

# Crisis Communication Strategies and their Impact on Organisational Reputation and Public Trust in the case of Pungești against Chevron



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# Management Summary

This research was undergone in order to examine Chevron's communication problems with the public in Pungești, Romania and to recommend ways of improving their reputation and communication tactics.

The paper draws attention to the fact that Chevron's crisis is composed out of a few major elements, each varying in terms of severity.

The paper finds the company's prospects in its current situation are not positive. The recommendations discussed include: improve the external communication plan, develop a media plan and put a crisis management team and crisis communication plan in place. The crisis response plan needs to be constantly updated and the crisis management team should always be at work.

The research conducted has limitations. Chevron does not provide first hand information about the case and a few online sources provide contradictory information.

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# Preface

“For me, public relations boils down to getting people to do what you want them to do.”

(James L. Tolley)

Crisis communication has been the topic of many studies in recent years. My thesis contributes to practice by explaining guidelines and giving advice in responding and resolving the crisis Chevron has in Pungești, Romania.

The idea of choosing this topic came after hearing about the hydraulic fracturing scandal in Pungesti. Next to the controversy around the gold extraction from Rosia Montana which is also in Romania, it is one of the major issues of the 21st century in Romania but also around the world.

This research analyses the situation of the Chevron company in Pungești and includes elements of the following subjects within this context: ethical behaviour, issue management, crisis communication, PR strategies, corporate social responsibility, public opinion, stakeholder communication, reputation, media relations, fracking and politics.

Many problems arose during the process but the most important one was not being able to obtain information directly from Chevron. Another big issue was that certain on-line sources contradict themselves in terms of content. In addition to literature research I have performed qualitative research by starting and monitoring a debate and interviewing four people. While performing this research I have learned more about

Key words: crisis communication, media relations, public opinion, reputation, hydraulic fracturing.

# **Crisis Communication Strategies and their Impact on Organizational Reputation and Public Trust in the case of Pungești against Chevron**

## **Chapter 1 - Introduction**

### ***1.1 Problem Situation***

In Pungești, situated in the county of Vaslui, Romania the American company Chevron is currently trying to exploit shale gas while the public opinion is categorically against it. Certain groups of stakeholders manifest themselves through peaceful manifestations but some also through violent protest while environmental groups and other non governmental bodies take legal action against the company.

First of all, it is important to note the main difference between organisational reputation and image: reputation refers to what external parties think about an organisation and it is generally more durable and substance-based while image refers to what the organisation itself or its members present it to be and it is more fleeting and based on impression. (*Carroll, 2008*) For the purpose of this research, the focus will be kept on Chevron's organisational reputation. This paper will focus on Chevron's external image since its internal image has not been affected by this crisis.

This paper will analyse the image repair strategies which Chevron can use in the scandal of hydraulic fracturing, also known as fracking, in Pungești, Romania. The case will be analysed from the perspective of crisis communication and it is divided into several segments: ethical organisational behaviour, corporate communication, public opinion, stakeholders and reputation issues. The purpose is to develop an effective medium and long-term PR strategy for Chevron. Understanding the process of hydraulic fracturing and what repercussions it has for the villagers and the environment in the case of Pungești is also essential for this research.

The dominant problem is Chevron's bad reputation based on its insufficient and poor communication with the public. In April 2014, 60 Romanian cities protested against hydraulic fracturing. (*Environment Examiner*)

In order to understand the current organisational reputation it is important to take a look at the image Chevron has built over the years, how this scandal affects the organisational image and reputation in the present, and which crisis communication strategies Chevron could employ in order to repair its damaged reputation. It is important to see how public trust and the attitudes of all stakeholders will change when Chevron switch-



es to a new communication strategy and what they should do to preserve their newly acquired image and prevent something similar from happening in the future.

After a thorough literature research, in many newspaper articles it was found that the police forces together with a security company hired by Chevron have performed unethical and sometimes illegal actions by beating up, threatening or illegally charging protesters. This is very important for Chevron to consider because the public opinion is outraged by this and it fuels their aversion towards the company.

The inhabitants of Pungești, the general public and the environment are affected by the actions of the corporation and politicians so they are actively opposing fracking. The media was banned from the working site and the protests held by environmental groups are being ignored by Chevron.

Considering the reputation Chevron already has, the public is not willing to hear from them, shareholders do not want to be associated with scandals and their image in the press is also tarnished by journalists and environmental organisations alike.

This problem is best fixed by means of PR because it is an area of expertise which encompasses various disciplines and which will provide a solution for each problem which arises in terms of reputation. PR during crisis communication on a macro level treats the relationship between public relations and society as a whole. (Davis, 2007) That is why throughout this paper, the problem is looked at and fixed through the prism of PR. As a result of this research, Chevron will be provided with a medium and long-term crisis communication plan and its external organisational communication will improve considerably.

## **1.2 Problem Definition**

### **General Information**

Chevron is an energy company based in the US, involved in all facets of the energy industry. They “explore for, produce and transport crude oil and natural gas, refine, market and distribute transportation fuels and lubricants; manufacture and sell petrochemical products; generate power and produce geothermal energy; provide renewable energy and energy efficiency solutions.” (Chevron *Company Profile - Providing Energy for Human Progress*)

The problem has numerous facets. Chevron is dealing with an image crisis caused by its actions in Ecuador, the US and many other countries around the world. It has not established an honest, lucrative and meaningful connection with its stakeholders. The ongoing conflict in Pungești started in the summer of 2013, when Chevron announced that it would plant drilling wells in the county of Vaslui. The PR strategy which they have always employed in an environmental scandal is denial. The hydraulic fracturing

crisis in Romania caused by Chevron cannot be solved solely by means of PR but effective communication has the potential to improve the situation for both parties in a peaceful way and elevate Chevron's reputation on the Romanian market.

The main elements of the crisis are: the death of a worker that occurred on a Chevron platform (*Olteanu Maria, 2014*), Chevron's obtaining of permits to exploit through illegal manners, the violent turn of the riots in Pungești and the company's relations with the independent media which are very bad. Besides the controversial nature of their activities, because of the riots which increased in intensity, Chevron had to stop drilling and resuming their operations has proven almost impossible. This also impacts their relationship with investors. The press around the world pays more attention to what the company does and the stories do not cease to appear, which contributes to an even worse image.

Chevron needs a different response for each of the situations stated above. It is easy to predict that the crisis will escalate even more if the company continues its operations because of the damages associated with fracking.

### ***Research Question***

In order to find out where the biggest image and communication problems of Chevron lie and how they can be fixed, the following research question was formulated:

How can Chevron improve its external corporate communication and reputation among its stakeholders?

The following sub-questions will give the directions of the research:

- 1) How is the current PR strategy working for the company?
- 2) How would the employment of a new method change the image of the organization?
- 3) What changes do the stakeholders want to see?
- 4) What is the relation between organisational communication and PR and the reputation of Chevron?

In the modern era people have swift access to information and they do not want to be manipulated. Once word of unethical business practice gets out, the company can be compromised via various channels with regrettable repercussions. Also for this reason, the strategy presented in this paper seeks to avoid some of the methods the company is currently using, such as lying and denying in any future PR campaign and present more ethical solutions to Chevron's reputation problem. The present research contributes to this by providing only ethical communication alternatives, based in PR, media and crisis communication theory.

It seems like Chevron is an unethical corporation altogether so what would better communication add to their case? And why help them at all? Although it lacks ethical behaviour, companies and their leaders who have lost reputation also deserve a second chance. "Just as people learn from the past, offending companies should be given the chance to rehabilitate themselves for the sake of employees, customers, investors, and other important stakeholders." (*Leslie Gaines-Ross, 2008*)

### **1.3 Restrictions to the research and reasons**

To begin with, it has proven difficult to obtain any information directly from Chevron. Moreover, the political context of the scandal goes far beyond the scope of this research paper but it does influence the media coverage, the results and the decisions that are taken about hydraulic fracturing in Pungești and the rest of the country. Another downside is the fact that although Chevron might be in need of guidance, the company might not be interested in it as long as its business is still running and might turn to it when it is too late. Furthermore, it was difficult to keep the focus on the research when coming across so many opinions, distantly related information and intriguing questions or statements in the press. Last but not least, there was also the possibility of becoming biased, especially while I have performed qualitative research. Lastly, after extensive research on the topic, it is difficult not to form a strong opinion when it comes to the technical background of hydraulic fracturing.

### **1.4 Report overview**

Chapter II explains the literature research conducted in order to find the theory and shows how the research results are obtained. It also explains the rationale behind the field research which includes interviews and a debate. The third chapter explains the theoretical framework to the reader. These are the theories on which the results, conclusions and recommendations are based. The case study of Chevron in Pungești is presented in the fourth chapter. This contains a description of the company and its place in the industry, the positive and negative aspects of fracking, Chevron's actions in Pungești and the consequences and finally, the use of media for communication and reputation recovery. Chapter V provides the literature and field research results. The sixth chapter presents the conclusions of the research, followed by the recommendations in Chapter VII. Advice for the damaged external image and organisational reputation of Chevron is formulated. The chapter explains how the oil company can fix its current communication and image issues with the help of PR and crisis communication and its different channels and techniques.

The timeframe of the thesis is five months and it builds on existing PR and crisis communication literature by applying multiple theories to one complex case.

## **Chapter 2 - Methodology/Research Design**

This chapter is structured into two sections: research plan and research process. In the first section the search plan for literature and the plan for preliminary research are stated. The second part describes the research process which includes the research discussion and the research design and lastly, references are made to challenges and limitations. These sources were selected based on relevance, validity and accessibility. The qualitative research done on reputation is theoretical, deductive and based on established models of reputation change.

### **2.1 Research plan**

#### ***a) Search-plan for literature***

This process was started by consulting existing literature on the two main subjects: PR and crisis communication, the Chevron corporation and the sub-subjects: public opinion, stakeholder communication and social media. In order to collect the relevant theory, various books for both theory and situational analyses have been studied. Scientific articles were also consulted. The books and articles address topics such as crisis communication, the four models of PR, the global PR theory, research and practice, developing PR skills, risk communication, managing reputations, principles and practices of PR, excellence in PR, new strategies for reputation management, safeguarding and recovering reputation.

#### ***b) Plan for preliminary research***

In the very beginning of the research process the familiarisation with the topic has been done by reading newspaper articles online. That is how the issue was found, who the key people are and which consequences their actions have yielded, what the process of hydraulic fracturing means and what the public thinks. Most of the articles were retrieved in Romanian newspapers, namely: Mediafax, Natural Gas Europe Platform, Energy report and Atac. The foreign newspapers which I have used are: Ivey business journal, TIME, Media Matters for America, Deutsche Welle, CSR wire and Forbes.

### **2.2 Research Process**

#### ***a) Research discussion***

In order to inquire the opinion of the general public on hydraulic fracturing, an online debate was created. This was done by methods of convenience sampling. Furthermore, four interviews were conducted in order to obtain the opinions of experts or key players in this process. In addition, newspapers were consulted, in order to see what traditional media has to say about the situation and also for up to date information. Lastly, a browsing was performed through various websites and social media platforms

in order to get the opinion of a wider segment of the audience. The desk research has been structured into main sources of information: books, scientific articles, short documentaries, newspaper articles and the practical research consists of analysing the results of the debate and the interviews.

For as far as research strategy goes, a choice of paradigm and a choice of research approach were made. It was conducted through a deductive method and the relativist approach. The paper also presents a case study.

The research is feasible also because it is based on an intensely discussed and real life ongoing problem. The client needs a different approach towards organisational communication because the present one lacks substance and positive results. Effective communication is the basis of any successful and long lasting business. Ethical organisational behaviour can get you a long way because the public cannot be manipulated forever. Aside from Chevron's lack of disclosure, the research is feasible because there is a lot of literature available on PR, crisis communication and also many newspaper articles relating to the crisis in Pungești.

There are numerous blogs, documentaries and newspaper articles available on the matter. Some say that shale gas can be beneficial and others condemn it because of its negative consequences. Therefore, it is difficult for the public to form an objective and well - informed opinion. For this reason an interviews was obtained from a specialist in the field of shale gas exploitation and a debate for the general public was created. Chevron Romania's opinion on the matter was supposed to be consulted in order to see whether the corporation is in concordance with the specialists in this domain and whether it is acting in the best interest of the public and the planet for that is how it advertises itself. Unfortunately, the company did not respond to the inquiry.

This study has the potential of helping Chevron solve its reputation problem and develop a reasonably good communication with the public. Based on its repeated past mistakes and recent failures, it will be difficult for the public to regain its confidence in the oil giant. Through the advice provided in this paper, Chevron should be able to improve its current position in the eyes of public opinion.

### ***b) Research Design***

The interviewees were contacted by e-mail, due to practical problems such as distance and lack of time. Moreover, the web supplies contact information so those details were not difficult to come by. The interviewees were chosen according to their area of expertise and availability and the debate respondents through convenience sampling. The undertaken steps of the research were: searching the library for relevant books, the free web for newspaper articles and social media through the google search engine,

browsing the deep web for scientific articles through the Google Scholar and Elsevier databases.

The answers for the debate have been collected via the 'create debate' online platform and the social media platform 'LinkedIn'. The reasons for choosing this target audience were the active usage of social media and the level of education but also the strong opinions of members about the topic. These two tools were used because they could reach a widespread target audience in a short timespan. The opinions of both young Romanians and young people from other countries but also professionals who are well documented on the topic of hydraulic fracturing are of vital importance to this research. The sample was chosen based on convenience on the 'create debate' website and based on expertise on the LinkedIn platform. On the latter platform, the debate was posted in a group dedicated to discussing the pro's and con's of hydraulic fracturing in order for the discussion and its outcome to remain objective.

Firstly, there was opted for conducting an interview with Greenpeace in order for me to gain expert insight on environmental matters and possible solutions to the problems that fracking poses. That was not possible so they have referred me to mr Geert deCock. Mr. Geert deCock is director of affairs at Food & Water Europe, has expertise in climate and energy policies and has agreed to giving an interview. He is active in the fight against hydraulic fracturing, and supports the anti - fracking activists worldwide, including the ones in Pungești.

Secondly, the interview with George Epurescu, the founder and leader of the non - political organisation 'Romania without them' shows how independent organisations work against Chevron and, as a spokesperson of the revolted part of the public, he states what he thinks the company should say or do in order to make things better.

Thirdly, the interview with Tom Gable, a reputable PR professional, is a source of pertinent expert information about PR methods and how Chevron could make use of PR and crisis communication in order to become a better company. Tom Gable is the founder and CEO of Gable PR, the most successful PR company in the US. The specialist in PR offers his professional view on Chevron's reputation and possible solutions to its problems. However, it is important to note that Chevron's problem will not end at fixing the crisis. The post crisis measures the Company will take are equally important and will dictate its future in this business.

Finally, the interview with Alexandru Ionascu, offers first hand information about how people in Romania feel about the corporation's actions and how this crisis influences everybody's daily life, but also how activists in Romania use social media in order to achieve their purpose and why this is important. He is an activist and the founder of the 'Rezistentă Pungești' movement which translates to 'Resistance from Pungești'.

There are several other interviews which were planned, but it was not possible to obtain them due to a lack of response. They are briefly stated below in order to give a clear picture of the rationale. The interview with the communication officer of Chevron had the purpose of offering insight on how the company sees itself and the rationale behind its communication strategies with the public. The interview with the Green party in Romania had to show the perspective of a politician who has first hand knowledge about the situation in Pungești and is also an adept of green living. The interview with John Watson, the CEO of Chevron would inform the reader about how he sees the company and how his leadership style influences his way of doing business. This is an essential aspect in the application of the Excellence Theory which will be explained in the following chapter. An interview with a villager from Pungești would contribute to this research with the opinion of the locals and their insight is valuable because they have first hand experience with Chevron's actions in their village. An interview with US army general Wesley Clark could offer more insight into the economical aspect of fracking and how political games influence the energy business and its overall image in the mind of the consumer. This would be able to complete the explanation about how Chevron is perceived by the shareholders. The interview with Romania's prime-minister Victor Ponta could explain why the opinion of a Romanian politician changed so abruptly in such a controversial debate. This is important because he is a key player in this crisis and a very commented political figure in Romania so all of his actions regarding fracking are thoroughly analysed and reflect on Chevron. The interview with the NYC Pension Funds would show how shareholders perceive the situation and how it affects them since this company is the main shareholder of Chevron. I would like to point out the fact that these key characters and institution also hesitate to communicate with the press which hurts their image and makes people question their actions but first and foremost affects Chevron because most of these people either represent the company or are directly associated with it.

### ***c) Challenges and limitations***

The greatest challenge was obtaining interviews. Many high profile persons are unavailable or do not want to discuss the matter. Moreover, it was also impossible to contact persons such as Victor Ponta, Wesley Clark, John Watson and the New York City pension funds by means other than e-mail, which has a lower response rate.

For as far as limitations go, the interviewees might be biased due to their own views on fracking, even though they might not all be experts on the matter.

The reason for conducting qualitative research was because the interest was focused on finding out the stories behind what provoked this crisis, opinions of key players and less known facts. Percents and statistics are of lesser importance for the purpose of this paper. The interviews and debate have the advantage of offering information that is

not, to my knowledge, available online and they make the research process more interesting. Furthermore, subtleties and complexities about the topic are more easily discovered. It was also possible for the theoretical framework to be revised as new events occurred. On the other hand it is more labor intensive because it has proven to be difficult to obtain a fast and high response rate.

People from such different domains of activity were interviewed in order to offer a wide perspective and form pertinent advice because an organisation's image is formed in the minds of the different target groups. These opinions clash or come together at some point in time due to mass media and different interests, be they political or societal.



## Chapter 3 - Theoretical Framework

### 3.1 Theoretical concepts and relations

When choosing a theoretical framework, a variety of smaller issues had to be considered. As one author states, it is because public relations cuts across disciplines such as marketing, management, organisation studies, communications, journalism, media studies, that it is important to read beyond books and journals on the topic and think more broadly about problems. (*L'Etang, 2008*). While researching and writing for this study, there was sought to find out all possible ramifications and read between the lines. PR has its roots in various disciplines. In this paper, elements of ethics, sociology, politics, marketing, psychology and of course, conflict resolution can be found. That makes this research process very complex. The theories presented in this chapter constitute the basis for the analysis which will enable the answering of the advisory and research questions formulated in the first chapter. This paper makes references to the Excellence in PR theory, situational crisis communication theory, image restoration theory and one media theory.

#### **3.1.1 Definitions, premises, rules and importance of PR and Crisis communication**

The following quotes provide an academic definition of PR and crisis communication and go to show why these are instrumental in trying to solve Chevron's crisis. "Public relations are a mass-promotion technique that involves a company's attempts to develop good relations with its various publics by obtaining favourable publicity, building a good corporate image and managing any unfavourable events or crises that threaten its reputation or corporate earnings." (*Kotler, Armstrong, Saunders & Wong, 1999*). Crisis communication is a branch of Public Relations. According to the business dictionary, "crisis communication is the effort taken by a company to communicate with the public and stockholders when an unexpected event occurs that could have a negative impact on the company's reputation." (*Business dictionary - crisis communication definition*)

According to existing research, there are four premises to a communication strategy: first of all, people respond to the world as they see it. Secondly, effective communication starts with hearing and understanding rather than talking and trying to convince. Thirdly, communication is what the receiver does and lastly, there is no single message that is going to connect with everyone. (*Elway Research - Communication Strategy*) These are all organisational communication aspects which Chevron needs to work on. People respond to what they see and they are currently seeing Chevron as their enemy poisoning their air, water and the land which they have inherited from their parents and will, in turn, leave to their children. They see Chevron as not only affecting them

but also the future generations and that cannot be fixed with a few informational flyers distributed by a PR firm. Currently, Chevron is trying to convince the public that fracking is not a negative process, instead of listening to their concerns and responding accordingly. Key indicators for a successful strategy are credibility, authenticity, transparency, trust and confidence. (*Stacks, 2013*) That is the reason why people believe environmentalists, anti-fracking lobbyists and experts in the field and not Chevron, the politicians or their messengers.

When the unexpected does happen, be sure to apply the cardinal rule of crisis communications: “tell it all, tell it fast, and tell it truthfully”. (*Kitchen, 1997*) Seems simple but it is difficult to apply. Naturally, there are certain bits of information which a company cannot disclose due to policy, legislation or simply because it would hurt the business, but in this case Chevron is slow to respond, hides considerable amounts of information from the public and this in turn perceives it as a greedy and lying corporation. This can be inferred from the angry messages of Romanian protesters, negative press coverage all over the world and the controversial trials the company has taken part in, during which they have also been convicted.

Just like in the case of the developers of the Excellence Theory, the advice offered in this thesis fits within the idealistic framework. Business management is the starting point for any successful organisation so I strongly believe that Chevron should conduct its business in an ethical manner while protecting the interest of all its stakeholders, in addition to its own and those of its investors. It should work constructively and not destructively for it works with and affects the most important resources of our planet. The preference for using these theories is based on the premise that Chevron's current ongoing crisis is rooted in its deficitary communication and bad use of public relations techniques, on a background of unethical business choices. The excellence theory then goes to show how a change in certain key areas of the organisation will improve its reputation.

### **3.1.2 Type of crisis and crisis leadership in Pungesti**

This crisis, just like Chevron's all other previous scandals, “is a situation where in the eyes of the media or general public the company did not react to the situation in an appropriate matter.” (*rebuild reputation following an ethical scandal*) The general public feels lied to, betrayed and not properly informed. There are “eight types of crises: natural, technological, confrontation, malevolence, skewed management values, deception, management misconduct, business and economic.” When it comes to environmental crises, “as with other health-related crises, they can be characterised by a combination of unexpectedness, high levels of threat, an aroused or stressed population, and media looking for breaking news stories.” (*Gilk, 2007*) The crisis presented in this paper is a combination between confrontation, skewed management values, de-

ception and management misconduct. This is also why the excellence theory is ideal to use: at Chevron, change needs to start from the managerial level.

“Crisis leadership involves five critical tasks: sense making, decision making, meaning making, terminating and learning.” -30 “The stages of crisis are: Detection, preparation/prevention, containment, recovery and learning.” This paper provides advice for Chevron’s recovery and learning stages. The leaders of the crisis in Pungești are mainly activists and villagers. They brought up the issues of water, air and soil contamination which marks the sense making stage. They are manifesting themselves through peaceful protests, riots and by forming unions and taking legal action. Their means of intervening are banners, posters and giving interviews and statements for the press. The population in urban areas is protesting on the streets as a sign of solidarity but also on blogs and social media. There is no single leader but different non governmental organisations which fight together for a common purpose: getting Chevron and its drilling equipment out of the country. It all started with peaceful protests but things soon took a dramatic turn when altercations between the population and the armed forces occurred, when the villagers started taking down the fences placed by Chevron and when a worker died after inhaling toxic chemicals. More and more people took it upon themselves to get involved and make their voices heard: the Green Party wants a spot in the European parliament, a journalist joins the Ecologist Party in order to have more influence on decisions and activists organise flash mobs, conferences and anti-Chevron events.

### **3.1.3 Theories**

#### ***Excellence Theory***

The excellence theory is a great fit for Chevron and the reason can be found in the organisational crisis of another oil giant, namely BP’s drilling scandal. “...the blame may lie in BP’s culture of risk-taking and hard focus on financial results. The culture was created under former CEO John Browne, who reshaped the company during his twelve-year tenure and then was forced to resign in 2007. Browne, while beloved by investors for his growth strategy that saw BP’s stock rise, had built a company focused on acquisitions and cost cutting - cultural assets in some areas that ended up being cultural poison in another. The story of how the Gulf disaster happened, and of the behind the scenes management of the company, is a fascinating object lesson that we will be learning from for decades.” (Reed, 2011) The parallel with Chevron is very easy to see. While CEO John Watson of Chevron might be acclaimed by investors for trying to frack all of the natural gas resources across the US and Europe, the company will most likely be led into disaster sooner rather than later especially since in BP’s case, the scandal was provoked by an accident while the fracking crisis is the direct fault of the

Chevron. The importance of management derived from the excellence theory is clearly highlighted through the fragment.

There is no exact way to determine the value of PR within a company (*Grunig 2002*) but, just like in Chevron's case, the lack thereof poses great problems. According to Grunig, in order to distinguish excellent from less excellent public relations, one must be able to compare and evaluate world views. The most important and practical criterion for evaluating a worldview is its ability to solve an important problem. Which worldview would be best for resolving conflict? (*Grunig, 2002*) The communitarian model would be best because it has a strong parallel with the symmetrical models. If Chevron adopts the communitarian model the assumptions which derive are the need for social cohesion, agreement on core values and citizen empowerment. (*Heath, 2001*)

For public relations to be excellent, they "must be viewed as symmetrical, idealistic, critical, and managerial." (*H.P. Blavatsky*) Excellent management is important because it constitutes the basis of an organisation with effective PR. Strategic management happens at the following levels: organisational, speciality and functional. Based on a review of the literature on excellence in management, there are twelve characteristics of excellent organisations. These include an independent human resources department. It has been noted that excellent organisations have autonomous employees. They also have an organic structure, avoid stratification of employees, decentralise decisions and eliminate bureaucratic hierarchical structures. Research shows that excellent public relations probably cannot exist within mechanical structures. (*Grunig, 2013*) Chevron is a bureaucratic corporation and has an established hierarchical power. Therefore, there is no space for an excellent organisation to grow. (*Hoover's company profiles*) They have an innovative and entrepreneurial spirit but this is in direct relation with cultivated human resources and organic structures. symmetrical communication systems, leadership, and strong participative cultures where employees share a sense of mission.

### Effects of excellent PR

The behavioural strategic management paradigm focuses on the participation of public relations executives in strategic decision making. An excellent PR department communicates with publics to bring their voices into strategic management, thus making it possible for stakeholder publics to participate in organisational decisions that affect them. (*A study of Excellent PR and effective organisations*) If Chevron would invite two activists on a televised debate about fracking this would show that the company is willing to go the extra mile in order to satisfy the curiosity of the public and that it treats everyone's opinion on the matter with respect.

The evolution of this theory into the strategic management theory of public relations contrasts to the symbolic - interpretive paradigm that characterises many theories of reputation. (Grunig, 2013) It is essential for Chevron to make changes at the managerial level, have a spokesperson, a crisis plan in place and to provide training for the crisis management team. If these aspects are not kept up to date, a great compromise is made on effectiveness.

#### Characteristics of excellent PR programs in Chevron

At the program level, communication programs have to be based on research and environmental scanning. For the crisis in Pungești the environmental scanning step is no longer relevant because of the stage of the crisis but research among stakeholders can still be done.

At a functional level, the PR department of Chevron has to be empowered as a strategic managerial function. The key communicators at Chevron have to have four different roles: technician, media relations, manager and senior advisor.

At an organisational level, Chevron should scan the environment, develop programs to communicate symmetrically with activists and involve them with managers throughout the organisation. The company must use formative and evaluative research in order to manage their communication programs strategically.

At a societal level, it is a good way for Chevron to communicate with activists (Grunig, 2002) The main activist groups in Romania are: Rezistentă Pungești (the Pungești resistance), Romania fara ei (Romania without them), Dezvoltare fara fracture (Development without fracking) and Frack off Romania.

The excellence theory is very broad and it also encompasses the situational theory of strategic constituencies. The latter responds to the affirmation that “you cannot please all of the people all of the time”. Chevron should focus its communication on the villagers in Pungești who are rioting, on the activist who riot together with the villagers and also organise events against Chevron and on the non governmental organisations which take juridical action. These constituencies are part of the active public which means they see that the actions of the organisation affect them and they have the ability to do something to change their situation.

#### ***Situational crisis communication theory***

According to the situational crisis communication theory, this is a preventable cluster. “Communication managers should select the crisis response strategies that match the specific crisis type.” (*restoring reputation in times of crisis*) Chevron should switch from its current ineffective strategy and match its responses accordingly. “An organisation’s

past crises history affects the reputational threat posed by a current crisis when that crisis results from intentional acts by the organisation.” “SCCT suggests that the information about past crises can shape perceptions of the current crisis.” For these reasons I took a look at the organisation’s past actions. SCCT is useful in Chevron’s case because the reputation of the company is still suffering from past crises. Chevron has to switch to a simple repair strategy which matches the characteristics of a preventable cluster.

### ***Image restoration theory***

“A company that is at fault should probably admit this immediately.” (*image repair discourse & crisis communication*) From the desk research that has been conducted, it can be concluded that this is the best plan of action for Chevron because people can see through its messages, the masses already realise what Chevron is capable of and how guilty the company really is. The image restoration theory is made out of communication concepts such as apologia and sociology elements such as account analysis. (*Botan, 2006*) The following action plan should be implemented in Chevron’s case: give an immediate response through accurate, credible and consistent messages.

### ***Media dependency theory***

According to the media dependency theory, based on the uses and gratification theory, ‘the more dependent an individual is on the media for having his or her needs fulfilled, the more important the media will be to that person.’ (*Ball-Rokeach, DeFleur, 1976*) If it works for people it can also work for corporations and in this case, media, both social and traditional, is crucial to Chevron and the need it has to fulfil is public acceptance. The uses and gratifications theory is mainly used for smaller personal cases but it can be extended to large scale situations.

### ***Motivation and criticism of theories***

These theories were chosen because they combine in a useful manner in Chevron’s case. The excellence theory shows how other companies implement a PR culture from the managerial level.

The idea that management has the greatest influence on communication is to be found in numerous other books, hence the relevance and effectiveness of the excellence theory in Chevron’s case. The two issues the Excellence Theory rises are that the model presumes goal compatibility and this is an idealistic presupposition, especially when oil companies are involved. “Zealous advocates of the symmetrical model argue that, in those circumstances in which goals appear disparate, public relations can serve as the vehicle for a compromise solution that benefits the organisation, all interested publics, and even society as a whole.” (*Grunig & Grunig 1992*) The second point of criticism

refers to the fact that it is based on erroneous assumptions about the nature of persuasion. (Botan, 2006)

### 3.2 PR strategies

According to Tom Gable, Chevron should prove that it can “walk the talk”. The company will be successful through crisis communication and pro-active PR only if it is committed to this positive course of action. Gable also recommends a better usage of terms such as “exploring” instead of “exploiting” shale gas.

Public relations strategies focus on timing, feedback, flexibility and making contact with all stakeholders. (Seeger)

“There are three ethical issues that are often prominent in crisis situations: responsibility and accountability, access to information, and the ethic of humanistic care.” (Ulmer, 2007) All three are missing from Chevron’s crisis response. Since that worker has died through the fault of Chevron the company should make a public apology and compensate the family of the victim. Instead, the company is covering up the case. There is some uncertainty surrounding this. The crisis escalated when the first work-related death occurred. “A humanistic orientation requires that organisations be sensitive to the harm that may be caused by their operations, including what could happen in a crisis. Following the death of an employee due to an organisational accident or workplace violence, many an organisation provides financial assistance to the family. Counselling offered to victims, their families, and others affected is often part of a crisis response.” (Ulmer, 2007)

“Organisations dealing with toxic chemicals, for example, have a moral obligation to inform members of the surrounding community of the potential risks so community members can make informed choices about how to respond.” (Ulmer, 2007) At no point in time did Chevron issue a statement regarding this. The oil giant should now fully disclose those substances they use which affect workers. The majority already knows the chemicals are harmful so Chevron is not tricking the public, but it is doing itself a disservice by withholding information.

Geert deCock states about oil companies: “There’s all kind of massaging the truth that they are doing. I think it would be much better for them if they actually said “sometimes accidents happen but we are trying to control this” instead of this “there is no problem” I mean that’s just not believable. I think this is also why people don’t trust them, because they are not upfront about what happened. You know you get all these scientific evidence from the US stating that there is a problem and the industry just flat out denies it. They have been in this business for a long time, of denying things like climate change, they are finally losing that. They are funding groups who say “we still don’t know

whether climate change it's man made or not." I don't think they will change their ways. This is a part of the problem that the industry is good at: at obfuscating scientific data, scientific discussion and not being clear about what are the real impacts and sticking to their traditional speaking points of "there is no problem".

PR is the first step towards recovering reputation. It might not be enough but it is a crucial step in today's market dominated by rapid exchange of information. However, the company's PR department needs to be aware of the differences in cultures, political philosophies and economic systems. (*Sriramesh, 2003*) When coming to Romania, Chevron did not have a communication plan in place. Nor did it have one when it went to work in all those other places around the globe and that resulted, with no exceptions, in either lawsuits, negative media coverage, angry activists, frustrated victims or a combination of those.

According to Gaines-Ross, there are twelve steps to safeguarding and recovering reputation, divided into four stages: rescue, rewind, restore and recover. They could be very effective for Chevron and the following short strategy is adapted to their case.

1) Take heat - leader first: John Watson should be seen dealing with this crisis head on. He should make an appearance in Pungești and communicate truthfully and meaningfully. If that is not possible, he should at least talk to Romanian journalists about the situation. It all starts with the CEO.

2) Communicate tirelessly: Chevron could do this by sending out a newsletter, sending a spokesperson to appear on TV, giving interviews and participating in televised debates about fracking. However, they should not resort to formal communication but also try and establish more profound connections with a few members of the community or activists. They could do this by taking questions from them in front of an audience. This shows honesty and progress in communication.

3) Reset the company clock: avoid starting rumours such as the one regarding the infiltrated Russian lobbyists. Is it true or not? In the end the public's perspective dictates the answer. This is meant to confuse the public and it reminds of socialist tactics which are very damaging for a democratic company operating in democratic countries.

4) Don't underestimate your critics and competitors. People tend to unite in the face of difficult situations and people from different social categories have coalesced against the company who is trying to steal their health, democratic freedom, safety and welfare.

5) Analyse what went wrong and right. How are media relations? how is the information campaign going? how clear are the bureaucratic aspect of things? how are rumours



kept under control? and how are the expectations of stakeholders and shareholders managed?

6) Measure, measure and measure again. Measurement can be done by conducting surveys and sending out questionnaires.

7) Right the culture

8) Seize the shift

9) Brave the media

10) Build a drumbeat of good news

11) Commit to a marathon, not a sprint: trust will be earned in time, not overnight.

12) Minimize reputation risk. (*Leslie Gaines-Ross, 2008*) For Chevron this means no more environmental disasters, corruption scandals, uninspired answers and disrespecting the audience. (*Leslie Gaines-Ross, 2008*)

Chevron is currently using a one way asymmetrical type of communication because they use persuasion and manipulation to influence audience to behave as the organisation desires. No research is being conducted in order to find out how its publics feel about the organisation. A two way symmetrical model is more appropriate in this situation because it is used to negotiate with publics, resolve conflict and promote mutual understanding and respect between the organisation and its publics. (*The importance of the four models of PR*) The benefits of symmetrical communication are that they “negotiate, compromise, bargain, listen, and engage in dialogue. The organisation knows what the publics want and need; the publics in turn, understand the organisation’s needs and desires.” (*crisis comm a casebook approach, pg 17*) “An organisation with communication ideologies that encourage, support and champion crisis management preparations, crisis communications plans and actions, and two-way symmetrical communications practices will suffer less financial, emotional, and perceptual damage than the organisation that does not.” Developing a crisis communication plan should be a priority because Chevron does not have one in place.

‘Public relations constitute the creation of planned and systematic relationship between enterprises and the external and internal public, in order to obtain understanding and confidence. When communicating with the public it is an important two-way flow of information and feedback.’ Modern PR is the bidirectional communication, often the dialogue influencing the public opinion and attitudes, because of its strategic objective in the positive change of the audience behaviour. The basic tactics of PR should inform and persuade the public, as well as improve the relationships and shape the behaviour

of the public through the targeted information. Long-term strategic goals of PR are understanding, harmony of interests and favourable image of enterprise in the public perception. In the practical activities, PR is essentially about two basic things: activities that create trust and the care about contacts with certain relevant groups of society. Taking care of, understanding and maintaining the public trust is a permanent role.'

"PR is an excellent way to take your business message into the space of 'news' rather than advertising. News has authority, credibility and readership." (*Public relations and managing reputation*) Instead of publishing dry information on the Chevron Romania website, which people in Pungești might not have access to, Chevron could make positive media coverage.

The advantages of PR are the power to appeal to a large audience, great appealing power and responses, inexpensive. The disadvantages of PR are that it is a difficult discipline to understand, and it is hard to predict the responses of the audience (*advantages and disadvantages of PR*)

### **3.2.1 How Chevron is currently making use of PR**

It cannot be stated with certainty that Chevron is currently practicing public relations in its true sense. From a communitarian perspective the notion of "public" has been criticised for being too narrow and that public relations can only begin after there has been public formation. (*Heath, 2001*) The society has become fragmented so socially significant messages have become harder to develop.

Chevron tried using the common ground technique which represents a basis of mutual interest that is established through the course of an argument. (*E.Carroll, 2013*) Through the 'we agree' campaign, visitors had the possibility to supposedly guide Chevron's decision-making process by joining the community of concerned consumers. The word 'supposedly' is used because none of these results were actually seen or measured. This method is known as flagrant greenwashing, whose purpose is to deflect criticism of the environmental impact of the oil industry. (*Chevron thinks we're stupid*) Through this, the company is hoping to 'recast itself as an environmentally responsible citizen.' When Chevron noticed that its information campaign failed, they turned to other solutions. In an article retrieved in a Romanian newspaper in December 2013, it is stated that Chevron makes use of the Orthodox Church in order to convince the locals to stop opposing shale gas exploitation. The Church is a highly respected institution in the village.

Chevron makes use of negative PR, also known as dark or black PR. "From the start, Chevron and its constituents (including political officials) have been conducting business with corrupt, shady methods. When Chevron first approached locals to interview

them and gather support for fracking, they asked ambiguous questions like, “Do you agree with natural resource extraction?” Many answered yes, which resulted in inaccurate and skewed public surveying. Similarly and more recently, Chevron purportedly sent out ‘fake journalists’, who were protected and defended by police, to collect signatures to register for ‘free newspaper subscriptions’, but community members were actually signing a pro-fracking petition.” (Blank, 2013) Its PR tactics lack substance and sincerity. The company says one thing and does the total opposite. It harms the environment irrevocably, manipulates and repeatedly fails to inform the population. The reason it is still operating is the nature of the business and the high income generated by its activities over the past few years.

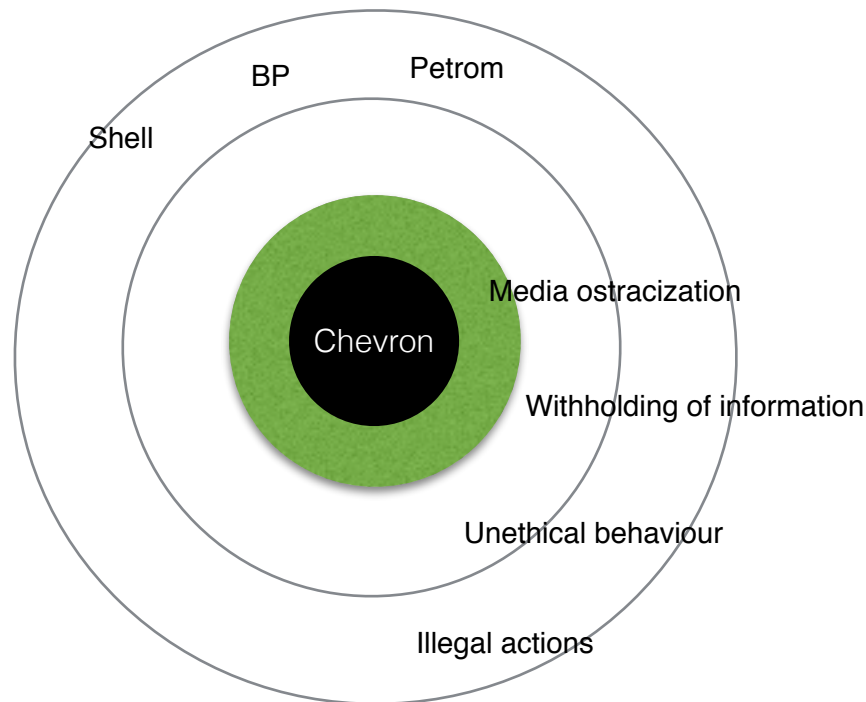
### **3.2.2 Measuring PR techniques**

Now that reputation means “to track progress once reputation loss has occurred, benchmarks are necessary. Now more than ever, companies and their leaders need real-time, hard evidence that the company is moving in the right direction.” Reputation - tracking surveys, quarterly or half-year research in depth qualitative interviews and daily media alerts are all useful tools for monitoring potential future problems. (Leslie Gaines-Ross, 2008) The best solution seems to be utilising the brand association mapping. The method is presented below and it is applied to Chevron’s case.

‘The efficiency of PR campaigns can be measured only if measurable objectives are set. There are three performance indicators: inputs, outputs and indicators of success. Inputs mean measured PR activities, outputs mean measured PR results in terms of media coverage and publicity. The indicator of success ‘measures the extent of achievement of predetermined objectives in relation to target group’. Examples of measurement are: the proportion of the reached target audience, changes in knowledge and awareness, changes in opinions and attitudes, the development of image and reputation, the extent of changes in behaviour.’ (*advertising and public relations efficiency measurement and control*). In this case the interest falls on changes in knowledge and awareness, in opinions and attitudes and the development of image and reputation. How will Chevron enable the people in Pungești to gain new and accurate knowledge? Will that result in their opinions and attitudes towards this situation being changed? One author says that PR cannot be quantifiable but if that would be possible it would show skeptics how important it actually is for the company’s bottom line and investors. Chevron needs to measure the changes in knowledge and awareness, changes in opinions and attitudes and the development of image and reputation.

The brand association mapping illustrated below shows Chevron’s competitors, products, related concepts and brand attributes. The mapping focuses on seven dimensions: products/services, innovation, workplace, governance, CSR/citizenship, leadership and financial performance. For the purpose of this study, the focus is on innova-

tion, CSR/citizenship and leadership. The active publics' perception, cognition, motivation, and communicative actions will determine the content, amount, and tonality of what people remember and talk about with regard to an organisation. Since for the purpose of this research the case in Pungești is most relevant I adapted the Nielsen's Buzz metrics to this particular case and it focuses solely on negative aspects.



*Brand Association mapping (Nielsen Buzz Metrics)*

The stakeholders who could benefit from this brand association mapping are researchers who can identify issues which are invisible or undressed by traditional techniques and external relations who can uncover vulnerabilities in corporate reputation.

### **3.2.3 Impact of effective PR and Communication on reputation recovery**

‘The value of good corporate reputation and the penalties of a poor one are never more evident than in times of crisis.’ (Morley, 2002) The way Chevron acts during this current crisis will determine its future within the industry and revenue. “Planning your PR activities is fundamental to success. If you only do PR because you think you should, without understanding why you’re doing it, you could be wasting valuable resources, including time and money.” (Richardson, 2010)

Start by making a situational analysis which also includes identifying stakeholders, set PR objectives, develop PR strategies - create a message, develop PR tactics, set timescales and allocate resources, implement and lastly, evaluate and reflect. Currently, Chevron is trying to alter the attitudes and opinions of key stakeholders but they should switch to raising awareness and raising their company profile.

For the purpose of applying the media dependency theory, it is important for Chevron to identify the different target audiences in Pungești (villagers, activists, professionals working in the oil & gas field, politicians) but also the general public in other cities who also wants information on the same topic and is in solidarity with the people in Pungești. This will determine the nature of the message: technical or simple. "You may be required to develop a suite of messages to suit a range of different audiences." Messages must be highly credible, and are often delivered alongside advertising to reinforce the message. (*Richardson, 2010*) However, before the company's real campaign was launched, a mocking version appeared on the internet in order to discredit Chevron. They should therefore refrain from advertising and focus solely on repairing and maintaining its image. When launching their new messages, the company should consider the following three elements: format, tone and context and newsworthiness. The following guidelines have been developed in this research, based on the framework provided in Richardson's book 'Develop your PR skills'. For as far as format is concerned, Chevron should use words and photos because these are the least propagandistic of all the instruments available. The tone should be adapted to the revolted audience. Chevron should show compassion. Most of the people are already exposed to a lot of information on fracking and what the company is doing, thanks to other sources of information. It would only go to show that the company is willing to adapt to the market. Sounds logical but this could not be found in any of the company's communications with the audience in Pungești: 'your messages must communicate something worthwhile and of benefit to your audience'. This means that Chevron needs to tell the family of the victims how they will be compensated, tell the people of Pungești how to protect themselves against any harm that can be caused by fracking, the activists how it will ensure the safety of the environment and the workers.

Chevron translates everything into money so the public inevitably sees it as a profit oriented corporation who does not care about their life, health or legacy. Your best judges are the publics who have nothing to gain from collaborating with you, so if you can establish effective communication and please them you will remain successful in business. In Chevron's case that means repairing its relationship with the villagers in Pungești so that they do not think the corporation is only after their land. Activists need to know that democracy is working and Chevron respects the laws of their country and obtains the necessary paperwork without resorting to methods such as bribing or threatening.

## Chapter 4 - Case study

I have divided this chapter into the following two sections, which will lead to a better understanding of this complex case.

### 4.1 Chevron's crisis in Romania

4.1.1 The company as part of the oil industry, the process of hydraulic fracturing

4.1.2 Image in the past

4.1.3 Timeline of activities in Pungești

4.1.4 Activities in Pungești: impact on welfare, democracy, health, environment, economical problem, moral problem, stakeholders

4.1.5 Parties involved and the consequences of their actions

4.1.6 Romanian public opinion and stakeholder communication

4.1.7 Why Chevron should consider CSR in Pungești

### 4.2 Image management strategy

4.2.1 purpose and objectives

4.2.2 the use of social and traditional media for reputation recovery

4.2.3 evaluation

#### 4.1.1 The oil industry and hydraulic fracturing

Chevron is an American energy company, based in Texas. (*Mattera - Chevron: The Big Oil Boys*) Within the oil industry, Chevron is one of the most profitable companies. Chevron is America's third largest corporation and was named the world's 16th largest public company. It was founded in 1984 but its origins date back to 1984. In 2000, the company acquired Texaco. (*Top 10 Oil & Gas Companies*)

Nowadays, the oil industry is dominated by environmental scandals and the corporations' communication with the publics is questionable. The indisputable champion of bad communication with the public is Chevron, as it results from the numerous problems they have, unrelated to environmental incidents. "Oil companies even under the best circumstances have a negative public perception. They are the favourite targets of consumers and politicians alike. They make large profits and never appear to lower the price of gas at the pumps. So when a tragedy occurs, a crisis communication strategy is difficult and tricky. Yet in Chevron's apology, they reinforced every negative image that the public has and worst, double downed when the criticism began." (*E. Johnson,*

2014) For the population of Pungești, Chevron is a stranger with the demands of a land owner. "The biggest mistake brands and corporations make during a crisis is their response to the crisis...Companies should look at Chevron on what not to do in a crisis." (E. Johnson, 2014) These fragments taken from the same article, provide a clear example of how badly Chevron acts and advertises itself during times of crisis.

Hydraulic fracturing is the process of extracting shale gas. It works by injecting more than a million gallons of water, sand and chemicals at high pressure down and across into horizontally drilled wells as far as 10.000 feet below the surface. The pressurised mixture causes the rock layer to crack. These fissures are held open by the sand particles so that natural gas from the shale can flow up the well. (*What Is Hydraulic Fracturing?*) It could be beneficial because it provides an alternative to conventional resources, increase the energy security of a country and it can provide temporary jobs. (*Benefits of Fracking*) It is detrimental because during the process, the nearby groundwater is contaminated by methane gas and toxic chemicals. (*The dangers of fracking*) Below I have stated in more detail the threats this process raises and how it impacts various area of life.

In a TV reportage made by Epoch Times, George Epurescu explained what is going on in Pungești in terms of hydraulic fracturing. The following information is only a short transcript of the interview. He also took legal actions against Chevron. There are currently four wells installed in Pungești in order to monitor the quality of the water but they are placed outside of Chevron's perimeter. Although Chevron has revenues of 19 million dollars, it still resorts to tricks in order to obtain their authorisations of operation. For drilling, the company needs 2 million liters of water and 500 cube meters for the cement they will make. Chevron most likely had impediments in obtaining the environmental agreement so will extract water through doubtful manners.

Geert deCock also offers more information on the topic of fracking. "First of all shale gas is a fossil fuel and we believe that there are other energy sources: renewables, energy efficiency, energy savings that can deliver a transition to a low carbon economy much faster and in a much more cost-effective and cleaner way than shale gas. We see shale gas as an extreme form of energy"

"In some areas in Europe, water resources are scarce. So if you add a major water consuming industry like fracking, this gets very complicated. This industry takes up a lot of land, you have the wells, the pipelines that need to go in. It is a very intense form of industrial activity that you are going to develop."

"Nobody says that shale gas will make Europe energy independent, not even the industry would say that. The say the best we can do is to compensate for declining conventional supplies."

The debate on fracking generated some interesting answers from the audience. Almost all respondents are against the process because of its irreversible damaging consequences.

#### **4.1.2 Chevron's past actions and reputation**

Why does Chevron need crisis communication?

As some online sources state, if Chevron was an individual it would now be behind bars. Chevron affects or has affected many people in various countries and below there is an overview of how exactly the company has impacted so many lives. "There are few absolutes in business, but when it comes to reputation, three facts are indisputable: no reputation is bulletproof, no company can afford to be reputation-blind, and no suit of armour is impenetrable enough to withstand the repetitional slings and arrows directed at companies and leaders today." (*Leslie Gaines-Ross, 2008*)

2012 was the worst year in Chevron's company history. For as far as image goes, there is a very high discrepancy between how the oil company advertises itself and how everyone else sees it. This is a direct consequence of their recklessness and harmful actions. Chevron has been accused in the past of corporate espionage, fraud, bribery and dumping toxic waste into the environment.

In Poland, Chevron was met with a similar attitude as in Pungești. The town in Poland was the first one to stop the company from drilling on their land.

In Burma, Chevron is accused of having murdered locals and forcing others into back-breaking, unpaid labor in order to keep the gas exports flowing smoothly. This was all done through soldiers so it is interesting to see the similarities with their actions in Pungești where the population is controlled through police. Moreover, the revenues from the operation have been used for fostering harmful political outcomes which affect the entire country. 'In 2005, the now defunct Unocal oil company, which Chevron bought that year, paid an undisclosed sum of money to Burmese plaintiffs after fighting a nine-year legal battle in a California court over human-rights abuses around the pipeline.' (*Walt, 2010*) This goes to show that nothing new is happening to Chevron's tactics. The company simply seems to be employing the same methods in different countries but in various ways.

In Nigeria, Chevron has drilled for more than five decades, both onshore and offshore but since 1960 the communities which live near the shores have become poorer and sicker. The Nigerian officials have turned a blind eye to the dramatic situation. (*ChevronToxico*)

Fracking scandals took place on several occasions in the US. First in 2008 and again in 2012. Chevron's response to the accusations was not very clever, to say the least.



Their pizza offer started controversies among those close to the place where it all happened.

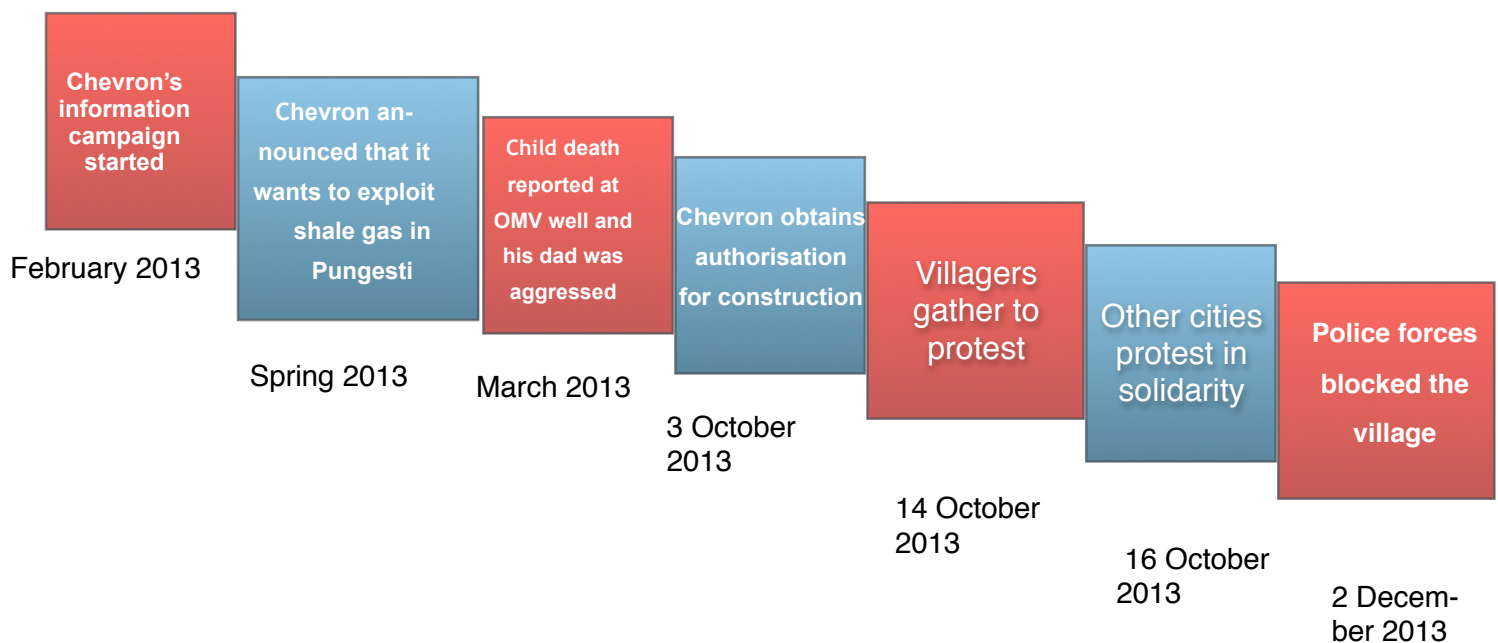
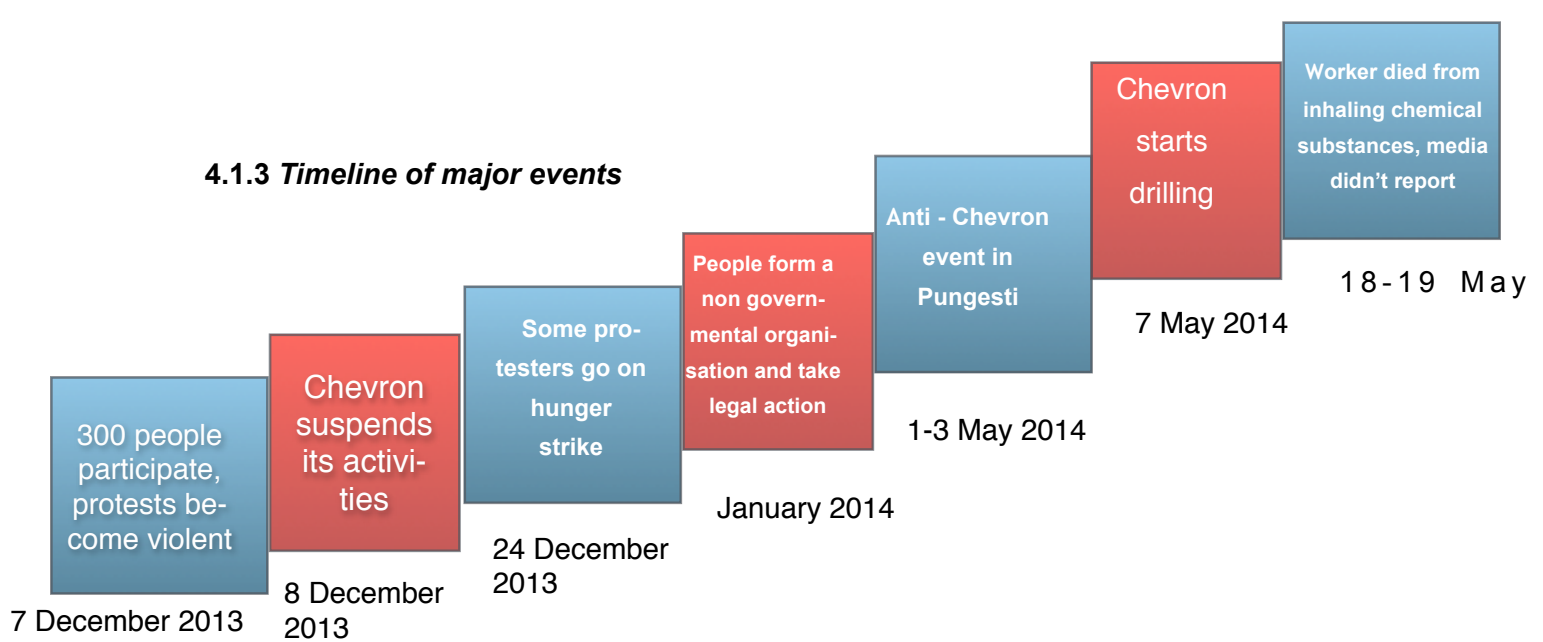
Ecuador has been the centre of many environmental scandals and probably the most commented episode in Chevron's history. The oil giant dumped toxic waste in the environment but has not bothered to clean up. No matter how much and for how long they have denied it, facts do not cease to present themselves. (*Support Ecuador*) Chevron might think they can get away with it if they employ their financial resources but other companies suffered from similar situations: "Despite the fact that the company won an appeal against its conviction for obstructing justice in the Enron case, the name once associated with excellence and integrity became associated with scandal and deceit." (*new strategies for reputation management pg 23*)

In the north-west of Australia, the Gorgon project developed by Chevron, represents a threat for the sea turtles which nest on Barrow Island. Although the Australian flatback sea turtle can only be found in Australia and it is protected by the government, the premiere gave it a green light. The destruction of the ecosystem is the consequence of using carbon sequestration technology. (*Turtle Island Restoration Network*) When environmental concerns were addressed, Chevron contradicted its own policies by silencing a shareholder representative. (*The Wilderness Society*)

According to an article on a blog, "several big oil companies make this list, but Chevron deserves a special place in Hell" (*Brainz*) . Between 1972 to 1993, Chevron discharged 18 billion gallons of toxic water into the rain forests of Ecuador without any remediation, destroying the livelihoods of local farmers and sickening indigenous populations. Chevron has also done plenty of polluting in the U.S. In 1998, Richmond, California sued Chevron for illegally bypassing waste water treatments and contaminating local water supplies, ditto in New Hampshire in 2003. Chevron was responsible for the death of several Nigerians who protested the company's polluting, exploiting presence in the Nigerian Delta. Chevron paid the local militia, known for its human rights abuses, to squash the protests, and even supplied them with choppers and boats. The military opened fire on the protesters, then burned their villages to the ground. (*15 of the deadliest corporations*)

Due to the economical crisis and the increasingly high demand for oil and petroleum products, Chevron might think that it can get away with unorthodox practices but people everywhere sum up their opinions as: we can survive without oil but not without water. They need to consider the content of the messages and the tone of voice of their audience.

#### 4.1.3 Timeline of major events



#### 4.1.4 Activities in Pungești and their impacts



*Hydraulic fracturing equipment retrieved from [www.razbointrucuvant.ro](http://www.razbointrucuvant.ro)*

There is a great number of problems that Chevron brings to Pungești.

### **Welfare**

First of all there is the impact on welfare. The process of hydraulic fracturing costs a lot of water and money. Through hydraulic fracturing, Chevron affects the welfare of numerous people. Hydraulic fracturing decreases property value. A study conducted in Washington, Pennsylvania shows that properties with wells on the land have lost 13% of their value. (*Exploatarea gazelor de sist si fracturarea hidraulica*) Moreover, animals are endangered by this process and for the people in Pungești, who rely on agriculture, this could mean that they are deprived of survival resources. A question inevitably arises: can it be named progress if people associate the current exploitations with the american wild west?

Many people have fallen ill with cancer, mainly leukaemia. There is cause to believe that the chemicals used in the process also cause infertility and it has been proved to be bad for babies. The price of green energy is paid with human sacrifice and Chevron is not doing anything in order to change it.

### **Democracy**

In Pungești, the land of the farmers has been obtained through illegal manoeuvres, with the help of the justice system. The undemocratic methods are also practiced on the territory of the United States. The stories of police brutality have been going on for about a year now. Villagers have been illegally charged, kidnapped from their homes in

the middle of the night, threatened, fined with very large sums of money, beaten up, phones have been confiscated, they got interdictions to talk about what happened to them and when they called the police no help was sent. Furthermore, the police were supported by a private security company hired by Chevron. (*Revolution News*)

### **Bribery scandals**

In Romania, the company distributed goods to kids, claiming that they support education but people perceived the message differently: "Chevron representatives have distributed backpacks with school supplies, sweets and "courtesy" letters to 600 pupils from the schools in the village." Chevron offered 57 bikes to the students from a village in which they will begin exploiting. (*Istrate, 2014*)

In the US, people are outraged by the company's actions: In a "photo made on Saturday, March 1, 2014, Bobtown Pizza's Bill Sowden, shows a certificate that was redeemed at his shop in Bobtown, Pa. The little pizza shop in the southwestern corner of Pennsylvania was placed in the spotlight when energy giant Chevron offered coupons for free pizza from their shop to people who live near the area where a natural gas well that exploded, killing one worker on Feb 11, 2014. Some news stories and internet opinion posts have been critical about the offer by Chevron Corp, but many residents of the town said they didn't mind the pizza offer."

The resemblance between the situation in Romania and the one in the US is that while Chevron was not charged with bribery in the court of law, the media ran the story and the population became revolted upon hearing the news.

### **Law abiding**

It is by now public knowledge that Chevron broke the law in several countries and afterwards tried to cover its tracks. "Chevron's Human Rights Policy focuses on four issues relevant to our business: treating our employees in a manner consistent with The Chevron Way; ensuring that our security providers follow international principles when protecting people and assets; evaluating how our operations may impact the community; and engaging our key suppliers on issues related to human rights. The policy is governed by an executive leadership body and guided by a policy team." (*Chevron - Human rights*)

"According to a report published by key Romanian experts, Chevron's petroleum agreements, and implicitly all the company's current activities in Romania, are illegal because the Petroleum Law 283/2004, used as their legal basis, does not cover non-conventional resources, such as shale gas. In fact, the notion of "non-conventional resources" has not yet been legally defined in Romania." (*Besliu, 2013*)

A simple comparison between the two paragraphs shows where most of Chevron's communication problems lie - inconsistency between message transmitted and attitude shown.

### **Impact on the environment**

First of all, drinking water is contaminated with chemicals after fracking. The chemicals used in the process also cause soil pollution and earthquakes. A new debate recently started in the light of the spreading of hydraulic fracturing. Just how dangerous is the radioactive waste produced by the exploitation wells? (*Mosoianu, 2014*)

"Chevron holds the protection of people and the environment as core values wherever we operate. We want to be known as a good neighbour, partner and steward of the environment who makes positive contributions to Romania. Chevron works hard to understand community expectations and concerns so we can effectively manage and respond to those. We will conduct environmental, social and health studies to identify potential impacts of our operations and take steps to avoid or reduce them. And we work within communities to direct resources toward issues and social investment opportunities that are important to the people who live there and which address their needs." (*Chevron Romania*)

"Furthermore, it is important to consider the cost that the country will have to pay for environmental damage and displacement. In villages, such as Pungești, people are farmers and rely on their land and water used in agriculture to survive. If they are deprived of their land, they can no longer earn their living and are thus thrown into a desperate and undeserved state of poverty. The fracking protest in Romania, Poland and Argentina also brings up the ethical question of the responsibility to preserve natural resources for future generations or, when needed, to use the resources in a way that adequately benefits future generations through savings or investments." (*Besliu, 2013*)

### **Moral problem**

Unethical practices make it hard for the population to trust the content of the information that the company supplies. The very famous quote "the medium is the message" applies here as well. This means that whatever course of action the company undertakes, it reflects on the organisational reputation.

"If your organisation has erred, it is usually best to reveal the mistake at once, apologise, and make amends. The story may end right away as long as the crisis itself is not continuing. Cover-ups make a crisis persist. Whether your company has erred or not, do all you can to get control of the situation as much as possible and as soon as possible. When you release your own bad news, you decrease the likelihood of rumour, supposition, half-truths, and misinformation." (*crisis comm a casebook approach pg 67*)

In Pungești, and other places, there is an interdiction to talk about fracking. If people meet in larger groups, they are immediately dissolved by the gendarmes and villagers fear for their safety because of the actions of the police. Some have been taken from their houses at night by the armed forces. People feel betrayed, lied to and harmed by Chevron. The company cannot convince them to stop protesting, so it now tries to manipulate them.

Very damaging to credibility is also the fact that ExxonMobil's CEO Rex Tillerson opposes hydraulic fracturing on his own land while lobbying for it publicly. Furthermore, Victor Ponta, the current Romanian prime minister first opposed hydraulic fracturing but he changed his mind upon receiving his title. (*Exploatarea gazelor de sits si fracturarea hidroaulica - Adevarul despre Chevron*)



*Group of protesters taking down a fence put by Chevron, retrieved from jurnalul.ro*

#### **4.1.5 Parties involved and the consequences of their actions**

In the first chapter the two conflicting sides of this scandal are introduced. This section offers more information on the actors involved in this crisis.

John Watson is the CEO of Chevron and he is not present for or commenting any go the events in Pungesti. Wesley Clark stated that he believes Romania can become a major energy exporter and is a tracking lobbyist. He is also Ponta's advisor. Tom Holst is Chevron's country manager for Romania. In an interview from December 2013 he stated that "all good businesses have the ability to accommodate for these particular events." (*gandeste.org*) As George Epurescu states, "Chevron's country manager, Tom Holst, has an elliptic discourse and doesn't bother with accountability." The Romanian president Traian Basescu and The Romanian prime minister Victor Ponta both support the shale gas exploitation on the Romanian territory. Mircea Vlasea, the mayor of

Pungești, is being investigated by the police for forged documents and abuse of office.  
(*Popescu I - Daily News*)

Villagers from Pungești, Romanian activists and lawyers, the Green party, Greenpeace, other organisations involved try to stop Chevron from exploiting through all the means they have available.

Neither side seems to want to compromise so in absence of a mutually satisfiable understanding, a conflict resolution plan must be put into place by Chevron. The benefits that can emerge from an image repair strategy are a better reputation, better business in the long term and better stakeholder relationships.

Aside from the negative health and environmental consequences, shale gas exploitation also affects the society as a whole and the political outcomes in the territory. The way key players act towards Chevron has the power to change public opinion about them. For example the leading party in Pungești has lost the latest elections because it has failed to support the population in its fight against Chevron.

Two vital sources of information for this case study were the two interviews conducted with George Epurescu and Alexandru Ionascu.

#### **4.1.6 Public opinion and stakeholder communication**

The company failed to acknowledge that their actions will fuel discontent. "Research shows that the vast majority of crises arise when companies fail to identify a potentially contentious issue at an earlier, more benign stage and to develop a plan of action to manage the issue before the issue manages them." (*Weiner, 2006*) Unfortunately this is also the case in Pungești. The same source states: "Crisis management; plan for the worst; hope for the best." It seems like Chevron does the total opposite and repeats the same error over and over again: it plans for the best and when things go bad they resort to scandalous image repair attempts.

The characteristics of a crisis are surprise, lack of information, escalating pace of events, intense scrutiny, loss of control, short-term focus,

According to an analysis published in the Petroleum Industry Review, these are the main factors that contributed to the strengthening of public opposition: communication with the public, politics and local protest and hydraulic fracturing track record in Romania. (*Gusilov, 2012*) The sphere of convention which primarily refers to the economic life of society, the sphere of legislation, which refers to the political life and its main subject, the state, and the sphere of opinion of the public, which refers to moral and ethical issues. (*public opinion - developments and controversies in the twentieth century*)

The damage the company has brought to its image is reflected in various ways: the messages people shout during protests, the blogs that are being written. The only weapon the citizens have is the power of their word and they make plenty of use of it. Chevron benefits from numerous and various resources and constantly fails to employ them in any efficient way. Naturally, the image only got worse after this current crisis. From obtaining the necessary papers through shady manners, not explaining the downsides and benefits of this method and denying rightful accusations, Chevron seems to be doing everything wrong.

Chevron did not come with a PR strategy in Romania. The only strategy they seem to employ is a defensive one, which affects their image. Chevron did not try to attract an active segment of the population in order to improve its image. They need a target group and they need to take action. The image will not fix itself. They need to change the opinions of the people who oppose them but not by denying the accusations and lying. Instead they should do it through informing and educating about fracking.

#### **4.1.7 Why Chevron should consider CSR**

Chevron should consider social corporate responsibility because it works in a controversial field and its name is associated with numerous environmental disasters. The importance of corporate social responsibility among oil companies cannot be stressed enough. Another blow to Chevron's reputation comes from the Petroleum Museum in Texas which rejected a donation from two ecuadorian indigenous. One Secoyan and one Cofan nationals offered photos to the museum's executive director, explaining that they represent an important part in the history of petroleum and therefore belong there. The pictures depicted contaminated oil sites, including one of a child in a swing next to a barrel with the Texaco logo on it. Furthermore, inside the director's office there was a stand displaying an enlarged copy of a 500,000 \$ signed by Chevron and made out to the museum. (*MCSquared PR Inc*) In this case Chevron accuses itself of the damage produced in Ecuador and once again shows how it handles problems through unethical methods such as bribery. The more the media is to Chevron, the more people turn to it for a portrait of the company.

## **4.2 Image management strategy**

Chevron should have an image strategy developed according to elements from The Excellence Theory, Media Dependency Theory and PR strategies.

The abuse, threats and intimidations practiced by the police forces, the pro-fracking propaganda, the bribing attempts, manipulation, disguise and concealing of information and the false rumours about Russian lobbyists all failed for Chevron in its quest to con-



vince the population. This is one more strong argument as to why excellent, two way symmetrical and ethical communication is the way to go for Chevron.

#### **4.2.1 Purpose and objectives**

The purpose of the corporate reputation management strategy is to reestablish the damaged organisational reputation.

The following strategies are rooted in the Theory of Image Repair Discourse.

The death of the worker should be dealt with through mortification and compensation. The illegal obtainment of paperwork mortification and corrective action. The escalating violence in riots should be fixed by reducing offensiveness of event by bolstering, corrective action and mortification. Disregarding public opinion has to be fixed through corrective action and mortification and the bad relations with the media through corrective action.

An example of mortification response tailored to Chevron's case is: We at Chevron are deeply saddened by what happened during the process of shale gas exploration. The welfare of our employees and the general public is of utmost importance to us. Our thoughts and prayers go out to those affected in any way.

Example of answer for the compensation strategy: We at Chevron will give back to the community where we exploit shale gas, we will help it grow and for those affected in the process we will cover the costs of medical care and provide financial compensations for those who suffered material losses.

The strategy must refer to the following external factors: political/legal, environmental and social and address its publics. (*Ignition marketing & advisory*)

From a political or legal standpoint Chevron should distance itself from the political arena in Pungești and in the country.

#### **4.2.2 Use of media**

It is a known fact that bad news sells. Newspapers are more information providers and social media platforms provide less detailed information but allow people to comment, give each other updates and post messages of any kind.

##### ***Use of social media by the public***

Social media plays a crucial role in reputation management nowadays. A wide segment of the public is active on Facebook, Twitter and blogs. These Facebook pages show news about what is happening in Pungești.

Alexandru Ionascu states that the internet has helped them make the Pungești problem viral. “The media tried to look away but due to internet activity the problem became viral and they were forced to write some articles.”

**Facebook:** Anybody who is familiar with Facebook can read the news on the ‘Rezistanta Pungești’ page. Frack off Romania also has a Facebook page. <sup>1</sup>

**Blogs:** Frack OFF is an English blog which shows solidarity with the fracking situation in Romania. It provides the latest news on events related to fracking. (*Frack Off Romania*)

**Twitter:** The frack off page on twitter provides updates and pictures and tries to put a stop to hydraulic fracturing, coal bed methane and underground coal gasification. <sup>2</sup>

Chevron uses its Facebook page in order to promote its projects which positively impact the future of the planet and the environment. However, it does not give updates about the regions it is working in and it does not address the concerns of the citizens. The same information is provided on Linked in.

It is interesting to observe the case of Chevron when it comes to tweeting because as opposed to, for example Shell, the company uses this platform to dialogue with its users. (Korosec, 2009)

“Corporations such as ChevronTexaco interpret CSR as philanthropy and community relations relations via third parties-with efforts sometimes considered inauthentic, drawing media skepticism.” CSR may be manipulated by internal managers toward their own ends. (*CSR and the oil industry*)

The social media platforms have been analysed because they play an important role in today’s media coverage and Chevron can use it to communicate with the public and its stakeholders.

### ***Strategy for using social media***

Holst suggests that blogs can be used by local managers in order to talk about elements of drilling, the processes, safety procedures, the people involved and their backgrounds, how they support community programs and which economic benefits the community in Pungești and the rest of the country will reap. However, all target groups must be considered. For the people with no internet access the best solution is replacing the blogs with press releases or speeches where experts in the field of fracking are also present. Chevron should not intent to advertise itself through social media chan-

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<sup>1</sup> <https://www.facebook.com/groups/frackoffromania/>

<sup>2</sup> [https://twitter.com/Frack\\_Off](https://twitter.com/Frack_Off)

nels but to first repair the damage it has caused. “The people side of the operation can be brought to life on Facebook, with regular updates on local activities and engagement, to include photos of local residents touring the plant, at community events with Chevron and other positive engagements. The company can create short videos on YouTube” (*Tom Holst*)

The following is an example of bad media usage: In 2010, Chevron tried to restore its image with an “we agree” campaign. (*Chevron attempts to repair tarnished image, 2010*) The public has more social media channels at hand in order to express itself while the company has various more traditionally ways such as ad campaigns.

## **Conclusion**

Chevron’s bad reputation is the sum of various factors. To begin with, oil companies have a bad reputation in general and Chevron has a very bad history. Secondly, it did not come with a plan on the Romanian market and it does not listen to public opinion in Romania or elsewhere. Thirdly, through its actions it becomes the enemy of the community and not its ally. This is also a result of its political entanglement and bad associations and due to trying to impose a very harmful process. The combination between bad relations with traditional media, bad advertising through social media, bad PR and the lack of a crisis communication plan drive the company out of the market. This has already happened in Bulgaria. Lastly, the possibly false rumours they have started portray them as manipulative. The company is communicating with all the powers of the state, except for the one that matters most to the people: independent journalism.

## Chapter 5 - Research Results

### 5.1 Main findings from debate

The debate clearly shows that the population is concerned about the impact of hydraulic fracturing on human health and the environment. Of all the arguments mentioned against, the most important and useful ones for Chevron are:

First of all people are concerned about the toxicity of the process. If Chevron would seek to invest in 'clean' substances, the project could be beneficial because it would maybe produce green energy while not harming the environment. First balance out the advantages and disadvantages and then act. For others, fracking is a nightmare and people do not see a need for it. The gas could provide sustainable sources of energy but it's not a certainty.

Secondly, fracking decreases the quality of life and this also applies to the less economically developed communities.

Thirdly, the issue of ethical business is raised. It is not normal to destroy lives for economical reasons. People are individuals with opinions and not a negligible collective unit. Another ethical issue which arises is that people who suffer through this process will not live to see the benefits this might bring.

Political reasons also play a role. America has a dominant attitude over the rest of the globe so if the corporation gets away with it in Pungești, they might be able to go through with it somewhere else. It should be really simple, if people do not want it, they should not be forced to accept it. Furthermore, from a business perspective it makes sense but as a civilian nobody sees the benefits. Many respondents have a strongly formulated opinion against fracking but they feel powerless in expressing it. They know that their opinion does not matter to those in charge. Money does not compensate for the harm this process brings. People want to see changes on a higher level. The EU, the UN or other institutions with power on the matter should take action against this. The corporation is clearly focused on short-term profit making and nothing else. This will not improve people's lives in any way. What they want to do is worse than what already exists. The consequences on the environment will be felt long after the work is done. By allowing Chevron to explore the Romanian Constitution is not respected so the corporation is partaking in illegal activities. Not even all of the consequences are known so how can the people have peace of mind? Some have confidence that fracking won't last for much longer because it is a top priority issue on many political agendas.

Negative societal effects overcrowding cities and consequently unemployment rate can go up. Respondents feel sorry for the farmers in their current situation.

Fracking is not the way to go, technological progress needs to take place first.

If on the create debate platform everybody brought arguments against fracking, on LinkedIn, the respondents have discussed each other's points of view from different perspectives.

The first respondent states that what Chevron is doing shows no respect for democracy. Another raises the following questions: How will the lights be kept on? Why not reduce consumption?

How is that possible since many aspects of everyday life involve oil? textile industry, energetic. The changes should go beyond lifestyle.

Every technology comes with risks but this has been blown way out of proportion. Frack gas is a fossil fuel and it does not prevent climate change, climate change happens regardless. Energy production and transportation are the two top contributors to climate change. A counter argument is that there are alternatives to gas but not to water.

Chevron, just like the rest of us, should be inspired by the farmers who live off their land and not the other way around. From that we can conclude that technology does not represent progress in this case and what Chevron is advertising is just

The riot police is behaving in similar ways in all countries where anti fracking protesters manifest themselves.

## **5.2 Main findings from interviews**

The extensive interview with Geert deCock highlights the most important disadvantages of fracking and they are as follows:

- Shale gas is a fossil fuel and there are other energy sources such as renewables, energy savings which can deliver a cleaner, cheaper and faster way to a low carbon economy
- The carbon footprint of shale gas is comparable to coal if not extracted properly and the technology for the fracking process is still rudimentary
- The only way to get gas out of the ground is to drill many wells and this is not sustainable in any way.
- In 2008 it was decided at a European level that the economy will be decarbonised by 2050 and shale gas exploitation through fracking will impede that.
- The water that does come up after tracking might be heavily contaminated and it is not yet clear how companies in Europe will deal with fracking wastewater.

- Romania is not dependent on Russian gas so fracking is not necessary for energetic independence like some politicians state.

Tom Gable offers a few tips for how Chevron should develop a strategy:

- See how the company's activities, policies, culture and other factors are contributing to current reputation.
- Crisis communications and pro-active PR can work only if the company is fully committed to a positive course of action
- Individual plans need to be created for addressing each area but within a unified communication strategy.
- Strategies need to be based on facts, supported by consistent performance and building relationships in each community it serves.
- The company needs to put human faces to its communications
- Chevron could make a "facts versus myths" booklet and website using data from outside experts
- In order to repair its relations with the media, Chevron could conduct individual tours in which they educate the media about the site, the technology, the people, the Chevron commitment to protecting the environment and the community
- For as far as social media is concerned, Chevron could make use of it through blogs, Facebook, Youtube and Twitter

George Epurescu talks about how Chevron is perceived on the Romanian market. He is an opinion leader so his words reflect the thoughts of many.

- Chevron's biggest mistake is using "the same tactics as if Romania was a third world country, with a strong condescendence and arrogance and complete lack of transparency."
- When asked what he dislikes most about Chevron's mode of operation he mentioned the cynicism of representatives, lack of accountability, their conducting of business behind high fences and barbed wire, while "repeatedly lying about their activity and limiting the access of press representatives."
- He demands full transparency from Chevron and for the company to cease its activities if the community doesn't agree

Alexandru Ionașcu talks about how small organisations manage to put a hold on the business of the oil giant Chevron.

- According to him it is easy to see how slowly the corporation is making progress. They wanted to start drilling in the fall of 2013 and in the summer of 2014 they are still trying to start the exploitation. Moreover, people who before were unaware of the ramifications have begun to question these actions and the anti - fracking movement is growing.
- He sees the company succeeding only by giving up fracking, paying for the damage they have done and investing in biofuel energy

### **5.3 Main findings from Literature Research**

From all the researched newspaper articles which are also available online, a clear image about the situation in Pungești can be formed.

A coalition against Chevron has been formed and Chevron needs to adapt in order to survive on the market. It should switch from a defensive strategy to a more social and innovative one. The impact on its image will consequently change.

## **Chapter 6 - Conclusions**

### **6.1 Hydraulic fracturing**

The hydraulic fracturing process is a controversial topic so researching its aspects has been a challenge. The interruption of the hydraulic fracturing process in Pungești, Romania, is the responsibility of the local authorities, national political bodies and other European or International organisations which have the power to intervene but responsible and ethical stakeholder communication is solely Chevron's responsibility.

As it results from the debate, the overall attitude towards the process of hydraulic fracturing is negative. Aside from four arguments coming from two different contributors, everybody votes against this process for reasons related to health, environmental and societal welfare, ethics and human rights.

From the sources of expert opinion we infer than hydraulic fracturing it does not have the power to ensure the energetic or economic independence of a country and it is not the only way to provide green energy.

### **6.2 Chevron's situation in Pungesti**

Two more sources offer information about the social situation in Pungești. George Epurescu and Alexandru Ionascu reflect on Chevron's case and offer their thoughts as opinion leaders in Pungești and the rest of Romania. In the village of Pungești, Chevron is perceived as a law breaking company and people have managed to stop its activities for a while. George Epurescu plans on putting an end to Chevron's activities through the justice system and politically. He wants to organise a political platform in order to challenge the current political parties. Alexandru Ionascu is encouraging boycotting the company's operations, has worked to overcome the media blockade and encourages people to exercise their civic spirit.

This means that Chevron's activities in Pungesti and in the rest of the country are undermined through the justice system, through political platforms, via the social and traditional media and through protests and boycotting.

### **6.3 PR and crisis communication strategies**

The steps that need to be taken in order to develop a PR strategy for Chevron are:

- 1) Conducting research to see where the reputation was damaged
- 2) Who is behind the protests?
- 3) See how activities, policies, culture and other factors contribute to reputation



- 4) Can Chevron offer proof over time to support its position?
- 5) Chevron should commit to the new positive course of action

These points have all been discussed throughout this research.

## Chapter 7 - Recommendations

In certain areas Chevron needs to improve its current strategies and in others to develop new plans. As opposed to a crisis in the US, Chevron must also take into consideration the cultural differences when fixing the crisis in Pungești, Romania.

This chapter explains how to use PR, specifically crisis communication, in order to fix the image problem resulted from the crisis in Pungești. Both an external communication and a media plan need to be put in place and a crisis communication plan needs to be developed.

The communications plan should constitute of improving aspects of corporate communication by responding to inquiries and providing information whenever possible. It should improve public relations with the stakeholders by repairing their mistakes and communication how they will avoid this scenario in the future because the annual report is not enough. Chevron should improve their crisis management by assigning crisis communication tasks to a special department which would develop a crisis communication plan and constantly improve it. The company needs to learn how to behave and market itself as a citizen of the planet who meets shareholders demands while being a protector of nature. It should show how it gives back to nature, which is their main resource.

The media plan needs to include a new social media strategy. In short, switch from using it as an advertising channel to a communications tool, just like they do with the twitter platform. The improvement of media relations has to be created by constantly communicating with journalists and informing the public. Chevron needs to understand the media. right message-right medium - right time. PR in TV, newspapers, radio, new media (*dynamics of PR and journalism*).

Chevron must find out who is behind the protest and provide clarity on issues such as ignoring local concerns, benefiting from the support of the state police, stomping on local rights. Another recommendation is to use social media to promote the efforts they have made to communicate with the local communities. This is based on Tom Gable's PR advice.

Chevron representatives should also give more speeches and interact with the public, instead of resorting to posting on social media and the corporate webpage. It is currently difficult to link the company with a person. Chevron should put a human face to the crisis in Pungești and this goes for any future major issue or crisis that might emerge. "Because corporations are not tangible human entities, giving the corporation human qualities may help consumers to see them not as cold, distant, and uncaring profiteers, but as sincere and compassionate friends with souls." (*E. Carroll, 2013*) In order to improve its relations with the public Chevron should organised a debate about

fracking, instead of distribute promotional materials. This also means they should make available unbiased experts, translators and everything else needed for the information session to run smoothly. They should act like they are guests and not the owners of the land they want to exploit. Numerous scandals have emerged from problems with paperwork. The company express honest regret about the tragic events which emerged from this and engage with its users. Where necessary, they should provide compensation to those affected. A hotline where people can address their issues about the situation in Pungești would also be useful.

The communication briefing is the most important document for Chevron if change happens from the outside of the organisation. Below are stated the elements that need to be included in Chevron's communication plan:

- 1) Background details of the organisation: Chevron's history
- 2) Communication: historical and current campaign, public relations, publications, electronic media and direct contact programmes.
- 3) The areas on which the campaign should focus are: opportunities and threats and major issues in Pungești.
- 4) The audiences that need to be included in the campaign are opinion formers (the four main organisations and movements) commentators (talk show hosts, journalists), communities (Pungești, the protesters, the activists) (*Herle, 2005*)

To conclude, it is recommended that Chevron changes its strategy from passive to proactive. It is important to follow the guidelines of the Excellence theory, learn from the messages of the opinion leaders interviewed for this research, follow Tom Gable's PR advice, take into account the solutions provided by Geert deCock and the participants in the debate regarding hydraulic fracturing, use social media in order to promote their projects which help the community, improve their relationships with the traditional media, put a human face to the organisational communication, use the brand association mapping for scanning their reputation on the online environment, applying the twelve steps for safeguarding and recovering reputation developed by Leslie Gaines-Ross and switch to a two way symmetrical model of communication.

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## Appendix 1- Debate

**Debate statement:** 'Chevron should continue fracking in Pungești because it can help develop the community.'

Fracking is short for 'hydraulic fracturing' and it is a process used for extracting shale gas. Chevron wants to exploit the shale gas reserves in Pungești, Romania.

**Disadvantages:** The toxic chemicals used for extracting poison the water and some even have cancer causing properties. In villages such as Pungești, people are farmers and rely on their land and water used in agriculture to survive. If they are deprived of their land, they can no longer earn their living. Moreover, they might not be qualified for the jobs this project might provide, therefore there will be no economical benefits for them. Fracking caused environmental problems in the US and it is forbidden in some EU countries because of its damaging consequences. The company plans on extracting shale gas in various other places.

**Advantages:** This gas can replace coal in power stations. More than a third of natural gas burned in the US is coming from tracking wells, and shale gas is now cheaper than coal in the US. Obama recently praised the gas boom and credited it with delivering cleaner energy. Many people say shale gas can provide a greener future. Should Chevron go through with tracking in Pungești (and various other places) for economical and long-term environmental benefits or stop the process because of the harm it will bring to the inhabitants and the environment?

Although there are a lot of articles on the topic, I hope the information provided is sufficient in order to form an opinion.

**Answers:**



IIDuro(1)

**1 point**

The toxicity of the process appears to be the main problem here. However, many things are polluting. Initially trains and cars were destroying the atmosphere, and in particular the ozone layer, as well. However, new technological developments countered that and allowed toxic/polluting processes and items to be put to use without endangering the environment. I feel that Chevron (and other companies) should invest more into research into clean chemicals to use in this process, so that the shale gas can be extracted without damaging the environment. Since the people of Pungești were there first, Chevron should comply to them and their needs, rather than the other way around, but if they do so this seems a project that can benefit many. After all, Pungești also needs en-

ergy that comes from fossil fuels, so having a company extract it nearby might allow them to get a good deal on their energy bill.

72 days ago | Side: Agree  
[Support](#) | [Dispute](#) | [Clarify](#)  
[Add New Argument](#)



mlc91(1)

**1 point**

I don't see any real potential for development here, but if there is any potential, the associated cost has to be considered. The quality of life of the people there would decline with hydraulic fracturing, as they would lose their land and source of income while also being exposed to carcinogens. It's not worth it.

83 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



AdePrio(34)

**1 point**

It's a far too dangerous thing to do, especially considering that farmers are relying on their lands to provide for themselves. With all the payment they will be provided, it is highly unethical to destroy someone's lifetime achievement just that so other people will get rich on their backs. I for one strongly disagree with it, especially because it affects so many people's lives. If it were just a 'clean' gas exploitation that had nothing to do with endangering people's lives, then it would have been okay.

Same story goes for the gold exploitation mine they want to open at Rosia Montana. Another example of making money by destroying a village and thus many lives that had been living in it for so long.

83 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)  
[↑ Hide Replies](#)



theleaterbor(23)

**1 point**

I think this is a very well put statement against it. "It is highly unethical to destroy someone's lifetime achievement just that so other people will get rich on their backs" sums it up pretty nicely, I would say. Too many people think lives are disposable or they see humans as a "collective unit". They think that by sacrificing a few lives, they can save many more, but there is a limit.

82 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



vessyned(37)

**1 point**

I think the benefits are far less than the positives. In order for this process to yield any real benefits, the bad effects it has (pollution, health hazards etc) must be taken down to minimum. The greener energy that shale gas provides will be 'defeated' by the environmental pollution the extracting causes, which has more detrimental effects globally than using shale gas has benefits.

82 days ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



koenoosterbr(25)

**1 point**

Very interesting. There have been over 1,000 documented cases of water contamination next to areas of gas drilling as well as cases of sensory, respiratory, and neurological damage due to ingested contaminated water. Fracking is a nightmare. Toxic and radioactive water contamination. Severe air pollution. Tens of thousands of wells, pipelines and compressor stations devastating the countryside. I don't see the need I and see a severe problem.

82 days ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



margretmoree(27)

**1 point**

Wow difficult topic to answer. In some way easy to answer because of course it is very wrong to pollute this town and with that endanger the lives of these inhabitants. But on the other side this gas can provide a greener and more sustainable future at a lower cost. And like we all know if America wants it it will happen one way or another. Is it not in Romania it'll be in another country where it will cause the same problems.

81 days ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



RuxLaura(1)

**1 point**

One of the biggest problems of the whole fracking thing is the economical one. Romania doesn't actually have a lot to win and most of the gain is taken by Chevron. As in the Rosia Montana case, if Romania would be the one actually exploiting her lands, it would all be understandable and the action would help the Romanian economy. Secondly, one of their arguments is that they are offering to the Pungești residents jobs, once the fracking begins. Well, they would

get some jobs for a few years, but poorly paid, as the experts that would really get the best paid jobs would be sent by Chevron and, as they are paying the production costs, Romania would only have very little to gain, just like in the 'good' old communist years, when USSR had SevRom in Romania - although Romania was paying everything, the production costs and the wages, the experts were sent from Russia and all the profit went to Moscow. Thirdly, just like in the case of Rosia Montana, the environment would get destroyed, and it's not only about the fact that the trees won't be so green anymore - people are living there and have a history, families, their own houses and lands, a whole social system that must be respected. Just destroying a community for the sake of Chevron gaining something and Romania still be in the same economical situation is more than wrong. And finally, the most important aspect of the fracking is that the actual residents of Pungești do not agree with it. They protested against it several times, and this is a powerful enough reason for Chevron to stop the fracking, as it doesn't help develop a community that is against it.

79 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



[zacki](#)(18)

**1 point**

Unfortunately there are always two sides of every question. Ethically barely anyone would support the continuation of fracking in Pungești because of the way it harms the people living there. However, from a business perspective it makes a lot of sense to continue the actions regardless of their consequences. From a student's point of view I disagree but I am not sure if I would say the same as being the CEO of Chevron. Money talks ;)

79 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



[Ruxi1132](#)(1)

**1 point**

I see no positive benefit in this case. It affects many people's lives and it's highly unethical. Many people see this as an economical improvement, but it only causes more damage, in my opinion. However, I don't think this will be up to us, unfortunately.

78 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



[Mmaria](#)(1)

**1 point**

Ne distrug natura ,ne distrug habitatele unor fiinte neputincioase in fata noastra ,ne distrug sanatatea ,ne distrug viata si ne dau locuri de munca prin care castigam bani? BANI?? si toate celelalte lucruri unde se duc? la cine ra-

man! rusine acestora care au "planuri de dezvoltare " pe distrugere! Nu sunt de acord chiar daca stiu ca este o parere neluata in seama de interesele puterilor statale, politicii si interesele personale ale oamenilor din politica.

77 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



DidilCM(22)

**1 point**

No. There are already enough companies totally destroying the environment; endangering animals, humans and the beauty of Earth alike. The UN, EU etc finally need to take a strong stand and stop this foolishness. Money isn't the most important thing.

77 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



Laurens90(1)

**1 point**

Another example of short-term profit making while disregarding the long-term effects, which will clearly be negative in both the fields of health (human/ecologically-wise) and economically since the pollution will for example cause the agricultural area to fall in disuse. Hopefully one will realise this and put the well-being of the people before the short-term profits. Profits benefiting international companies which withdraw themselves when they have taken what they came for, without taking care of the negative environmental externalities they cause.

80 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



naomiz(15)

**1 point**

I don't see how the advantages add up to the disadvantages. Replacing coal is a good thing of course, but replacing it with something as bad as (or even worse than) coal makes no sense. I also don't see how people can say that shale gas can provide a greener future, if it has already proved to cause environmental problems. There are no advantages to fracking, so a big fat disagree for me!

80 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



ancapopa(1)

**1 point**

Constitutionally, every Romanian has the fundamental right to live in a healthy environment (Constitution, art.35). By allowing Chevron to exploit in Pungești, Romania violates the fundamental rights of its citizens.

It isn't ethical or legal to endanger local people with long-term effects (like cancer and the inability to work their land) for uncertain long-term positive effects. I use the term uncertain because many researches are financed by companies and motivated by presenting only the positive aspects of their work, not mentioning all potential side effects. Thus, it is not entirely possible to predict ahead of time the consequences of hydraulic fracturing.

76 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



sardarrahi(8)

**1 point**

However the project may have advantages economically but in the longer period of time, it inflicts more damages to the environment. Exploiting the environment for economical purposes has already displayed the consequences: farmers and landowners desert their business and will head to cities. Overcrowding the cities and increasing the unemployment will ended up in political and economical consequences. Inflecting damage to the environment has already reached its point: no need for more painful steps.

64 days ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



madadumitru(1)

**1 point**

I disagree because it has been proven that this type of exploitation harms the natural environment.

1 day ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



RSMK(1)

**1 point**

The absolute advantage is that it could (possibly) provide a greener future. A greener future needs to be enjoyed by those who have contributed to the development. Since approximately 40,000 gallons of chemicals are used per fracturing and it includes cancer causing properties, it can be stated that most will be too sick or (worst-case scenario) will not be with us on earth to enjoy the green development. Fracking counts more disadvantages with a larger weight than advantages and should therefore not be continued.

13mins ago | Side: Disagree  
[Support](#) | [Dispute](#) | [Clarify](#)



LNoordermeer(19)

**1 point**

I disagree. Even though I don't know much about it.. it seems that the disadvantages outweigh the advantages. I already feel sorry for those farmers.

6mins ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



steffsplm(18)

**1 point**

This statement is untrue in my opinion, because it does not help develop the community. At least not at this point. On a long term it might give way to some jobs for locals of Pungești, but I don't think there will be many, as I suppose fracking is not an everyday job any farmer can learn.

Furthermore, the environmental damage this process can cause, added up to the loss of land to live on for the locals, probably weighs up to the economical benefit it may have according to Obama. That is, for now. In the future these sort of solutions might be preferred.

35mins ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



twii(1)

**0 points**

Has anyone thought about how much the possible damages to the environment and the farmers will cost in the future if fracking really is that dangerous?

8 days ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)



Parisa\_I(20)

**-1 points**

I disagree with this statement. I believe that the disadvantages outweigh the advantages by far. Environmental issues are a very important topic on the political agenda as well, i do not believe fracking will last much longer.

9 days ago | Side: Disagree

[Support](#) | [Dispute](#) | [Clarify](#)

[Add New Argument](#)



26) Okay, so obviously having a better option than coal and gas is great, but at what cost? Fracking poisons water, (which is one of the things we need to survive) and causes cancer. I think unless they find safer ways to extract it from the earth, than it's not even an option. Also, if there's not agriculture for farmers to have access to, how will we have crops and animals to eat? It just seems like it's taking away more than it's giving. - via e-mail (this person did not want to make an account in order to write their opinion)

LinkedIn:



Martin

### **Martin Porter**

**Organiser/Press Officer at Frack Free Greater Manchester**

...what's democracy mean if you're an evil corporation?

No, there is no justification for continuing to drill for a fuel which when used will damage the climate in the teeth of opposition from the very people you claim want you.

Like

Reply privately

Flag as inappropriate

20 hours ago



Steve

### **Steve Mckiernan**

**Managing Consultant, Expion search & selection, Managerial level specialist, Manufacturing, Food/ FMCG . 0845 519 5655**

So, here we go, No fracking, No coal, No nuclear. Can someone please tell me how we are going to keep the lights on?

And please before someone says it, renewables cannot meet the need and never will!

Like

Reply privately

Flag as inappropriate

1 hour ago



Martin

### **Martin Porter**

#### **Organiser/Press Officer at Frack Free Greater Manchester**

I will accept nuclear at a pinch, but maybe the question should be; why do we need so many lights?

Look, I don't set the sensitivity of the climate to greenhouse gases. However, if I can, I will ensure that this generation does not destroy the planet for the next just because they consider the right to consume 1000 watts per person too important to give up.



Dejan

### **Dejan S.**

#### **Professional Photography and Upstream Oil & Gas Services**

Martin, how do you go to work or your protests? That vest you are wearing, byproduct of oil. Just saying...your ranting carries no weight, and what would you have if there were no petroleum recovered and processed? Also, your flaming water tests? Naturally occurring dissolved methane in groundwater.



Martin

### **Martin P.**

#### **Organiser/Press Officer at Frack Free Greater Manchester**

##### **Top Contributor**

Usually I cycle to work, however that's just so I don't get called a hypocrite. The changes we need to make to avoid dangerous Climate. Change go well beyond individual lifestyle choice. Look at the science.



Dejan

**Dejan S.**

**Professional Photography and Upstream Oil & Gas Services**

Martin, sorry about the bashing. I understand your point of view, but don't agree with it. Every technology has its inherent risks, but some have been blown way out of context. It is all about minimizing those risks, and that includes activities surrounding fracking. Fracking has been proven safe, but is with risks such as surface spills, or very old improperly abandoned wells within the frac zone.



Martin

**Martin P.**

**Organiser/Press Officer at Frack Free Greater Manchester  
Top Contributor**

Dejan, we can debate whether regulation can make fracking safe 'til the cows come home. What we can't debate, because it is a fact, is that fracked gas is a fossil fuel and using it is inconsistent with preventing dangerous Climate Change.



Dejan

**Dejan S.**

**Professional Photography and Upstream Oil & Gas Services**

Martin, not sure what you mean about "fracked" gas...you mean natural gas. Climate change happens regardless, and is debatable if energy production drastically speeds up the process. Think about the economies of China and India, which are growing leaps and bounds and now everyone and their mother are driving cars, which contributes to air pollution / quality.



Martin

**Martin P.**

**Organiser/Press Officer at Frack Free Greater Manchester  
Top Contributor**

Climate Change happens regardless of what?!? It is almost entirely down to energy production, with transport not far behind.



Dilip

**Dilip J.**

**Independent Renewables & Environment Professional**

Fracking is not about climate change, it is not about the environment, it is not about renewable energy versus conventional sources, it is about giving up an amount of water equal in weight to the amount of gas being fracked. Is it worth it ? Read my article on the subject: <http://www.energycentral.com/generationstorage/fossil-landbiomass/articles/2857/>



Martin

**Martin P.**

**Organiser/Press Officer at Frack Free Greater Manchester  
Top Contributor**

Very important point Dilip. There are alternative energy sources to gas. There is no alternative to water.



Julia

**Julia Owen**

**French Teacher, Psychology Teacher at Aspire, West Sussex  
Adult Learning**

Professor Ingraffea's study shows all unconventionally drilled wells in Pennsylvania leak after a 5 year period, 6% fail on first frack. Methane is 86 times more powerful than carbon at driving temperature rise in climate change so fracking is very dangerous.

What made me laugh was that I read one major proponent of fracking, oil exec, in the States changed immediately fracking came to his town and now campaigns against it, saying the technology is nowhere near sophisticated enough! Also why are Texan families getting \$3million compensation for damage to health? Why are 7 year olds signing life time gagging orders never to be able to talk about what's happened to their families through fracking, just to get rehoused away from the drills?

I won't carry on but there's so much evidence out there of air pollution, benzene, toluene, naphthalene, hydrogen sulphide levels 27 times safety limits. Arsenic, radon, uranium, thorium, in the water. So much that doctors have thought people's spouses have been trying to poison them. Why invest in this over renewables, it must be quick and easy money.

Like (1)

Reply privately

Flag as inappropriate

2 hours ago

[Martin P.](#) likes this



Julia

### **Julia Owen**

**French Teacher, Psychology Teacher at Aspire, West Sussex Adult Learning**

As for Pungești, I've seen films of the poor people there barricaded in at night where they were camping in protest by Chevron and beaten up quite brutally. They have lived sustainably farming their land for centuries. We should follow their way of life, not take it from them to irreversibly pollute their lands and livelihood.

Like (1)

Reply privately

Flag as inappropriate

2 hours ago

[Martin P.](#) likes this



Martin

**Martin Porter**

**Organiser/Press Officer at Frack Free Greater Manchester  
Top Contributor**

The police her in Manchester are doing their best to keep up with Romanians.

<http://www.manchestereveningnews.co.uk/news/greater-manchester-news/saffron-hughes-barton-moss-fracking-7198602>

Like

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17 minutes ago

## Appendix 2 - Interviews

### I) Geert deCock (Director of EU affairs at Food & Water Europe)

#### 1) What is your exact job description?

My title is director of EU affairs so I lead our work here in Bruxelles here on fracking. I work with national groups opposed to fracking in Europe: Spain, UK, Poland, Romania, Bulgaria, Germany. It is an informal network of groups that try to work together and I am also a lobbyist in Bruxelles. I try to inform people in the European Commission and the European Parliament about what are the impacts of shale gas.

#### 2) What is your personal opinion about using hydraulic fracturing for extracting shale gas and what are your arguments? As a professional, do you think there is a safe alternative to hydraulic fracturing? Do you think the sustainable aspect of shale gas can outweigh the negative effects?

We are the the European program of an American NGO who campaigns for a ban on fracking so we are very much with the protesters in Pungești. It is pretty clear which side we are on. Our position on shale gas is that we campaign for a ban on fracking and we think we have some good arguments for that. First of all shale gas is a fossil fuel and we believe there are other energy sources: renewables, energy efficiency, energy savings that can deliver a transition to low carbon economy much faster and in a much more cost effective and cleaner way than shale gas. We see shale gas as an extreme form of energy in the sense that we always go for fossil fuel resources that are more difficult to extract and shale gas demonstrates the fact that all the easy fossil fuels are gone and all that is left is probably more coal or more difficult to extract oil and gas so I think that from a climate change perspective renewables, energy efficiency, that is the way forward, shale gas is not.

Related to that is that there are major questions in the US about the carbon footprint of shale gas. There is a lot of concern around this fugitive methane emissions that if you don't extract the shale gas properly there can be all kinds of leakage. If there occurs leakage of methane, which is a greenhouse gas, then the carbon footprint of shale gas is comparable to coal. Then we are not doing anything for the climate if we are extracting shale gas in an unregulated fashion by not using the latest technology. So again, the idea that shale gas has a smaller footprint than coal still remains to be determined.

The last argument would be that shale gas, as I said, is an extreme form of energy so if you are going to do this large scale we are looking at drilling hundreds if not thousands of wells per year for a longer period of time. So obtaining shale gas is not like drilling one well which will produce for 50 years instead it is like we drill hundreds of wells per year over a longer period of time. Therefore the only way to get the gas out of the

ground is to drill many wells. We think that this is not sustainable in any way. This is also going to take place in rural areas where there is a lot of farming happening, such as in Pungești. In places in Europe water resources are scarce so if you add a major source of consumption like fracking this gets very complicated. This eats up a lot of land, you have the wells, the pipelines that need to go in. It is a very intense form of industrial activity that you are going to plan in rural areas. Again, this is not in our view of a sustainable way forward.

Lastly, there are concerns around water contamination. If this fails, methane and some of the chemicals that are injected into the ground might leak into aquifers so this is also a concern. The water that does come up after fracking might be heavily contaminated, it is not clear how the companies in Europe will deal with fracking waste water. The list goes on. I haven't even talked about the social impacts, the traffic for bringing water to and from the sites.

From a climate, water and air quality perspective this is very intensive form of energy extraction. There are a lot of impacts.

In Europe we decided in 2008 that we will de-carbonise our economy by 2050 so starting this industry in 2013- 2014 is not the right way forward so this is why we say that we want none of it.

### **3) Which viable and rapidly available solution would you propose instead of hydraulic fracturing, considering that the energetic independence of the country also needs to be ensured?**

I would support energy independence but I would slightly disagree with the idea that countries have to be completely independent in terms of their energy supply. This is never going to happen, even if you drill all the shale gas supplies in Europe, there will still be dependency on Russian gas. The EC states that even if you drill thousand of wells per year the best that you can do is stabilise declining conventional supplies.

Shale gas is not in any way going to make Europe energy independent, we will always have to rely on foreign sources of gas. This is something that I want to make very clear. Nobody says that shale gas will make Europe energy independent, not even the industry would say that. The say the best we can do is compensate for declining conventional supplies.

If you look at the some of numbers from the international energy agency, what we will produce in terms of shale gas over the next 20 years would be absolutely minuscule compared to our needs. The EU consumes about 500 bcm of shale gas per year of which we produce about one third and shale gas would produce maybe 20-30 bcm per



year by 2035 so we are talking about very small quantities in terms of our overall energy consumption.

I think some of the solutions are to get really serious on the heavy investment in renewables. This is domestic energy. A smart grid around Europe where we can ship the electricity produced with renewables all over Europe. If the wind doesn't blow in Denmark maybe the sun is shining in Italy so we can be independent on a European scale with renewables.

What I am pushing very much in Bruxelles is get rid of gas as a heating source, 40% of our gas is used to heat homes, buildings, offices. If we make an effort to insulate our houses and invest in renewable heating solutions (solar, thermal, geothermal, heat pumps) then we can get a lot further in terms of energy independence than with shale gas. The solutions are out there, it's a question of political will to push those solutions

**4) I am curious as to how a professional thinks about this because the Romanian prime-minister Victor Ponta stated that fracking can ensure the energetic independence of Romania and that is why he goes through with it. Why do you think politicians around the world get on board with Chevron while ignoring the (sometimes violent) protesters?**

Romania is not very dependent on Russian gas. Compared to other places who are 100% dependent on Russian gas, this is obviously a different starting point. I don't see the argument there because Romania does not rely on Russian gas and if it does it is just a small quantity that he could probably get from other places. Romania is also looking for offshore oil and gas in the Black Sea. Prime minister Ponta seems to be digging for as much fossil fuel as he can instead of getting on a low carbon transition. This is also why we are not very impressed with his climate and energy policy.

Companies and the US Energy information administration come and state that you have big resources of shale gas. They project enormous numbers these are resource estimates, it is about oil and gas in place. This is a rough idea based on basic geological knowledge. How much oil and gas might be in the ground. That does not saying anything about how much you can get out and at what prices. The way Chevron and the US government promotes this resource is by putting out enormous numbers and saying you can be energy independent and then of course the drilling starts and people start to object and the first results are disappointing. This is the story of Poland. There is an enormous hype created around shale gas which is always going to disappoint but this is why the US and the government particularly in tight economic times say that the enormous resources have to be extracted. Which politician could say no to that?

Chevron also has major lobbying capacities that probably protesters don't have.

I think it all has to do with hype and all kinds of promises that are made about jobs, growth and industry that are never going to materialise but, you know, if Chevron says it it must be true and then there is of course pure lobbying very much supported by the US government, US diplomatic missions and embassies. This is why member states into the European Union buy into this hype. The protesters are not consulted in any way, they hear about this when the drilling rig arrives, their opinions are not asked and this is why their opinion is not heard. They are locked out of the political process.

**5) Besides protesting what would you advise people to do in order to fight hydraulic fracturing on their lands?**

I don't have a lot of contacts in Romania but my first recommendation would be to block the sites and occupy some of the land because obviously the process by which this licences have been handed out to Chevron are not transparent, we do not know what goes on behind closed doors so I think civil disobedience is the first step. Representatives of local communities

The further you move away from the local issue the more people agree to shale gas At the local level we can be stronger. I don't know how feasible this is mining, oil and gas interests and less by people.

**6) Which measures did you/are you or will you be taking to stop hydraulic fracturing?**

We campaign so our best measure is to raise awareness about the climate, water, air-quality impacts. We are trying to communicate the reality that this is a very intensive form of extractive industry. We are also trying to say that renewables and energy efficient is the way forward. More control than relying on American companies to come in and do the job for us.

**7) What would you like Chevron to see doing/saying in order to fix the situation?**

What oil and gas companies do is to drill for oil and gas that is their job, that is what their shareholders want them do to so they will proceed. I'm mainly interested in getting back political control, democratic control and open up those debates for public scrutiny.

I want governments to make sustainable, low carbon, renewable energy policies. Obviously there is no place for Chevron in a low carbon future so Chevron is part of the problem not part of the solution.

I have very little hope that we can convince the company to invest in offshore wind or wind energy. I want our elected officials to listen to opinion polls. The Eurostat did an opinion poll asking the following: "Thinking about the next 30 years which of the following energy options you think should be prioritised in the EU 27?" and across the EU

70% of the people vote for renewable energy sources, while shale gas gets 9%. Public opinion is in favour of renewables, they are not interested in shale gas. I want the Energy policy to reflect those priorities.

**8) What is your message to the campaigners fighting against Chevron?**

With the limited resources that they have I think they are doing great. I know that the situation in Romania is very difficult. It is outrageous what is happening. Hundreds of riot police accompanying a drilling rig or trying to get these well pads up and running against the will of the local people. It's a nightmare scenario, you can't believe this is happening in the European Union, that this kind of scenes are happening, it's really extreme what is happening in Romania and I hope it doesn't continue or that these local people are able to stop this project.

**9) When it comes to the fight against fracking, which achievement are you most proud of?**

The fact that in Europe there is still a focus on banning fracking. I think we will see more and more support for this idea that it is not a solution. We live a densely populated continent with, in a lot of places, scarce rural areas. I think the fact that we are still talking about a ban on fracking is an achievement in itself. I think that as more drilling will start to happen, this idea will gather momentum and I am quite convinced that shale gas will never make a big impact in Europe.

I am most proud of the fact that our message is still part of the public discourse. Banning fracking is an opinion that is not ridiculed in any way and that we can still say that and people take it seriously.

**10) Some fracking lobbyists say that fracking is not dangerous and people oppose it because of ignorance. How do you comment on that?**

The only places this has happened in in the US in places like Pennsylvania and Texas. The problem is that in the US there is no federal legislation to control this process so there are loopholes in the US federal legislation and in the clean air act, the clean water act. If you google the loophole you will find that on the disclosure of chemicals they are exempted from key pieces of information. The problem is that in the US there is no federal oversight of this industry. All the regulation and monitoring of this industry is left to states where the oil & gas industry is very powerful. The problem in the US is that besides some peer-reviewed articles, there is no publicly available data on the impacts of fracking, so we have no data, we have no signs. This is the key problem. The industry can keep on saying that this is a safe industry but they can only say that because there is no data. No systematic gathering of the impact of fracking. We have occasionally some people, the closer you get to a shale gas well, the higher the level. While we

can make no causal link this needs more studying. With the weak regulations we get from Bruxelles, the same thing is going to happen in Europe. There will be environmental impacts but they will be poorly monitored and the oversight is really a problem because governments like Poland or Romania don't have any experience with onshore oil and gas extraction. I'm not saying they're lying but they're really massaging the truth. They state that there are no documented cases of groundwater contamination related to fracking but this is one of their standard sentences. They use tracking in the narrowest sense possible, we're far away from aqua

The point is not so much about tracking but about the whole process of fracking. You drill, you use high pressure, all these chemicals affect the integrity of the well that you use to extract the gas. There's all kind of massaging the truth that they are doing. I think it would be much better for them if they actually said "sometimes accidents happen but we are trying to control this" instead of this "there is no problem" I mean that's just not believable. I think this is also why people don't trust them, because they are not upfront about what happened. You know you get all these scientific evidence from the US stating that there is a problem and the industry just flat out denies it. They have been in this business for a long time, of denying things like climate change, they are finally losing that. They are funding groups who say "we still don't know whether climate change it's man made or not." I don't think they will change their ways. This is a part of the problem that the industry is good at: at obfuscating scientific data, scientific discussion and not being clear about what are the real impacts and sticking to their traditional speaking points of "there is no problem". This is why we also think that working with the companies is not useful for us.

## **II) Tom Gable (CEO at Gable Public Relations, California)**

### **1) How much does Chevron's current PR strategy (denial) influence its image among stakeholders?**

Probably very little, except within the individual communities in Romania where the protests occurred.

### **2) In your expert opinion, will crisis communication techniques or PR prove sufficient to salvage the company's reputation? Why/ why not?**

This requires conducting research to see where the company's reputation may have been damaged, to what extent and what are the key issues. Also, who is behind the protests? Any organisation or political party or competing company? The next step would be seeing how company activities, policies, culture and other factors are contributing to the current reputation. This leads to determining if the company needs to make internal changes on its vision, mission, what it stands for and how it would like to be perceived in the long term. What is its position? Can it offer proof over time to support the position? In the U.S., it's called "walking the talk." PR can definitely work, but only if the company is committed to this positive course of action can crisis communications and pro-active PR make a difference in building the company's image and reputation (See my article "Image as a Part of Corporate Strategy" for more detail).

### **3) Which PR strategies do you recommend for Chevron's tarnished image? The company's name is associated with land use controversies, dumping toxic waste and environmental disasters, among other scandals.**

As noted above, start with research. The image may be golden in some areas, slightly tarnished in others and irreparable in a few places. Individual plans need to be created for addressing each, but within a unified communications strategy to build desired image and reputation over time. Each strategy would need to be fact-based and supported by consistent performance and building relationships in each community it serves. From a technology standpoint, it needs to counter all the negative information, which is often based on emotional and non-scientific claims, with data from outside experts. Most of the charges in Romania have no basis in fact (e.g. the work will leave death in its wake; there will be irreparable harm to the environment; the gas will be exported with little benefit to the state; and villagers will be deprived of their land and forced into poverty). The company also needs to put human faces on its communications in each country and make its messages more personal and less corporate. It can provide data on the benefits to the local economy and state tax revenues. It can use better terms than "exploiting" when it comes to talking about their drilling activities. From some of the reports, Chevron was pro-

active in meeting with villagers and getting involved in local communities. Those programs can be enhanced, to enlist more local champions, who can be educated on the issues and help counter the claims of the protesters with facts. Part of this could include creative a “Facts versus Myths” booklet and website, using data from outside experts to validate the facts.

- 4) For a long period of time, reporters were not allowed on the drilling site in Romania and most of the articles in the press present Chevron in a negative light. How could Chevron improve its relationships with the traditional media?**

Chevron can set up an ongoing series of site tours with the media. Conduct individual tours, not group tours. The tours would educate the media about the site, the technology, the people, the Chevron commitment to protecting the environment and the community, facts from other countries where fracturing has been used, the qualifications of the team on the ground at the plant and the deeper technical and scientific resources available from the company experts. After each tour, have lunch or other casual meeting where the media person can ask for questions and get a feel for some of the people involved. Provide each media person with a connection at the site, with cell phone number and email address. Pledge to follow up within less than 24 hours on any request. Chevron may already have something like this for further evidence: a one-pager or two-pager on the depth and breadth of its technical and scientific resources. Also, any awards for environmental stewardship? Any local case histories where they have resolved complex issues?

- 5) To date, Chevron only posts about their achievements on social media but in the light of recent dramatic events (death, pollution, controversial lawsuits) the priorities of stakeholders have shifted. How can Chevron better manage its reputation through social media?**

An integrated, strategic plan using the many channels of social media can help improve image and reputation. Blogs from local managers can talk about different elements of drilling, the processes, the safety procedures, the people involved and their backgrounds, support of community programs, economic benefits to the local communities and the state, links to new technical papers on plant safety processes, and other company and plant-related topics – in a human voice. The people side of the operation can be brought to life on Facebook, with regular updates on local activities and engagement, to include photos of local residents touring the plant, at community events with Chevron and other positive engagements. The company can create short videos on You Tube and use the blog and Facebook for the facts versus myths program. Use Twitter to link to the blogs, Facebook and YouTube.

Video can be powerful in countering any protester claims about safe processes and quality of any of the facilities.

**6) How do you see the oil company Chevron after the events in Romania?**

From a cursory, outside vantage point, it would appear they haven't done much to connect with the communities in Romania. Are they ignoring local concerns and just marching ahead with their plans, with the support of state police? Do they have any local people involved in the operation? Is it all a big corporate initiative, with foreigners stomping on local rights? Upon delving a little further, some of the claims by the protestors are fairly outrageous. Who is behind the protests?

**7) What do you think about how Chevron uses crisis communication in the on-going conflict in Romania?**

It appears they have been more reactive than proactive. They might want to use the social media channels and their website to promote all the efforts they have made to communicate with the local communities.

**8) If you were in charge of Chevron's public image, how would you act right now?**

I would start the research and then go through the steps outlined above and in the piece on Image as a Part of Corporate Strategy to start building image and reputation for the long term.

### **III) Alexandru Ionascu (activist and founder of “Rezistentă Pungești”)**

#### **1) How did your passion for this cause start (fighting against hydraulic fracturing in Pungești)?**

I'm a local resident from the area that Chevron wanted to put the first tracking sonde in Romania. My passion started when I started documenting myself about fracking, because I wanted to see why it is so controversial. The more I dug, the more dirt I found.

#### **2) Do you think your active use of social media (via the Facebook page among others) helps the cause in any way? have you noticed any positive outcomes?**

Yes, internet is very good because it is the last place where you can get information that is true. Moreover, the internet helped us make the Pungești problem viral. You know, the media tried to look away but due to internet activity the problem became viral and they were forced to write some articles. Not front page, but between politicians who fight between them, and VIP's new cars, they put a few words on the screen about some place in Romania where the state is wildly abusing its citizens, trashing their human and democratic rights, intimidating and kind of torturing them psychologically for the interest of some corporation.

#### **3) Have the protests changed the situation? Have you noticed Chevron making any changes in its communications with the public in Pungești?**

Well, if you see the small picture, you can say that Chevron is still doing their work and that protests were in vain. On the other hand we can see how slowly they progress. You know they wanted to start drilling last fall (in 2013), now it's summer and for as far as I know, they have not yet started the exploration. Also, due to the events many unaware people that were influenced by the corporate sponsored media, began asking themselves questions and the anti - fracking movement is growing.

#### **4) When it comes to the fight against fracking, which achievement are you most proud of?**

The greatest achievement is breaking the media blockade. Even though it is not a great break, people are getting informed everyday about fracking and the abuses of the state in Pungești. Properly informing people is vital in this war.

#### **5) Which results has the event held on the 1st of May generated?**

I don't want to comment on this. Maybe for the ecological party were some kind of benefits. Politics is a domain I try to stay away from.



**6) Besides protesting, what do you advise people to do, in order to fight hydraulic fracturing?**

Well, there are many ways but I think boycotting is the most clever solution. You know, let's boycott everything that is not made in Romania or boycott fossil fuel.

**7) Chevron has a very bad reputation in many countries. How do you think that can be used against them in this ongoing conflict in Pungești?**

We have to give examples of the bad they have done in these places and hope people will realise that they only care about profit and nothing about the natural environment.

**8) Which actions would you like to see the oil company take/ which message would like to hear from them?**

Chevron should realise that fossil fuel is not the future and that it is also very bad for the planet and try to repair their mistakes by donating all of the company's money for developing bio energy.

**9) What are your best weapons in this fight? What do you have that Chevron does not?**

The will to live and love for the people and the environment.

**10) Would one or more positive actions from Chevron make you reconsider the intentions of the company?**

It depends on the things they do. Give up fracking, pay for the damage they have done and invest in biofuel energy. It is negotiable but these are the terms.

**11) Why do you think the prime minister changed his opinion on the matter of hydraulic fracturing?**

Isn't it obvious? We are in Romania, sadly one of the most corrupt countries in the world. It's not like he did geology over night and had a revelation that fracking is not bad.

**12) How do you justify that energetic independence and greener resources are less important than the damages that hydraulic fracturing can create?**

Well firstly Romania is already independent energetic. Secondly, the gas we extract will not be ours, it will be of the companies, where is the independence? Thirdly, it is not worth the risk; not economically and not humanly. Fracking takes out of use vast agricultural land and agriculture saves Romania every year. Can you eat gas and oil? I don't see any advantages.

**13) How do you comment on the rumours that the protest against fracking across Romania have been fuelled by Russian lobbyists?**

Maybe this rumour would have worked in the US but Romanians are not so rusophobic even though we lived under the communist regime for a long period of time. Also, they had to invent some kind of story, but they never backed it up. Where is the money, where are the Russians?

#### **IV) George Epurescu (President & founder of the association 'Romania without them')**

##### **1) What is your opinion about the way in which Chevron conducts business in Pungești?**

Chevron is a big company that uses the same tactics as if Romania was a third world country, with a strong condescendence and arrogance and complete lack of transparency. Chevron goes along with its projects as if the law isn't applicable to them. They are like a state inside a state. Total disrespect is the word to describe Chevron's attitude. Chevron's activity in Pungești is done behind high fences and barbed wire and the company still doesn't take initiative to at least try to calm down the community, instead of demanding that the riot police stays there day and night just to intimidate the people, as there are hired bodyguard who can do the guarding... At the same time, Chevron's country manager, Tom Holst, has an elliptic discourse and doesn't bother with accountability.

##### **2) Which results have the protests that you conducted against hydraulic fracturing generated?**

We managed to stop the drilling for a while, but the most important result is that the people have been warned about the risks and are now unwilling to swallow all the lies that are served by the government and the company. It was only a matter of time until people would find out about the atrocities of Chevron in particular and hydraulic fracturing in general. The protests also made people more vigilant and encouraged them to attain the knowledge to get involved and the abilities to use all the legal tools to prevent or sanction abuses. The public opinion in Romania and in the world is aware that the people of Romania will fight against financial monsters supported by corrupt governments. The civic spirit is on the rise again and the will of the people is strong.

##### **3) What are your more subtle strategies in the fight against fracking for shale gas?**

There is one main strategy at this point: the fight in justice. We started some actions in justice and we plan to open another two. Our fight in justice must be sustained by public actions and awareness campaigns. The risks and dangers of hydraulic fracturing should be known by the people and their representatives in official institutions.

##### **4) In a previous interview you have stated that the current Prime Minister, Victor Ponta, is a liar and nothing more than a puppet who serves foreign interests. Do you think that Romanian politicians could influence this situation in any way, considering the elaborate political schemes they are involved in and the fact that they are heavily influenced by foreign policy?**

The actual political class is incapable of responsible actions, the global politics is dictated by illegitimate financial and economic groups in spite of the Constitution and law. The Romanian politicians are mainly puppets, they obey orders that come through the parties leaders. Politicians could influence the situation in many ways even if not decisive. Just by simply encouraging the debate on the subject, a politician could put the subject on the political and policy agenda, and this would add to the awareness as the overwhelming majority of the information on hydraulic fracturing speaks for itself, its negative imminent impact is obvious and scientifically proven.

#### **5) What do you dislike the most about the oil company Chevron?**

What I dislike the most about Chevron is the cynicism of their representatives, the lack of accountability that they have shown in the past and present and the fact that they have no problem with conducting their business behind high fences and barbed wires while repeatedly lying about their activity and limiting the access of press representatives.

#### **6) By using democratic means, how do you think you can stop Chevron from exploiting shale gas in Pungești?**

There are two legal ways to do it, through the justice system and politically. We started some action in justice and we want to organise a political platform to challenge the current political parties.

#### **7) How do you think you can influence decisions by forming your own political party, if you don't associate yourself with politicians who have more power?**

In Romania more than 60% of the people don't vote. We have to organise the political party in a new way, different from the old parties that came from the former communist and political police structures, as an NGO with a political-like structure only with people untouched by the old way of doing politics, by fraud, nepotism and corruption. We aimed for 5% of the voters. Enough to be known and to dramatically change the political scene and rehabilitate the idea of doing politics for the public wellbeing and not selfish interests.

#### **8) Assuming that shale gas has to be exploited at some point, which message would you like to hear from this corporation/ which actions would you like to see Chevron take? e.g: develop a less harming method for exploiting gas, better communication with the public, investing back in the community etc.**

What I want from Chevron is at least full transparency, and if the local community doesn't agree with the exploitation, to stop all actions.

#### **9) What is your message for Chevron? My message is simple: Chevron go home!**

## Appendix 3 - Map of Romania

*Retrieved from RomaniaTravelTourism.com*



## Map of Vaslui County

*Retrieved from [ww.vrn.ro/ofensiva-chevron](http://ww.vrn.ro/ofensiva-chevron)*

