Communication Strategies used by ‘British Petroleum (BP)’ to deal with Legitimacy before and after the Deep-water Horizon Accident.

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**ABSTRACT**

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**Abstract**
Oil spills pose serious threats to the legitimacy of the companies involved and the oil industry in general. The objective of this study is to conduct research on the communication strategies used by ‘British Petroleum’ (BP) to maintain its legitimacy before the Deepwater Horizon (DH) oil spill caused in April 2010 and to repair its legitimacy after the DH accident. There is existing literature on the legitimacy theory and the communication strategies as well as DH accident and its causes. A qualitative study based on the sustainability reports of BP from 2006 to 2015 and its press releases in relation to the DH accident from April 2010 to April 2016 is conducted to discover its preferred communication strategies and the changes (if any) in their use during the time period 2010-2016. The results show that three main communication strategies i.e. *Image Enhancement, Avoidance/Deflection, and Disclaimer* were used by BP. The results support the literature as these three communication strategies are proposed by most experts when dealing with legitimacy issues. The results also showed that there was a difference in preference of strategies by BP before and after the DH accident. The discussion part on the basis of the literature studied during this study also argues that these communication strategies are used in most industries and public sectors.

**Keywords:** Legitimacy Theory, Communication Strategies, Image Enhancement, Deepwater Horizon, Oil Spill, British Petroleum.

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1 INTRODUCTION

The oil industry has developed notably in the near past, rendering it essential for this sector to utilize methods for incorporating safety procedures in their operations to avoid accidents. This industry is one of the largest in the world and responsible for facilitating consumers with their energy demands necessary to ensure their transportation needs are met. (American Petroleum Institute, 2014). According to International Energy Association’s (IEA) 2002 statistics almost 80% of the world primary energy demands are met by fossil fuels of which 40.7% comes from oil (IEA, 2002).

Spence (2011) argues that the presence of affordable fossil fuels has played an important role in the growth of economy. This economic growth in turn has raised the living standards of people. According to Berdzenadze (2014), oil is the most important source of energy and seems to be irreplaceable for many years to come despite the positive expectations from alternative energy options. He (2014) argues that countries are influenced by progress in the oil market regardless of whether they are consumers or producers. Berdzenadze (2014) claims that in 2014, oil catered to 38% of the world’s energy needs. Moreover, there are numerous products in our daily life use that are derived from oil. Berdzenadze (2014) argues that oil has played the most important part in developing the world economy for over a hundred years. He (2014) also claims that oil is the best source of primary energy and that the modern technological era would not have been possible without this energy source. Berdzenadze (2014) claims that the energy usage and the GDP in development in different countries are directly proportional to each other. This can be seen in figure 1.
Figure 1 Energy Demand and GDP per capita (1980-2002)

The issue of sustainability in the oil industry is of paramount importance nowadays more than ever before. This is because of the common conception among the public is that oil companies can never be sustainable as they are perceived to be responsible for the emissions of the biggest portions of greenhouse gases (GHG). Spence (2011) claims that people feel hesitant about the oil industry because oil and gas exploration and production causes air pollution, oil spills, injuries, and sometimes deaths. He (2011) presents the example of the DH oil spill accident by highlighting the risks involved in the oil and gas sector, such as environmental risks, health and safety risks, liability risks and finally, reputational risks. Spence (2011) argues that handling the reputational risk is pivotal for any company to benefit from durable success. These are some of the reasons that leave oil companies vulnerable to ethical and social issues all over the world. In addition to this, performing in such a conscious environment where consumer awareness is growing exponentially, leave these companies answerable to all stakeholders in terms of corporate social responsibility and conservancy of environmental sustainability.

The companies therefore constantly try to build and present a pleasant image to the public. They employ different strategies to achieve their objectives, the major sources being different communication campaigns to build, enhance and maintain a positive image. (Benoit, 1997)
1.1 Background – Deepwater Horizon Accident (DH)

The main reason to choose BP for this study was its involvement with the DH accident as the DH accident is considered to be the worst oil spill in the world since 1901. BP was founded in 1908 (Chartsbin statistics, 2010). It is one of the world’s foremost unified oil and gas companies. They deal with transportation fuel, energy for heat and light and petrochemical products. (BP, 2016)

It is important to understand the nature and effects of the Deepwater Horizon (DH) accident in the Gulf of Mexico. Rothman (2015) explains that on April 20, 2010, the offshore drilling rig named Deepwater Horizon which was owned by Transocean and leased by British Petroleum (BP), exploded and collapsed. Approximately 4.9 million barrels of oil were spilled in the Gulf of Mexico and according to initial reports; a dozen people were killed in the explosion. Pallardy (2016) claims that the slick produced as a result of the oil leaked affected an area of thousands of square miles in the Gulf of Mexico. BP used dispersants to emulsify the oil to allow easier metabolism by bacteria. Some portion of the oil was contained and was either transported or burned. However by June 2010, it was estimated that 1,100 miles of shoreline in Louisiana, Mississippi and Florida were polluted. U.S Coast Guard, National Response Team, Environmental Protection Agency (EPA) and other government agencies were actively involved in the cleanup efforts and the costs amounting to billions of dollars were billed to BP, Transocean and few other companies. (Pallardy, 2016)

The economic consequences of this accident in the Gulf of Mexico were severe due to the polluted beaches affecting tourism and polluted waters affecting fishing. Due to continuous demands by President Obama, BP set up a compensation fund of $20 billion for the affected parties. By mid-2011, BP had lost almost 25% of its market value and had bled over $40 billion in costs related to the cleanup operations. In January 2011, the National Commission on the BP’s DH oil spill which was formed by President Obama, declared that the spill was a result of lack of supervisory audits by the government and laxity and time-effective decisions on the part of BP and its partner companies. However, a report released by the Joint Investigation Team of the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and the U.S. Coast Guard declared that BP was to be held responsible for the accident. This is because the employees of BP and Transocean while working on the rig ignored signs of a malfunction and therefore killed the possibilities of avoiding this catastrophic accident. (Pallardy, 2016).

Spence (2011) argues that the exploration and production of oil and gas is usually a complicated operation. He (2011) points out that oil companies access underground reservoirs of oil and attempt to extract them safely. After extraction, the oil has to be transported over long distances in through tanker ships and above-ground pressurized pipelines. Spence (2011) explains that this oil or oth-
er petroleum products extracted have to be refined and the process involves treatment at high temperatures and pressures, and the use of complex chemical treatments. All these phases of production are performed by manual labor and as a result, there is always a risk of human error. Therefore it will be interesting to see what explanations and reasoning BP provide for the causes of the DH accident to address the concerns of the general public and the stakeholders.

1.2 Motivation for the study

The motivation to study this topic stems from the oil spills incidents that occur frequently around the world and the public, media and corporate criticism that follow as a result. However the DH accident is the worst oil spill (in terms of quantity of oil spilled) in the world in the last hundred years and the largest ever marine oil spill in history (Chartsbin statistics, 2010). It is therefore interesting to study how this accident affected BP’s approach to repair and re-establish legitimacy. It was noted that after this accident, not only BP but also other companies in the industry felt the need to legitimize their actions in the eyes of the general public and other stakeholders.

According to Gray et al., (1995), organizations and businesses are considered to be parts of a bigger social environment. Burrell and Morgan (1979) concur and argue that most of the research in this field is based on this concept of broader social system and to date, legitimacy theory is the most popular among researchers as it is heavily referenced, improved and put to test in a great many studies dealing with environmental disclosures connected to legitimization efforts.

This thesis intends to study the communication strategies used by British Petroleum (BP) in their public disclosures i.e. annual sustainability reports and press releases to repair legitimacy after the April 2010 Deep – Water Horizon (DH) accident in the Gulf of Mexico. It aims to study the difference in communication strategies used before and after the DH accident to repair legitimacy. In order to understand the pattern BP’s communication practices and its inclination towards certain methods after the DH accident a period of ten years (2006 – 2016) was chosen to study and analyze the environmental disclosures. Since the DH accident took place in April 2010, the time period is divided into approximately two equal parts i.e. 2006 – 2010 and 2010 – 2016.

This is a protensive study and changes in the use of legitimization strategies in the reported data over the chosen time-period can be noticed. Both qualitative and quantitative data analysis were conducted of the data collected to study the communication strategies used by BP to maintain and repair legitimacy before and after the DH accident. . The difference (if any) in the use of these strategies
in terms of the timeline (before and after) the accident is also studied. This thesis analyzes the contents of the annual sustainability reports and the press releases issued by BP. The main focus is on the environmental and social parts of these documents and the language used in the given data, before and after the DH accident.

In light of the research goal, following are the research questions which are used to analyze BP’s communication strategies:

The main research question is:

1. What communication strategies did BP use to repair and re-establish legitimacy after the Deepwater Horizon (DH) oil spill?

The sub-questions are:

1. What communication strategies were used to maintain and enhance legitimacy before the DH accident?

2. What is the difference between the communication strategies used before and after the DH accident?

1.3 Outline of the Thesis

The thesis consists of five chapters. The first chapter deals with the introduction of the topic, importance of oil to people and world economy, background and reason for choosing the DH accident and BP for this study, motivation for this study general and research goals of the study by presenting the research questions. The second chapter discusses the literature review with particular concentration on the ‘legitimacy theory’ which is the main theory in this thesis. The third chapter focuses on the methodology used for data gathering and framework used for analysis of the acquired data. Chapter four submits the results obtained and the analysis of the data. The fifth chapter deals with the discussion of the results achieved, conclusions derived from the study, contributions made, limitations faced and suggestions for additional studies. There is a list of references and the numerical results of the data analyzed based on the chosen methodology attached at the end of this study.
2 THEORETICAL FRAMEWORK

2.1 Maintaining Legitimacy for Stakeholders

"Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574, emphasis in original)

According to Schneider et. al. (2013) all the industries in the world are continuously contemplating on ways to deal with reporting sustainability performance in the future due to the environmental, social and climate change issues that are confronted by the world today and to maintain their legitimacy in front of all stakeholders. They (2013) argue based on their study of ten major oil companies’ voluntary sustainability reports, that the oil industry in general is making headway in its attempts to improve sustainability. However, considering the environmental, health and safety issues, Schneider et. al. (2013) found many gaps in the management systems which show that the industry still has a long way to go to achieve impressive sustainable operations to maintain legitimacy.

Schneider et. al. (2011,) also argue that oil companies in this sector have been responsible for key environmental disasters in the past. Some examples are the Santa Barbara oil spill in 1969 in California, Deepwater Horizon disaster in the Gulf of Mexico in 2010, pollution of the river in the Niger Delta in Nigeria by Shell in the 1990’s etc. They (2011) argue that it is due to this blemished past of the industry that the companies are taking measures to improve their sustainability and its reporting in order to involve their stakeholders for continuous dialogue and support so as to maintain and repair legitimacy after such incidents.

Breeze (2013) claims that despite legitimization being a significant part of the way that ideologies operate through discussions; it has not been studied in detail compared to other aspects such as politeness and persuasion. She (2013) argues that legitimization is connected to self-defense because normally the party that tries to legitimate its actions, does so by furnishing reasons, grounds or acceptable motivations for actions that have the potential to be criticized or are already criticized by others. Breeze (2013) points out that there is a difference between an outright defense policy and legitimization because it does not always address a particular issue or complaint. Van Dijk (1998) explains that legitimization is a complicated, erratic practice which can utilize a range of strategies and a cluster of diverse but interconnected discourses. According to Verscheren (2011), legitimization usually functions in a top-down way because entities in power aim to legitimize themselves to those on whose agreement they depend on: governments to voters, institutions to clients and so on. Malavasi
(2010) elaborates this argument by explaining that non-state entities, such as interest groups, institutions and corporations regularly engage in self-justificatory actions, issuing press releases with their statements, corporate publications, brochures, web pages etc., which cannot be accurately called as advertising. However, they are aimed at producing a positive public image utilizing a combination of promotional aspects, for example, self-praise and positive meaning with elements of justifications and self-defense devised to pre-empt or neutralize criticism on solid issues.

Breeze (2013) further explains that even though the idea of legitimization has been primarily discussed in the area of politics, existence of valid arguments make it possible to expand this analysis to various social actors within the state and non-state institutions which seek to protect their post in the social circle. She (2013) argues that application of this idea to the business world should not be considered controversial due to the fact that large corporations are very influential actors that own wealth and power in world politics than many states. Breeze (2013) points out the weaknesses of these corporations by explaining that they are accountable to national laws and international conventions, and non-compliance with the rules and regulations related to environmental protection or human rights can lead to huge fines and penalties. Moreover, due to their listing on the stock exchange as they are public limited companies, they are affected directly by market fluctuations around the world, which are frequently based on psychology of the stakeholders. Many investors could be driven away due to negative publicity and long term vigilance could result in the loss of a company’s significant position. Therefore, large corporations take their positive public image seriously and are actively involved in investing financial resources to display their accomplishments in a positive picture. They do this through advertising and public relations to legitimize their operations and decisions, justifying or protecting them from real or potential criticism (Breeze, 2013).

2.2 Sustainability Reporting and Legitimacy

WCED (World Commission for Environment and Development) defines ‘sustainable development’ as ‘development that meets the need of the present without compromising the ability of future generations to meet their own needs’ (WCED, 1987). This idea has enabled an interest in sustainability across the world among businesses and many governmental and non-governmental organizations. Stakeholders expect companies to practice sustainable operations as well as report their actions in a transparent way to show that their actions are legitimate.

It is interesting to note that Schneider et. al. (2011) argue that though the oil industry is one of the most thriving industries in terms of economy and size, its
performance in terms of sustainability is below satisfactory. According to them (2011), most players in the industry present their sustainability reports but there is a deficiency of a uniform format and this makes comparisons between companies and within companies’ performance a difficult task. Schneider et.al. (2011) further elaborate the sustainability concept by writing that any corporation wishing to declare itself ‘sustainable’ should report its actions and findings that are related to its impacts in a clear and accessible style in addition to performing in environmentally and socially responsible way. The above mentioned transparent communication style could be a key to image enhancement opportunities to maintain or increase legitimacy.

Schneider et.al. (2011) also explain the aspect of corporate citizenship which relates to the companies’ participation in community welfare works. Companies make financial donations to various charitable organizations and different causes with drives and agendas that vary from culture, art, education, health and infrastructure development. Schneider et al. (2011) present the example of Petrobas has a program to eradicate hunger, and China National Petroleum Corporation is involved in efforts to improve education and helping victim of natural disasters. They (2011) also draw attention to the fact that majority of the companies nowadays refer to their participation in a voluntary external audit and standard to prove their commitment to corporate citizenship and sustainability. These efforts can clearly be seen as attempts to enhance legitimacy through Image Enhancement.

Cho et. al. (2015) explored prior work done on the reasons motivating private companies to implement sustainability reporting practices in society. They (2015) found that in wider terms, the increased interest in corporate sustainability reporting is guided principally by rising interests from the stakeholders related to companies’ impacts on the social and natural environment in which they operate. As discussed in the beginning of this thesis, the idea of Gray (2010) argued and discussed by Cho et. al (2009) as well discuss that most part of the research conducted on corporate social and environmental reporting is founded on the idea of existence of a steadfast and unspoken contract between society and individual organizations. Chen & Roberts (2010) in agreement with Gray (2010), explain that the significance of this contract is based on the belief that the civil society has the power to allow and extract an organization’s approval to operate its business within that society. Lindblom (1994) opines that based on previous research on the legitimacy theory, corporate sustainability reporting can be contemplated as an instrument through which companies can leverage their perception in society.

It is this perception in society, permission by the stakeholders to work in their environment and the respect for this social contract that make the companies realize the need to appear legitimate and repair legitimacy if it is lost or threatened.
2.3 Legitimacy Theory

The main theory in this study is the ‘legitimacy theory’ as it tries to shed lights on organizations’ actions to legitimize their operations and be seen as compliant to different stakeholders including investors and environmentalists, with the social contract as explained by Cho (2009) between an organization and the society. Cho’s (2009) arguments are a reflection of Deegan & Rankin’s (1996) explanation of social contract and legitimacy theory. They (1996), in agreement with Gray et.al. (1995) explain that organizations are brought legitimate status by society, and not only by its shareholders. Therefore if this contract is ruptured, in other words, if it fails to meet the expectations of the society, this may result in the abrogation of the contract itself (Deegan & Rankin, 1996). This could be damaging and may threaten the company’s very survival (Deegan et.al.,2002). Since the social contract is what substantiates a corporation’s survival, a great deal of struggle is made to guarantee its conservation. It is because of this, the idea of social contract has become pivotal in legitimacy theory (Patten, 1992; Deegan et.al., 2002).

Deegan (2013) argues that legitimation theory indicates the constant endeavors are made by corporations to guarantee that their operations are interpreted as legitimate by external parties. It is for this reason that Dowling and Pfeffer (1975) viewed legitimacy as a resource significant for an organization’s existence. However, since this resource is changing in nature (Lindbolm, 1993), it is possible for corporations to influence or manipulate this resource (Woodword et.al., 2001). Tilling (2004, p2) like Suchman (1995) has studied this theory from different aspects and conducted many studies based on this theory on different industries. Tilling (2004) considers legitimacy to be a resource very similar to money and essential to any business to conduct its business activities. Some steps and events add legitimacy while others reduce it. Reduced legitimacy can have negative results for an organization, which in some cases could lead to loss of their right to exist and conduct its business.

Tilling (2004) identifies a problem, stating that the term ‘legitimacy theory’ has been used very loosely and this does not mean that there is a problem with the theory itself as Suchman (1995, p572) noted that a lot of researchers utilize the term ‘legitimacy’ but few actually define it.

2.3.1 Perspectives of Legitimacy

Many researchers have done a great deal of work on legitimacy theory, of which Tilling and Suchman stand out with their impressive and detailed work on different levels, perspectives and phases of legitimacy in an organization. There are two perspectives of legitimacy as explained by Suchman (1995): one is ‘institutional’ and the other ‘strategic’.
2.3.1.1 Institutional Legitimacy

Institutional theory suggests that organizations are both influenced by and can influence the society in which they operate (Meyer and Rowan, 1977; Meyer and Scott, 1992; DiMaggio and Powell, 1983, 1991). Hoque (2005) studied the public sector reform actions in an Australian local authority and claims that many public sector organizations are making important changes in their operations policy. They are doing so to achieve legitimacy instead of organizational effectiveness in response to institutional pressure and control (Broadbent and Guthrie, 1992; Lapsley, 1999; Hoque et al., 2004). Hoque (2005) argues that such actions may not be economically suitable for an organization but could be just for the purpose of building a more positive image of the organization.

According to Suchman (1995), institutional legitimacy theory deals with the viewpoint that external institutions and the society monitor the organizations closely and mould and saturate their activities. He (1995) argues that because the social norms and beliefs enter the organizations and to seek legitimacy and ensure their existence, the organizations must submit to these institutional beliefs. Chelli et al. (2014) argue that rules and regulations made by the government in regard to social and environmental reporting can be compared to a socially constructed system of values and beliefs. The pressure from the society helps shape up these regulations. Following these regulations enable the corporate managers to maintain institutional legitimacy (Chelli et al., 2014). Dacin et al. (2007) argue that many firms form strategic alliances to achieve legitimacy. These alliances help the firms to receive many technical and economic benefits. For example, Wievel and Hunter (1985) claim that new companies can increase their legitimacy by forming alliances with well-reputed organizations. This also helps such companies to maintain a stable relationship with their consumers. According to Dacin et al. (2007), maintaining stable ties with customers is important for organizations because they seek legitimacy and approval for their activities from these customers.

2.3.1.2 Strategic Legitimacy

Strategic legitimacy theory proposes the view that companies to counter the developments in social awareness by using social and environmental reporting as a tool for legitimation (Chelli et al., 2014). For example, Mahadeo et al. (2011) noted a clear increase in the amount of corporate social disclosures between 2004 and 2007 due to the changes in the social issues and political aspects of the economy in Mauritius. Strategic legitimacy theory suggests that a decrease in social awareness should result in a decrease in social and environmental reporting (Chelli et al., 2014). De Villiers and Van Staden (2006) argue that in South Africa, the social and political pressure from 1994 to 2002 decreased and a consequent decrease in environmental reporting by mining companies was noted. They (2006) also noted that the Top hundred Industrial companies reduced their specific versus general disclosures by five-fold.
Strategic legitimacy theory also proposes that companies with poorer environmental performance attempt to compensate for it by presenting extra detailed and positive environmental disclosures to avoid risks to their legitimacy (Chelli et al., 2014). Deegan and Ranking (1996) point out that the 20 Australian companies that were prosecuted by the Environmental Protection Agency between 1990 and 1993 provided more positive environmental disclosures during the period of prosecutions as compared to non-prosecuted companies. Cho et al., (2012) found that companies appear to utilize environmental disclosure as a strategic mean to avoid publicity and attention from political and regulatory authorities instead of using it as a tool for boasting better performance. Cho (2009) based on his findings argues that Total SA (the largest oil and gas company in the world) used environmental disclosure as an effective tool for legitimacy in the aftermath of the two big environmental disasters (the sinking of the Erika Tanker in 1999 and the explosion of the AZF chemical plant in Toulouse 2001). Deegan et al. (2000) studied the annual reports of the oil companies in Australia and found that companies alter their disclosure practices when big events related to their companies or the industry itself occur.

In this study, the strategic side of legitimacy was focused as it is the operational side dealing with managerial strategies as a continuous process.

2.3.2 Approaches to ensure legitimacy

Suchman (1995) explains three different approaches utilized by managers to ensure legitimacy: 1. Gaining, 2. Maintaining, 3. Repairing legitimacy. Tilling (2004) on the other hand presents a similar model with an added aspect of ‘extending’ legitimacy and uses slightly different terminologies. He (2004) calls the phases as 1. Establishing, 2. Maintaining, 3. Extending, and 4. Defending Legitimacy. He (2004) explains that the ‘strategic’ approach can also be called as ‘Organizational’ approach, however, in this study we used the term ‘strategic’. Tilling (2004) points out that to analyze any industry using legitimacy theory, it must be noted that the institutional factors such as ‘current business environment’, ‘capitalistic structure’, democratic government’ are considered granted, however, such an assumption must be closely analyzed for a longitudinal study of any important time period. Kapland & Ruland (1991, p 370) explain that the study of strategic approach is more useful in accounting research for a better understanding of legitimacy. They (1991) state “Underlying organizational legitimacy is a process, legitimation, by which an organization seeks approval (or avoidance of sanction) from groups in society” (Kaplan and Ruland, 1991, p. 370).
It is interesting to note that Tilling (2004) based on his research into the tobacco industry and other researchers including O'Donovan's (2002) experimental research, proposes an additional development of the ‘Strategic Legitimacy Level’. Tilling (2004) draws attention to the likelihood that an organization may fail to defend a threat to its legitimacy and as a result begin to lose legitimacy. Tilling (2004) suggests that after losing legitimacy, an organization may attempt to reestablish legitimacy or may lose it for an indefinite period of time.
2.3.2.1 Establishing Legitimacy

According to Tilling (2004), in this phase, an organization is going through development and dealing with aspects of proficiency, specifically financial. However, the organization has to be mindful of “socially constructed standards of quality and desirability as well as perform in accordance with accepted standards of professionalism” (Hearit, 1995, p.2). Tilling (2004) gives example of the ‘stem cell research in bio-technology’ which is in the early stages of establishing legitimacy.

Suchman (1995) explains that corporations can utilize one of three strategies. These are 1. Adjust, 2. Choose and 3. Manipulate. In the first strategy, the management can adjust to an already existing environment and follow the norms and structures already in practice. In the second strategy, instead of making changing within the organization’s structures and operations, the target is choosing an environment that meets the suitability standards of the organization and can be used relatively easily. It is however important to note that to make a decision for selecting an environment requires good quality research in advance. The third and least used strategy due to the amount of work and variables involved is related to manipulating the environment and beliefs just to mold them according to the organization’s requirements.
Ashford and Gibbs (1990) propose that companies employ Image Enhancement (IE) strategies to establish legitimacy. In doing so, they do not require to alter their methods, instead, only conduct them allegorically to be presented as persistent with social norms. Brown (1997) calls this type of strategy ‘self-aggrandizement’ because organizations use it to create propaganda regarding their achievements in a manner which could be only for the purposes of display and excessive overstatement. Cho (2009) writes that companies declare aggrandizement with the help of stories (Martin et al., 1983), ceremonies (Rosen, 1985), or annual reports (Preston et al., 1996). Preston et al., (1996) discovered that annual reports were used to highlight organizations’ accomplishments, usually with the aid of color pictures and symbolize information to deliver the appropriate message. Deegan and Gordon (1996) discovered that environmental reports were self-complimenting and impartial and agree with Preston et al. (1996).

2.3.2.2 Maintaining Legitimacy

Tilling (2004) explains that in the phase of maintaining legitimacy, most organizations perform operations including activities involving: 1. Ongoing role performance and symbolic assurances and that all is well, and 2. Attempts to anticipate and prevent or forestall potential challenges to legitimacy” (Ashford & Gibbs, 1990). However, Tilling (2004) highlights the fact that despite its initial impression, it is not a simple task to maintain legitimacy. Deegan et al. (2002) elaborates this point by writing that the concerns of the society are not constant. In fact, they evolve gradually with time demanding organizations to react to their work environment. Deegan et al. (2002) points out that agreeing with view is not a guarantee for an organization to maintain its legitimacy as long as it continues to conduct activities that were considered acceptable in the past but in the present. This could very well result in the loss of legitimacy (Deegan et al., 2002).

Suchman (1995) highlighted the same issue arguing that acquired legitimacy should not be considered as a permanent achievement due to the constantly changing environment. He (1995) proposes that an organization should therefore be open to changes and ready to address the varying circumstances in the environment. Suchman (1995) suggests two strategies for maintaining legitimacy: 1. Predict future changes and 2. Defend accomplishments from the past. Utilizing the first strategy, managers attempt to predict future challenges and society responses by taking into account present trends of environmental changes and thus make safer decisions to maintain legitimacy (Suchman, 1995). The second strategy is simpler because managers just try to make sure that all intra-company activities and procedures are followed in accordance with the company policies (Suchman, 1995).

According to Ashforth & Gibbs (1990), one way for managers to safeguard past achievements is by attempts to enhance the company’s image utilizing positive communication strategies to impress stakeholders. Cho (2009) after almost two
decades of Ashforth & Gibbs (1990) presentation of this idea, also points out that IE is used as a tool to maintain legitimacy by constantly reminding the stakeholders of past accomplishments. Deegan (2002) and O'Donovan (2002) discuss the use of annual reports by managers to transmit particular messages to the society to try to persuade readers of the organization's personal opinions of its environmental performance. They (2002) argue that such attempts are targeted to create an overly positive image of the company so as to maintain its legitimacy in the eyes of the stakeholders. O'Donovan (2002) suggests that it is easier to maintain legitimacy for a company if there is less legitimacy to begin with i.e. if fewer issues are addressed and fewer claims are made about the environmental performance, less work is required to validate those claims.

2.3.3.3 Extending Legitimacy

According to Tilling (2004), at some stage an organization may enter a new market or act flexibly and make changes in its approach to the present market environment as discussed above. An organization tries to extend legitimacy when it is attempting to become established or is a new arrival in a certain domain or is using new frameworks or processes (Ashford and Gibbs, 1990). Hannan et al (1984) suggest that when managers try to gain the trust and confidence of cautious or distrustful potential customers, legitimation actions are suitable to be excessive and proactive. Ashford and Gibbs (1990) suggest that customers are more likely to investigate the organization if: (1) the organization has insufficient knowledge of relationships or technology, or shortage of clear output standards (e.g. education), (2) the organizations methods are criticized by segments of the society (e.g. medical testing on animals), (3) the established practices and criteria do not support the organization and so has to face the problem of "liability of newness" (e.g. a radical consulting firm), (4) activities of the organization involve sizable risks (e.g. health care), and (5) portions of the society predict a durable relationship with the organization (Hannan and Freeman 1984; Meyer and Scott 1983; Pfeffer 1981; Singh, Tucker and House 1986).

2.3.3.4 Defending Legitimacy

Tilling (2004) explains that threats may be posed to legitimacy of an organization by an incident which could be internal or external in nature, hence it needs to be defended. "Legitimation activities tend to be intense and reactive as management attempts to counter the threat" (Ashford & Gibbs, 1990, p. 183). Tilling (2004) states that in the Western Capital System, after a major incident, most if not all, corporations will have to defend their legitimacy on a regular basis. He (2004) supports his argument by presenting the findings of Deegan et al.'s (2000) study of five major incidents (including the Exxon Valdez oil spill and the Bhopal Disaster) which gave a background to study the annual reports of Australian companies in the same industry. The findings showed that a noticeable change in the social and environmental reporting practices of these firms was observed.
Deegan et. al., (2000) argue that the results of their study are in agreement with the legitimacy theory and it is evident that organizations make changes to their reporting practices during the period of significant company and industry related social events.

2.3.3.5 Repairing Legitimacy

As discussed above, sometimes certain incidents lead an organization to lose its legitimacy. Tilling (2004) discusses that a one-off incident or accident does not cause the loss of legitimacy but if there is a regular string of incidents, then the company’s product or operations may be considered as unsafe. It is complicated to deal with such a situation, however the loss can be contained and proper steps could result in the regaining or repairing of legitimacy (Tilling, 2004).

Suchman (1995) also explains that sometimes an organization loses legitimacy as a result of unexpected incidents. He (1995) suggests that in terms of repairing legitimacy, the relevant legitimation tactics are usually reactive actions to often unexpected crises. Suchman (1995) argues that in many ways, gaining and repairing legitimacy are similar. Repairing legitimacy can be compared to different phases of crisis management (Davidson, 1991; Elsbach and Sutton, 1992). According to Pava and Krausz (1997), a developing crisis should be handled by using proactive strategies, for example, the tobacco industry’s actions over the past 20 years. They (1997) argue that the main difference is that strategies to maintain legitimacy are proactive and usually not connected to any crisis, whereas techniques to repair legitimacy are reactive and are in response to an immediate or an unexpected crisis or disaster.

Suchman (1995) argues that legitimacy can be repaired by management using different tactics. He points out that managers can distance the organization from a crisis or an incident through communication strategies. Cho (2009) explains that organizations can utilize Avoidance (AD) and Deflection strategies by trying to divert or sidetrack attention from certain social or environmental crisis to other relevant or non-relevant issues. He (2009) highlights that occasionally IE and AD strategies are used together to repair legitimacy. O’ Donovan (2002) also argues that the ‘Avoidance’ strategy is used by organizations by means of which a firm would not participate in any discussion in the media or a public forum to discuss the incident so to avoid further negative publicity. Stephens et.al. (2005) calls this strategy as ‘distance strategy’ because they attempt to create a distance between the incident and the organization. Suchman (1995) also discusses the strategy of ‘restructuring’ in which an organization takes responsibility of the incident and attempts to demonstrate genuine efforts and corrective procedures to make amends.

Benoit (1997) developed a typology of image restoration strategies which are very similar to the strategies discussed by Suchman (1995). Benoit (1997) argues that the most important thing to repair an image is to first find out the nature of
the complaints that initiate the crisis. He (1997) argues that sometimes it is not even essential for an incident to have taken place, since the perception by the people that such an incident has happened is enough to the organization to have a bad image.

According to Benoit (1997), there are five image repair strategies available to managers to repair the damage done to the image of the organization. First, ‘denial’ - which can be a straightforward denial claiming that the organization did not commit the act or a blame shifting denial pointing the finger at another party to have committed the act (Benoit, 1997). Second, evasion of responsibility - which can be executed by claiming that the organization had to respond to an inciting act executed by another party or the organization simply did not possess specific skills and caused the incident even though it was performed in good faith and with positive intentions (Benoit, 1997). Third, ‘reducing the seriousness of the event’ by using six communicative strategies available, which are bolstering - where the positive qualities of the organization are highlighted; minimization - where it is claimed that the act is not so serious; differentiation - where the incident is compared to other similar but more serious incidents; transcendence - when the incident is rated in a more sympathetic context claiming it was essential and conducted for the greater good; attack accusers - to attack the accuser to minimize their credibility; and compensation (Benoit, 1997). He (1997) argues that when compensation is welcomed by the victims, this could improve the image of the organization. The fourth image repair strategy is ‘corrective action’ - where the organization pledges to rectify the damage by ‘restoring the condition to the state it was in before the incident and making a promise to prevent the repetition of the offensive act in the future’ (Benoit, 1997). The final strategy is ‘mortification’- where the organization admits the mistake, asks for forgiveness and offers apologies (Benoit, 1997). Figure 4 summarizes these strategies.
<table>
<thead>
<tr>
<th>Image Restoration Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
</tr>
<tr>
<td>Denial</td>
</tr>
<tr>
<td>Simple Denial</td>
</tr>
<tr>
<td>Shift the Blame</td>
</tr>
<tr>
<td>Evasion of Responsibility</td>
</tr>
<tr>
<td>Provocation</td>
</tr>
<tr>
<td>Defeasibility</td>
</tr>
<tr>
<td>Accident</td>
</tr>
<tr>
<td>Good Intentions</td>
</tr>
<tr>
<td>Reducing Offensiveness of Event</td>
</tr>
<tr>
<td>Bolstering</td>
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<tr>
<td>Minimization</td>
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<tr>
<td>Differentiation</td>
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<tr>
<td>Transcendence</td>
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<tr>
<td>Attack Accuser</td>
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<tr>
<td>Compensation</td>
</tr>
<tr>
<td>Corrective Action</td>
</tr>
<tr>
<td>Mortification</td>
</tr>
</tbody>
</table>

Figure 4 Image Enhancement Strategies

source: Benoit (1997, p.3)

Suchman (1995) also discusses the strategy of ‘restructuring’ in which an organization takes responsibility of the incident and attempts to demonstrate genuine efforts and corrective procedures to make amends.
2.4 Communication Strategies

It is imperative to discuss the communication strategies used by companies to maintain, repair and defend legitimacy. According to Dowling & Pfeffer (1975), one of the methods to respect the ‘social contract’ and deal with the threats to maintain legitimacy is to utilize the legitimation strategies of communication, for example, the presentation and distribution of environmental disclosures. Cho (2009) points out that Dowling & Pfeffer (1975), Suchman (1995), Lindblom (1993) and O'Donovan (2002) examined different kinds of communication strategies utilized by organizations pursuing legitimacy. Cho (2009) classifies them as 1. Image Enhancement (IE), 2. Avoidance (AD), 3. Disclaimer (DS). This classification is the same as suggested by the above mentioned researchers in this paragraph. This is evident from figure 5 at the end of this chapter which gives a summary of the views of these five experts.

2.4.1 Image Enhancement (IE) strategy:

Image can be defined as the total of beliefs, mindsets, stereotypes, concepts, relevant behaviors and impressions that an individual might have with regard to an object, individual or organization / company (Prahalad & Hamel 1990; Kotler & Andreasen 1996). Levitz. et al., (1999) argue that an important question to consider is the situation when an organization portrays a relatively exaggerated image of itself which does not match with its true accomplishments and track records. Terkla & Pagano (1993) argue that organizations desire to present an image that they have formed to the public. However, they may not be successful in doing so because of the difference in the projected and real image of the organization. The reactions of stakeholders to an organization are based on their perceptions of that organization. Therefore an organization should work hard to better that image and make sure its image mirrors its contemporary situation (Terkla & Pagano 1993).

Ashford and Gibbs (1990) argue that an image enhancement strategy provides legitimacy to an organization through connection with positive social values by presenting self-praising data related to social and environmental issues. This handles any threats to its legitimacy and helps it to align with social rules. Du et al. (2010) argue that most stakeholders are involved in refined acknowledgement processes and are able to recognize and adjust to mixed intentions when an organization presents self–promotion communications. An organization may also seek external endorsements to increase its legitimacy by including impartial sources, which are an important part of many organizations’ advertising policies (Du et al., 2010).

Organizations provide information that validates their social and environmental measures in a system of Corporate Social Responsibility (CSR) investments,
beneficiaries and potential results to neutralize negative impressions and increase recognition (Polonsky & Jevons, 2009). The justified CSR information on investments may contain, for example, plans about safety procedures, donation of funds, contributions, employee volunteering and other specialized skills dedicated to a particular cause or social problem (Deegan, 2002; Du et al., 2010). Moreover, the organization could also present facts and figures related to this investment third-parties that specialize in this area and are accustomed to CSR issues, for instance, politicians, local authorities, NGOs and journalists to propagate a positive image (Morsing et al., 2008).

Cho (2009) argues that with IE strategy, an organization may present information praising itself by highlighting its achievements and intentions to address social and environmental issues. He (2009) elaborates that an organization may do this to relate itself to positive social values in an effort to seem legitimate. Ashforth and Gibbs (1990) suggest that sometimes an organization may not alter its actions but present an emblematic picture that is in accordance with the accepted social values. Brown (1997, p. 659) calls such a strategy ‘self-aggrandizement’ because “organizations utilize it to highlight their ‘prowess and achievements…in ways that are probably exhibitionist and exaggerated’.

Cho (2009) points that that the literature suggests that organizations claim aggrandizement with the use of stories, ceremonies and/or annual reports. Preston et.al. (1996) argue that sometimes organizations use colorful pictures to highlight their accomplishments.

O Donovan (2002) suggests four potential plans to deal with legitimacy threats to an oil company in a major oil spill crisis. He (2002) argues that one of the four tactics is ‘efforts to shape the viewpoint of the organization’ by repeating past accomplishments of the organization in relation to social and environmental issues. Deegan and Gordon (1996) also claim that environmental reports were self-flattering and partial.

2.4.2 Avoidance / Deflection (AD/DF) strategy:

Cho (2009) argues that with this strategy, an organization attempts to divert or alter the direction of the attention from particular social and environmental issues to try to seem legitimate. He (2009) adds that sometimes AD strategy can be used together with the IE strategy. Bansal and Clelland (2004, p. 96), also suggest that an organization facing low legitimacy can alleviate the problem by showing positive commitment to the environment thereby “deflecting the negative criticism by signaling that it does actually care about the environment”.

Jaworski (1993) argues that some of the tactics of social control include unapproachability of communication and information, avoiding sensitive topics, and muffling the criticism by opposition. Sutton and Callaham (1987) studied the
legitimacy issues in the financial sector and also discovered that managers of companies that filed for chapter 11 bankruptcies continued to avoid situations which would have compelled them to disclose that reality. According to O’Donovan (2002), an organization utilizing an ‘avoid’ strategy, attempts to steer clear of public conversations about the incident and tries to control the flow of information to avoid any disclosure that can be perceived as negative. Patten (2002) argues that its finding of the relation between environmental performance and environmental reporting can also be seen as ‘deflection’ because these environmental disclosures are not a true picture of a firm’s actual performance. Interestingly, Stephens et.al. (2005) call such a strategy as ‘distance strategy’ because the organization attempts to distance itself from the crisis at hand.

Keith et.al. (2013) discuss the example of Chevron, which is one of the largest oil companies in the world and is facing a specific crisis of oil spills in Brazil as well as general criticism at the oil industry. Chevron presents its image as a company related to natural gas reserves, energy savings and energy security. Apparently, Chevron campaign seem to be that of an NGO as it highlights themes related to energy and no explicit comments of the organization’s business activities and their effects on the environment (Keith et.al., 2013).

2.4.3 Disclaimer (DS) strategy:

Disclaimer is “the denial, refusal, or rejection of a right, power, or responsibility. An organization may disclaim responsibility for loss or damage to a customer’s personal property or a disclaimer clause in a contract might set forth certain promises and deny all other promises or responsibilities” (The Legal Dictionary, 2016)

Cho (2009) argues that utilizing this strategy, a company could try to seem legitimate by releasing disclaimer announcements to refute liability related to negative or adverse events, situations or incidents.

Starbuck et al. (1978, p. 118) based on their founding state that corporate managers did not feel reluctant to “launch propaganda campaigns that deny the existence of crisis”. To demonstrate this strategy, Keller (1989) argues based on his findings that managers of General Motors, in defiance of significant proof of business failures, brazenly denied to recognize “the truth about their corporate parent and did not want to believe” (Keller, 1989, p. 65-66). Moreover, companies use spokespersons and ‘storytelling’ to deny evidence related to them (Abrahamson and Park, 1994). Suchman (1995) argues that when faced with a crisis, executives could try to refuse the existence of trouble, expecting that such actions may reduce the reservations of the affected parties. He (1995) elaborates that such actions are carried out until the organization can arrange a suitable financial settlement as compensation. Preston et al. (1996) claim that organizations deny their responsibilities and the existence of crisis by using annual reports and letters to shareholders as their preferred medium.
Figure 5 shows that based on the research since 1975 until present day, different experts have concluded that all communication strategies of legitimacy fall under the three main strategies discussed in section 2.4. The role of these communication strategies in the different phases of the strategic approaches of legitimacy theory in BP in the ‘Findings and Analysis’ section is discussed and analyzed.
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Dowling and Pfeffer (1975, p.127)</td>
<td>Adapt – change outputs, goals and methods of operation to conform to prevailing definitions of legitimacy</td>
<td>Alter – change the definition of social legitimacy so that it conforms to the organisations present practices, output and values</td>
<td>Identification – become identified with symbols, values or institutions which have a strong base of social legitimacy</td>
</tr>
<tr>
<td>Lindblom (1993, pp.13-16)</td>
<td>Educate – inform the relevant public about recent organisational actions that remedy previously perceived deficiencies</td>
<td>Alter – change the perceptions of external parties</td>
<td>Deflection – deflect attention from the perceived problem areas by changing the focus of external parties</td>
</tr>
<tr>
<td>Suchman (1995, pp.598-599)</td>
<td>Restructure – selectively confess that limited aspects of organisations operations were flawed (Second in process)</td>
<td>Avoid panic – use a mixture of gain (intense activity) and maintain (sensitivity to environmental reactions) in order to repair legitimacy (Third in process)</td>
<td>Normalise – separate threatening revelation from larger assessments of organisation as a whole (First in process)</td>
</tr>
<tr>
<td>O’Donovan (2002, pp.359-360)</td>
<td>Conform – change to conform to what society expected</td>
<td>Alter – shape the social perceptions of the corporation</td>
<td>Avoidance – make no disclosures about the negative event</td>
</tr>
<tr>
<td>Cho (2009, pp.37-38)</td>
<td>Image Enhancement - appear legitimate by linking itself to positive social values by disclosing self-praising information</td>
<td>Disclaimer – appear legitimate by issuing disclaimer statements denying its responsibilities</td>
<td>Deflection – appear legitimate by redirecting attention from specific social and environmental concern</td>
</tr>
</tbody>
</table>

Figure 5 Communication Strategies for Legitimacy

Source: De Villiers & Summerhays (2012, p.6,108)
3 RESEARCH METHODOLOGY

This thesis intends to determine what communication strategies of legitimization were used by BP to repair its legitimacy after the DH accident in 2010. BP was faced with the problem of legitimizing its actions and business operations to its stakeholders as well as the common people. The communication strategies used by BP before the DH accident to maintain or increase legitimacy are also studied to see if there is any difference in the communication strategies used before and after the DH accident. Ample time was dedicated to select the techniques of qualitative research methodology to formulate and perform this study.

3.1 Research Design

The research was conducted as qualitative research. In a qualitative research, the spotlight is on quality instead of quantity and the aim is to analyze the data in as much detail as possible (Eskola and Suoranta, 1998). According to Smith (1978), the findings from qualitative studies have a quality of “undeniability”. When words are arranged into stories or events, they leave a strong, clear and meaningful impression on a reader and aids in convincing them about the findings. The study is motivated by personal beliefs, values and ideas of the researcher and is aimed at explaining and exploring the issue/s rather than proving it (Miles and Huberman, 1984). Qualitative research and analysis method was chosen for this study as it fit the requirement of comprehensively analyzing the use of legitimacy strategies used by BP before and after the DH accident in 2010 and because it was easier to interpret the chosen themes in the textual data used for analysis in this study to help answer the research questions by conducting a qualitative data analysis.

The research was done as a longitudinal study over a period of ten years i.e. 2006 – 2016 and the data was analyzed to discover the changes in the use of legitimacy strategies. According to Hirsjarvi et.al (2007), a longitudinal study is the most suitable means to understand the development of an idea and the variations occurred in a given time frame. The sustainability reports and the press releases from the chosen time frame were content analyzed to note the use and changes of the communication strategies.

3.1.1 Content Analysis

Content analysis is a “research technique for making replicable and valid inferences from data according to their context” (Krippendorff, 1980, p. 21). Miles and Huberman (1984) explain that the content analysis method makes use of
coding a given text based on selected themes to generate meanings. They argue that this is a very common methodology used by researchers of various fields.

Content analysis was chosen for the analysis of the data. Miles and Huberman (1984) explain that content analysis includes the analysis of written documents in the form of books, articles, magazines, press releases, interviews, reports etc. According to them (1984), content analysis is considered to be qualitative; however, it can also utilize some quantitative methods such as ‘word count’. Word count was also used as one of the methods in this study to conduct a quantitative analysis of the documents along with the qualitative method of content analysis. Prior (2003) argues that a document consists of three dimensions namely creator, user and setting. He (2003) argues that the creators are writers and publishers whereas the readers are the users. Attride – Stirling (2001) suggest that a document may not be definitive and can have many dimensions because the creators may use it to propagate their viewpoints. And the users can interpret it in a variety of different ways based on the setting in which the document is created or read (Attride – Stirling, 2001).

According to Miles and Huberman (1984), in a qualitative content analysis, an analysis framework can be created based on one of three approaches. It can be ‘inductive’ i.e. based on data; it can be ‘deductive’ i.e. based on one or more theories; or it can be a combination of both inductive and deductive approaches (Miles and Huberman, 1984). Attride – Stirling (2001) argue that in a deductive analysis, prior research, theories, views and opinions connected to the subject are not utilized and considered and the analysis framework is purely created on the foundation of the available data. She (2001) suggests that in an inductive analysis, the researcher must ensure that they are impartial while analyzing the data and do not let their personal views contaminate the findings. She (2001) also suggests that different theories and pre-established ideas can be used to assist in understanding the findings and may aid the researcher in interpreting different views about the research topic. According to Attride – Stirling (2001), in a deductive analysis approach, the research topic is put to a test in the light if an already proposed theory and knowledge. The analysis is conducted in context of an available model or concept (Attride – Stirling, 2001). Miles and Huberman (1984) argue that a deductive analysis aids the researcher in determining if their findings related to topic or issue is backed by the empirical data. They (1984) explain that in the third approach, some angles of both the inductive and deductive analysis are blended and even though the analysis is based on the data, the theory is and previous knowledge of the research issue is used to steer the analysis.

In this thesis, a deductive approach was used to analyze the data collected to understand the research topic as legitimacy theory was used as a foundation of the analysis framework. And since it is a longitudinal study, a more chronological flow of events could be preserved using a deductive approach to achieve meaningful explanations of the communication strategies used (Miles and Huberman, 1984).
3.2 Data Collection

The data was collected from the BP’s official website using the internet and was therefore secondary data in nature. The sustainability reports from the year 2006 – 2015 were downloaded directly from the company’s website for analysis. The press releases from April 2010 to April 2016 were also downloaded from the company’s website. It was not possible to find the press releases issued before the DH accident as they were not available on the company’s website for unknown reasons. The main reason for choosing BP for this case study was because of its involvement in the greatest oil spill accident in the world in the last hundred years (Time Magazine, 2015). The annual sustainability reports were separately filed after downloading in pdf format to ensure that the information would remain unaltered as it can be changed on the company’s website if the company wishes to modify it.

The data collection process was relatively simple as all the information and reports were available in one location and easily accessible, however, the unavailability of the press releases before the DH accident came as an unexpected surprise. Moreover, the sheer amount of press releases available since April 2010 to April 2016 was overwhelming. Therefore, only press releases with headlines related to the accident and the keywords devised for the selected themes in the analysis frameworks were used to select the press releases to be used in this analysis. The number of the selected press releases amounted to approximately four hundred pages. The themes and key words selected are in ‘Table 2’ and explained in the ‘analysis process’ subchapter.

3.3 Analysis Framework

The aim of a case study is to “obtain an interpretation of what happens more directly, and to be able to gain insights into all the relevant aspects of the phenomenon under study” (Hagg and Hedlund, 1979, p. 139). This case study analysis attempts to explore what legitimation strategies of communication were used by BP to repair legitimacy after the DH accident and to maintain and increase it when conditions were normal. Among many writers who wrote about repairing and maintaining legitimacy as explained in the ‘theoretical framework’ chapter of this study, I also studied the work of Benoit (1997) on and Breeze (2013) on ‘image restoration’ and avoidance of ‘sensitive issues’ respectively used by companies for ‘repairing legitimacy’. I found out that all the strategies identified and explained by these experts fall under the three main
strategies proposed by Cho (2009) which are also discussed in the ‘theoretical framework’. My focus in the analysis process therefore was on the three most used legitimation strategies of communication proposed by Cho (2009). These strategies are:

- Image Enhancement (IE)
- Avoidance / Deflection (AD/DF)
- Disclaimer (DS)

A preliminary data analysis was conducted to develop an understanding of the documents available. Following the basic analysis, the analysis framework was created. This framework contained the data from the annual sustainability reports, press releases and the main themes chosen for a qualitative content analysis as well as the ‘word count’ for a quantitative analysis. More focus was laid on the environmental sections of the annual reports and the press releases because it was noted that the environmental parts of the report mostly (not only) discussed the oil spill issues and incidents.

3.3.1 Timeframes

The analysis was conducted in a chronological timeline as proposed by Yin (1994) in such research analysis. This aided in understanding the difference in BP’s communication strategies before and after the accident. Therefore the analysis was conducted following the two timeframes i.e. from 2005 to ‘before April 20, 2010 DH accident’ and ‘after April 20, 2010 DH accident’ until April 2016. The data selected from the sustainability reports and official press releases was divided into the communication strategies mentioned in Figure 7. The qualitative analysis was followed by a quantitative analysis for both timeframes to obtain a detailed view of BP’s legitimation strategies. The number of times the themes were addressed each year was counted based on the search of keywords in the annual reports and the press releases before and after the DH accident to realize if BP was maintaining or repairing legitimacy.

3.3.2 Analysis Process

This analysis was inspired by the communication strategies of legitimization by Cho (2009). The sustainability reports and the press releases of BP from the chosen time frame were content analyzed for the qualitative analysis. Figure 6 shows the ‘analysis process’.
Legitimacy Theory  
Deductive Approach

Preparation Phase

Selecting the unit (keywords) of analysis

Comprehending and arranging the data

- Counting the relevant Units after deciding their relevance
- Discarding irrelevant units

Reporting and analyzing the extent of use of the chosen strategies

Figure 6 Data Analysis Process
Cavanagh (1997) argues that it is important to keep in mind what we are analyzing and the detail in which we are analyzing it before selecting a unit of analysis. Therefore in the preparation phase, the units of analysis were selected by taking into consideration the themes that were selected to be analyzed in the data. The groups of keywords for each theme were chosen as the units of analysis. (Duncan, 1989) suggests that the sample must represent the data from which it is selected; therefore the keywords were chosen that in most cases correlated with the chosen themes. Catanzaro (1988) argues that if an analysis unit is comprised of more than one sentence, it can turn the analysis process difficult and complicated. On the other hand, Graneheim & Lundman (2004) argue that if an analysis unit is too short i.e. one word, it could cause fragmentation, however, in this study the chosen analysis units comprised of one or two words because due to the nature of the research questions, the themes could be detected easily in the text by using these keywords. The data was scanned to develop an understanding of the contents of various topics. In the next phase, the relevant analysis units were counted for the ‘word count’ and the irrelevant ones were discarded after careful reading of the text in which they were detected. In the final stage, the extent of use of each theme was calculated and the results were analyzed to answer the research questions.

3.4 Themes (Communication Strategies)

I chose the three main communication strategies i.e. Image Enhancement, Avoidance/Deflection and Disclaimer proposed by Cho (2009) discussed in the theoretical framework as the themes for the data analysis. This is because I believe that existing research by Cho (2009) on these strategies can best answer the research questions as they cover all the possible communication strategies that companies use. I entered the chosen keywords under each theme in the Microsoft office ‘word search’ function to detect the chosen themes in the data and then decided after careful reading if the themes were in the relevant context or not. If they were not in the relevant context, I discarded them, however, when they were relevant, I studied that part of the text and counted the search hits in the word count of that particular keyword. I selected keywords after studying the work of Benoit (1997) on image restoration strategies and the work of Cho (2009) on the accidents by ‘Total’ in 1999 and 2001. In my analysis, I noted that some of the themes overlapped because some keywords were used in interchangeable contexts with other themes, so I considered them accordingly in the ‘word count’ analysis. After conducting the word search for all the keywords and doing the word count for them, I added up the word count results to obtain a grand total (number) for that particular theme. After obtaining the word count results of all the themes, I compared their results to determine the
frequency of these strategies used in a descending order before and after the DH accident.

3.4.1 Image Enhancement

This communication strategy is used by oil companies to improve their image. They utilize different ways to achieve this, for example by donating money to different charities and foundations, aiming for different quality or performance awards, highlighting their achievements in different fields, offering financial compensations to the victims of accidents caused by them. The overall goal is to paint a positive and responsible picture during incident-free period and after an incident has occurred. To study this strategy used by BP, I used the following keywords to detect the presence of statements or discussions used in the relevant context of this theme in the data: ‘economic compensation, donations, contributions, charity, foundations, awards, achievements’. I chose the above keywords because after studying the documents in the data collected, I realized that these keywords were used on many occasions by BP in attempts to restore or enhance their image.

3.4.2 Avoidance / Deflection

This communication strategy is used by oil companies to avoid sensitive topics and deflect attention from environmental issues that attract negative publicity. They may do so by highlighting their commitment to the environment and society and strict safety protocols for their operations or by diverting attention to actions taken by them to control pollution or their plans to prevent accidents in the future. In some cases, after an oil spill incident, a company may draw attention to a great job it is doing to control the oil spill and its plans to clean the affected areas. The objective for highlighting these cleanup operations could be to deflect the attention from the crisis created by the company in the first place. Therefore to check the use and the extent of use of this strategy by BP, I chose the flowing keywords to study the presence of this theme in the analyzed data: ‘company’s commitment, pollution control, oil spill control, cleaning operations, accident prevention’. I chose the above keywords because after studying the documents in the data collected, I realized that these keywords were used on many occasions by BP in efforts to avoid addressing sensitive issues or deflect attention from the crisis at hand.

3.4.3 Disclaimer

With this strategy, oil companies tend to distance themselves from an incident or an issue and try to show that they are not responsible for certain incidents or issues that present a negative picture of the company. An oil company may highlight that their company follows the set environmental regulations and standards and complies with the laws set by the governing bodies. They may highlight issues that they are responsible for and the circumstances where acci-
dents happen because of factors that are not under their control like human error caused by a single individual and not by lack of safety standards on the part of the company. I used the following keywords to detect the use of this strategy by BP, the following keywords were used to analyze the data: ‘environmental regulations, environmental compliance, responsibilities, and causes’. I chose these keywords because after studying the data collected, it appeared to me that in attempts to avoid responsibility, the above keywords used in many occasions by BP to assure readers that BP was not at fault.
<table>
<thead>
<tr>
<th>Themes (Communication Strategies)</th>
<th>Key words</th>
</tr>
</thead>
</table>
| **Image Enhancement (IE)**        | Statements or discussions regarding:  
|                                  | • Economic compensation  
|                                  | • Donations  
|                                  | • Contributions  
|                                  | • Charity  
|                                  | • Foundations  
|                                  | • Awards  
|                                  | • Achievements |
| **Avoidance / Deflection (AD/DF)**| Statements or discussion about:  
|                                  | • Company’s commitment  
|                                  | • Pollution control  
|                                  | • Oil spill control  
|                                  | • Cleaning operations  
|                                  | • Accident prevention |
| **Disclaimer (DS)**               | Statements or discussion about:  
|                                  | • Environmental regulations  
|                                  | • Environmental compliance  
|                                  | • Responsibilities  
|                                  | • Causes |

Figure 7 Themes and Keywords
4 RESEARCH FINDINGS

4.1 Before the 2010 Accident

The pattern and frequency of the changes in these three communication strategies by BP over the given timeline is discussed below.

4.1.1 Avoidance / Deflection (AD/DF)

The AD/DF was the most used strategy by BP to maintain legitimacy during the time period before the DH accident in 2010. The data showed that it was most extensively used in 2006 and used less from 2007 to 2009. Figure 8 below based on the data analyzed shows the extent of use of this strategy on yearly basis.

![AD/DF Graph](Image)

It can be seen from the figure above that the AD/DF was most used in 2006 and then its use decreased considerably in 2007 and 2008 and remained steady in 2009. I interpreted this as BP’s preferred strategy in the year 2006 to avoid and deflect any blame related to the 2005 accident in Texas. An example of this can be found in the 2006 annual report of BP where BP refers to an incident that took place in Texas and claimed that the media had given them unjustified negative publicity. For example,

“The past two years have been difficult for BP. In March 2005, at the Texas City refinery, we suffered a tragedy in which 15 people died and many more were seriously injured. We have also experienced operational difficulties in Alaska and the potentially
destabilizing effects of intense and at times unbalanced media scrutiny and criticism”. (BP sustainability Report 2006, p. 1)

The majority of the text in the sustainability report of 2006 discussed the commitments of BP which I see as clear efforts to deflect the attention from its poor safety performance in 2005 to its plans for the future. For example,

“Since March 2005, BP has expressed a major commitment to a far better process safety regime, has committed significant resources and personnel to that end, and has undertaken or announced many measures that could impact process safety performance at BP’s five US refineries.” (BP sustainability report 2006, p. 15)

It was seen that BP also focused a lot to address the issue of preventing environmental liability. The intent could be to deflect any notion by the media that could lead people to believe that BP lacked interest in safeguarding the environment and to show that it actually cared about the environment. For example,

“BP’s remediation specialists seek to identify, manage and reduce our current environmental liabilities, including those likely to arise in the future. Since 2004, our remediation management experts have reduced the group’s environmental liabilities by more than $300 million dollars to just over $2 billion. Our ultimate goal is to reduce environmental liability to the lowest possible level, a benefit for BP and the wider community”. (BP sustainability Report 2006, p. 19)

It was seen that in 2008 sustainability report that when Tony Hayward, the Group’s Chief Executive was asked whether BP had improved the safety and image of its company operations after the Texas City fire in 2005 and the pipeline leaks in Alaska in 2006, he replied,

“Yes. Safe and reliable operations are BP’s number one priority and we have taken a series of actions to improve performance. The short-term program has included improving processes to assess risks of major accidents and new standards for control of work and integrity management. For the longer term, we have introduced the OMS to improve the management of safety risks and the quality of performance in our operations worldwide. While I deeply regret every fatality or injury, I’m encouraged by the overall improvement in our safety performance in 2008, as detailed in this review and our online report – and recognize we still have a lot to do”. (BP sustainability Report, 2008, p 3)

The above response can be seen as an attempt to deflect the attention from the weakness of its operations safety by promising a better safety performance in the future. It can also be noted that there is a synergy between IE and AD/DF strategies used by BP at times, as can be seen in the statement above by Hayward (2008) and another statement below:
"I don’t see a distinction between sustainability and performance. My aim for BP is that its performance should be sustainable – in other words everything we do each day should contribute in some way to the long-term health of BP and that of the environment and society. We measure performance accordingly, not only with financial metrics but also with the data on safety, the environment and employees that you see in this Review. This reflects my top three priorities as chief executive: safety, people and performance". (BP sustainability Report 2008, p. 2)

BP discusses its participation in alternative energy solutions by claiming that it has contributed in the production of electricity through wind and solar power installations. It claims to combat climate change and help the environment by actively seeking and experimenting with innovative technologies to reduce the green-house gas emissions produced by burning fossil fuels. Some text regarding these claims is as follows:

“We have invested around $4 billion in our low-carbon businesses since 2005 and are on track with our commitment we made then to invest $8 billion in alternative energy by 2015. This represents a significant level of investment to date compared with our peers”. (BP sustainability Report 2009, p. 19)

“Our wind power business enables us to compete in a fast growing, increasingly competitive market. Wind energy is growing at around 30% each year and wind farms accounted for 36% of all new power generating capacity installed in the US in 2009.” (BP sustainability Report 2009, p. 19)

“BP has been providing solar power for more than 35 years and shipped its 10 millionth module in 2009. The business is constantly evolving and today our focus is on increasing our competitiveness and our share in residential, commercial and the emerging utility customer markets.” (BP sustainability Report 2009, p. 19)

“Innovation is also necessary for solar power to become cost competitive with fossil fuels. BP’s newly developed process for growing silicon, Mono2TM, has been shown to convert 18% of sunlight energy into power – a relatively high efficiency level compared with many mono crystalline cells. We also support a range of research and development projects, including an agreement with Solar-Edge to explore a solar harvesting system that uses electronics to maximize energy generation.” (BP sustainability Report 2009, p. 19)

BP is in the fossil fuel business and relies upon it for its revenues and growth and alternative energy solutions are not in its business interests. Therefore, the above statements can be seen as both IE and AD/DF tactics of communication by BP to maintain a legitimate image.

Hayward also draws attention to a new framework for operational safety introduced by BP called the OMS (Operating Management System) which according
to his statements will ensure the safety and reliability of BP’s operations after its implementation on all BP sites in 2008. (BP sustainability Report, 2008, p. 7)

The statement:

“We believe embedding the OMS will help us deliver a further step-change in the effectiveness of how we manage our people, processes and plant and protect the environment” (BP sustainability Report, 2008, p. 7)

can be seen as a DF strategy to draw attention away from the previous safety failures to the future operations and safety performance, thereby attempting to maintain legitimacy of its performance.

Another deflection tactic used by BP when asked about their plans and investment in energy intensive operations in the Canadian oil sands, was the reply:

“A diversity of supplies is needed to meet future demand for reliable energy, ranging from zero-carbon technologies to more energy-intensive projects. Canadian oil sands, for example, provide a more secure source of oil supply to consumers in North America. We recognize that oil sands projects raise significant environmental challenges, but we are actively seeking ways to undertake ours in a way that minimizes the environmental footprint” (BP sustainability Report, 2008, p. 2).

The attempt could be a deflection of attention from their energy intensive operations by claiming that they are merely catering to the needs of global supply of energy and easier energy supply to North America.

4.1.2 Image Enhancement (IE)

Figure 9 shows the use of IE strategy in the period 2006 – 2009.
It can be seen that the use of IE was minimum in 2006 and gradually increased every year. I interpreted that there were two possible reasons for this behavior. One, increased public awareness and a consequent pressure from stakeholders regarding socially safer and socially responsible business operations. Two, it was not the preferred strategy to be used in 2006 in the aftermath of the 2005 Texas oil spill accident, but its use increased as the use of AD/DF decreased over the years.

I also noted that BP was relaxed in terms of promoting its image as an environmentally friendly company to its stakeholders. This can be observed in the company’s sustainability reports for this period. A study of the chairman’s letters from 2006-2009 showed that environmental issues were addressed in a relaxed manner and were not given any additional importance among other issues that were addressed. The main focus was on the development of infrastructures (pipelines and gas fields), women empowerment, and growth in financial performance discussing the potential monetary benefits for existing and future investors. They tried to highlight the above mentioned issues in order to present a pleasant and acceptable image to the public. For example,

“And, of course, a strong financial performance allowing us to invest for the future and to reward those who trust us with their savings”. (BP sustainability Report 2006, p. 1)

“And improvement in the development of people, including an increase in the number of women in leadership since 2000”. (BP sustainability Report 2006, p. 1)

The data shows that BP made little attempt to mention their participation in terms of donations, charities or any other charitable foundations. It did however discuss its achievements and contributions to the environment a few times. For example,
“We support precautionary action to limit greenhouse gas (GHG) emissions, although aspects of the science remain the subject of expert debate. In our view, the goal must be to stabilize GHG concentrations through sustainable long-term emissions reductions”. (BP sustainability Report 2007, p. 27)

The CEO’s newsletters and the environmental sections of the report spoke of future plans and commitments to the environment. For example,

“Our team in the BP Alternative Energy business, managing a series of dynamic, fast-growing activities, including solar, wind and the hugely promising technology of carbon capture and storage. All those activities carry the potential to help the world make the transition to a lower-carbon economy – a transition that is essential if the risks of climate change are to be avoided and is a sustained transition which BP started some 10 years ago.” (BP sustainability Report 2006, p. 2)

In 2008 sustainability report, L Duane Wilson, a member of the BP US Refineries Independent Safety Review Panel (Panel), and appointed by the BP board as the Independent Expert to monitor progress in implementing the Panel’s recommendations, claimed that:

“We have taken a progressive stance on several environmental issues for more than a decade, launching voluntary initiatives to reduce GHG emissions, for example. In reviewing our environmental strategy in 2008, we determined to retain focus on the fundamental priorities of managing risk, with a particular focus on sensitive areas; driving continuous improvement; and complying with applicable laws and regulations” (BP sustainability Report 2008, p. 13)

It can be seen as a positive step to address environmental issues by implementing improved procedures for daily operations. This can improve a company’s image that is operating in a fossil fuel industry.

The text below from the sustainability report 2008, tries to justify the company’s operations by insinuating that the fossil fuels exploration and production is in the interests of society as there is an ever-increasing energy demand.

“Despite the volatile oil prices of 2008, ranging from just over $144 per barrel to approximately $34, demand for energy is still expected to rise significantly in the long term as a result of demographic and economic forces. Drivers for growth are the rapid industrialization of emerging economies and a world population that is expected to grow from approximately 6.7 billion today to approximately nine billion by 2050. The IEA estimates that world energy demands could be 45% higher by 2030, half of it coming from China and India. It estimates that meeting such demand will require around $26 trillion of investment in supply by energy producers over the next two decades.” (BP sustainability Report 2008, p. 14)
The 2008 sustainability report also claims that BP is involved in the pursuit of cleaner energy solutions in an attempt to maintain legitimacy through image enhancement as evident from the text below:

“Our diverse energy portfolio reflects the world’s need to source energy from many different substances, regions and technologies and is underpinned by our resource base, which is biased to conventional hydrocarbons……. Where possible, we integrate plants with other BP production facilities, such as the Whiting Clean Energy facility, which we acquired in July 2008 to provide steam for our Whiting refinery and an opportunity to sell low-carbon power into the local power market.” (BP sustainability Report 2008, p. 16)

BP also takes pride in claiming to be the first oil company in the industry to support legal and preventive measures to mitigate climate change.

“Publicly acknowledged as the first major Oil Company to advocate precautionary action over climate change, we have since focused on the business opportunities raised by the issue, such as increasing energy efficiency in BP operations, reducing GHG emissions and establishing a number of low-carbon energy businesses. We remain a leading advocate of strong legislation and international co-operation to address climate change.” (BP sustainability Report 2008, p. 17)

I noticed that the amount of environmental disclosures increased gradually every year from 2006 to 2010. This could be due to the increased stakeholder awareness about environmental issues with time. I also noted that there was very little mention of BP’s involvement in social or charity projects in the 2007 to 2009 sustainability reports. The issues mainly discussed were labor safety, innovative technologies for exploration and development of fossil fuels reserve, low carbon emissions and efforts to reduce ‘greenhouse gas emissions (GHG)’.

4.1.3 Disclaimer Strategy (DS)

Figure 10 shows the use of DS strategy from 2006 to 2009.
This was the least used communication strategy by BP to maintain legitimacy during the period before the DH accident of 2010 but it was the second most used strategy in 2006 and then its use declined constantly until 2009. The major focus in their sustainability reports was on the issue of BP’s compliance with rules and regulations established by the Law and the GRI frameworks thereby highlighting that their operations were carried out legally and ethically. The statement below is one such example:

“We believe that complying with laws, regulations and our internal code of conduct is central to our sustainability as a business. In 2007, we continued to strengthen our compliance and ethics program to support the implementation of the code of conduct, launched in 2005.” (BP sustainability report 2007, p. 24)

The BP’s sustainability report of 2007 includes a lengthy disclaimer statement on the inside page of the front cover, a part of which is included here as follows: “Cautionary Statement: BP Sustainability Report 2007 contains certain forward-looking statements, particularly those relating to the implementation and completion of certain safety and environmental-related measures; the completion of a global compliance framework; the implementation of the risk assessment tool for the Voluntary Principles on Security and Human Rights across the group; the timing of various initiatives relating to management training; and BP’s efforts to research and invest in alternative forms of energy, including planned growth in wind capacity and solar sales, expected commissioning of a bio-ethanol plant, plans for developing hydrogen power plants and for the joint venture with Rio Tinto”. (BP sustainability report 2007, p.2)

However, according to the data analyzed, it was noted that the DS strategy was mostly utilized in the year 2006 and this was clearly in the aftermath of the Texas and Alaska incidents, and from the year 2007 to 2009, DS strategy was rarely used.
According to the data obtained and analysis conducted in order to analyze the extent of the use of the communication strategies used by BP to maintain and enhance its legitimacy, I found out that in the sustainability reports of BP, the company focused mainly on the strategy of Avoidance/Deflection (AD/DF) in 2006 which gradually decreased until the date of the accident in 2010. The Image Enhancement (IE) strategy was the second most used in this timeline gradually increasing every year from 2006 to 2009. It was however interesting to note that the data showed that the difference between the net use of IE and AD/DF in terms of frequency over this timeline was very little. The DS was the least used strategy during this time period.

4.2 After the 2010 Accident

The press releases from the date of the accident to present day and the sustainability reports from the year 2010 to 2015 were used to collect the data analyzed for this timeline

4.2.1 Avoidance / Deflection (AD/DF)

Figure 11 shows the use of AD / DF strategy using the sustainability reports of 2010 – 2015.

![AD/DF Graph]

**Figure 11**

It can be seen that the use of AD/DF was the highest in 2010 and with a very large margin compared to the IE and DS strategies. This shows that it was the preferred strategy by BP to handle the crisis immediately after the accident. A
steady decline can be seen in the use of this strategy until 2013 where it is at its minimum and then a rise in 2014 and a fall in 2015.

Figure 12 shows the use of AD/DF in the press releases from 2010 – 2016.

![Figure 12](chart.png)

The above figure shows that the use of AD/DF was at its maximum in 2010 with a constant decrease every year after that until its lowest in 2014 and then a very minute use in 2015 and 2016. This in my opinion could be due to the fact that usually, with passing time the need for addressing the same issue diminishes.

An important observation I made was that BP did not attempt to directly avoid addressing the accident in 2010 immediately after it took place. They were very prompt in issuing their statements and updates using the press releases to keep the public updated. Therefore my take on this is that while using the AD/DF (Avoidance/Deflection), BP only focused on the DF part of this strategy. This can be seen in the excerpts of some statements included below where BP attempted to deflect the attention from taking responsibility of the crisis to a sympathetic role towards the public and the victims’ families.

“We owe a lot to everyone who works on offshore facilities around the world and no words can express the sorrow and pain when such a tragic incident happens.” (Press Release, 23 April 2010)

"On behalf of all of us at BP, my deepest sympathies go out to the families and friends who have suffered such a terrible loss. Our thoughts also go out to their colleagues, especially those who are recovering from their injuries". (Press Release, 23 April 2010)
"BP will be working closely with Transocean and the authorities to find out exactly what happened so lessons can be learnt to prevent something like this from happening anywhere again." (Press Release, 23 April 2010)

Moreover, almost two weeks after the accident, BP issued a press release focusing on its intentions and actions in dealing with the accident, for example, by containing the oil spill to minimize damage and different methods suggested by other oil companies in the industry. The attempt was to convince the public what a great work they were doing in fixing the problem with their cleanup operations. A part of the statement read as follows:

“BP has also carried out a second approved trial injection of dispersants directly into the oil flow at a point close to the main leak on the seabed. The technique is intended to efficiently mix the oil and dispersant, breaking up and dispersing accumulations of oil and allowing it to degrade naturally and reduce surface impact. The suggestion for this innovative technique came from the companies across the oil industry that BP approached last week for further ideas and expertise to help BP control the well and tackle the spill.” (Press Release, 3 May 2010)

An attempt to repair legitimacy could also be seen in BP’s disclosure about its commitment to identify the effects of its oil spill on the environment and marine life and rectify the problem by restoring the environment of that region to its state prior to the spill. I see this as an attempt to deflect the attention from the crisis by promising to compensate for the environmental damage caused. This issue among various occasions was addressed in the following press release statement as:

“BP today announced a commitment of up to $500 million to an open research program studying the impact of the Deepwater Horizon incident, and its associated response, on the marine and shoreline environment of the Gulf of Mexico”. (Press Release, 24 May 2010)

"BP has made a commitment to doing everything we can to lessen the impact of this tragic incident on the people and environment of the Gulf Coast……to begin this work.” (Press Release, 24 May 2010)

BP also used positive disclosures in an attempt to deflect the attention from the crisis to its plans for achieving higher safety standards, its commitment to meet energy demands of the people.

“BP will continue to be a leader of high-quality hydrocarbons today, while developing the intelligent options we will all rely on tomorrow. Lower-carbon resources remain central to this long-term strategy […]. To achieve this, we must ensure that safety and responsibility are at the heart of everything we do.” (Sustainability report 2010, p.7)

BP made attempts at deflecting the attention and responsibility to other parties as well. Some examples are statements below:
“BP has accepted its responsibility for responding to the spill and is accordingly paying costs and compensation. In contrast Halliburton has refused to accept any responsibility or accountability. As BP has said repeatedly, it expects other parties to accept their responsibilities and bear their share of the costs.” (Press Release, September 2, 2011)

“BP agrees with the report’s core conclusion consistent with every other official investigation that the Deepwater Horizon accident was the result of multiple causes, involving multiple parties, including Transocean and Halliburton.” (Press Release, 14 September, 2011)

On occasions BP also tried to portray their efforts as a success story. They highlighted that their work restoration work was faster than any other company that would have undertaken the same project. They also emphasized on the future plans about growth and safety which I interpreted as attempts to divert the scrutiny from the present crisis. This can be seen in the statements below:

“The past year has been unprecedented in its challenges; and BP has responded well. We have laid firm foundations for the future – in safety, in our organization and in developing new growth opportunities.” (Press Release, 25 October, 2011)

“BP Exploration & Production, Inc. (BP) today announced it has signed a groundbreaking agreement with federal and state agencies that will accelerate work starting this year to restore areas of the Gulf of Mexico that were affected by the Deepwater Horizon accident. BP’s commitment to early restoration is not required by the Oil Pollution Act (OPA) at this stage of the NRD process, and will have the effect of speeding up restoration work that otherwise likely would be deferred for several years, while the NRD assessment continues.” (Press Release, 21 April 2011)

I noted that BP followed the lawsuit and the court trial regarding the accident in its press releases to keep the public informed on a regular basis whenever there were updates on this issue.

4.2.2 Disclaimer (DS)

Figure 13 shows the use of DS strategy by BP in their sustainability reports during 2010 – 2015.
It can be seen that the use of DS in their sustainability reports increased from 2010 to 2011 where it was at its maximum and then decreased until 2013. Its use increased a little in 2014 and then dropped again to its minimum in this time period (2010-2015) in 2015.

Figure 14 shows the use of DS strategy by BP in their press releases during 2010 – 2016.

It can be seen that the use of DS in the press releases increased from 2010 to 2011 and then dropped in 2012 and kept on decreasing until 2014 where it was not used at all and then barely used in 2015 and 2016. It is also interesting to
note that BP did not use the DS strategy in their press releases as opposed to its sustainability reports where it was utilized more during this period. In my opinion this could be because it was not possible for BP to use this strategy outright when they had already accepted a big part of the responsibility for the accident it their press releases immediately after it took place.

In a statement a month after the accident, BP attempted to hold other companies responsible as well for the safety failures. The statement read as follows:

“"In the immediate aftermath of the explosion, BP launched an investigation…… The BP investigation concluded that no single cause was responsible for the accident. The investigation instead found that a complex and interlinked series of mechanical, human judgement, engineering design, operational implementation and team interface failures, involving several companies, including BP, contributed to the accident." (Press Release, May 24, 2010)

As discussed earlier in this subsection, in my analysis of the data I studied, BP at no point made an attempt to deny its responsibility completely. However they constantly insisted on other companies that were collaborating with BP to take responsibility as well. For example,

“"From the outset, BP acknowledged its role in the accident and has taken concrete steps to further enhance safety and risk management throughout its global operations, including the implementation of new voluntary standards and practices in the Gulf of Mexico that exceed current regulatory requirements and strengthen the oversight of contractors. We continue to encourage other parties to acknowledge their roles in the accident and make changes to help prevent similar accidents in the future." (Press release, September 14, 2011)

"I understand people want a simple answer about why this happened and who is to blame. The honest truth is that this is a complex accident, caused by an unprecedented combination of failures," said Chief Executive Tony Hayward. ”A number of companies are involved, including BP, and it is simply too early – and not up to us – to say who is at fault." (Press release, 25 October, 2011)

“"While the reports contain criticisms of BP, we believe the findings of these reports support the conclusion, consistent with our own investigation that the accident resulted from multiple causes and was due to the actions of multiple parties. Additional US government investigations into the Gulf of Mexico oil spill are taking place." (p. 15, Sustainability report 2011)

I noted that even though the DS strategy was more used than the IE strategy, it still lacked innovation. The same issue of holding other parties responsible as well was repeated in different words in the sustainability reports and the press releases as can be seen in the example statements and excerpts above.
4.2.3 Image Enhancement (IE)

Figure 15 is based on the data collected from the sustainability reports from 2010 to 2015 and shows the use of IE strategy during this period.

The above figure shows that the use of IE by BP after the 2010 accident was very little in the sustainability report of 2010. I believe that the reason for this could be that the sustainability report for 2010 came out almost after a year of the accident (sustainability report is always released a year later discussing the performance of the previous year) and BP by then must have tried to control the damage using their press releases. I also noted that the use of IE increased from 2010 to 2011 and then started dropping and reached its lowest in 2013 and then started to rise until 2015.

Figure 16 is based on the data collected from the press releases of the time period 2010 – 2016 and shows the use of IE strategy during this period.
Figure 16 shows that the use of IE by BP increased in 2011 but then there was steady decline until 2014 where it was not used at all and then a slight use from 2015 to April 2016.

The immediate response of BP after the accident was to issue press releases mentioning the nature of the accident and the initial estimated damage caused by it. The press release issued on April 20, 2010 immediately after the accident was a confirmation of an already issued statement by Transocean Ltd, sub-contractor Company working on the accident site. It read:

“Transocean’s Emergency and Family Response Teams are working with the U.S. Coast Guard and lease operator BP Exploration & Production, Inc. to care for all rig personnel and search for missing rig personnel. A substantial majority of the 126 member crew is safe but some crew members remain unaccounted for at this time. Injured personnel are receiving medical treatment as necessary. The names and hometowns of injured persons are being withheld until family members can be notified.” (Press Release, 20 April 2010)

It can be seen that BP’s response 3 days later was more calculated and organized. The press release aimed at repairing legitimacy by drawing attention to its heartfelt sympathies and plans to investigate the issue and provide answers to the relatives of the deceased crew members. It read as follows:

“BP today offered its deepest sympathy and condolences to the families, friends and colleagues of those who have been lost following the fire on the Deepwater Horizon oil rig in the Gulf of Mexico this week.” (Press release, April 23, 2010)

“We owe a lot to everyone who works on offshore facilities around the world and no words can express the sorrow and pain when such a tragic incident happens.” (Press release, April 23, 2010)
"On behalf of all of us at BP, my deepest sympathies go out to the families and friends who have suffered such a terrible loss. Our thoughts also go out to their colleagues, especially those who are recovering from their injuries." (Press release, April 23, 2010)

Furthermore, to repair its legitimacy, BP immediately set up a toll free hotline to receive demands for claims followed by a 20-billion dollar trust fund established in August 2010 to provide compensations for the affected parties and businesses. This was mentioned in the press releases of May and August 2010 and also in the annual sustainability report of 2010. It can be seen that in the sustainability report 2010, BP included a section on the Deep Water Horizon accident and addressed the issues of investigating the accident, containing the leak, compensating the people and communities impacted, offshore and onshore cleanup operations, and wildlife rescue and rehabilitation (BP Sustainability Report 2010, p. 8, 9, 10, 11).

The issue of compensation was addressed as a legitimating disclosure in a press release as follows:

“BP has said consistently that it will pay legitimate claims for loss and damage caused by the spill. BP remains fully committed to responding to and paying claims promptly. To date, more than 26,000 claims already have been submitted, resulting in payments exceeding $36 million”. (Press Release, 26 May 2010)

"We are absolutely committed to a simple, fair claims process that gets funds to people who have been hurt by this disaster as quickly as possible," said BP Chief Executive Tony Hayward. "We have opened claims offices across the region, and will make every effort to reach everyone who has a legitimate claim. And we will appoint an independent mediator so that we have as fair a process as possible for everyone in the Gulf region." (Press Release, 26 May 2010)

“BP has established the claims process in accordance with the requirements of the Oil Pollution Act ("OPA"), which allows claimants to make a claim against BP as a designated responsible party. If a claim is not resolved and paid within 90 days, claimants can submit a claim against the Oil Spill Liability Trust Fund, and ultimately bring suit”. (Press Release, 26 May 2010)

I interpreted the statements regarding the compensations for the victims as an attempt to portray their efforts as achievements to present a positive and sympathetic image to the public.

I also noted that the ‘society’ part of the 2010 - sustainability report did not include any noticeable changes compared to the year 2009 in their plans and programs related to charity and social work. The approach to social welfare programs was the same as in the previous year showing that no additional efforts were made to repair the legitimacy using the IE strategy in this part of the report after the accident. The main concerns were to address the oil spill accident and compensate for its damages.
BP’s use of the IE strategy was the maximum in 2011 and it highlighted its plans for projects aimed at helping people and the environment in general. For example,

“When BP employees choose to support charitable activities, the BP Foundation’s Employee Matching Fund matches their personal donations, volunteer time or under specific circumstances, fundraising. In 2011, employees gave over $7.6 million, volunteered their time and raised funds to benefit charitable organizations worldwide. The BP Foundation matched these activities with grants of approximately $9.7 million.” (p.49, BP sustainability report 2011)

“BP has launched a global search for new talent among post-graduates with proven technical skills who have an ambition to shape the future of BP’s Refining and Marketing businesses and its Information Technology function to potentially become senior leaders of the future.” (16 September, 2011, press release)

I saw such statements as an attempt by BP to distance its normal operations and activities from the 2010 crisis. In connection to the above statement, BP also made a statement highlighting its efforts in helping the people by meeting their energy needs. These statements can be considered as their attempts at increasing their image in the eyes of the public.

“By 2030, the world will consume 40% more energy than it does today. We are committed to supplying the increasing demand for energy safely, responsibly and efficiently. That’s the energy challenge – and the focus of our global business, and that’s why we are looking for other talented people to join BP.” (16 September, 2011, press release)

BP also took initiatives in a ‘carbon offset program’ and ‘wind energy production’ to help improve the environment. Examples are statements below:

“In supporting the ambition for London 2012 to be the most sustainable Games possible, BP Target Neutral announced today that they are inviting London 2012 ticketholders, from across the world, to try and……journeys and will invite ticketholders to sign up to have their travel carbon footprint offset at no cost to themselves.” (29 September, 2011, press release)

“BP Wind Energy today announced that it has signed wind turbine supply and maintenance agreements totaling over $750 million to further build out its wind portfolio in the US. A total of 350 wind turbine units will be delivered to BP projects that when in operation will have a combined power generation of 560 megawatts (MW).” (27 October, 2011, press release)

As discussed earlier, though the IE strategy was used less than the DS numerically, I believe that it was more diverse in nature than the DS strategy.
I noted that in the period after the 2010 accident, the AD/DF was again the most used strategy followed by DS. The use of AD/DF increased by 84% compared to the time period 2006-2009. IE was the least used strategy in this time period and its use increased by 50% compared to the period 2006-2009. Although DS was the second most used strategy, there was a huge difference in numerical terms in the use of the DS strategy between the two data sources used i.e. the press releases and the sustainability reports for this time period. However the average use of DS increased by 74% compared to the period 2006-2009. The results of the data from the two sources mentioned above can be found in the appendix of this study.
5 DISCUSSION AND CONCLUSIONS

5.1 Summary of the research results

The main research question was to determine what communication strategies for legitimacy were used by BP to repair its legitimacy after the 2010 DH accident. The findings reveal that ‘Avoidance / Deflection (AD/DF), ‘Disclaimer (DS)’ and ‘Image Enhancement (IE)’ were used by BP to repair legitimacy. I noticed that AD/DF was the preferred strategy of BP to repair legitimacy with the ‘Deflection (DF)’ part of the strategy more utilized than the ‘Avoidance (AD)’ part. This was followed by the DS and the least used IE strategy. The same strategies were used by BP in maintaining legitimacy before the DH accident but the strategies were used lesser in numerical terms. Moreover, there was a difference between the use of the strategies before and after the 2010 DH accident in terms of preference as well i.e. although the AD/DF was the most used strategy before the accident, the second most used strategy was ‘IE’ and the least used was ‘DS’. The strategies were used lesser in numerical terms before the accident because there was lesser need for it than after the accident.

Figure 17 shows the use of the three strategies before the accident.

![Communication Strategies](image)

Figure 17

It can be seen that the use of IE strategy increases over the years as opposed to AD/DF and DS which decrease.
Figure 18 shows the use of the three strategies after the accident based on the combined data of the sustainability reports and the press releases.

![Communication Strategies](image)

**Figure 18**

It can be seen that the use of all strategies decreased every year and was rarely used by the time this data was collected. I believe this could be because BP believes that things are back to normal and the issue has been handled.

### 5.2 Discussion and Contributions

The findings of this study show that BP used three most commonly used communication strategies i.e. IE, AD/DF and DS for repairing and maintaining legitimacy. This is in agreement with the work (discussed in the theoretical framework of this study) of various experts such as Dowling and Pfeffer (1973), Lindblom (1993), Suchman (1995), O’Donovan (2002) and Cho (2009) who believe that oil companies when in crisis utilize these strategies to handle the crisis and repair their legitimacy.

The findings clearly show that the number of environmental disclosure statements after the accident increased considerably compared to before the accident. This is consistent with the claim by Patten (1992) who argues that in an effort to repair legitimacy, companies involved in an environmental crisis increase the volume of their environmental disclosures.

The findings also showed that AD/DF was the dominant strategy before and after the accident utilized by BP followed by IE (before 2010) and Disclaimer (after 2010) respectively. I noticed that my findings are consistent with that of
Cho (2009) who studied the 2001 ‘chemical plant explosion’ accident of Total (a French oil company). He argues that oil companies are more likely to use the DF strategy to repair their legitimacy after a big environmental disaster. He (2009) claims that when a company encounters big and numerous crises, it is appropriate to use deflection and disclaimer strategies to repair their legitimacy. In my opinion, since the magnitude of the DH accident was so large that any attempts to avoid or ignore the issue would have had very negative consequences for BP in terms of their image in the public eye and all other stakeholders.

I also believe that this choice of DF strategy can be for two reasons. One, because it is understood that many things and trends change in the industry and the ‘communication strategies’ preferences of the oil companies also change due to the dynamic nature of the business world. This argument of mine is consistent with Manning’s (2004) who argues that because of the increasing public awareness and focus regarding environmental matters, stakeholders demand companies to handle the crises with suitable disclosure statements. Two, due to the ease of availability of the information to the public about the environmental issues, and the media attention the DH accident generated it was best to deflect attention from the crisis rather than attempting to deceive the public by completely avoiding it. This is consistent with O’Donovan’s (2002) suggestion that ignoring a high profile accident entirely is not a suitable course of action.

The results of this study also show a significant increase in the number of disclosure statements about the environment and the crisis by BP immediately after the accident. This is also consistent with prior research done by Patten (1992), Deegan et.al (2000) who argue that all companies involved in a crisis address it with increased disclosure statements. Deegan et.al (2000) expected BP to increase their environmental disclosures to repair its legitimacy because they caused the accident and had their legitimacy seriously threatened due to it.

As already explained in the findings of this study, BP used all three strategies to address the threats to its legitimacy. This is in agreement with Dittrick (2010) who argues that it was not possible for BP to use only a deflection strategy because of the magnitude of the DH accident. He (2010) claims that a deflection strategy was used in alliance with an image enhancement strategy to deflect the attention from the crisis.

In my opinion, the results of this study fit the theoretical framework of legitimacy. As discussed above, the volume of environmental disclosures made and the strategies used by BP are consistent with a strategy to repair and re-establish legitimacy. The actions by BP (based on the excerpts of statements in my findings) to address the concerns of all stakeholders when attempting to repair its legitimacy after the DH accident disagrees with Oliver (1991) Neu et.al (1998) who showed in their findings that companies are more inclined to regain the positive perceptions by its more important shareholder groups while avoid-
ing the less important ones, for example, environmental groups and the general public.

I studied the work of different experts on the legitimacy theory and the communication strategies used by companies in the oil, tobacco, banking and finance, and the police department of New Zealand. And I found that the communication strategies discussed in this study are very commonly implemented in all these sectors. I noted that that each sector molded the approach to repair and maintain legitimacy as it felt suitable based on the crisis at hand.

Moreover, the findings of this study could be useful in understanding the environmental disclosure statements in press releases and sustainability reports as the strategies discussed in this study may aid managers to handle negative publicity situations more effectively. It could also prove beneficial for regulators if they decide to devise or modify disclosure regulations.

### 5.3 Limitations of the study

In my opinion, the findings of this study cannot be completely generalized. This is because the data collected after the DH accident was during a very sensitive period as the scale of the accident was very large and therefore the response by BP may have been exaggerated. Moreover, some of the key words I chose to relate to different strategies may be viewed differently by different researchers. This could alter the results of the study to some extent.

### 5.4 Future research

It is evident from the theoretical framework that ample research has been done on the theory of legitimacy and also case studies have been conducted by many experts on different oil spill accidents related to different oil companies. I believe that future research on this subject should also include responses by BP to other accidents of similar nature connected to some other oil companies in this industry. This could help in understanding what strategies would BP utilize to defend and maintain its legitimacy as it is operating in the same industry. Such a study could also help in further developing the legitimacy theory.
REFERENCES


Berdzenadze Irakli 2014. Oil’s role in the world economy and in the global crisis.


BP Press Release 2016. BP confirms that Transocean Ltd issued the following statement today. Available


Devinney, T. M. 2009. Is the socially responsible corporation a myth? The good, the bad, and the ugly of corporate social responsibility. The Academy of Management Perspectives 23 (2), 44-56.


### APPENDICES

#### 7. APPENDICES

**Appendix 1: Data Analysis (Word Count), Sustainability Reports 2006-2009**

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*Economic compensation, donations, charity, awards, foundation, contribution, achievement, commitment.*

*Environmental compliance, environmental regulations, pollution control, oil spill, cleaning operation, accident, prevention, responsibilities, causes.*

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