

Leadership, crisis management and business sustainability: A case study

Evangelia Fragouli
Clariss Ankunda

University of Dundee, Business School, United Kingdom

Keywords

Leadership, oil & gas, crisis, regulations, business sustainability

Abstract

Leadership is an important aspect towards business sustainability in the oil and gas management process as it may contribute to effective crisis mitigation. The study analyzes the role of leadership in crisis management on business sustainability in the oil and gas industry in Uganda. Oil industry crisis in Uganda remains in high chances since much of the oil is located in the Albertine Graben region that is seismically prone. Hence need to create effective efforts to avert any crisis situations for business sustainability. This however requires effective leadership capacity that is not yet strengthened to handle any crisis that may occur amidst the oil production process. The study adopts a case study research method through an in-depth analysis of literature specifically using content analysis of data from secondary sources. The study shows that political leadership needs to enact regulations and policies that can address any impending crisis prior to full operationalisation of any industry. The leadership structures in the oil and gas industry should be well streamlined from the ministry level to the individual company in the production process.

1. Introduction and Background

Leadership is an important factor towards business sustainability and adoption of business sustainability practices therefore the nature of leadership determines much towards business sustainability (USEPA, (2001), Higgins, (1995), Marrewijk, (2004). Brundtland Commission's 1987 report explains sustainability as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'¹. Leadership is a process whereby an individual or group of individuals influence others to achieve a common goal within an organization which is looked at as 'the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives (Peter Northouse (2010). To effectively achieve business sustainability there must be effective leadership especially in the oil industry which attracts a significant number of stakeholders with various needs that must be fulfilled. The challenge though remains that in an infant oil industry like the one in Uganda, leadership in the oil industry is not effectively streamlined to ensure business sustainability among all the stakeholders in the industry². The leadership process is largely hampered by corruption, lack of trained personnel, poor management structures and political influence that may affect decision making to ensure effective business sustainability.

In the oil and gas industry, business sustainability considers environmental, social and economic dimensions that may refer to a long-term perspective based on meeting the needs of the present with ultimate responsibility and without compromising the ability of future generations to meet their needs. Therefore businesses ensure sustainability by delivering

¹ Brundtland, G.H. (1987), "Report of the world commission on environment and development: our common future", United Nations.

² Kasozi, A.B.K., 2010: Uganda Oil: A Legacy of Searches and No Conflict So Far, <http://allafrica.com/stories/201002040182.html>.

economic, social and environmental benefits simultaneously as well as long-term financial success (Dyllick & Hockerts, 2002; Elkington, 1998). Effective fulfilment of such in an oil and gas industry in a developing economy like Uganda may be hard to realize or achieve given the various challenges like corruption and favouritism faced in the leadership process. Business sustainability is effectively achieved when top management and second line management levels engage in sustainability and fully integrate it in employees' concerns and organizational values (Bansal (2003), Raynard & Forstater, 2002). Therefore a business leader is important in ensuring not only financial performance or decreased costs for the business, but also the sustainable development of the business itself and the surrounding context. The business leadership play a significant role in integrating sustainability into their business practices though most business tend to keep the question of sustainability separate from considerations of business strategy (Jones, (2003), Clarkson, 1995).

Leadership and business sustainability are a significant aspect in the current business era since organizations are more concerned about society's expectations into their business strategies, not only to respond to rising pressure from consumers, employees and other stakeholders but also to explore opportunities for creating competitive advantage therefore, leadership and business sustainability becomes important antecedents in the young oil industry in Uganda if any crisis situations are to effectively be managed and ensure effective benefits of oil industry to all stakeholders.(Bielak, Bonini, & Oppenheim, (2007); Bonini, Mendonça, & Oppenheim, 2006)

The oil industry in Uganda being in its infant stages, requires leadership where, top management has more commitment towards business sustainability. Top-level commitment remains a promoter of the sustainability vision in the industry³. Leadership is reinforced by formalisation of the sustainability within the organizational structure at all levels in the industry. Therefore the commitment of senior executives remains paramount in ensuring business sustainability. Such a commitment is largely based on the belief that business growth requires a context that offers quality of life to employees and citizens at large and preserves the environment and natural resources. The oil industry would therefore, play a fundamental role in reconciling financial performance with social and environmental responsibility. (Stone, 2006)

The oil and gas industry crises are a common aspect globally. Crisis impact on business operations and the leaders' ability to manage crises remains paramount towards business sustainability (Friedman, 2008). In whatever form, crises leave adverse effects to all stakeholders in the industry. Therefore, presence of mitigation measures remains a key facet towards business sustainability (Somers & Svara, 2009). The persistent occurrence of crises has proved to the world of business that a crisis can happen to any organization with little or no warning, anywhere and at anytime and at any stage of business development leaving adverse effects (Taleb, 2007).

The oil and gas industry face different crises ranging from fires and explosions, mass oil spills, accidents and injuries on and offshore that needed effective management. Crisis is assessed in four distinct phases; pre-crisis stage, acute crisis, chronic crisis and crisis resolution stages (Fink, 1986). The crisis management strategies used in these stages remain paramount on the magnitude of effect likely to be caused after the crisis. Therefore, the leadership decision making traits exhibited in a crisis situation is an important aspect that defines quality of leadership in the industry. This remains paramount towards business sustainability in the oil and gas industry. Many leaders have difficulties creating plans to manage the unexpected in the

³ Tregidga, H., & Milne, M. (2006). From sustainable management to sustainable development: a longitudinal analysis of a leading New Zealand environmental reporter. *Business Strategy and the Environment*, 15(4), 219-241

business environment. In decision making therefore, it is important for leaders to understand the risks from crisis and plan for them. This saves leaders from surviving rather than succumbing to crisis. Such traits, knowledge may not be not be prevalent in economies like Uganda, rendering such research vital in the oil gas development process. (Burnett, 2002)

In most developing economies, the oil and gas industry lacks appropriate and proper leadership and planning where leaders articulately prioritise decisions. This is worsened by lack of proper information on the crisis and its management. As a result, management is often paralysed in such crisis situations, leading to panicky and irrational decisions that may affect business sustainability (Garcia, 2006). Crisis situations require appropriate approaches that may include; forecasting, identifying, studying, acting upon crisis issues, and establishing procedures that would enable an organization to prevent or cope with crises (Taleb, 2007). Effective communication in the organization between leaders and employees across the organization remains paramount therefore crisis management must exhibit systems-based combination of measures to manage situation. This requires a continuous process where leaders have a set of crisis strategies that enables achievement of best outcome in relation to prevention, preparation and containment (Goleman, 2002).

In the oil and gas industry, to ensure business sustainability, crisis leadership requires appropriate competencies to lead an organization through crisis phases to successful recovery and this strengthens their resilience during and after crisis situation (Burnett, 2002). Therefore crisis leadership requires use of skills, abilities, and traits that allow leaders plan and respond to crisis events which many leaders may not have in most situations that may be learned through research and other information seeking efforts (Brockner & James, 2008; Wooten & James, 2004),

When confronted with crisis, leaders are obliged to provide strategies to resolve the crisis and get back to business as usual in a modest and swift way. As Garcia (2006) asserts, leaders must define patterns of decisions, objectives and plans for allocating and aligning resources in order to meet the needs of customers, shareholders, and employees for business sustainability. Managing a crisis is a difficult task, and therefore leaders must be keen towards potential crises. The nature of decisions in crisis situations defines leaders' skills characteristics, including integrity, strategic thinking, persuasion, decisiveness and communication. This allows individual leaders to make decisions more precisely than consciously to ensure business sustainability given the huge investment that may be made in the oil and gas industry (Yu, 2003), Mitroff and Alpasian, (2003), Darling, et al., (2002), (Wilkinson, 2003).

Leaders must understand the cause, consequences and cautionary measures for crisis prevention as well as coping mechanisms for responding to any form of crisis in the organization. It should however be noted that leadership is a collective phenomenon where different individuals with different skills and knowledge in crisis management process contributes to business sustainability Therefore leadership is a dynamic process where roles take time to evolve and can extend beyond the focal organization's boundaries (Denis, Lamothe, & Langley, (2001) ,Spreitzer & Quinn, (2001) ,Seeger, Sellnow, & Ulmer, (2003).

Effective management of an organizational crisis is dependent on leadership behaviour that encourages members to actively engage in knowledge acquisition and the formulation of strategies to resolve the crisis (Dutton & Jackson, 1987; Wooten & James, 2004). As business environments change and grow increasingly complex, it is particularly important that leaders develop a set of skills that helps them to prevent and effectively respond to crisis and other strategic issues in the organization (Garcia, 2006; Mitroff, 2005).

⁴ Karl, Terry Lynn (1977). *The Paradox of Plenty: Oil Booms and Petro States*. Berkeley: University of California Press.

In Uganda, the leadership and management of the oil and gas industry is still hazy since all leadership structures are not yet fully functional in the leadership process of the oil and gas industry (Global Witness, 2010). However much, the Ugandan oil and gas industry has not faced any crisis that requires management crisis management, effective contingency crisis management measures are remain paramount for business sustainability (Shepherd, 2013). The production will be done in the nine prospecting blocks in the Albertine Graben, among the five licensed oil companies for exploration purposes (UNCTAD, 2013).

A number of challenges are in waiting as production starts with key areas which are potential sources of incidents that may be sources of crisis. The Ugandan oil requires more effort since it is not easy to recover, refine, and transport since it's very greasy in nature with in low-pressure reservoirs and in the Albertine region that is prone to earthquakes. A ware of this situation requires a more rigorous leadership structure to mitigate any crisis that may arise (Steven's, (2013),World Bank, (2010).

Uganda as a country in preparation for any crisis incident in the oil and gas production process has put in place different measures to counter any crisis that may occur in the industry. This has been done from the ministry of energy and mineral development to the companies contracted to undertake oil management activities. These are in form of regulations and policies such as the Uganda's National Policy for Disaster Preparedness and Management (NPDPM) and the Petroleum Act 2013⁵. These supplement the existing disaster and oil frameworks in ensuring effectiveness in the prospected oil sector. The key mandate of NPDPM is to regulate disaster management in Uganda through prevention, preparedness, response and recovery in all sectors. However, aspects of prevention, preparedness, response and recovery have not been effectively addressed. This leaves a lot of loopholes that may be addressed through research and other information seeking channels in order to ensure informed decisions in the oil industry so as to ensure business sustainability⁶.

There is need for research to provide information on different aspects of the oil and gas industry especially in Uganda where the industry is still young and there is significant information and knowledge gap especially in identifying the prone areas that would be a source of crisis. The NPDPM (2008), stresses that the oil rich Albertine Graben is mapped as a seismically prone area of Uganda as the result of active earthquake epicentres in Lake Albert forming the Great East African Rift valley⁷. From 1966 to 1994 the region has experienced earthquakes with magnitude of 6.8 and 6.2 on Richter scale and this raises a risk for crisis in the Albertine Graben area. This pauses potential risk for crisis that requires most stakeholders in the industry to have knowledge about the nature of crisis that may occur and the importance of leadership in mitigating such crisis which information hence need for such research. The study analyses the role of leadership in crisis management towards business sustainability in the oil and gas industry in Uganda and will be guided by the following questions in the literature findings, discussion, conclusions and recommendations all presented in the next subsections.

Research questions

This study will answer the following research questions:

1. What are the forms of crisis in the oil and gas industry that may affect business sustainability in Uganda?

⁵ Uganda Government. The Petroleum (Exploration, Development and Production) ACT 2013, UPPC 2013.

⁶ Peter Matthews and Matthew Lynch (2011) Local content strategy: A guidance document for the oil and gas industry. IPIECA. London

⁷ Uganda, National Policy for Disaster Preparedness and Management. 2010: Kampala, Uganda

2. What are leadership crisis management approaches used to ensure business sustainability in the gas and oil industry?
3. To what extent does leadership crisis management affect business sustainability in the oil and gas industry in Uganda?

The literature review is largely guided by the topic under study and it is specifically guided by the stated research questions to the reflection of Ugandan oil industry situation in the following subsections.

2. **Forms of crisis the oil and gas industry face that affect business sustainability**

Oil industry crises manifest themselves in various forms and magnitudes across the globe and these include oil spillage, fires among others. Across the globe, oil spillage is the most common and controversial of all with many environmental impacts. Constitutional Rights Project⁸ explains oil spills as poorly managed releases of oil products in the oil production process including crude oil, chemicals, and waste in the wake of equipment failure, operational mishaps or even intentional damage to oil production facilities. Oil spillages that may result into a crisis largely occur during the drilling of oil wells as the result of oil pipelines leakages (Adewuyi, 2001). It should be noted that in the oil and gas industry oil spills are potentially the most devastating incidents to environmental resources. This becomes worse when such spillages are not effectively or are poorly managed to cause more effect in the community and affect business sustainability. This may be a common occurrence in infant oil industries like one in Uganda, where they may lack technical capacity, infrastructure and technology to manage such crisis for effective business sustainability.

As UNDP (2006) explains much of the environmental pollution in the oil-bearing areas occur as the result of oil spillage that come as the result of accidents based on human error and equipment failure in the drilling process. When fatal they require appropriate management to ensure business sustainability across all stakeholders in the industry. The oil spillage in key leading African oil producer have been experienced in great volumes, a total of 6,817 oil spills occurred between 1976 and 2001 recording a loss of approximately three million barrels of oil⁹. Such spills come with massive effects, for example in Niger Delta, Orubu et al., (2004) assert that when massive oil spills occurred in the Riverine areas they caused untold damage to the aquatic ecosystem, particularly in the mangrove swamp forest zone though less publicity never brought such an incident to the lime light. This may be a common occurrence in most countries that lack the leadership with skills and knowledge to manage such crisis. In a situation where the country has effective and strategic measures in place with good leadership then such crisis are more likely to be effectively managed and the effects easily mitigated and more difficult where leadership is not effective to deal such crisis effectively to affect business sustainability among the many stakeholders in the industry.

Pipeline fires are regular features in oil states in Africa that have sometimes caused loss of lives, injuries and destruction of the environment. When oil spillages are not properly managed in most cases, the remaining crude oil is set on fire and nearby forests and rivers are set ablaze causing massive crisis damages that are most of times never noticed to attract action from various stakeholders (Ajayi & Ikporukpo, 2005). Fires can also come from oil spillages that catches fire accidentally resulting into massive destruction especially on the environment both flora and fauna. Also, it should be noted that oil spillage has exposed local people to severe hardship, destroyed the natural environmental set up and polluted water bodies as spills

⁸ Constitutional Rights Project (CRP) (1999). Land, Oil and Human Rights in Nigeria's Delta Lagos: CRP.

⁹ Akanji, O. O. (2011). Oil and gas management in Nigeria. Compendium of Academic Essays. Volume I (pp. 52 – 64) Accra: ICEG Publication.

spreads rapidly damaging consumption water and killing aquatic life. Therefore spills pollute natural groundwater sources which the local community members utilize for their daily lives and destroy agricultural lands for community members and fishing ground posing a threat to human life (HRW, 1999). The management of oil spills crisis, requires more skilled leadership with ability to prevent, control or manage such crisis not to cause adverse effects so as to ensure the greater business sustainability among all the stakeholders in the industry and ensure all stakeholders benefit more equally from the industry at both micro and macro levels.

Uncontrolled gas flaring activities have been seen to result into crisis incidents in the oil and gas industries. Extreme incidents in gas flaring activities have caused environment problems in the oil-bearing areas and have generated air pollution and heat disastrous to the life of people (Isiche & Sanford, 1976). It be noted that gas flaring is the deliberate burning of natural gas in an oil management process. The gas flaring process creates a ceaseless, high intensity flame that when not managed may cause a crisis situation with disastrous effects. The World Bank (1995) asserts that gas flaring has been the highest contributor to global warming and other climatic change incidents. It has negative effects on environment since it adversely affects the flora and fauna which is very important for human life (Ajayi and Ikporukpo, 2005). In gas flaring, crisis situation is eminent when the management and leadership of the process are not well skilled with less experience to manage the situation. This may cause more effects to the industry affecting business reputation to the industry at large and this largely affect business sustainability in the long run.

3. Crisis Leadership approaches in business sustainability

Leadership in management of crisis remains a significant aspect that influences business sustainability in different situations. However for effective management of crisis to take place leaders must have effective approaches in dealing with the crisis situations in order to ensure business sustainability¹⁰. Coombs (2007) looks at three stages of the crisis management as a pre-crisis period, operational crisis and post-crisis stage approaches. According to Richardson (1994), pre-crisis phase emphasises prevention by looking at the causes of a crisis and operational stages addresses the occurrence of the actual crisis and recovery stage involves restoring stakeholder confidence in the industry through various approaches. All these stages require knowledge and skills of a leader in order to be effectively handled for effective business sustainability. However, Jaques (2007) proposed a four-stage in crisis management as crisis preparedness, preventing the crisis, incident management as well as post-crisis management. All stages and approaches that may be used in crisis management process requires skill, effort and resilience from the leadership of the industry and other stakeholders to ensure that the effects are effectively mitigated if business sustainability is to be achieved.

However in the oil and gas crisis management the three-phased approach is the highly adopted approach in crisis management process. Coombs (2007) proposes a three stage crisis management approach in regard to a pre-crisis period, operational crisis and post-crisis. This model remains the widely recommended and used approach in management of oil and gas crisis. However the three steps should be adopted holistically and considered in aggregate rather than as separate sets of activities for effective results to ensure business sustainability in the long run (Penrose, 2000). This allows handling the effects at each stage simultaneously to ensure reduced effect in the process. The leadership and management of these stages remain paramount to ensure business sustainability.

¹⁰ Avolio, B. (1999), *Full Leadership Development*, Sage, Thousand Oaks, CA.

In first stage of crisis management in this approach, prevention involves seeking to reduce known risks that could lead to a crisis, such as implementing risk audits, safety measures and standards, a control system, scoreboards in the industry (Coombs, 2007). In this approach, preparation involves creating a crisis management plan with good objectives, selection and training of the crisis management team with appropriate skill and knowledge and testing the available crisis management plan. This is done with the entire crisis management team and it should be noted that public relations play a critical role at this stage in building confidence among different stakeholders in the industry to ensure business sustainability. Hale et al. (2005) explain this works on the image and legitimacy as well as trustworthiness of the industry because it translates into the next stage of organizational crisis response phase. Heath (1997) explains that this phase also involves implementation of standards of corporate responsibility to meet key publics' expectations and Klein and Dawar (2004) argues that CSR act as a company insurance policy in a crisis at this stage. The advantage at this stage of crisis management is that if prevention has good leadership structure from different stakeholders in the business process then, the levels of crisis occurrence are more likely to be minimised to allow business sustainability in the long run. However according to Coombs (2007) this plays well with the history crisis within the organization. If the organization is known for crisis and effective management of such crisis, its more to be considered in the public domain as 'business as usual' and this has both a direct and indirect effect on the industries reputation posed and this may affect business sustainability. Therefore, the industries' crisis history and prior relationship reputation allow managers to anticipate how stakeholders will perceive and react to the organization in crisis.

The response phase involves management attempts to respond to a crisis and to ensure that damage is controlled effectively. This phase requires effective leadership as Hale et al., (2005) consider this stage as the most critical in crisis management process. Proper leadership in mitigating the crisis offers support to those affected and this builds confidence in different stakeholders to ensure business sustainability (Richardson, 1994). It should be noted that leaders' actions significantly influence public opinion about the crisis and the organization as a whole to affect its reputation (Hale et al., 2005). As Coombs (2007) states the first priority in a crisis aims at protecting stakeholders from any business harm. Therefore, companies should be more open and give sincere information to their stakeholders in order to help them cope with the psychological uncertainty from the crisis. As Coombs (2007) states public relations play a significant role in crisis response by helping to develop appropriate messages to be consumed by different publics. The response stage is critical to business sustainability since it determines how much of damage control is to be made and how much reputational repair is needed for the industry to remain relevant or otherwise. Therefore the leadership in crisis management must employ effective strategies at this stage to ensure business sustainability and to ensure that all stakeholders are protected from the effects of the crisis.

The post-crisis phase according to Coombs (2007) begins with the organization returning to business as usual with lessons learnt including follow-up information. This involves intensive reputation repair to ensure business resurrects and goes back to normal. Hale et al. (2005) explains that recovery involves attempts to learn from the event internally and handle the event externally. This stage is also important since the damage is already caused and the business is regained or lost hence the leadership in this phase must exhibit skill in making operational and strategic decisions to ensure that there is business sustainability for the industry.

In general therefore, skilful leaders of business organizations must use crisis state to further organization crisis management planning by analysing what went wrong for a crisis to

occur and taking appropriate actions and closing such gaps that led to the crisis¹¹. Successful organization crisis management is typically a team effort within an organization, and recognition should be appropriately given to the parties that played a big role in ensuring effective mitigation of the crisis (Darling, et al., 2002). For example in the oil and gas industry what went wrong at BP was not a problem of process involving employees and middle management. This rather was more of a problem of senior management failing to recognize the issues and to respond in a timely and effective way. Therefore skillful application of skills by the leaders determine a lot towards the likely effects to be faced after the crisis and hence business sustainability in the industry.

Crisis communication remain a significant aspect in crisis management process (Gray, 2003), crisis communication involves managing the outcome, impact, and public perception of a crisis and ensuring business continues even after the crisis¹². Hale et al. (2005) consider crisis communication as a process of information collection, information processing, decision making, and information distribution of data necessary to address a crisis situation to internal and external stakeholders. Communication is a critical element of, the overall crisis management process¹³. This implies that effective communication structures must be put in place to ensure that at all stages, the crisis is effectively communicated to all stakeholders in the industry.

3.1. Effects of leadership in crisis management on business sustainability in the oil and gas industry.

The role of leadership in crisis management process significantly influences business sustainability since the magnitude of effect largely depends on the leadership capacity to handle the consequences (Breisinger et al, 2009). The sustainability of business in the oil and gas industry may be fueled by the resource curse which is associated with different problems in leadership and management of different situations in the oil and gas industry where largely crisis may be born¹⁴. This covers the entire process from exploration to exportation (Kiiza, 2006). The resource curse has been a common phenomenon among many oil producing countries. The nature of leadership in the oil production process right from exploration to selling of the fine oil product largely determine the resource usage by which stakeholders, how and when, therefore this determines how much the natural resource owners are likely to benefit from the industry to avoid the resource curse.

Leadership is associated with accountability to all stakeholders in the industry. Leaders majorly portray this by how much in regard to despite the challenges exhibited by crisis and much success they have been able to fetch and how much failure has been encountered in the industry leaders succeed in managing such crisis significantly determines level of business sustainability. Leadership in the crisis management process in the gas and oil industry may revolves around the rentier state theory of governance and the associated level of accountability of the rulers to the citizenry (Karl, 1997). This resurrects the resource curse aspect and the view that abundance of natural resources causes poor growth and raises the incidence, intensity and duration of crisis (Di John, 2007).

¹¹ Farazmand, A. (2007). Learning from the Katrina crisis: A global and international perspective with implications for future crisis management. *Public Administration Review*, 67, (Special Issue on Administrative Failure in the Wake of Hurricane Katrina), pp. 149-159.

¹² Fishman DA (1999) Valujet flight 592: Crisis communication theory blended and extended. *Communication Quarterly*, 47:345-375.

¹³ Ulmer RR, Sellnow TL, Seeger .M. W (2007) *Effective crisis communication*. Thousand Oakes: Sage Publications.

¹⁴ Juuko, Sylvia and James Odomel, 2008: Uganda: Country will not export crude oil, *New Vision*,\ 16 June.

In Uganda effective management of oil and natural gas resources results into a number of outcomes which are vertical or horizontal. However, these are realized when there is effective leadership and management in the oil and gas production process. It should be noted that horizontal linkages happen between foreign investors and other extractive companies in the same industry. However, Vertical linkages happen between extractive companies and those outside the oil extraction process (Kasozi, 2010). Backward linkages are collaborations with other business linkages like the suppliers of equipment, raw materials or semi manufactured components and Forward linkages that happen with the processing firms, exporters, handlers and distributors that sustainably keep the business cycle in shape and real. Such linkages are very significant in ensuring the sustainability of business in the industry when managed well with effective leadership.

Effective leadership of the resources in the industry implies that all stakeholders in the country are more likely to benefit from the oil proceeds. Mehlum et al (2006) assert that the main reason for diverging growth experiences of resource rich countries lies in differences in the quality of the leadership in institutions. Mehlum et al (2006) assert that the quality of institutions explains whether a country is more likely to avoid a resource curse. The overall impact of resource abundance depends on institutions (Robinson et al, 2006). Low quality institutions may lead bad policy choices, since they breed an environment that allows inefficient, politically motivated redistribution policies to take place. However, high quality institutions constrain decision makers and render rent seeking or clientelism policies costly (Robinson et al, 2006). The quality of the leadership in place determine the nature of policies and other governing structures in the oil industry, determine how the processes of the oil resources are managed and which stakeholders to manage the process and the likely crisis to occur in the oil production process. This determines the quality of management to be adopted in the management process hence the nature of sustainability.

4. Methodology

This research report adopted a case study research method with a desk in-depth analysis of literature specifically using content analysis to analyse the role of leadership in crisis management towards business sustainability in the oil and gas industry. In content analysis the research questions of the study were used as guiding subheadings in the study and data was sourced from secondary data sources as textbooks, journals, magazines, reports and the Internet.

4.1 Case studies

At the global level the oil and gas industry has faced various forms of crisis in their production processes from Canada to Norway and to United State exhibited in form of accidental fires, oil spills and accidents in gas flaring and the latest being the BP disaster deep water spill. In USA, offshore oil drilling started in the 1930s off shore coast of Louisiana as earlier efforts were put on pursuing the oil deposits in the Gulf of Mexico in the shallow waters along the coastline. It should be noted that the Gulfs offshore oil drilling was largely restricted to shallow waters to under 656 feet. However, the new and large oil field discoveries were done deeper in more than 3,281 feet below ocean surface. The deep water offshore of oil drilling was always marked with high end technology, high expenses, and high risks. In, 2010 April, the oil and gas industry in USA was supposedly marked by the largest maritime disaster oil spill in its history in form of Deepwater Horizon oil spill. This caused a crisis in form of an accident that was caused by a huge explosion which resulted in the killing of eleven people. The regulations in place required rigs such as BP's Deepwater Horizon to have blowout containment equipment for such a crisis. After five months of the explosion and when it was announced that sealing of

the oil well was done, about 780 million gallons of crude was reported to have leaked into the sea. The crisis is believed to have caused the most considerable damages in the USA from an oil disaster in various significant ways to country and to BP as a company. The crisis caused BP simultaneously two main issues; the biggest oil spillage in it's and US history and a considerable financial and reputation losses to the company as a whole and its stakeholders.

The company BP was well as ware that fines for oil spills levied under the Clean Water Act are calculated on a basis of \$1,000 to \$4,300 per spilled barrel, where higher fines are determined by the degree of negligence in the oil and gas management process. This definitely caused panic in handling the crisis with a lot of decisions made in hurry that largely increased on reputational damage to BP. After various consultations with all stakeholders, the White House put an announcement that BP would establish a \$20 billion liability fund that handle the covering oil spill damages that had occurred.

The above efforts was followed by a crisis management situation where following several failed attempt at stopping the leak, BP instead diverted spilling oil to oil tanker ships above and closed off the well entirely until relief wells were drilled. The crisis took 89 days of free-flowing oil into the Gulf of Mexico, at this time the BP Deepwater Horizon oil well was closed. Reputational damage was however put on a few individuals on behalf of all stakeholders of the company. These individuals represented a string of failed attempts by BP to close the leak coupled with poor public relations and this surfaced even the past BP crises and investigations surfaced causing further damage to the image of the company. In terms of leadership the criticism and scope of the crisis were overwhelming for BP's management as this led to stepping down of CEO.

In Africa, the oil and gas industry has not had a crisis situation to receive amount of publicity like the situation was with BP case. The oil and gas crises have been reported in Nigeria oil rich fields in the Niger delta region and Sudan. Oil spillage is a major problem in this region though most of these spillages never receive extensive publicity. The people living in this area and their environment suffer from oil spillage but greatly lack coordinated efforts from oil companies and government to provide crisis management measures in order to avert the effects of the crisis in terms of cleaning up soon as oil spillage takes place. Etim (2003) asserts that there was spillages from a pipeline owned by the Shell Petroleum Development Company in the Karama Community of OkordiaZarama Local Government Area of Bayelsa State in June 2003 caused that caused significant economic and environmental damage to the area. The spillage crisis was not properly handled as there was no better clean up of the oil spillage and community members were never evacuated by the oil company. Bad public relation communication came from community members that with leaders in the community alleging that shell awarded the contract for cleaning the spillage to a company that never did the job effectively that resulted into fires and destruction of the ecosystem of the area.

As the result of such spillages, it is argued that the oil-bearing areas have faced so many environmental problems caused by pollution arising from oil activities that are not well managed from drill cuttings, fluids used in production and to chemicals injected to control corrosion in the process of separating oil from water, and general industrial waste. There are also crises of gas flaring incidents that that blow outs out of proportion causing significant effect to community members (Aworawo, 1999). Whereas oil spills inevitably accompany oil production in the Niger delta their occurrence exhibit themselves with an alarming frequency and magnitude because most of the oil delivery infrastructure is obsolete and inadequate. Also, sabotage of pipelines is a persistent problem, and spills and pipelines leaks are poorly monitored and often not reported and repaired on time.

Community members perception on these incidents remain that government is acting negligently about these incidents, while the valuable ecosystems on which they depend for their livelihood are devastated by oil extraction and production incidents. This has in some situations degenerated into violence and this has drawn reactions from the government, deepening the people's resentment and sense of alienation that has affected the reputation of the oil industry (ANEEJ, 2004).

Considering Uganda as a case study, Uganda is a landlocked East African country that recently intensified exploration of oil in the Albertine region that was discovered during the British colonial government in the 1920s and the deep well was first drilled in 1938. Large volumes and commercial oil deposits in Uganda were first discovered in 2006 in the Albertine region covering 23,000 km² on to the DRC boarder¹⁵. to manage the production process government of Uganda licensed five companies; Heritage Oil and Gas Ltd, Hardman Petroleum Africa, Tullow Oil, Neptune Petroleum and Dominion Oil to do both onshore and offshore exploration and production process of the oil and gas activities in Uganda (Kasimbazi, Kuteesa, 2014).

Ugandan oil industry has not yet faced any major crisis since the production has not yet fully began as Uganda is projected as the next African oil producers (EIA, 2013) requires effective preparation for any crisis that may arise from its activities to mitigate the effects and this requires good measures in effective crisis management with right leadership structures. The oil and gas industry is placed in an advantage position since much research across Africa and other areas has been done across Africa and the world and lessons may be drawn from there to manage the any impending crisis that may occur (Kutesa et al, 2010). In Sub-Saharan African oil states, the oil resource is at the centre stage of crisis and some crisis have and may require effective leadership for proper management.

To prepare for any crisis incidents in the oil production process, the government of Uganda instituted the Uganda's National Policy for Disaster Preparedness and Management (NPDPM) or the Petroleum Act 2013 inter alia existing disaster and oil frameworks in ensuring effectiveness in the prospected oil sector. The National Policy of Disaster Preparedness and Management (NPDPM) were enacted in 2008 and launched in 2010 under the Department of Disaster Preparedness and Management (DDPM) in the Office of the Prime Minister. It should be noted that in Uganda, NPDPM generally regulates disaster management in Uganda through prevention, preparedness, response and recovery. The overall goal is to promote national vulnerability assessment, risk mitigation, disaster prevention, preparedness, effective response and recovery in a manner integrating disaster risk management with development planning and programming (Bategeka et al, 2011). This has been supplemented by national environmental management authority different regulation on environmental protection in the oil and gas production process. These bodies have instituted a leadership structure that will ensure functional governance of the oil and gas industry and its associated crisis incidents.

The Uganda's oil rich Albertine area where oil has been discovered presents According to the NPDPM (2008), western region where the Albertine Graben is located is has been mapped as a seismically prone area of Uganda. This comes as a result of the active earthquake epicenters in Lake Albert forming the Great East African Rift valley. Therefore the Albertine Graben oil rich area being proximate to it, it is thus vulnerable to earthquake and this increases chances of occurring crisis in the oil production process. In July, 2013, some parts of this area experienced

¹⁵ Tumusiime-Mutebile, Emmanuel, 2010: 'Institutional and Political Dimensions of Economic Reform,' in Kuteesa, Florence, Emmanuel Tumusiime-Mutebile, Alan Whitworth and Tim Williamson (eds), *Uganda's Economic Reforms: Insider Accounts*, Oxford University Press, Oxford, pp. 35-51

relatively large tremors for three days measuring between 5.4-5.7 on Richter scale said to have originated from Lake Albert¹⁶. This caused random mixed reactions, many attributing this to the ongoing oil exploration activities in the area. It is important to note that in the oil production process, forces exerted underneath in any fluid extraction result in major and minor earthquakes¹⁷ and this could have been base of these sentiments in this instance. Therefore the oil and gas industry needs and requires crisis management measures and approaches to mitigate the crisis in case of any basing on these signs which are so far evident. This may however be served by different policies and regulations to provide appropriate and rapid preparedness and response measures. The Petroleum 2013 Act spells out clearly the need for seismic surveys by oil licensees, the major worry remains whether this can guarantee that Uganda will be prepared to respond to any seismic incidents.

4.2 Data

The study used secondary data from literature of authors like Friedman, T. (2008) whose works largely looks at best approaches in handling crisis across devide. Somers, S., & Svara, (2009) and Taleb, (2007), Richardson, (1994) whose works helped to explain the management of environmental risk with in local government management structures that requires emergency response. Auty (1993); Gylfason et al (1999); Macartan et al (2010) who focus on resources curse issues in relation to leadership and business sustainability in the oil production process.

Fink S (1986) Coombs, (2007; 2009), Burnett, (2002), Seeger, Sellnow, & Ulmer, (2003) talks about the approaches of crisis management across sectors though takes kin emphasis in the oil and gas sector. Garcia, (2006); Brockner & James (2008) explain at length effective leadership response to crisis in the energy sector and gives explanation of how leaders are more like to effectively overcome crisis damages that are largely applicable in the oil and gas industry.

Different scholars also look at Africa natural resources; Adewuyi, (2001) talks about exploration of crude oil on the environment, Orubu et al, (2004) looks at the oil industry, environmental diseconomies, management strategies and the Need for Community Involvement Gary (2003); Garber (2004); Devlin (2005); Elbadawi et al (2008) and Arabache and Page (2008) gives lessons on how to manage oil booms and busts or Growth, Aid and External Shocks. Ajayi & Ikporukpo (2005) Egwaikhide & Aregbeyen, (1999) looked at oil production crises in the Niger Delta

For Uganda much material has been written on the oil and gas industry largely regarding the; history of oil in Uganda, discovery, content and amount of oil and gas, management and sharing of revenues, importance to the social economic development of Uganda, contracts and socio-economic development and how this sector has caused pressure and excitement, policies, laws and regulations, and scholars involved in writing this are; Global Witness (2010), Shepherd, (2013) who wrote about Oil in Uganda et.al, (2009); Bategeka and Matovu (2011); Kashambuzi (2010); Kasimbazi, Kuteesa (2014); Matsiko (2006); Miirima (2008); Muhwezi.

5. Analysis of data

The data obtained from secondary sources is discussed according to the three research questions that were set to guide this study and are; forms of crisis in the oil and gas industry, leadership approaches in the oil and gas industry crisis situation that ensures sustainability of

¹⁶ New Vision news achieve available from: www.newvision.co.ug retrieved on July 26th, 2014

Oil in Uganda: 'Compensation remains thorny issue in oil regions' available from: www.oiluganda.org

¹⁷ Frohlich, C. and M. Brunt. 2013. Two-year survey of earthquake injection/production wells in the Eagle Ford Shale, Texas, prior to the MW 4.8 20 October 2011 earthquake. Elsevier B.V 379
<http://www.desinventar.org> Retrieved between 19th -25 March, 2014

business and effect of leadership crisis management on business sustainability as presented below.

The oil and gas industry across the globe faces a significant number crises that have put a lot of effect on business sustainability to all stakeholders in the oil and gas industry. In oil rich areas, oil spillage remain the main significant form of crisis that have sometimes occur as the result of human error and equipment failure in the drilling process. The fatality of these incidents determines the magnitude of effect and damage of the crisis likely to be realised in a situation. When such crises are fatal they require appropriate leadership appropriate management to ensure business sustainability among all stakeholders in the process.

In the oil and gas industry also face gas flaring accidents which when uncontrolled result into serious crisis situations. It should be noted that incidents in gas flaring situations lead to environmental related problems and can generate pollution and heat disastrous to the life of people since it's a deliberate burning of natural gas in an oil management process. Gas flaring has been the highest contributor to global warming.

As presented in the cases the oil and gas industry has faced a number of crisis situations that have left significant impact on business sustainability in various ways. In 2010 USA was faced with the largest maritime disaster oil spill in its history oil industry crisis was caused by a huge explosion which resulted in the killing of eleven people. This caused a significant amount of reputational crisis to BP as a company and other stakeholders in the industry. In Africa, the oil and gas industry oil and gas crises have been reported in Nigeria oil rich fields of the Niger delta region. There was spillages from a pipeline owned by the Shell Petroleum Development Company in the Karama Community of OkordiaZarama Local Government Area of Bayelsa State in June 2003 that caused significant economic and environmental damage to the area. The spillage crisis was not properly handled as there was no better clean up of the oil spillage and community members were never evacuated by the oil company. In Ugandan oil industry has not yet faced any major crisis since the production process is not yet fully functional though the government has in place different measures to handle the crisis in case it occurred that is the Uganda's National Policy for Disaster Preparedness and Management (NPDPM) or the Petroleum Act 2013.

From the literature it was found out that the nature of leadership in an oil and gas crisis situation significantly determine the nature of outcomes likely to be obtained. Leadership in the crisis management is a significant aspect that influences business sustainability in various fronts. This takes various approaches that involve a pre-crisis period, operational crisis and post-crisis stage. Approaches in pre-crisis phase emphasise prevention by looking at the causes of a crisis and operational stages addresses the occurrence of the actual crisis. Approaches in recovery stage involve restoring stakeholder confidence in the organization through various approaches and this requires knowledgeable and skilled leadership.

As an overall tool and embedded in all approaches crisis management communication remain a significant feature in crisis management. Crisis communication involves managing the outcome, impact, and public perception of a crisis and ensuring business continues even after the crisis. Crisis communication is however a process of information collection, information processing, decision making, and distribution necessary to address a crisis internally or externally to stakeholders. Hence communication becomes a critical element of, the overall crisis management process especially in the oil and gas industry.

The quality of leadership in crisis management process significantly influences business sustainability in a country. The effect may be realised in terms of horizontal, vertical forward or backward. Horizontal linkages happen between foreign investors and other extractive companies in the same industry where as vertical linkages happen between extractive

companies and those outside the oil extraction process. Backward linkages are collaborations with other business linkages like the suppliers of equipment, raw materials or semi-manufactured components and Forward linkages that happen with the processing firms, exporters, handlers and distributors that sustainably keep the business cycle in shape and real.

5.1 Discussion of findings

As stated in literature, the Oil and gas industry faces many forms of crisis including oil spillage, fires, accidents and flares. Oil spillage incidents however remain highly reported in the industry with that poses a bigger challenge on the environment. As (CRP, 1999) explains oil spills as poorly managed releases of oil products in the oil production process including crude oil, chemicals that largely affect the environmental resources.

Oil spills results into environmental pollution to that greatly affects human life hence requires proper and effective leadership with appropriate skills to contain and manages to save all stakeholders from the major impact. From literature as UNDP (2006) explains when fatal crisis require appropriate leadership management with appropriate skills to mitigate the effects.

The gas flaring process is one of the key processes in the oil production activities. However when uncontrolled have resulted into crisis with severe effects to the population. As World Bank (1995) asserts gas flaring is one of the highest contributor to global warming in the current climate change concerns. The gas flaring process creates a ceaseless, high intensity flame that pose a great effect to many.

Leadership in the crisis management is a significant aspect that influences business sustainability in various fronts. Therefore leaders must devise effective approaches in managing crisis in the oil and gas production process. Such approaches may be looked in line with conflicts situation pre-crisis period, operational and post crisis phases. As Coombs (2007) explains there are three stages of the crisis management as a pre-crisis period, operational crisis and post-crisis stage. The pre-crisis phase emphasises prevention by looking at the causes of a crisis and operational stages addresses the occurrence of the actual crisis and recovery stage involves restoring stakeholder confidence in the organization through various approaches. All these stages require knowledge and skills of a leader in order to be effectively handled for effective business sustainability.

The pre-crisis stage largely involves seeking to reduce known risks that could lead to a crisis, such as implementing risk audits, safety measures and standards, a control system. This is largely a preventive stage with a crisis management plan, selection and training of the crisis management team and testing crisis management plans. As Hale et al. (2005) explains this stage may be a key stage in saving the corporate image of the organization to ensure business sustainability to all stakeholders. And as Coombs (2007) explains a negative history of crisis prior to the crisis intensify attributions of adds a crisis history may pause further reputational threat to the organization with poor leadership.

The response phase involves the actual effort towards handling the crisis in its full effort. To many leaders this is the stage where leaders must exhibit their skills, knowledge and experience. At this stage communication, averting the crisis remain key in dealing with the crisis situation in the oil and gas industry because it's at this level that success or failure is registered and branded on to responsible leaders. As Hale et al., (2005) explains the response phase involves management attempts to respond to a crisis and to ensure that damage is controlled effectively. Consider this stage as the most critical in crisis management. It should be noted that actions significantly influence public opinion about the crisis and the organization as a whole. As Coombs (2007) states the first priority in a crisis aims at protecting stakeholders from harms.

The post crisis approaches involves repairing the reputation of the organization whether the conflict succeeded or failed. In this Coombs (2007) explain that post-crisis phase begins with the organization returning to business as usual with lessons learnt including follow-up information. This involves intensive reputation repair to ensure business resurrects and goes back to normal. Hale et al. (2005) explains that recovery involves attempts to learn from the event internally and handle the event externally.

Communication in an oil and gas crisis management process remains a key approach. This must be kept straight among all stakeholders in the leadership structure to help all genuinely aware of the situation at hand. As Gray, (2003) explains crisis communication involves managing the outcome, impact, and public perception of a crisis and ensuring business continues even after the crisis. In addition, Hale et al. (2005) consider crisis communication as a process of information collection, information processing, decision making, and information distribution of data necessary to address a crisis situation to internal and external stakeholders. Communication is a critical element of, the overall crisis management process.

The role of leaders in the oil crisis management towards business sustainability cannot be under estimated. The leaders' ability to contain the key effects of the crisis imply all stakeholders able ensure business continuity and as Breisinger et al, (2009) asserts the continuity of business is a responsibility of management to ensure crisis is effectively overcome.

Leadership is associated with accountability and despite the challenges exhibited by crisis, how leaders succeed in managing such crisis significantly determines level of business sustainability. Leadership in the crisis management process in the gas and oil industry may revolves around the rentier state theory of governance and the associated level of accountability of the rulers to the citizenry (Karl, 1997). This resurrects the resource curse aspect and the view that abundance of natural resources 'causes poor growth and raises the incidence, intensity and duration of crisis (Di John, 2007).

In Uganda effective management of oil and gas process natural resources may lead to a significant number of effects and these may be vertical or horizontal. This may only be realised when there is effective management of any crisis that may hamper the process of oil and gas production management process. It should be noted that horizontal linkages happen between foreign investors and other extractive companies in the same industry, involving. However, Vertical linkages happen between extractive companies and those outside the oil extraction process. Backward linkages are collaborations with other business linkages like the suppliers of equipment, raw materials or semi-manufactured components and Forward linkages that happen with the processing firms, exporters, handlers and distributors that sustainably keep the business cycle in shape and real.

6. Conclusion

The announcement to existence of commercial volumes of oil in the Albertine region of Uganda was welcomed with a lot of excitement among all stakeholders for the benefits expected from the industry. However in this excitement no one is paying thorough and keen interest on the leadership capacity in place to handle any crisis that may occur amidst the oil production process. Examining the minimal efforts by the disaster preparedness policy in place and brief efforts in the oil and gas act and drawing lessons from other countries the poor methods of managing the oil and gas process the world over can cause serious crisis in case any incident happened in the production process. In Uganda, so far there are minimal efforts in place over all to address any crisis that may happen and this creates a significant challenge towards ensuring business sustainability to all stakeholders in the oil and gas production process.

Leadership remains a significant aspect in the management of crisis in the oil and gas industry as reflected in the case of PB leaders lacked some crisis management skills that were supposed to be used in the pre-crisis, response and post crisis stages of the crisis. The leadership abilities in such situation remain so significant in averting the disastrous effects of the crisis and Uganda at this stage has not thoroughly prepared its oil and gas leadership structure and capabilities to handle such a situation in case it happened. This creates a big gap in the management of the oil and production process since failure to address such an issue may have disastrous effects on all the stakeholders in the oil and gas industry.

Whereas it's unavoidable for both natural and manmade disaster crisis to happen in the oil and gas sector, Uganda remains at crossroads. As seen in the case, Uganda presents early warning for likely crisis that may occur given its location in seismically prone area. Such indicators warrant mechanisms of early mitigation of any threats posing disaster risks. With this challenges noted, the leadership must be concerned of what is to happen then in the forthcoming oil era towards Uganda's disaster epidemiology and NPDP. Unless prompt, effective and explicit measures are sought the country remains prone to being a victim to high crisis situation. This is an event across other countries as seen in literature and new African oil frontiers are also not immune from the similar fear. Most of the threats revolve on reaping from oil or petroleum benefits and politics.

There are a significant number of crisis situations that have occurred across oil rich areas across the world these range from oil spills, accidents, gas flares among others. If not effectively managed can result into serious crisis to all stakeholders in the industry and Uganda seem to have less preparedness to handle these crises in case they happened. Currently much of the efforts are on flagging off the production process to start without much emphasis on how to mitigate crisis in case it occurred.

The nature of leadership structure in the oil and gas business organization is very significant since it determines the nature of decisions that are made to effectively sustain business. In the wake of crises and UN certainties, businesses must heavily rely on their leaders for their continuation. This is largely determined by leadership skills exhibited by such leaders and not limited to; integrity, strategic thinking, communication, persuasion and decisiveness in decision making. All the stakeholders play a significant role in handling crisis in the oil and gas industry. Poor decision-making leads to disastrous effects to all stakeholders. Leaders must therefore have proper skills in handling crisis in the oil and gas crisis management process.

6.1 Recommendations

Government through its legislative structures like the parliament and other policy making stakeholders need to enact regulations and policies that are more hands on to address any impending crisis in the sector as early as now when the industry is not yet fully operational. These can be in form systems that detect, prevent, control or mitigate any impending crisis situations that are likely to come up. In doing this the ministry of energy and mineral development needs to involve technical people in crisis management to suggest feasible and practice measures that can be adopted for any form of crisis in the industry. This will help guard against any impending crisis situation in the industry.

The ministry of energy needs to call for a clearly structured and articulated crisis management structures from all the stakeholders in the industry, specifying their abilities, expertise and experience to manage any crisis situations in the industry. These structures should be streamlined from the ministry level to the individual company level in the production process. The ministry should clearly point out the various positions at each levels and their responsibilities in crisis management well outlined. This may allow efficiency and effectiveness

in carrying out the industry related activities to ensure sustainability of business among all stakeholders. This must be emphasized since Uganda has presented early warnings for likely disaster given its location in seismically prone area of the Albertine region.

The ministry of energy need to involve its oil management structure in borrowing lessons from other African countries like Nigeria, Angola, Ghana, and Botswana on local content and how they have managed to deal with oil crisis in terms of leadership structures, mitigation measures and other approaches. This will help the country get enough preparation for any eventualities in the oil production process.

The ministry of energy needs to institute a well-structured communication system to alert the key stakeholder of any impending risk or disaster in the oil and gas industry. This may be done through a hired consultant to provide expertise in building the communication system that is supposed to deliver as proposed. Also, there should be an establishment of updated and accessible inventorying information system on disaster and crisis management.

The academia and other research fellows should endeavor to study, the ecological, geological and environmental challenges surrounding the Ugandan oil industry. Such studies will provide evidence to different issues in the oil industry and these can be used to draw practical measures to manage any crisis that may come up in the oil and gas industry in Uganda.

After starting the oil production, Uganda government should consider allocating a considerable amount generated from the oil rents to its proposed National Disaster Preparedness and Management Fund budget to allow effective allow more effective preparation for any disaster that may occur in the industry.

6.2 Limitations of the Study

Doing the research was both challenging and interesting at the same time a lot of lessons and skills of doing research were learnt. Dealing with public servants in ministries in sourcing for secondary material here in Uganda revealed that most had less knowledge about oil and gas less has been researched about is so far. Less material particularly on crisis management in the Ugandan context is still very scarce.

In the process of carrying out the research, it was found out that local content on oil and gas and how it has contributed to economic growth is still very low. To those who have managed to do some pieces of research it is hard to locate it since many do not know or have not endeavoured to avail it on line through internet or any other medium so it becomes so hard to locate such material. In such situations one would need to locate such offices or persons with such content.

Also, as a contribution to literature with reference to this country and as an effort towards providing information and expertise in the development of the oil and gas industry in this country this research will provide some of the information to contribute to this cause. It is therefore hoped that this topic and specifically the recommendations in this study can be used in furthering the development of the sector in this country.

6.3 Areas for further Research

The oil and gas industry in Uganda is still in its infancy stages of development as the actual production has not begun a lot of information gaps still remains. This study was limited to leadership and crisis management and majorly used secondary data further research can be carried out among the local population to seek side of their view on how crisis management can effectively be done without affecting them, how the industry has helped in creating jobs for them, improving their investment opportunities and improved their infrastructures. This can

take the option of both primary data in quantitative and qualitative forms to acquire more details in regard to the oil and gas industry in Uganda.

Also further research is also recommended into policies and economic tools in place to manage the revenues and proceeds from the oil industry that will enable the country equally benefit from the proceeds in order to avoid the "oil curse" that has been manifested in different oil countries. Such policies and tools must consider the local environment and how best they can be used to improve the economic status of the country.

The oil and gas industry comes with a lot of challenges in terms of risks, crisis situations and disasters, further research should be carried out to identify best practices on how such incidents can be effectively managed in order to control damage so as to attain the actual revenues from oil for economic development of the country.

References

- Adewuyi, A.O. (2001). The Implications of Crude Oil Exploitation and Export on the environment and level of Economic Growth and Development in Nigeria. A Paper Presented at Nigerian Economic Society Annual Conference. 119-145.
- African Network for Environment and Economic Justice ANEEJ (2004). Oil of Poverty in Niger Delta. A publication of the African Network for Environment and Economic Justice.
- Ajayi, D.D. and Ikporukpo, C.O. (2005). An Analysis of Nigeria's Environmental Vision, Journal of Environmental Policy and Planning, Vol. 7, No.4: 341-365.
- Ajayi, D.D. and Ikporukpo, C.O. (2005). An Analysis of Nigeria's Environmental Vision, Journal of Environmental Policy and Planning, Vol. 7, No.4: 341-365.
- Ajayi, D.D. and Ikporukpo, C.O. (2005). An Analysis of Nigeria's Environmental Vision, Journal of Environmental Policy and Planning, Vol. 7, No.4: 341-365.
- Aworawo, D. (1999). The Impact of Environmental Degradation on the Rural economy of The Niger Delta In Osuntokun A. Ed. Environmental Problems of the Niger Delta. Lagos. Friedrich Ebert Foundation.
- Bansal, P. (2003). From issues to actions: the importance of individual concerns and organizational values in responding to natural environmental issues. Organization Science, 14(5), 510-527.
- Bategeka, L., Kiiza, J. and Ssewanyana, S. 2011. Oil Discovery in Uganda: Managing Expectations. Economic Policy Research Center Makerere University. Kampala, Uganda
- Bielak, D., Bonini, S. M. J., & Oppenheim, J. M. (2007). CEOs on strategy and social issues. The McKinsey Quarterly, 4, 1-8.
- Bonini, S., Koller, T.M. and Mirvis, P.H. (2009), "Valuing social responsibility programs", McKinsey Quarterly, Vol. 4, February, pp. 65-73.
- Breisinger, C., Diao, X., Schweickert, R., & Wiebelt, M (2009). Managing future oil revenues in Ghana - An assessment of alternative allocation options. Kiel Working Paper 1518.
- Brockner, J. B., & James, E. H. (2008). Toward an understanding of when executives see opportunity in crisis. Journal of Applied Behavioral Science, 44(7), 94-115.
- Brockner, J. B., & James, E. H. (2008). Toward an understanding of when executives see opportunity in crisis. Journal of Applied Behavioral Science, 44(7), 94-115.
- Burnett, J. (2002). Managing business crises: From anticipation to implementation. Westport, CT: Quorum Books.
- Clarkson, M., Starik, M., Cochran, P. and Jones, T.M. (1994), "The Toronto conference: reflections on stakeholder theory", Business and Society, Vol. 33 No. 1, pp. 82-131.
- Coombs, (2007). Crisis Management and Communication. Institute for Public Relations.

- Coombs, W. T. (2009). Conceptualizing crisis communication. *Handbook of crisis and risk communication*, 100-119.
- Darling, J., M. McKenna and W. Walker. 2002. Keys to corporate excellence: Leadership values and strategies. *Journal of Business and Society*, Spring, pp. 132-147.
- Denis, J., Lamothe, L., & Langley, A. (2001). The dynamics of collective leadership and strategic change in pluralistic organizations. *Academy of Management Journal*, 44(4), 809-837.
- Di John, J. 2007: Oil abundance and violent political conflict: A critical assessment, *Journal of Development Studies*, Vol 43, Issue 6, August, pp. 961-986.
- Dutton, J. E., & Jackson, S. E. (1987). Categorizing strategic issues: Links to organizational action. *The Academy of Management Review*, 12(1), 76-90.
- Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment*, 11(2), 130-141.
- Egwaikhide, F.O. and Aregbeyen, O. (1999). Oil Production Externalities in the Niger Delta: Is a Fiscal Solution Feasible? In *Fiscal Federalism and Nigeria's Economic Development*. Selected Papers presented at the Annual Conference. The Nigeria Economic Society, Department of Economics, University of Ibadan, Ibadan, Nigeria.
- Elkington, J. (1998). *Cannibals with forks: the triple bottom line of 21st century business*. Gabriola Island: New Society Publishers.
- Etim, W., Oil Spillage Devastate Bayelsa communities. Posted by TitoeMiriki. 6/27/06.
- Fink S (1986) *Crisis Management Planning for the Inevitable*, American Management Association, New York, NY.
- Friedman, T. (2008). *Hot, Flat and Crowded*, New York: Farrar, Straus and Giroux.
- Garcia, H. (2006). Effective leadership response to crisis. *Strategy and Leadership*, 34(1), 4-10.
- Global Witness (2010). *Donor Engagement in Uganda's oil Sector: An Agenda for Action*. Global Witness Briefing. October.
- Goleman, D. 2002. *Primal Leadership: Learning to Lead with Emotional Intelligence*. Boston: Mass.: Harvard University Press.
- Gray GM (2003) The risk communication challenge. Paper presented at the conference from cad Cow to acryl amide to listeria: The art of effective risk communication, Boston, MA.
- Hale JE, Dulek RE, Hale DP (2005) Crisis response communication challenges: building theory from qualitative data. *J. Business Communications*, 42(2):112-34.
- Heath RL, Millar DP (2004) A rhetorical approach to crisis communications: Management, communication processes, and strategic responses. In R. L. Heath, & D. P. Millar (Eds.), *Responding to crisis: A rhetorical approach to crisis communication* (pp. 1-17). Hillsdale, NJ: Lawrence Erlbaum Associates.
- Higgins, T. E. (1995). *Pollution prevention handbook*. Boca Raton: Lewis Publishers.
- Human Rights Watch (1999). *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing communities*. London: HRW.
- Human Rights Watch (1999). *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing communities*. London: HRW.
- Isiche, A.O and Sanford, W.W (1976). The Effect of waste Gas flares on the surrounding vegetation of South-Eastern Nigeria. *Journal of Applied Ecology*, Vol. 13.
- James, E. H., & Wooten, L. P. (2005). Leadership as (un)usual: How to display competence in times of crisis. *Organizational Dynamics*, 34(2), 141-152.
- Jaques, T. (2007). Issue management and crisis management: An integrated, non-linear, relational construct. *Public Relations Review*, 33(2), 147-157.
- Jones, T. M. (2003). An integrating framework for research in business and society. *Academy of Management Review*, 8(4), 55-64.

- Joy Don Baker. 2015. Getting Buzzed on Innovative Leadership. *AORN Journal* 101:4, 401.
- Karl, T. L., 1997: *The Paradox of Plenty: Oil Booms and Petro States*, University of California Press Berkeley, CA.
- Karl, Terry Lynn (1977). *The Paradox of Plenty: Oil Booms and Petro States*. Berkeley: University of California Press.
- Kiiza, J. 2006a: Political Regimes and Women's Economic Empowerment: A Critical Analysis of Uganda in Comparative Perspective, in Ssali, Sarah and Aramanzani Madanda (eds), *Negotiating the Public Space: Activism and Democratic Politics*, Makerere University Printery, Kampala, pp. 257-295.
- Klein, J., & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis. *International Journal of research in Marketing*, 21(3), 203-217.
- Kuteesa, Florence, Emmanuel Tumusiime-Mutebile, Alan Whitworth and Tim Williamson (2010), *Uganda's Economic Reforms: Insider Accounts*, Oxford University Press, Oxford, pp. 35-51.
- Marrewijk, M. van (2004). A value based approach to organization types: towards a coherent set of stakeholder-oriented management tools. *Journal of Business Ethics*, 55(2), 147-158.
- Mehlum, Halvor, Karl Moene and Ragnar Torvik, 2006: Institutions and the Resource-Curse, *Economic Journal*, 116 (January), p. 1-20.
- Mitroff, I. (2005). Crisis leadership: Seven strategies of strength. *Leadership Excellence*, 22, 11.
- Northouse, P.G. (2007), *Leadership: Theory and Practice*, Sage, Thousand Oaks, CA.
- Orubu, C.O., Odusola, A. and Ehwareme, W. (2004). The Nigerian Oil Industry: Environmental Diseconomies, Management Strategies and the Need for Community Involvement, *Humanities and Ecological*, Vol. 16 No 3: 203 - 214.
- Pearson, C., & Clair, J. (1998). Reframing crisis management. *Academy of Management Review*, 23(1), 59-76.
- Penrose, J. M. (2000). The role of perception in crisis planning. *Public Relations Review*, 26(2), 155-171.
- Penrose, J. M. (2000). The role of perception in crisis planning. *Public Relations Review*, 26(2), 155-171.
- Raynard, P., & Forstarter, M. (2002). Corporate social responsibility: implications for small and medium enterprises in developing countries. Retrieved June 10, 2007, from <http://www.unido.org/doc/5162>
- Richardson, B. (1994). Socio-technical disasters: profile and prevalence. *Disaster Prevention and Management*, 3(4), 41-69.
- Robinson, John Alan, and Q. Neil Parsons. 2006. "State Formation and Governance in Botswana." *Journal of African Economies* 15 (AERC Supplement 1): 100-140.
- Seeger, M., Sellnow, T., & Ulmer, R. (2003). *Communication and organizational crisis*. Westport, CT: Praeger.
- Shepherd, Ben (2013). *Oil in Uganda: International Lessons for Success*. London: Chatham House. February.
- Shepherd, Ben (2013). *Oil in Uganda: International Lessons for Success*. London: Chatham House. February.
- Somers, S., & Svava, J. H. (2009). Assessing and managing environmental risk: Connecting local government management with emergency management. *Public Administration Review*, 69(2), pp. 181-193.
- Spreitzer, G., & Quinn, R. (2001). *A company of leaders: Five disciplines for unleashing the power of your workforce*. San Francisco: Jossey-Bass.

- Stevens P (2013) Resource impact – A curse or a blessing?: A literature survey. CEPMLP Electronic Journal www.cepmlp.org (Accessed June, 2015)
- Stone, L. (2006). Limitations of cleaner production programmes as organizational change agents. II. Leadership, support, communication, involvement and programme design. *Journal of Cleaner Production*, 14(1), 15-30.
- Taleb, N. (2007). *The Black Swan*, New York; N.Y.: Random House.
- Tregidga, H., & Milne, M. (2006). From sustainable management to sustainable development: a longitudinal analysis of a leading New Zealand environmental reporter. *Business Strategy and the Environment*, 15(4), 219-241.
- UNCTAD, (2013). *World Investment Report*.
- UNDP (2006). *Niger Delta Human Development Report* Garki, Abuja: UN House.
- United States Environmental Protection Agency. (2001). *An organizational guide to pollution prevention*. <http://www.ecy.wa.gov/programs/hwtr/P2/printguid.pdf>
- Wilkinson, B. 2003. *The Dream Giver*. Sisters, OR: Multnomah Publisher Yukl, G.A. (2002) *Leadership in Organizations: Fifth Edition*, Upper
- Wooten, L. P., & James, E. H. (2004). When firms fail to learn: The perpetuation of discrimination in the workplace. *Journal of Management Inquiry*, 13(1), 23-33.
- World Bank (1995). *Defining an Environmental Development Strategy for the Niger Vol.2*, Washington D.C.
- World Bank (2010). *Country Assistance Strategy for Uganda for the period 2011-2015*. Report No. 54187-UG.

List of acronyms

CRP: Constitutional Rights Project

HRW: Human Rights Watch

NPDP: National Policy for Disaster Preparedness and Management

USEPA: United States Environmental Protection Agency
