

Have we changed our ways after the BP oil spill? Not really

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(PhysOrg.com) -- On the heels of last week's federal recommendations to help prevent another BP oil spill disaster, a University of Michigan researcher says the tragedy has come close to acting as a catalyst for deeper change -- but not quite.

"The BP oil spill is, potentially, a 'cultural anomaly' for institutional changes in environmental management and fossil fuel production," said Andrew Hoffman, professor of management and organizations at the Ross School of Business and a professor at the School of Natural Resources and Environment. "But true change in our approach to handling issues related to oil drilling, oil consumption and environmental management have yet to occur."

In a new study appearing in the *Journal of Management Inquiry* this June, Hoffman and colleague P. Devereaux Jennings of the University of Alberta contend that the BP oil spill is unlikely to leave a lasting legacy on our views toward fossil fuels, <u>environmental management</u> and energy use.

According to the researchers, when an event or issue poses a potential challenge to a dominant technological or economic institutional order, conflict ensues over the nature, meaning and response to the event. If this challenge is significant enough to generate substantial conflict, the event can become a "cultural anomaly" for the current order.

Hoffman and Jennings say that many of the ingredients that distinguish a



cultural anomaly have been present throughout the disaster and its aftermath—the context of the event, the conflict between different groups and the resulting changes in society.

The BP oil spill occurred during a period of extremely heightened attention to environmental issues and came at a time when politicians and the public expect companies to be good corporate citizens (the context of the event), they say. The context certainly led to strong definition of the problem, which challenged the identities of BP and the Gulf Coast states.

And conflicts certainly arose, the researchers says, among BP, Transocean (the owner of the oil rig leased to BP), Halliburton (responsible for installing the casing on the broken well), other major oil companies (who probably delighted in BP's disaster), Minerals Management Service (the regulator with its own improprieties), the Gulf Coast states community (still struggling from the impact of Hurricane Katrina and a major national recession) and the government of the United States and Great Britain, several federal agencies and various nongovernmental environmental organizations.

In addition, the oil spill led to many change initiatives, including how to organize regional environmental relief, how to charge multinationals for pollution and distribute remuneration, and the need to reduce expectations that technology can fix large-scale operational problems in a timely manner, the researchers say.

"But, while 'social' entrepreneurs appeared in the situation to link problems with positions and solutions, and tried to leverage the events to make large-scale changes, these changes do not seem to have taken place," Hoffman said. "In the end, entrepreneurs never fully challenged the identity of the Obama administration, the oil majors or the American public and its dependence on fossil fuels.



"As a result, the BP oil spill may become a negative cultural anomaly, one that begins to lead to change, but does not, thereby reinforcing the current institutional system even more than before. Thus, the responses by the Obama administration may unwittingly represent a step backward for BP, the Gulf Coast states, U.S. energy policy and environmental approaches to management, rather than a creative step forward into a better future.

"Despite Obama's attempts to link the event to an urgent need to invest in renewable energy, the linkage delivered by him alone did not carry the power to shift the debate. The economy is still fuel-based and little serious opposition to continued offshore drilling can be expected."

Provided by University of Michigan

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