observation.

The definition of reputation loss is the negative perceptions of a group or groups of people towards an entity, and it is important that the expectations of the major stakeholders of a company are clarified, i.e., the investors, customers, employees and the public. Each stakeholder desires different things from a company: investors expect credibility, customers demand reliability, employees require trustworthiness, and the public demands responsibility; these factors are the components of a company’s reputation (Fombrun, 1996). These expectations must be achieved to avoid loss of reputation. Table 7 lists the identified reputation loss indicators of the factors that lead to negative perceptions among stakeholders in the selected major onshore pipeline accident case studies, as reviewed previously.

5. Conclusion

This article has successfully reviewed selected previous explosion events and convincingly shows that a pipeline owner’s reputation is jeopardized due to the impact of the accident on their stakeholders, as the stakeholders’ expectations could not be achieved. Hence, the pipeline owner undergoes loss of reputation. The reputation of a company is related to the stakeholders’ expectations. The expectations of stakeholders differ depending on their concerns regarding a company. This article has extensively discussed and reviewed the expectations of each type of stakeholder of a company based on their interests. These expectations are the indicators of the fluctuation of a company reputation; a company that achieves stakeholders’ expectations improves its reputation, and vice versa.

From this article, reputation loss factors are identified through an in-depth review of 30 case studies of major oil and gas onshore pipeline failure events that occurred within the past 50 years (1965–2014). This 50 year period of time was selected due to the rarity of pipeline failure events; however, while the probability of occurrence is small, the impact is profound. The identification of reputation loss indicators of onshore pipeline damage reported during the past 50 years was accomplished by the event study method; 30 cases that met the requirements of major onshore pipeline accidents stated by the International Association of Oil and Gas Producers (OGP) (2010) were chosen and elaborated. Thirty factors were identified as indicating the influence of negative perceptions of the stakeholders on the company’s reputation loss after an accident. These reputation loss factors may help a pipeline operator maintain the company’s reputation in the event of pipeline failure by focusing on the most influential factors. Thus, prioritization of the factors is highly recommended in future research, and the analytic hierarchy process (AHP) is suitable for that purpose (Zardasti et al., 2015). This approach is predicted to reduce the impact of reputation loss and produce a comprehensive consequence assessment of onshore pipeline damage. Simultaneously, optimized pipeline inspection and maintenance frequency can be introduced, consistent with the requirements of a comprehensive Pipeline Integrity Management Program (PIMP), to provide safe, secure and cost-effective pipeline operations.

Acknowledgment

The author gratefully acknowledges the support provided by the Malaysia Ministry of Education [grant number 4F530].

References


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