larger sense of social responsibility, they would have gained a larger competitive advantage over the competition. Though the company was acquitted of several charges in January of 2013 by the Dutch courts and made responsible for the oil spills on the last count, there will be unrest in the local region as they want to make the company responsible for all of the problems. Careful steps will need to be taken to address the concerns in such a way to help the region and to lessen the criticism of the people and media.